



Nationaler  
Normenkontrollrat

Initiative:

# Effective Administration – Future-Proof State

Recommendations for a sustainable modernisation – during  
crises but also in everyday life

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## Table of Contents

<b>I. Summary .....</b>	<b>1</b>
<b>II. What we are taught by crises.....</b>	<b>4</b>
<b>III. What we perceive in everyday life .....</b>	<b>6</b>
<b>IV. What must be done on the whole .....</b>	<b>9</b>
<b>V. What should be done in particular? .....</b>	<b>13</b>
A) Audits, stress tests, independent assembly of experts - the inner core of a modernisation agenda .....	13
1. Audits - in order to determine an authority's performance capability and degree of modernisation .....	13
2. Stress tests - in order to check an authority's capability to act in a stress situation .....	14
3. Assembly of experts on "Effective Administration – Future-Proof State" - permanent lobby for the modernisation of the state and the administrative sector, irrespective of the political day-to-day business.....	15
B) Anticipating crises, deciding on the basis of data, improving crisis management .....	16
4. Strategic foresight - anticipating crisis scenarios and development trends and adapting the state's capability to react .....	16
5. Operational Forecast - Anticipating the Course of Crises and Establishing Meaningful Monitoring .....	18
6. Civilian Crisis Mechanism - Crises of National or International Importance Require Predefined Decision-making and Control Structures Analogous to Emergency Mechanisms for States of Tension and Defence .....	19
7. Civilian Manpower Reserve - Offsetting Work Load Peaks With Prepared Personnel Pools and Deputisation Arrangements.....	20
C) Measuring Performance Capability, Promoting Institutional Training, Developing Federal Cooperation Further Based on a Platform – Visualising and Supporting Systemic Development .....	21
8. Benchlearning, Benchmarking, Modernisation Index - You Can Only Control What You Measure. You Can Learn by Comparison. ....	21
9. <i>Stiftung Verwaltungstest</i> (institution tasked with testing administrative services) - Reviewing the Individual Quality of State Services from the Perspective of Persons Concerned and Creating Incentives to Increase Quality .....	23
10. The State as a Platform - Strategic Redirection of the Federal Division of Work and Cooperation.....	24
<b>Annex 1 - Overview of the Common Assessment Framework (CAF) .....</b>	<b>27</b>
<b>Annex 2 – Experience Gained with the Conduct of CAF Self-audits in the Federal Administration.....</b>	<b>30</b>
<b>Literature .....</b>	<b>33</b>

## I. Summary

Modern societies depend on smart laws, an appropriately structured community and a well-functioning administration. This is especially true for democratic, constitutional societies which are characterised by a state system that is complex and hedged in by numerous procedures. For the acceptance of democratic institutions does not only depend on the citizens' understanding of their freedom-guaranteeing, public welfare enhancing purpose. **Lasting approval also depends on the actual quality and effectiveness of the politico-administrative system.** What is meant is its ability to live up to the daily needs and demands of citizens and companies, to foster prosperity and social equality but also to overcome crises successfully. To cut a long story short: Without smart policy-making and an efficient administration, there will be no sustainable success.

Exactly this was the trademark of the Federal Republic of Germany over decades. Based on the Prussian state and administrative reforms of the 19th century and purified from the totalitarian years of doom of the 20th century, Germany gained a constitution and a constitutiveness that have been a guarantee for freedom, prosperity and social progress – as well as a role model for many other countries – for a long time. Even today, Germany is still envied for its administrative system and its balanced political system, which has a stabilising effect and which is rather geared to reasonable compromises.

This **image of a well-organised and well-governed country is now showing visible cracks**, however. Despite a relatively good overall balance in the past few years, the Corona crisis and, already previously, the refugee crisis have shown that Germany is struggling with **structural, systemic challenges** that start becoming a problem not only in times of crisis but also in everyday life. In a crisis, things become evident which with increasing frequency also give cause for concern in "normal" times: Germany *is* too complicated and it *thinks* and *acts* in a way which is too complicated.

The price of its complicated nature is high, not only in financial terms. **Inefficient and ineffective structures** do not only necessitate the use of a disproportionately high number of resources. Wherever structural shortcomings can no longer be compensated by money or by the **great commitment of public servants and volunteers**, the effectiveness and quality of government measures will suffer. The ensuing discontent with administrative authorities is reducing the trust in the state and in politics – a strategic resource that must not be underestimated.

In order to be able to durably stand the test in crises, in global competitions and also in everyday politics before the eyes of the citizens, politicians and administrative personnel must devote **more attention to structural issues** – even if these issues are often perceived as strenuous and do not promise visible success in the short term. Recently at least the willingness to carry out reforms seemed to grow – especially as the start of the forthcoming legislative period will offer a particularly good opportunity to undertake fundamental reforms. But beware: Previous crises have shown that the time window for reforms closes more quickly than expected after the end of a crisis and that the willingness of politicians and administrative authorities to carry out reforms quickly decreases.

Even if politicians may be willing to undertake reforms at a specific point in time, experience shows that their attention is rapidly absorbed by current politics. From the point of view of the National Regulatory Control Council (Nationaler Normenkontrollrat – NKR), **reforms** must not only be carried out in isolated cases but must be of a **systemic nature**. They must reach down to the structural and cultural roots of administration and firmly establish a much greater orientation towards effects and citizens there. For this purpose, **general mechanisms and incentives** are required which become engraved in everyday politico-administrative life in

such a way that a **certain momentum** can be achieved and a **sustainable cultural change** be initiated. For only when reform processes become as self-sustaining as possible and can take place without the permanent and special attention of politicians, will they be sustainable.

Following its mandate to advise the Federal Government on the reduction of bureaucracy and on how to simplify legislation and administration, the NKR wishes to provide some food for thought but also to formulate specific recommendations for courses of action with this position paper. The latter are based on events experienced during the refugee crisis which were closely followed by the NKR and which in some cases have repeated themselves during the Corona crisis. They are also based on the NKR's many years of experience in the field of legislation and on its intensive observation of the non-performing administrative digitalisation.

The overall **10 recommendations** focus on a triad of measures which are intended to launch a modernisation movement, encourage stronger self-reflection of administrative authorities, speed up institutional learning and initiate a continuous improvement process:

- **Audits** for the self-reflection and evaluation of the performance capability of authorities during routine duties
- **Stress tests** for determining the capability of authorities and affiliations of authorities to act in a stress situation or a crisis situation
- An **independent council of experts** which closely observes audits and stress tests and acts as a continuous admonisher with regard to the modernisation of the state and the administrative sector

In addition, proposals as to the preparation for and the management of crises will be presented:

- Improved capabilities for **strategic foresight** and an **operational forecast**
- Initiation of a **civilian crisis mechanism** and strengthening of the German Federal Office of Civil Protection and Disaster Assistance
- Establishment of a **civilian manpower reserve**

Finally, supplementing proposals will be made which are intended to strengthen the already emphasised principle of a systemic approach. They include:

- **Benchmarking** and modernisation indexes
- Mechanisms for an external, **civil-society quality control** of state services
- Strategic further development of the federal division of work according to the principle: "**the state as a platform**"

The motivation for such a modernisation approach is not only to become more capable of taking action in times of crisis or to prevent negative developments in everyday life. It is equally important to pursue the positive vision of a state which

- plans with foresight, acts understandably and communicates clearly;
- acts quickly, competently and pragmatically;
- protects reliably, helps actively, and
- is clearly structured, approachable and uncomplicated.

Despite manifold criticism: By international comparison, Germany still has a strong public sector. For this to remain like that and in order to be able to put into practice the positive vision of effective administrative authorities and of a state which is fit for the future, **courageous reforms** and the commitment to a **new statecraft** are required.

## II. What we are taught by crises

Since the turn of the millennium, Germany again and again had to struggle with crisis situations which were perceived as quite existential and which presented a massive challenge to politics, administration and society:

- Crisis of the labour market and the social welfare state (Germany as the "sick man of Europe") in 2002 and the following years
- Financial and euro crisis in 2009 and the following years
- Refugee crisis in 2015 and the following years
- Corona crisis since 2020

Common to all these crises is that Germany has, by international comparison, overcome them relatively well – although the self-perception was often different. The reason for this is Germany's responsible overall politics, the commitment of its public servants and of the numerous volunteers performing honorary duties but especially the many billions of euros which could be invested in crisis management again and again thanks to Germany's strong economic power. On the one hand, this financial power offers Germany considerable leeway for crisis management. On the other hand, it induces those in charge to postpone required structural reforms. A lot of money does not always help much, especially not if scarce resources such as staff, refugee shelters or masks are required. Above all, it does not lead to more efficient structures and does not provide sustainable solutions. This is particularly fatal if the money runs out sometime and if there is a lack of personnel.

While the labour market reforms and partly also the reform efforts after the financial and euro crisis are considered to be a quite good example of profound structural reforms despite subsequent criticism at some newly created bureaucracy, the refugee crisis and the Corona crisis have revealed structural challenges in the federal multi-level state which have been addressed only rudimentarily so far. When commentators speak of "organisational failure" with regard to the refugee crisis and of "state failure" with regard to the Corona crisis, it becomes obvious to what extent and fundamental nature the deficiencies are/were perceived.

A comparison of the two crises shows similarities which imply general challenges – including implications for coming crises as well as for "everyday state routine":

- **Insufficient cross-level crisis management:** During both the refugee crisis and the Corona crisis, all administrative levels of the Federal Republic of Germany were affected. Responsibilities, financial resources, personnel and data, i.e. the assets required for managing the crises, were distributed among the federation, the Federal States ("Länder") and the municipalities and had to be coordinated with much effort. Proven structures for cross-level crisis management did not exist; they were established in a makeshift fashion and were only insufficiently suited for crisis management.
- **Lack of clarity and binding force:** This led to uncertainties and deficiencies with regard to the control of countermeasures – there was a lack of orientation and mechanisms for a clear functional and political strategy development, but also a lack of a binding force of the measures deemed necessary. Even more than for the refugee crisis, these findings are true for the Corona crisis during which crisis management measures were mainly decided by the Minister Presidents' conference. The impression was gained that the politicians were able to negotiate about the correctness and/or necessity of individual measures at their discretion and that it was possible to deviate regionally from the obligation to implement the measures. It was only in the spring of 2021 that this negotiation mechanism was replaced by a federal statutory regulation. Similarly, useful

measures such as the establishment of anchor centres were regionally implemented to very different extents or not at all during the refugee crisis; equally, the implementation of the asylum law and the law on residence, which were modified several times during the crisis, was marked by great regional variance. During both crises, this regional variance exceeded the necessary and proper degree of a regionally useful "customisation" and often created the impression of federal particularism.

