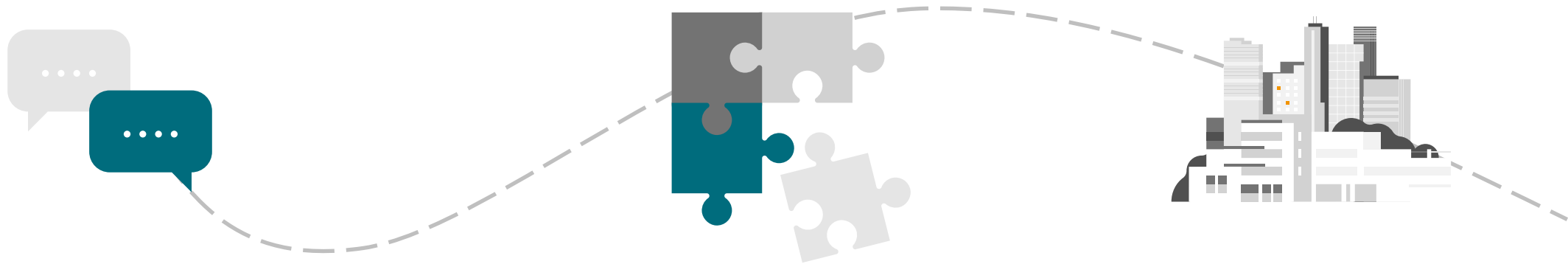


# Experiences of local (and national) governments in managing the crisis

# The crisis revealed flaws but also new approaches in the public sector



While there are **studies** about the public administration in crisis times there are also **insights** from organisations, consulting firms and individual experts in the public sector field.

There is no „**one size fits all**“ approach when it comes to dealing with crisis in the public sector.

It's all about the **individual circumstances** of country, region, sector and history of the organisation. (e.g. what was their approach to digitalisation before the crisis?)

# Insights from the early days of the pandemic are getting validated as the pandemic continues

## Verwaltung in Krisenzeiten

Eine Bestandsaufnahme der Auswirkungen der Corona-Pandemie auf den Öffentlichen Dienst

The study „Verwaltung in Krisenzeiten“ in Germany from *Next:Public* in 2020 reveals that municipalities were the backbone of fighting the crisis to name just one of the 12 findings. All of these early findings into the pandemic are true today.

Mariana Mazzucato and Rainer Kattel (UK) argue in the *Oxford Review of Economic Policy*, V. 36 in 2020 “that to govern a pandemic, governments require dynamic capabilities and capacity—too often missing. These include capacity to adapt and learn; capacity to align public services and citizen needs; capacity to govern resilient production systems; and capacity to govern data and digital platforms.”

## COVID-19 and public-sector capacity



*EY America* had a round table in 2021 with Human resources professionals from five federal and state government agencies. “COVID-19 has served as a catalyst for government and public sector organization to reboot performance management and focus on greater coaching and growth-oriented feedback that will enrich their employees’ experiences and advance their missions.”

*SIGMA* provided a summary in 2020 of “how EU member states and selected OECD countries have managed the COVID-19 crisis initial stage with regard to the functioning of the government and the public administration”. The mapping includes ‘Functioning of the government’, ‘Public service and HRM’, ‘Accountability’, ‘Service Delivery’, ‘Public financial management’ and ‘Public procurement’.

Public Administration: Responding to the COVID-19 Pandemic