- **Lack of standards and systems for a fast data exchange:** In the interaction between the authorities of the federation, the Federal States and the municipalities, the lack of common standards and systems for a fast data exchange was particularly problematic. It was not possible to register the number, status and whereabouts of the refugees in a uniform way and to exchange these data electronically between the authorities involved; equally, the local public health offices and laboratories did not manage to report daily updated infection numbers and test results to the Robert Koch Institute. Despite intensive efforts to find solutions for these technical problems in the course of both crises, this has been successful only to a limited extent so far. The same is true for the attempts of the state to make Corona relief payments with as little bureaucracy as possible and, at the same time, to avoid misuse.
- **Lack of data and insufficient effectiveness control:** Beside the problems of data collection and cross-level data exchange by the authorities, there was also a lack of broad accompanying scientific research during both crises. The politicians were only insufficiently able to take decisions based on systematic surveys and to evaluate the effectiveness of measures. As a consequence, there was a certain political blindness and a cacophony of views, superficial knowledge and populist demands.
- **Insufficient foresight:** It became obvious during both crises that the politicians and administrative authorities were not sufficiently prepared although neither crisis scenario was completely improbable and indications were available (refugee waves early in the 1990s; pandemic forecast scenario from 2012). Strategic foresight remained insufficient despite warnings and cautions. No preparatory measures were derived from them; equally, no accompanying forecasts were made after the respective crises had manifested themselves. During both crises, the politicians tied each successive bundle of measures relatively late and in some cases too late although the course of the crises and their phases were relatively clearly foreseeable.
- **Insufficient administrative digitalisation:** Even more than the refugee crisis, the Corona crisis has shown the small extent to which the public sector in Germany is digitalised. Although it was possible to achieve selective improvements at short notice by employing many resources, the underlying structural deficit still remains. There is no sustainable digitalisation strategy which focuses on standardisation, open interfaces and an orderly diversity as part of a smart architectural framework instead of prescribing uniform software products which suit practical requirements and local circumstances to a limited extent only.
- **Insufficient manpower reserves:** Where there is a lack of digital processes and tools, manpower resources will remain tied up in an unproductive manner and will be missing for crisis management at the decisive point. Both during the refugee crisis and the Corona crisis, the affected areas depended on an increase in and the reallocation of staff as well as on the support provided by the Bundeswehr. None of the affected authorities/agencies were prepared for such a staff augmentation. A positive point to note is the cooperation between the Federal Office for Migration and Refugees (BAMF) and the Federal Employment Agency (BA), which helped each other out with manpower during the respective crisis.



### III. What we perceive in everyday life

What the crises described here show as if seen through a magnifying glass, can also be perceived in the daily routine of the state and the administrative authorities. The performance of the public sector does no longer sufficiently live up to the expectations of the people and to the challenges of an interconnected world. Germany is dissatisfied with itself and dissatisfied with:

- complicated coordination and decision-making structures,
- rules and regulations which are difficult to understand and in some cases contradictory,
- unclear responsibilities and overstrained authorities,
- complicated administrative services and lengthy bureaucratic processes.

Especially in comparison with the private service sector, the large degree to which administrative authorities still act with a supply-oriented attitude becomes clear. In addition, there is a high degree of functional division of work within the administrative authorities which divides cohesive life circumstances into isolated "silos of responsibility" which must each be processed individually. Citizens and companies must follow the guidelines of the administrative authorities and find their way in the authorities' branched structures – not vice versa. The obstacles to interaction are high and orientation difficulties are grave. As a consequence, citizens do not take advantage of state services or are unable to cope with specific requirements.<sup>1</sup> The same is true for companies, which are even more affected as they interact with administrative authorities more often. Scientists speak of an "autonomous reduction of bureaucracy"<sup>2</sup> when excessive demands lead to the situation that state rules can no longer be observed.

Bureaucratic rules, structures and behavioural patterns do not only involve unnecessary efforts and reduce the effectiveness of state measures. They also result in unwanted uncertainty, discontent and frustration and – at the end of the day – also in a loss of confidence in politics and the state.

Moreover, they endanger the economic development in Germany. The establishment of companies already requires much effort, their durable management requires even more effort. This does not only reduce the rate of start-ups as such. What is more, bureaucratic procedures also hamper investment activities of existing companies. If planning and approval procedures drag on for years, production sites cannot be built, installations cannot be modernised and infrastructure projects cannot be implemented. If company founders increasingly seize the opportunity to found a company online in Estonia or if innovation investments rather flow into other countries, prosperity will soon be generated elsewhere. The global competition between systems is intense. The effectiveness and efficiency of the governmental system is a decisive site factor and crucial for the success of the innovation power of a national economy.

The degree of effectiveness and efficiency also determines to which extent the state is able to master complex challenges. Such challenges do not only include acute crises and the generation of sustainable prosperity but also long-term transformation processes, e.g. digitalisation, climate change or education, and even processes which we do not yet recognise as disruptive developments at present. When creeping crises turn into acute crises, it is too

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<sup>1</sup> Cf. study of the Ifo Institute for Economic Research: "*Die Auswirkungen der bedarfsorientierten Grundsicherung auf das Verhalten der Haushalte*" (The Effects of a Need-Oriented Basic Subsistence Income on the Behaviour of Households)

<sup>2</sup> Cf. study of the Institute for Research on Medium-Sized Enterprises: "*Bürokratiewahrnehmung von Unternehmen*" (Enterprises' Perception of Bureaucracy)

late. We therefore need a state which is able to identify developments, plan with foresight and initiate structural changes in due time and persistently. In an accelerating world, the responsiveness and adaptability of politics and administrative authorities must increase considerably. A prerequisite for this is a higher degree of preparedness to learn and to change on the part of individual actors but also on the part of the overall politico-administrative system.

Although these ambitions exist and the political will is noticeable, its inherent cultural and structural principles impair the ability of the federal German administrative system to implement reforms. This puts reform-minded politicians just as the general public to the test. Experts, too, warn that the state's ability to provide services and to take action will even decrease in the future as a large personnel gap is noticeable due to age-related retirements and as there is a lack of important specialists in the public service now already. Once the economic situation deteriorates, the financial resources will decrease as well. Where inefficiency can no longer be compensated by money and personnel, the effectiveness and quality of state measures suffer doubly. The public sector must become more efficient in order to remain effective. The public service will therefore have to manage with less personnel in the future – while facing growing demands. This will be possible only through structural reforms, more digitalisation and automation as well as a different personnel development approach.

Such structural changes will cost money. Required investments and restructuring measures are dodged because of mistaken thrift which is often claimed to be economic efficiency. Things come in dribs and drabs instead of being done in a big way. This is often the case when there is a lack of strategic foresight or when it is not possible to adequately convey the long-term benefit of certain investments and structural changes.

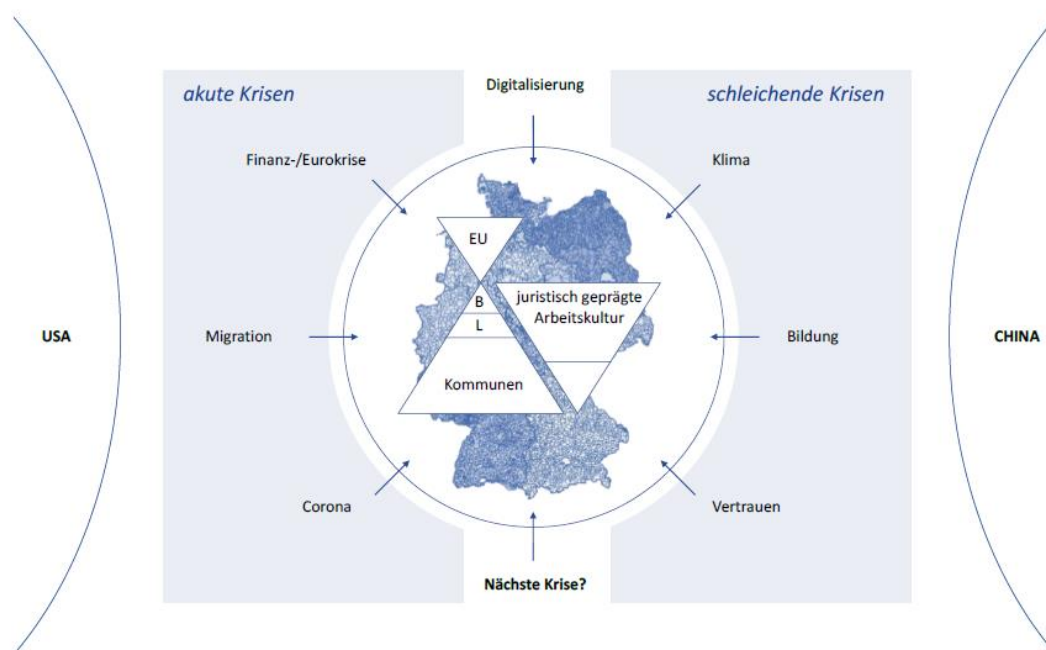


Fig. 1: Germany has an exposed position in the world. The governmental and administrative quality is a decisive site factor. Is Germany's public sector fit for the new challenges?

USA	USA
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akute Krisen	Acute crises
Digitalisierung	Digitalisation
Finanz-/Eurokrise	Financial/euro crisis
Migration	Migration
Corona	Corona
nächste Krise?	Next crisis?
Vertrauen	Trust
Bildung	Education
Klima	Climate
schleichende Krisen	Creeping crises
juristisch geprägte Arbeitskultur	Legally oriented work culture
EU	EU
B	Fed
L	States
Kommunen	Municipalities
CHINA	CHINA

## IV. What must be done on the whole

In an interconnected world, crises quickly take on a global scope. After the financial crisis, euro crisis and refugee crisis, the Covid-19 pandemic is the fourth major emergency situation in the past 10 years. Already now the following is clear: It will not be the last crisis and Germany will continue to face major challenges given its export-based prosperity and its exposed, openness-based and interconnection-based position in Europe and the world. Effective crisis management requires foresighted and fact-based governance as well as an efficient, crisis-proof and digital administration. The aim must therefore be to establish resilient (i.e. adversity-proof) structures and processes which function effectively and efficiently even when a situation deviates from the normal state. This is not only important in order to ensure the state's capability to take action in times of crisis but also, as part of a democratic system of government, to be able to durably stand the test in everyday politics before the eyes of the citizens and to provide companies with favourable site conditions for global competition.

In the past, politicians have tackled reforms in a rather selective way and not until the pressure had become excessive and the crisis had already started. Where the willingness to carry out genuine structural and cultural reforms existed, the most sustainable success could be achieved. A look at the private sector shows the crucial significance of the willingness to make such fundamental adjustments. In the private sector, structural and organisational issues are matters of survival. Those who do not act in a customer-oriented and demand-oriented way, who do not choose an appropriate staff composition and who do not work efficiently, lose customers and drop out of the market. The public sector follows other principles, especially where it acts sovereignly while applying the state monopoly on the use of force, i.e. where it enforces obligations and prohibitions. Especially as a state can exert pressure and interfere with the actions of citizens and companies, a special legitimation and freedom-guaranteeing control through laws and through the judicial verifiability of state directives are required. In this respect, bureaucracy that is oriented towards public welfare and based on the rule of law is a civilisational achievement. Bureaucracy becomes a problem, however, if this "basic programming" turns into a permanent basic attitude and produces mediocre results, whether it be during the daily administrative routine, e.g. in the context of the administration of benefits and services, or during a crisis when fast and pragmatic action is required. As a monopolist with a strong commitment to the rule of law, a strong internal division of work and a strict delimitation of competences, the public sector is, above all, supply-oriented and develops its services from a dissected and often formalistic perspective which mainly focuses on responsibilities and lawfulness. Citizens and companies must accept public services the way they are. Usually there are no alternatives.

One can learn and draw general conclusions from both observations:

- Politicians should dedicate more attention to structural and cultural issues, which are often perceived as strenuous. As they themselves cannot do this constantly in everyday political life and on a long-term basis and as they cannot leave it to the administrative authorities alone either, they must find a way to provide the modernisation issues which have a cross-cutting impact with an effective institutional embodiment. They require permanent lobbying and sufficient financial and personnel resources.
- A reform agenda should not only focus on isolated changes<sup>3</sup>, but especially on a general, systemic and culture-changing approach. It is important to initiate a durable, self-

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<sup>3</sup> It is nevertheless important that also ambitious reform agendas for individual political areas should be formulated. See the proposals of the NKR for faster planning, approval and legal procedures as well as the expert report "*Möglichkeiten zur Beschleunigung verwaltungsgerichtlicher Verfahren über Vorhaben zur Errichtung von Infrastruktureinrichtungen und Industrieanlagen*" (Possibilities of Speeding Up Administrative Court Proceedings Pertaining to Projects for the Construction of Infrastructure Facilities and Industrial Installations).

supporting process of reflection and improvement which has an impact on all areas. The public sector requires yardsticks which are more result-oriented and a system which fosters more demand and result orientation. At the same time, mechanisms and incentives are needed which have a similarly stimulating and disciplinary effect as the competition in the private sector – without, however, blindly copying the principles existing there and repeating undesirable developments to which also the private sector is not immune.

The National Regulatory Control Council (NKR) has already outlined some elements of such an approach after the refugee crisis<sup>4</sup> and has further specified them in the past few years. These elements can be allocated to three basic modernisation areas. All three areas interact closely and are mutually dependent. Together they form the pillars of modern governance and can be the basis of a new statecraft:

- Digital administration and data-driven governance
- Good legislation and laws suitable for digital use
- Effective administration, future-proof state

The NKR has already published various expert reports and formulated recommendations regarding the areas of digitalisation and legislation. The expert reports will only be mentioned and not be further discussed here<sup>5</sup>:

- Experts' digitalisation reports on the topics of "E-Government in Germany: From Descent to Ascent" and "Ways of Achieving Success", "More Services for Citizens and Enterprises: Digitalise the Administration. Modernise Registers.", and "The Service Handbook for Service Standards"
- Monitoring of the digital administration
- Expert report "Contents First, Legal Paragraphs Second. Shaping Laws Effectively and Suitably for Practical Purposes"
- Expert report "Digital Administration Requires Digitally Compatible Laws –The Modular Income Term"

This document therefore focuses on the third field of action: Effective administration, future-proof state. 10 recommendations are provided which are subdivided into three fields of action.

**Field of Action A** comprises the core of the recommendations and a triad of measures which are intended to launch a modernisation movement, encourage stronger self-reflection of administrative authorities, speed up institutional learning and initiate a continuous improvement process:

- An independent council of experts is expected to devote themselves to structural issues concerning the modernisation of the state and the administration. The council is intended to be provided with a general mandate and to become a permanent admonisher of a continuous and ambitious modernisation process.
- In addition, there will be a system consisting of audits and stress tests which regularly reviews the effectiveness of the administrative authorities and compares it with the target

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<sup>4</sup> Cf. "Anmerkungen zur Rechts- und Verwaltungsvereinfachung: Schlussfolgerungen aus der Flüchtlingskrise für die Handlungs- und Zukunftsfähigkeit von Staat und Verwaltung" (Observations on Simplifying Legislation and Administration: Lessons Learned from the Refugee Crisis for the Capacity to Act and for the Sustainability of the State and the Administration)

<sup>5</sup> All expert reports of the NKR are available at [www.normenkontrollrat.bund.de](http://www.normenkontrollrat.bund.de), see also [www.gute-gesetze.de](http://www.gute-gesetze.de)

standard of a modern, digitally working administrative authority. First, this would allow the council to enter into a direct exchange with the administrative authorities. Secondly, existing strengths of administrative authorities could be improved systematically and identified weaknesses be addressed – before the next crisis occurs or daily shortcomings turn into a crisis.

**Field of Action B** comprises proposals as to the preparation for and the management of crises:

- Improved capabilities for strategic foresight and an operational forecast
- Initiation of a civilian crisis mechanism and strengthening of the German Federal Office of Civil Protection and Disaster Assistance
- Establishment of a civilian manpower reserve

In **Field of Action C**, supplementing proposals will finally be made which are intended to strengthen the already emphasised principle of a systemic approach. They include:

- Benchmarking and modernisation indexes
- Mechanisms for an external, civil-society quality control of state services
- Strategic further development of the federal division of work according to the principle: "the state as a platform"

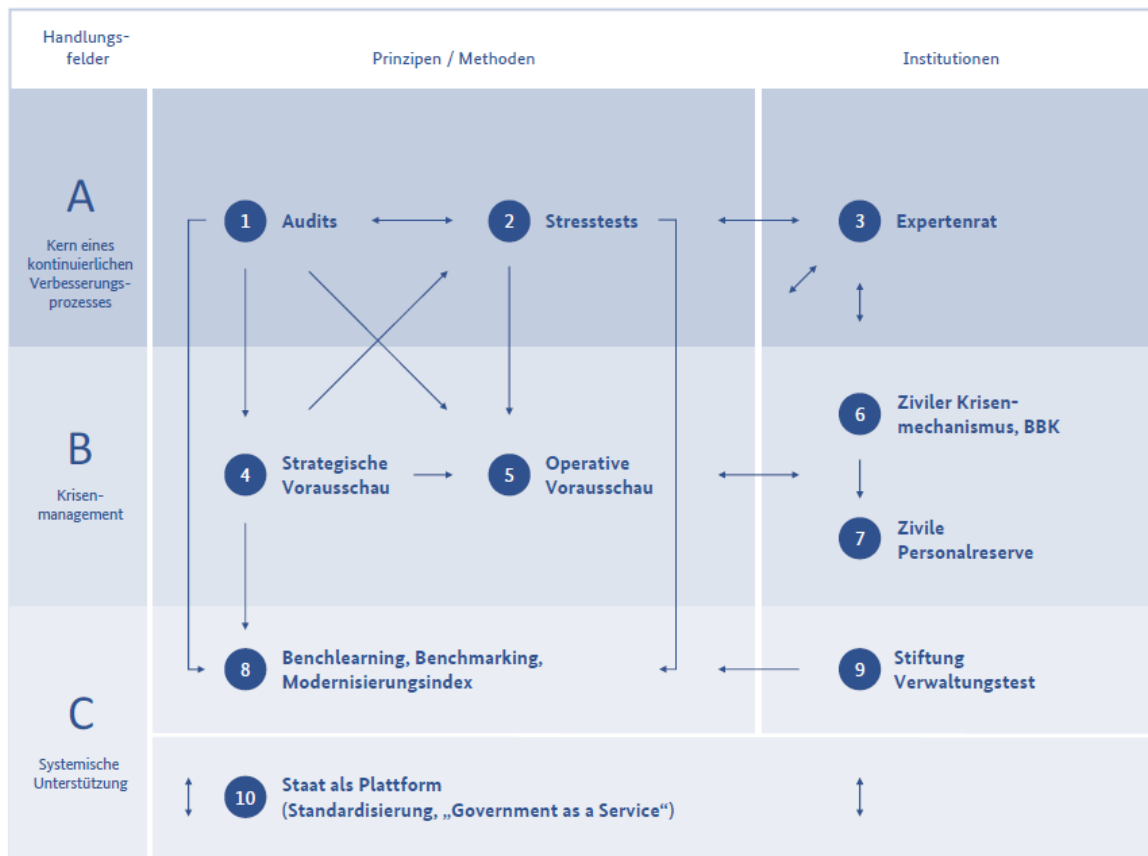


Fig. 2: Fig. 2: Elements of the initiative "effective administration, future-proof state". (Arrows represent relevant interrelations between fields of action and individual recommendations.)

Handlungsfelder	Fields of action
Prinzipien / Methoden	Principles/Methods
Intuitionen	Institutions
Kern eines kontinuierlichen Verbesserungsprozesses	Core of a continuous improvement process
Krisenmanagement	Crisis management
Systemische Unterstützung	Systemic support
Audits	Audits
Stresstests	Stress tests
Strategische Vorausschau	Strategic foresight
Operative Vorausschau	Operational forecast
Benchlearning, Benchmarking, Modernisierungsindex	Benchlearning, benchmarking, modernisation index
Staat als Plattform (Standardisierung, „Government as a Service“)	State as a platform (standardisation, "government as a service")
Expertenrat	Council of experts
Ziviler Krisenmechanismus, BBK	Civilian crisis mechanism, Federal Office of Civil Protection and Disaster Assistance
Zivile Personalreserve	Civilian manpower reserve
Stiftung Verwaltungstest	<i>Stiftung Verwaltungstest</i> (institution tasked with testing administrative services)

The main principles and elements of the "effective administration, future-proof state" initiative are shown in Figure 2 and are described in detail in the following chapters. It is important to the NKR to emphasise that the individual recommendations are closely connected and mutually dependent. The aim is to initiate a process of self-reflection within administrative authorities which is intended to improve the effectiveness and robustness of individual authorities and even of the overall state system. Driven by an independent council of experts and supported by scenario analyses and improved planning data, the administrative authorities are intended to better prepare themselves for future developments and crises and to increase their effectiveness during daily routine as well. It is intended to make necessary changes more transparent and to speed up institutional learning by means of audits, stress tests and benchmarking.

The recommendations are mainly directed at the German government. The proposals can also be of interest for the Federal States and the municipalities, however. The greatest effect would be achieved if the implementation comprised all administrative levels and was jointly driven forward by the federation, the Federal States and the municipalities.

In this document, issues such as the composition, remuneration, development and management of personnel as well as the introduction of new, more agile working methods and of more project-oriented authority structures which are less strongly divided into silos will not be discussed in more detail. These topics are already dealt with by other institutions who place a particular focus on the development of digital competences in the public sector.<sup>6</sup> The NKR, too, deems it absolutely necessary to invest in digitally competent personnel who are composed in an interdisciplinary way, have an affinity for project management and can work in an appreciating environment with a positive "culture of mistakes", good leadership and creative leeway. The NKR stresses that such trust-oriented, capability-oriented and intrinsically motivating personnel development measures are very important.

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<sup>6</sup> See, for example, at [work.4germanv.org](http://work.4germanv.org), [dit.bund.de](http://dit.bund.de), [next-netz.de](http://next-netz.de), [aualifica-digitalis.de](http://aualifica-digitalis.de), [egov-campus.org](http://egov-campus.org), [teachingpublicservice.digital](http://teachingpublicservice.digital)

## **V. What should be done in particular?**

### **A) Audits, stress tests, independent assembly of experts - the inner core of a modernisation agenda**

#### **1. Audits - in order to determine an authority's performance capability and degree of modernisation**

It is recommended to conduct audits for relevant Federal authorities on a regular basis. The purpose is to determine their efficiency during routine duties and to identify the concrete need for modernisation.

The focus may be, inter alia, on the following central aspects:

- Orientation to demand: How does an authority guarantee that its customers within or outside the public sector are satisfied with its services and that the customers' needs are met in the best way possible?
- Strategic capability: Are organisational goals clearly formulated? Is orientation to demand a part of them? Are decisions clearly oriented towards these goals? Are effectiveness control processes available?
- Effective structuring of public sector bodies: Is the structuring of public sector bodies for effective work subject to review? Are the roles and responsibilities of staff members and executive personnel clearly defined?
- Personnel: Have specialist and executive personnel the necessary capabilities to implement the goals of the authorities? Is the leadership culture suited for achieving the goals of the authorities? Is there any strategic personnel planning taking into account the demographic development?
- Level of digitalisation: What is the organisation's level of digitalisation? Where can new digital offers for staff members or citizens be provided? Is the IT equipment commensurate with the tasks, flexible and scalable?

"Common Assessment Framework" (CAF) as a methodological framework which is internationally widespread and in individual cases already applied also in Germany is worth considering (cf. Annexes 1 and 2). CAF is a quality management tool for the public administration which has been developed in the wake of European cooperation. It makes self-audits possible and thus provides a very easily accessible approach for an authority to autonomously identify its situation. It highlights both strong points and potential for improvement. CAF audits are conducted on a regular basis in order to be able to measure changes and to support a continuous improvement process. CAF also provides for an additional assessment of self-audit results by independent and specially trained CAF experts. In this way, authorities can be awarded CAF quality labels.

CAF is well adaptable to the context of the respective authority. It can be assumed that there will be different focal points depending on the task area of an authority. Furthermore, CAF does not generate 'hard' performance indicators, instead it checks whether such indicators are existing and/or helpful in the relevant context. In order to be able to improve the comparability between authorities, it seems, however, reasonable to determine common points for examination and, where appropriate, to provide for concrete performance indicators which need to be as comparable as possible.



In the course of the introduction and the continuous development of such an approach, a target standard for a modern authority should be defined. This standard could serve as a positive concept which could be included in the mission statements of the authorities and could encourage executive personnel and staff members to commit to a common development goal and motivate them in a positive way. Audits could then be used to correlate the as-is situation of each authority with the target standard. It is also conceivable that audits will later be extended to proper Land and local authorities, social security entities and other organisations of indirect administration under the precondition that CAF structures which had already been available at the federal level but then were removed due to their political loss of priority will be re-established and developed.

The CAF centre established in the meantime with the Kommunale Gemeinschaftsstelle (KGSt) (Local government association for municipal administration) should, however, be maintained to work along Land and local lines.

Reference is made to the recommendations below, among others:

- No. 3 - Assembly of experts: It will publish its opinion on each audit's results and will elaborate reform proposals for each authority which the Federal Government will comment on.
- No. 8 - Benchlearning: Audit results should be used by the administrative authorities to learn from one another.
- No. 8 - Modernisation index: Audit results should be included in a modernisation index in an aggregated form.

## **2. Stress tests - in order to check an authority's capability to act in a stress situation**

Whereas audits can reveal the basic structure of an authority during routine duties and initiate a continuous process of (self) improvement, stress tests serve similar checks - but under reinforced conditions. The objective is to find out how long an authority will be able to cope with specific stress situations. How long will it be able to render normal or limited services under stress? When will it no longer be able to render any services?

Although stress tests can take very complex forms (scenario-based approach, multi-actors environment), a very simple form could be chosen in a first step. The relevant Federal authorities (cf. Annex 2) should simulate the extent to which they are able to cope with an increase in "the demand for their services" by 30% (e.g. short-time allowance, asylum procedures, cyber attacks). The stress test could be widened to include the question as to when (indication of the percentage) we do refer to excessive stress or failure.

More concrete stress test scenarios could be developed at future stages. These stress test scenarios are not arbitrary but a function of scenario analyses based on established scientific evidence and principles as well as of the strategic foresight methods. Stress tests could correspond to real simulations in the field similar to those seen in disaster relief and military exercises. However, they can also be simulated on the basis of data, as is the case in the field of financial supervision.

Through a combination of audits and stress tests, information can be collected to see which strategic changes concerning both the individual authority and the administrative system or compound system consisting of authorities will be necessary.

Reference is made to the recommendations below, among others:

- No. 3 - Assembly of experts: Stress tests should be closely observed by the assembly of experts.
- No. 4 - Strategic foresight: Stress tests should be oriented towards crisis scenarios provided by the strategic foresight.
- No. 8 - Benchlearning: Stress test results should be used by the administrative authorities to learn from one another.

### **3. Assembly of experts on “Effective Administration – Future-Proof State” - permanent lobby for the modernisation of the state and the administrative sector, irrespective of the political day-to-day business**

For the lasting success of a “modern state, efficient administration initiative” we need an institution which, irrespective of the political day-to-day business and the intrinsic logic of the administration, focusses on structural issues of the modernisation of the state and the administrative sector, in addition to clear political definitions and programme resources within the direct governmental organisation. Similar to the National Regulatory Control Council in the area of bureaucracy reduction and better regulation, an independent assembly of experts should be established for the modernisation of the state and the administrative sector and be given a statutory review mandate. This is the only way to create a permanent lobby for this demanding and in the long run maybe even unwelcome issue.

The assembly of experts is to advise the Federal Government on the modernisation of the state and the administrative sector and publish its recommendations in reviews and expert reports. The assembly should particularly focus on the effectiveness and efficiency of individual authorities, but also on the administrative system as a whole. Its main operational function should be to enter into a systematic, critical and constructive dialogue with authorities and the Federal Government. In this context, it should closely observe and monitor the audits and stress tests during their implementation under the responsibility of the authorities. The aim is to initiate a systemic modernisation process and to transfer it into a continuous process of improvement.

The mandate of the assembly of experts should include the following tasks which explicitly help the assembly of experts to reach an intensive exchange with authorities and administrative structures and develop general and sound recommendations:

- Assistance in and independent review of the methodological and procedural fundamentals of audits (on the basis of CAF), stress tests and benchmarking (benchlearning, benchmarks).
- Non-public ex-ante review of audit and stress test projects (assembly of experts can demand that corrective action be taken) as well as providing advice to the implementing agencies; cooperation with the national CAF centre of competence.
- Ex-post assessment of audit and stress test results with the focus being on plausibility and correct methodology; documentation in comments which will become public.
- Responsibility for the methodological fundamentals, preparation and publication of the modernisation index and its sub-indices in cooperation with the Federal Statistical Office.
- Networking with and consultation of experts from politics, the public administration sector, industry, the academic world and the civil society as well as commissioning of

expert reports in order to be able to identify relevant issues of modernisation, to develop new ideas, to evaluate their feasibility and, as a result, to propose concrete measures.

- Submission of expert opinions and annual reports to the Federal Government which must comment on them, subsequent publication and obligation to report to the German Bundestag; assessment of the implementation status of its proposals.

The members of the assembly of experts shall be appointed by the Federal President, acting on a proposal by the Federal Government. It shall be composed of former politicians and high-ranking government officials as well as scientists with administrative expertise. As an alternative, it can consist partly or entirely of members of existing bodies or expert groups. The aim is to pool political, pragmatic and scientific perspectives of modernisation issues in the assembly of experts to ensure both innovation power and feasibility. A secretariat in the Federal Chancellery will be required by the assembly of experts for operational support. It will work independently and will be subject only to the assembly of experts.

Simultaneously, mirroring of programme structures within the Federal Government will be necessary. These structures may be linked with existing responsibilities of the Federal Ministries and authorities. Nevertheless, independent staff resources will have to be provided for the conduct of audits and stress tests.

Reference is made to the recommendations below, among others:

- No. 1 - Audits: Assembly of experts will be involved in conception and assessment and will submit an opinion.
- No. 2 - Stress tests: Assembly of experts will be involved in conception and assessment and will submit an opinion.
- No. 8 - Benchmarking, benchmarks, modernisation index: Assembly of experts will be involved in conception and assessment.
- No. 9 – Stiftung Verwaltungstest: The assembly of experts will cooperate with the Stiftung and will take into account the assessments and analyses provided by the latter in its work.

## **B) Anticipating crises, deciding on the basis of data, improving crisis management**

### **4. Strategic foresight - anticipating crisis scenarios and development trends and adapting the state's capability to react**

The aim of the strategic foresight is to identify future challenges at an early stage. Such challenges may be acute crisis scenarios, but they may also include slow problem developments (creeping crises). Strategic foresight is to consider future scenarios which from today's point of view may be considered improbable, if not downright inconceivable, but may, however, occur. Such a means of foresight, i.e. the systematic analysis and discussion of the future, is to help decision-makers to brace themselves for very different events and scenarios, thus raising awareness of new strategies in order to avoid, at best, unpleasant surprises.

Strategic foresight does not mean to tell the fortune and cannot accurately predict developments (foresight vs. forecast, cf. Chapter 5.4). Strategic foresight is rather about generating plausible scenarios by means of a set of proven methods which have their origins

in international crisis and conflict research<sup>7</sup>, but are increasingly applied in other political areas. The potential of this approach has already been recognised by politics. Individual branches of the Federal Chancellery and several other Federal Ministries are dealing with strategic foresight. The Federal College for Security Studies<sup>8</sup> is the joint centre of competence of the Federal government and executes regular follow-on training activities. Nevertheless, both the approach and the knowledge of methods are not yet widespread in the Federal Administration. The unavailability of a systematic link to federal-owned departmental research and the strategic policy directorates of the Federal Ministries is particularly obvious. For only when results of a strategic foresight process are taken into account, they will become critical for decision-making and relevant to any action. The current Corona crisis demonstrates this very clearly: The “report on the risk analysis in civil protection 2012” of the Federal Government, which bears the title “Pandemic through Virus Modi-SARS”, describes a comparable crisis scenario. However, the relevant conclusions were not drawn. When the scenario actually occurred in 2020, Germany was insufficiently prepared for this crisis.

It is recommended to use the crisis scenarios provided by strategic foresight for modelling the above-mentioned stress tests. With reference to the crisis scenario already developed in 2012, it is highly likely that, in doing so, it could have been identified when and at which concrete points the public health system would be overburdened (e.g. lack of masks, not enough capacity to manufacture vaccines, slow reporting and overburdened health offices). If the stress test had been extended to further areas of life and political areas, it might have been discovered that the payment of economic aids could not be quick and, at the same time, secure enough. As a result, contingency plans could have been adapted, strategic reserves constituted and other precautionary measures taken.

It is obvious that the state and the administrative authorities cannot prepare for any crisis scenario to the same extent. It is therefore all the more important to systematically practice strategic foresight in various political areas and to pay attention to common patterns and general needs when comparing the scenarios. This can provide a good basis for investing proactively in such structures, procedures and preventive strategies that can react as flexibly as possible to very different scenarios. This strategic capability, which should not just be limited to crisis prevention, but also to the identification of development opportunities, must even more than now become the very core task of the Federal Ministries and comprises more than has been hitherto done by the political planning divisions.

Reference is made to the recommendations below, among others:

- No. 1 - Audits: Audits should review the ability of an authority to carry out strategic foresight processes.
- No. 2 - Stress tests: Stress tests should be oriented towards crisis scenarios resulting from the strategic foresight.
- No. 5 - Operational forecast: Crisis scenarios provided by the strategic foresight should formulate requirements for prognostic capabilities and necessary data.

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<sup>7</sup>A well-known example is the World Risk Report which determines the vulnerability of a society on the basis of its exposure to global risks and its capacity for crisis prevention and management; see <https://weltrisikobericht.de/english>.

<sup>8</sup>See <https://www.baks.bund.de/de/aktuelles/strategische-vorausschau-vom-szenario-zum-krisensicheren-handeln>

## **5. Operational Forecast - Anticipating the Course of Crises and Establishing Meaningful Monitoring**

Crisis scenarios that have been developed as part of a strategic foresight process show an unavoidable vagueness. The concrete form of a crisis does not become apparent until it occurs. At that point, the scope for possibilities will narrow down very much, and predictions of the probable course of the crisis are quite possible. At the beginning of the refugee crisis and the Corona crisis, it was already foreseeable through which phases they would probably pass. Nonetheless, politicians and administrative authorities seemed to have difficulties in preparing themselves early for the future sticking points of crisis management. Forecasting took place to a limited extent only. Admittedly, politicians followed the rough “hammer and dance” scenario (hard lockdown, targeted follow-up measures)<sup>9</sup>. Even so, the impression was gained that measures were only prepared or taken at a time when they had been long overdue. In the intent of an accompanying forecast or “decisions and concepts as a means of foresight”, courses of crises should be properly thought out right from the beginning, and preparations for future phases should be made in good time.

Good predictions and comprehensible reasons for measures are only possible with suitable course models and meaningful data. Politicians and administrative authorities should therefore do their utmost to develop, either at the beginning of a crisis or even in preparation for it, scientifically sound course models or to have them developed by a team of experts appointed by the government. The course models should be publicly communicated and subjected to a scientific peer review. At the same time, the data required need to be collected and made available in real time, if possible. A fitting preparation system is required to ensure that data are available to a sufficient extent and in the required quality (e.g. the time and type of vaccination figures to be expected in order to verify incidence forecasts).

This depends, among other things, on the performance capability of the data communication systems. During the refugee crisis and the Corona crisis, these systems did not meet the requirements - and in some aspects they do not even meet them today (see for example Central Register of Foreigners / Federal Office for Migration and Refugees / aliens registration offices, incidence rates / RKI / public health offices). As a general consequence, all data communication systems should be checked for speed and quality and modernised wherever they have to function across different administrative boundaries or levels, irrespective of the area of politics.

Where important factors of a course model are unclear, thus limiting the forecasting capability (e.g. the number of potential family members that would enter Germany in case of subsequent migration of family members, transmission rates in schools and shops), they have to be clarified as soon as possible with targeted empirical studies that are conducted on a scientific and independent basis and commissioned by the government. It is recommended to massively invest in systematic and continuous accompanying scientific research as soon as a crisis occurs to make more evidence-based and well-substantiated political decisions and to facilitate the timely evaluation of their effectiveness. In order to make appropriate capacities available in the short term, suitable agreements should be reached, in particular with government-sponsored research facilities.

This applies equally to the day-to-day business of politicians and administrative authorities. A lack of data will result in bad planning and uninformed decisions. Evidence-based action requires meaningful and up-to-date data. Data-driven government should therefore be

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<sup>9</sup>See <https://www.bmi.bund.de/SharedDocs/downloads/DE/veroeffentlichungen/2020/corona/szenarienpapier-covid19.html>

systematically promoted and become a core capability for work at ministries and authorities - especially for the preparation and effectiveness control of laws.

Reference is made to the recommendations below, among others:

- No. 1 - Audits: Data availability and paths for data acquisition should be reviewed by means of audits
- No. 2 - Stress tests: Data transmission should be tested under stress
- No. 4 - Strategic foresight: Required data and reporting chains should be identified and defined with foresight
- No. 6 - Civilian crisis mechanism: Course models and situational information should be assessed by a professional crisis management staff

## **6. Civilian Crisis Mechanism - Crises of National or International Importance Require Predefined Decision-making and Control Structures Analogous to Emergency Mechanisms for States of Tension and Defence**

The refugee crisis and the Corona crisis have shown up that an overarching crisis management is required. In both cases, crisis management staffs had to be established without the possibility to fall back upon existing, let alone proven structures. Especially during the Corona crisis, the Federal Government refrained from integrating the Federal States in the Federal crisis organisation. Coordination took place at the political level within the framework of the Conference of Minister Presidents (Ministerpräsidentenkonferenz - MPK). Inevitably, it was a political assessment perspective that prevailed at that level. A professional technical assessment of situational information and resulting measures was possible to a limited extent only. Being a political negotiation body, the MPK pursues the logic of a sometimes deliberately celebrated contrast between the Federal Government and the Federal States and the consequent negotiation of political compromises. These agreements were no binding provisions, and the Federal States implemented them differently, following their own political assessment. The late decision of the Federal Government to replace the MPK negotiations by federal regulations shows the insight that the MPK, being a political coordination body established for other purposes, is not suited for developing binding guidelines for crisis management in quick succession.

A civilian crisis mechanism for emergency situations affecting the whole of Germany is required. To this end, provisions need to be established that are analogous to the amendments to the Basic Law regarding emergency legislation in states of tension and defence, as they were made in the late 1960s. The provisions below are required, among others:

- Splitting of competences between Federal Government and the Federal States and between the parliament and the government
- Procedure for the determination and limitation of a crisis situation, that is “activation” and adaptation of the predefined decision competences to the specific crisis
- Organisation of control mechanisms, committees and financial matters
- Development of options for deviations by the Federal States and municipalities for local fine tuning of general guidelines
- Procedure for the review and termination of emergency powers
- Obligation to have the constitutional and derived non-constitutional regulations and practical execution measures regularly reviewed by a court

- Obligation to regularly exercise the procedures contained in the crisis mechanism
- Establishment of a civilian manpower reserve

Apart from legal provisions, a modernisation of the German Federal Office of Civil Protection and Disaster Assistance (Bundesamt für Bevölkerungsschutz und Katastrophenhilfe - BBK) is required. The reforms that have already been initiated should aim in particular at

- strengthening the BBK in respect of strategic foresight,
- integrating it in the development and conduct of stress tests of other authorities,
- defining required data and establishing efficient reporting chains,
- providing an organisational basis for crisis management staffs led by the Federal Government,
- designing and coordinating the establishment of a civilian manpower reserve and
- designing and conducting regular exercises for the civilian crisis mechanism and specific crisis scenarios deploying the civilian manpower reserve.

Reference is made to the recommendations below, among others:

- No. 2 - Stress tests: Stress tests can be conducted as inter-agency crisis exercises or field tests in order to review not only the performance of a specific agency, but the performance of a combined system of agencies, including superior crisis management structures
- No. 4 - Strategic foresight: develops plausible crisis scenarios resulting in requirements for the development and periodic update of a civilian crisis mechanism
- No. 7 - Civilian manpower reserve: will be regulated by law and coordinated by the BBK

## **7. Civilian Manpower Reserve - Offsetting Work Load Peaks With Prepared Personnel Pools and Deputisation Arrangements**

As a rule, the requirement for specific state contributions increases in crisis situations. Individual central authorities like the Federal Office for Migration and Refugees (Bundesamt für Migration und Flüchtlinge - BAMF) or the Robert Koch Institute as well as smaller local administrative bodies like the immigration or health authorities are responsible for these contributions. An immanent part of a crisis is the fact that emerging work load peaks cannot be offset by the authorities concerned. In this case, digitalisation can help to take the pressure of valuable manpower resources regarding administrative tasks and to increase productivity. However, a crisis still cannot be mastered without a speedy increase of manpower.

Manpower requirements in the refugee crisis and the Corona crisis were mainly met by the Bundeswehr. However, this was sometimes unwelcome and caused bureaucratic problems regarding accommodation, food and liability. The cooperation of the BAMF and the Federal Employment Agency (Bundesagentur für Arbeit - BA) can be taken as a positive example. After BA staff had supported the BAMF during the refugee crisis, BAMF staff checked applications for short-time allowance, a service that was much sought after during the Corona crisis.

A civilian manpower reserve is useful for the speedy offset of work load peaks, but so far it has been existing in this form to a limited extent only (e.g. the Federal Technical Emergency Service, large-scale police operations). It is conceivable to establish a general personnel pool,

consisting of administrative staff from all levels who can be employed on demand at short notice for other tasks and without compromising the sending authority. It would be particularly useful to identify bi- or trilateral representation options where it can be assumed that the request for the respective services will be asynchronous. Factors that are crucial for success should be clarified in advance, like the technical connection or accommodation for additional staff, their qualification, but also funding.

Reference is made to the recommendations below, among others:

- No. 4 - Strategic foresight: can show areas where overstress situations can arise and where manpower resources may become available due to the crisis
- No. 1 - Audits: should contain checking points for the quality of the “operational continuity management”
- No. 2 - Stress tests: should check whether or to what extent work load peaks can be offset by balancing manpower and how short required activation or preparation times are
- No. 6 - Civilian crisis mechanism: The Federal Office of Civil Protection and Disaster Assistance should coordinate civilian manpower reserve and mutual representation options

### **C) Measuring Performance Capability, Promoting Institutional Training, Developing Federal Cooperation Further Based on a Platform – Visualising and Supporting Systemic Development**

#### **8. Benchlearning, Benchmarking, Modernisation Index - You Can Only Control What You Measure. You Can Learn by Comparison.**

Audits and stress tests as such are important instruments for self-reflection and the support of a systematic improvement process within an organisation. The institutional learning process can be intensified by comparing the audit results among authorities and facilitating an exchange on good practices. The aim of benchlearning for authorities is to be able to compare their audit results, thus getting an honest determination of their position. If their performance is not so good in certain categories, they can learn from other authorities with better results. Comparability requires standardized categories and indicators that need to be defined on an interagency basis.

While performance comparisons within the framework of benchlearning are not public, thus offering a protected area for exchange, it might be useful to make the results public to a certain extent. Such benchmarks are explicitly provided for in Article 91 (c) of the Basic Law. In individual cases, Federal States already exchange performance indicators, and rankings are being prepared. A nation-wide comparison of individual territorial entities or authorities is less common. In the opinion of the NKR, benchmarks that are accessible to the public should be conducted more frequently. This enhances the willingness to learn and to embrace change, and it helps politicians and the public to get a more realistic picture of the public sector's performance capability. When balancing out qualitative and quantitative assessment criteria, it has to be observed, though, that a formalistic fixation on indicators should be avoided. In that case, there is a danger that authorities focus so much on indicators that false incentives might be given and other important decision criteria are neglected.

Indicators that may be aggregated throughout Germany to form individual performance indicators can be derived from internal as well as from public benchmarks. Individual performance indices can be combined to form compound indices. The aim should be the



development and publication of such compound indices for specific strategic issues. A modernisation index could publicly display the developmental status and the changes over time, thus helping to attract permanent political attention. This modernisation index can build on existing indices and enquiries at short notice. These include e.g. the life situation interviews conducted by the Federal Statistical Office and the Digital Economy and Society Index (DESI) of the EU. In this context, it would be recommendable to prepare a detailed modernisation index for each Federal State. The life situation interviews conducted by the Federal Statistical Office offer this option already, but until now they have been published only in an aggregated form throughout Germany.

Finally, it is advisable to reach comparability with other nations and to learn from international good examples. If other countries reach better results than Germany in certain aspects, the reasons should be systematically fathomed. At the same time, international comparisons can show one's own strong points and strengthen the certainty to be on the right track regarding modernisation. The "International Civil Service Effectiveness (InCiSE) Index" is an example for an international benchmark where Germany was mid-table and got place 19 out of 38 countries in 2019. Interesting detail: Germany ranked last in the individual category "Crisis and Risk Management"!

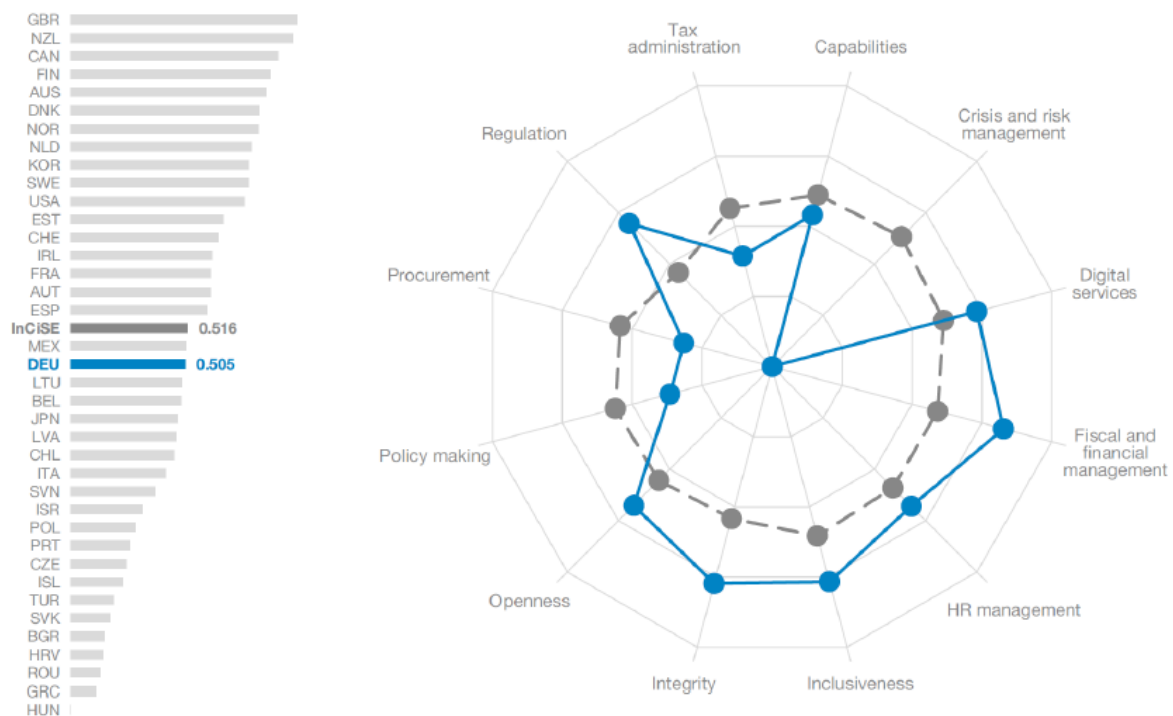


Fig. 3: Germany on rank 19 in the 2019 "International Civil Service Effectiveness (InCiSE) Index".

Reference is made to the recommendations below, among others:

- No. 1 - Audits: Results are used for benchlearning and benchmarks
- No. 2 - Stress tests: Results are used for benchlearning
- No. 3 - Panel of experts: accompanies the conduct of benchlearning and benchmarks, is involved in the preparation, publication and evaluation of the modernisation index

- No. 4 - Strategic foresight: identifying control indicators to get an indicator system for (crisis-like) developments

**9. *Stiftung Verwaltungstest* (institution tasked with testing administrative services)  
- Reviewing the Individual Quality of State Services from the Perspective of Persons Concerned and Creating Incentives to Increase Quality**

It can be assumed that a general interest in an effective state and modern administration exists. However, this interest is often rather vague and only relevant in the event of major crises where the public sector plays an important part in overcoming them, or if deficiencies in the everyday contact with administrative authorities cause frustration. However, these individual impressions intensify rarely to a degree creating an actual pressure for action on the administrative authorities and the political sector. At elections, the public and the politicians often give priority to political subject topics like social issues and the environment. The quality of administration, a cross-cutting issue, is traditionally of no importance.

In order to give more importance to the modernisation of the administration in the public debate and to encourage politicians and administrative authorities even more to pay greater attention to the quality and addressee friendliness of their services, it is helpful to establish a civil society agency that deals with this subject. The establishment of a *Stiftung Verwaltungstest*<sup>10</sup> (institution tasked with testing administrative services) is suggested, which reviews the quality of state services from the perspective of persons concerned and creates incentives for a higher orientation to demand and quality improvement. The comparison with *Stiftung Warentest* (a German consumer safety group) is intended, the manner of operation should be similar, and it should comprise the items below:

- Review of administrative services or situations of interaction with administrative authorities, e.g. with own tests (“mystery shopping”) or systematic interviewing of citizens and enterprises
- Development and support of an assessment platform for state services, the contents of which are comparable with assessment platforms for private and public services (e.g. jameda, yelp, National Health Service UK etc.)
- Awarding of quality labels
- Scientific evaluation of test activities, derivation of general recommendations for the qualitative improvement of administrative services, preparation of publications and initiation of expert dialogues
- Independent public relations work

Reference is made to the recommendations below, among others:

- No. 1 - Audits: Test and assessment results of the *Stiftung Verwaltungstest* should be taken into account for the conduct of audits
- No. 8 - Benchmarks and modernisation index: Test and assessment results of the *Stiftung Verwaltungstest* could be published as benchmarks and be incorporated in the modernisation index

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<sup>10</sup>See proposal at Bogumil/Kißler (1997)

- No. 3 - Panel of experts: The panel of experts should take assessments and analyses conducted by the *Stiftung Verwaltungstest* into account; both organisations should cooperate closely

## **10. The State as a Platform - Strategic Redirection of the Federal Division of Work and Cooperation**

Germany is a federation. The distribution of responsibilities, decision-making authority and means of production for the execution of government tasks is de-centralized. This basic structure, laid down in the Basic Law, is primarily designed to comply with two requirements:

- an additional freedom-guaranteeing, executive separation of powers with independently legitimated and capable structures
- government structures that are more in line with the specific challenges on site and decentralized responsibility and accountability (subsidiarity, responsibility)

Germany's experience with this decentralized approach is positive. "Persons taking care" in the regions commit themselves on their own responsibility to solve the problems of people and enterprises on site. They do not wait for directions or ready-made solutions coming from the federal or state capital. The resulting diversity facilitates different approaches and a competition of ideas. Thus, the resilience of the overall system is also strengthened.

If everybody acts independently, though, diversity may lead to chaos. This is especially the case if cooperation is to be effected across territorial entities and administrative levels, and partial services in individual responsibility finally need to fit together. Digitalisation shows with particular clarity the extent of the problems that arise from a lack of fitting accuracy of IT systems in the administrative daily routine. If individual software solutions as well as entire IT systems are developed differently and separately in several regions, a very heterogeneous IT landscape emerges, providing only limited options for speedy and uniform developments, scaling of good solutions and pooling of resources. IT experts, who are a scarce resource anyway, are scattered throughout Germany, professional expertise can develop to a limited extent only and cannot develop high effectiveness due to decentralisation. Everyone struggles as best one can. Fast developments at the quality level of other states or even the private sector can hardly be managed that way. The escalating shortage of personnel and experts in the public sector additionally aggravates the problem.

This is especially true for administrative digitalisation, but it can also be noticed in other areas. Excessive compartmentalization and complex diversity are at the cost of performance capability, professionalism and performance quality of government tasks, impede cooperation and increase communication and transaction costs.

In view of cash-strapped coffers, scarce manpower resources and increased demands, a strategic readjustment of the federal division of work is required in order to stay efficient and stable in the long term. Former attempts to increase performance capability with regional reorganisation measures or centralization efforts had a limited effect only. It is far more promising to see digitalisation as a tool that can be used to reorganise the division of work, i.e. to make it citizen-friendly and at the same time location-independent. The local understanding of problems and decision authority shall be maintained, but politicians and administrative authorities should be able to choose from a supraregional or even nation-wide (if applicable) range of solutions for their choice of solutions and means of production.

Related to digitalisation, this means that e.g. standardized IT solutions can be used that are not procured and operated as own hardware and software and maintained by own expert

personnel anymore. Instead, it should be possible to procure IT solutions as so-called “Software as a Service” from the “Cloud” (highly professional, standardized operating environments) throughout Germany in a very easy and low-threshold manner. Distribution platforms can support the communication and selection of such IT services. In their function as marketplaces, they do not only facilitate orientation and procurement, but at the same time they manage specific, complex common tasks (e.g. establishment of contract and license terms, data protection review, technical standardisation).

The advantages of these platform approaches are sufficiently well-known from the IT world. Platforms assist in massively reducing transaction, development and operational costs. They specify standards, facilitate orientation and support a fast distribution of developments and scaling. This principle can also be applied outside the IT world and transferred to different contexts of government tasks. If modularized services in the back offices of administrative authorities, in service centres or in specific pools could be rendered and made available both in a highly specialized and standardized manner, it would not be necessary for every authority to have its own structures, procedures and resources in place. Furthermore, administrative authorities would be flexible in their choice of solutions and able to change them readily, thus benefitting easier from good developments.

More cooperation in the Federal State via platforms and the performance of government tasks along the lines of “Government as a Service” will offer great opportunities:

- Decentralized responsibility and creative diversity can be maintained.
- Government structures can become more professional, efficient and resilient.
- State services can be rendered quicker, less expensive and with higher quality.
- It will be easier to give common tasks an overriding position by “placing them outside the brackets”.

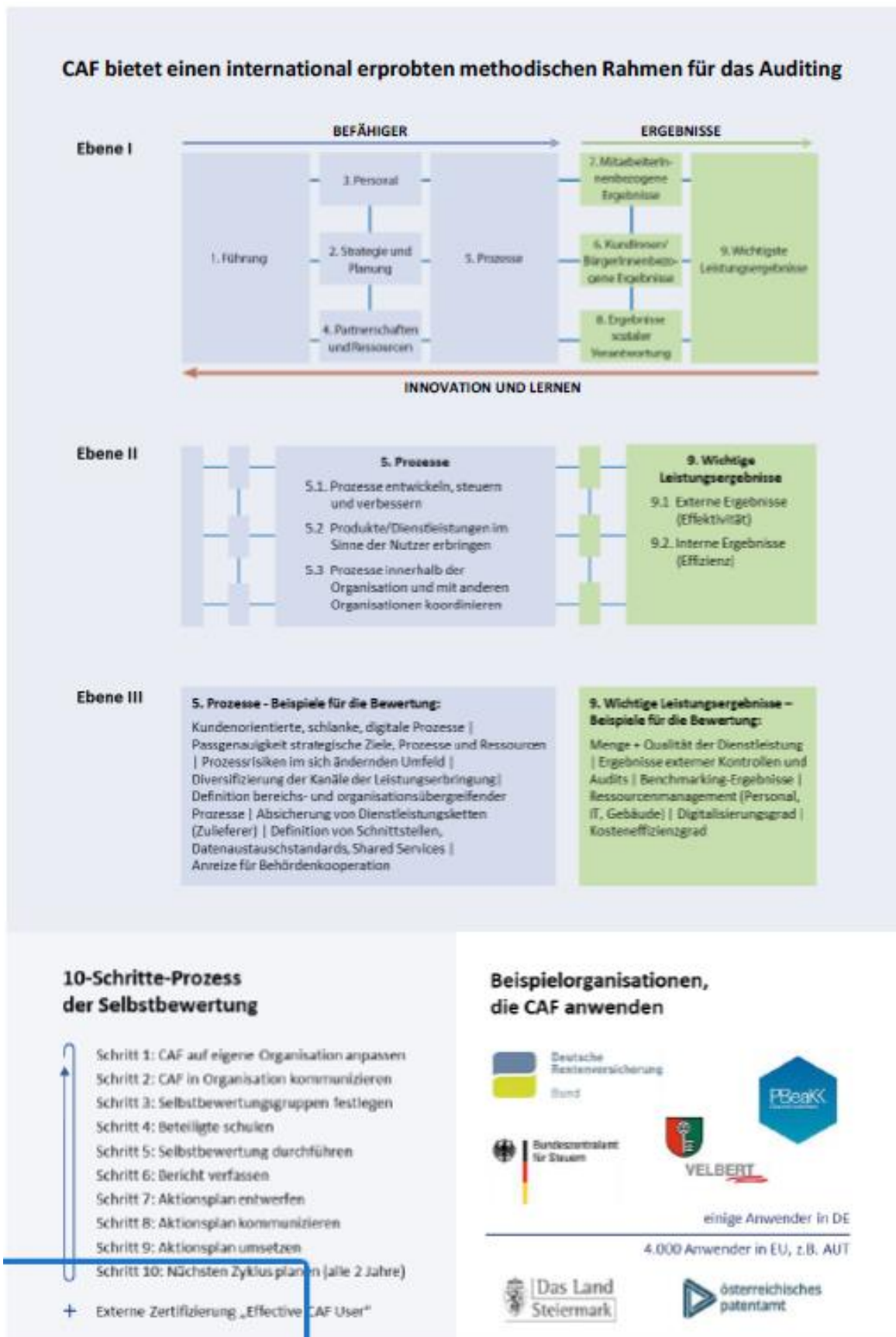
A key concern of the so-called “Dresdner Forderungen” (Dresden requirements) is to reconsider the federal distribution of tasks and to redefine the subsidiarity principle. With these requirements, several municipalities advocate a different organisation of obligatory government tasks that are performed by order of the Federal Government and do not offer much creative scope. These and any similar discussions on the federal distribution of tasks should take into account the platform-based approach of “Government as a Service” described above as a strategic principle.

Reference is made to the recommendations below, among others:

- No. 1 - Audits: can check the extent to which authorities are obliged to render administrative and IT services themselves and to have means of production in place, or where outsourcing or cloud or pool solutions are reasonable
- No. 2 - Stress tests: can visualize the speed of development and distribution capability of crisis management measures from which requirements for government platforms can be derived
- No. 6 - Civilian manpower reserve: could be designed and operated as a “Government as a Service” solution
- No. 8 - Benchmarking, benchlearning: can visualize to what extent the effectiveness and efficiency of the performance of tasks can be improved by “Government as a Service” solutions



# Annex 1 - Overview of the Common Assessment Framework (CAF)



CAF bietet einen international erprobten methodischen Rahmen für das Auditing	CAF provides an internationally tried and tested methodological framework for the auditing process
Ebene I	Level I
BEFAHIGER	ENABLER
Führung	Management
Personal	Personnel
Strategie und Planung	Strategy and planning
Partnerschaften und Ressourcen	Partnerships and resources
Prozesse	Processes
ERGEBNISSE	RESULTS
MitarbeiterInnenbezogene Ergebnisse	Staff-oriented results
KundInnen/BürgerInnenbezogene Ergebnisse	Customer- / citizen-oriented results
Ergebnisse sozialer Verantwortung	Results of social responsibility
Wichtigste Leistungsergebnisse	Most important performance results
INNOVATION UND LERNEN	INNOVATION AND LEARNING
Ebene II	Level II
Prozesse	Processes
Prozesse entwickeln, steuern und verbessern	Develop, control and improve processes
Produkte/Dienstleistungen Im Sinne der Nutzer erbringen	Render products/services in the interest of the users
Prozesse innerhalb der Organisation und mit anderen Organisationen koordinieren	Coordinate processes within the organisation and with other organisations
Wichtige Leistungsergebnisse	Important performance results
Externe Ergebnisse (Effektivität)	External results (effectiveness)
Interne Ergebnisse (Effizienz)	Internal results (efficiency)
Ebene III	Level III
Prozesse – Beispiele für die Bewertung:	Processes - examples for the assessment:
Kundenorientierte, schlanke, digitale Prozesse	Customer-oriented, lean, digital processes
Passgenauigkeit strategische Ziele, Prozesse und Ressourcen	Fitting accuracy of strategic goals, processes and resources
Prozessrisiken im sich ändernden Umfeld	Process risks in a changing environment
Diversifizierung der Kanäle der Leistungserbringung	Diversification of the channels for service provision
Definition bereichs-und organisationsübergreifender Prozesse	Definition of interdisciplinary and inter-organisational processes
Absicherung von Dienstleistungsketten (Zulieferer)	Securing of service supply chains (supplier)
Definition von Schnittstellen, Datenaustauschstandards, Shared Services	Definition of interfaces, data exchange standards, shared services
Anreize für Behördenkooperation	Incentives for the cooperation of authorities
9Wichtige Leistungsergebnisse – Beispiele für die Bewertung:	Important performance results - examples for assessment:
Menge + Qualität der Dienstleistung	Quantity and quality of service
Ergebnisse externer Kontrollen und Audits	Results of external checks and audits
Benchmarking-Ergebnisse	Results of benchmarking
Ressourcenmanagement (Personal, IT, Gebäude)	Resource management (personnel, IT, buildings)
Digitalisierungsgrad	Level of digitalisation
Kosteneffizienzgrad	Level of cost efficiency

10-Schritte-Prozess der Selbstbewertung	10-step-process of self-assessment
Schritt 1: CAF auf eigene Organisation anpassen	Step 1: Adjust CAF to own organisation
Schritt 2: CAF in Organisation kommunizieren	Step 2: Communicate CAF in organisation
Schritt 3: Selbstbewertungsgruppen festlegen	Step 3: Determine self-assessment groups
Schritt 4: Beteiligte schulen	Step 4: Train persons involved
Schritt 5: Selbstbewertung durchführen	Step 5: Conduct self-assessment
Schritt 6: Bericht verfassen	Step 6: Prepare report
Schritt 7; Aktionsplan entwerfen	Step 7: Develop action plan
Schritt 8: Aktionsplan kommunizieren	Step 8: Communicate action plan
Schritt 9: Aktionsplan umsetzen	Step 9: Implement action plan
Schritt 10: Nächsten Zyklus planen (alle 2 Jahre)	Step 10: Plan next cycle (every 2 years)
Externe Zertifizierung „Effective CAF User“	External certification “Effective CAF User”
Beispielorganisationen, die CAF anwenden	Organisations applying CAF
einige Anwender in DE	Several users in DEU
4.000 Anwender in EU, z.B. AUT	4,000 users in EU, e.g. AUT



## **Annex 2 – Experience Gained with the Conduct of CAF Self-audits in the Federal Administration**

The Common Assessment Framework (CAF) is a quality management tool for the public administration that has been developed in the wake of European cooperation. CAF is a tool for an authority's self-audit that is repeated on a regular basis in order to measure changes. CAF shows strong points and potential for improvement, thus serving the implementation of a continuous improvement process. CAF has been further developed within the European CAF network since 2000. The last development was effected in 2019/2020. The German version of the CAF 2020 model has been published recently by the Austrian CAF Centre. The CAF network also organises advanced training and defines the conditions for awarding CAF quality labels that are awarded by specially trained CAF label experts (so-called CAFFEX).

CAF is regularly used in many countries throughout Europe (more than 4,000 CAF users). Key countries are Italy, Poland, Belgium and Hungary. Austria has conducted approximately 280 CAF projects so far, the emphasis of the application being on the city of Vienna, the Federal Ministry of Finance, the state of Styria and the Austrian "Bezirkshauptmannschaften" (cf. administrative districts in Germany). The number of Austrian CAF quality labels is an indicator of the performance management within the framework of impact orientation, which is included in the budget documents.

In 2006, CAF was part of the Federal Government programme "Future-oriented Administration". As a result, Germany had its own CAF centre at the federal level and conducted CAF projects for several years. Due to a missing long-term strategy and lack of funding by the Federal Ministry of the Interior, Building and Community, the Federal Office of Administration has stopped its activities in the meantime. Instead, the KGSt (Kommunale Gemeinschaftsstelle für Verwaltungsmanagement ~ Local Government Association for Municipal Administration) has established a municipal CAF centre.

According to the CAF guideline, a CAF assessment usually takes no longer than five days. During this period, an individual assessment and one or several meetings for consensus building will take place. The vast majority of the organisations have completed the entire CAF application process within three months, including preparation, self-assessment, conclusions and determination of an action plan.

Although CAF is not widely spread in Germany compared to other countries, some examples do exist. The NKR Secretariat has talked to three authorities.

### **Example 1: From the field of social insurance**

Contact: Management of the quality management section

- In 2006, first CAF group with one follow-up meeting, but then petered out
- Following radical organisational changes and strong growth as part of a legally expanded task spectrum, the requirement for a restart was recognized and CAF was conducted again in 2020
- The CAF indicator system was adapted to the demand, moderated group discussions were led by personnel and executives. Subject: Evaluation of the importance and extent of the selected CAF indicators
- When the organisation was contacted, the CAF group had not been evaluated yet, but the overall picture based on the direct impression from the recently completed group

phase was as follows: a common feeling for the organisation has developed between executives and personnel, team spirit and communication in the organisation have been strengthened, a systematic view inside has been reached, painful subjects concerning the organisation were brought up, priority fields of action were identified (where importance was particularly high and the quality/extent of an indicator particularly low)

- In essence: Good starter instrument, cannot be imagined without, repetition after several years to facilitate progress measurement

Upon request, it was confirmed that CAF can be designed for the specific interest to know the survivability of an organisation, and that links to the so-called “business continuity management” exist. Subsequently, another conversation was conducted with the IT security management:

- IT emergency managers (permanent attendance by one person required), standardized documentation of critical systems and processes, emergency plans and emergency exercises (disaster recovery) are important elements
- The organisation was quite far-sighted and able to cope well with the pandemic-caused home office burden
- Methodology has been focused very much on IT so far, is being broadened and planned to result in a cross-process view; plans are also made for cases where IT fails completely and analogue work is required
- Good relationships to other authorities as well as cooperation in several fields exist, but not regarding personnel
- A clear recommendation for every organisation to invest in business continuity, it clearly has to be a task of the management

## **Example 2: From the field of social insurance**

Contact: Management of the quality and process management section

- A large department of an authority (2,000 members of staff) has been conducting CAF assessments of work in the department since 2009; a new group was conducted recently
- The headquarters and all branches are involved; 7 moderated assessment groups, as far as possible representative distribution via the organisation, 70 - 90 persons participate in the assessments
- Groups determine themselves which subject fields, criteria and indicators are considered to be of particular importance; following the assessment, a findings document with an action plan containing improvement measures is prepared
- Instruments that have been introduced following CAF groups: Employee survey, executive survey, strategy paper for the department, process management
- QM manager attended a two-week CAF crash course; she wants a German CAF centre for advice and labels. The KGSt is limited to municipalities, by then only 2 persons had been employed with quality management in the department, in the meantime there are 4 persons (since process management has been introduced)
- The CAF network suggests a 2-year-cycle; the authority increased it to 4 years to facilitate the implementation of measures and let them have an effect
- In essence: In general, CAF promotes the employees' motivation and their feeling to be involved; CAF subject fields and indicators cover the essential elements of good

organisations; during the first group period, every organisation discovers large areas needing improvement; structured view of the own organisation; high acceptance due to self-assessment; staff or management can determine focal points; transparency is increased; no results are also results – if no data on customer satisfaction are available, they have obviously not been collected, which should be done

### **Example 3: Financial administration**

Contact: Staff member of the executive staff

- Authority (2,000 members of staff, 4 sites) has conducted four CAF groups since 2006 and will continue to use CAF in future
- The focus was on leadership and personnel; the introduction of an executive staff feedback was the most important follow-on project
- Substantial support by the site manager: The site management had a twofold understanding of the benefit of the executive staff feedback: 1) Gaining a better overview of the organisation (“What is the personnel’s view of their immediate superiors?”); 2) Interest in feedback on its own role (“What is the view of my heads of department/branch of me?”)
- Development and implementation of a systematic executive staff feedback received external support and were conducted with considerable effort (online questionnaire, a total of 50 workshops, coaching / advanced training offered for executive staff following executive staff feedback)
- Further findings: Development of information and knowledge management; development of controlling; promotion of addressee satisfaction; introduction of project rules; conduct of change management workshops; preparation of a vision statement; preparation of a personnel management concept; preparation of a concept for leadership support

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The National Regulatory Control Council is an independent advisory and control body of the Federal Government set up at the Federal Chancellery. It ensures that the costs imposed by statutory regulations on citizens, businesses and public authorities are shown in a clear and comprehensible manner. This transparency is intended to make the policy-makers in government and parliament aware of the consequences before they make a decision. The aim is the limitation and reduction of unnecessary red tape and statutory follow-up costs. A part of the statutory mandate of the National Regulatory Control Council is to advise the Federal Government on how to simplify legislation and administration and to formulate recommendations for the modernisation of the administrative sector.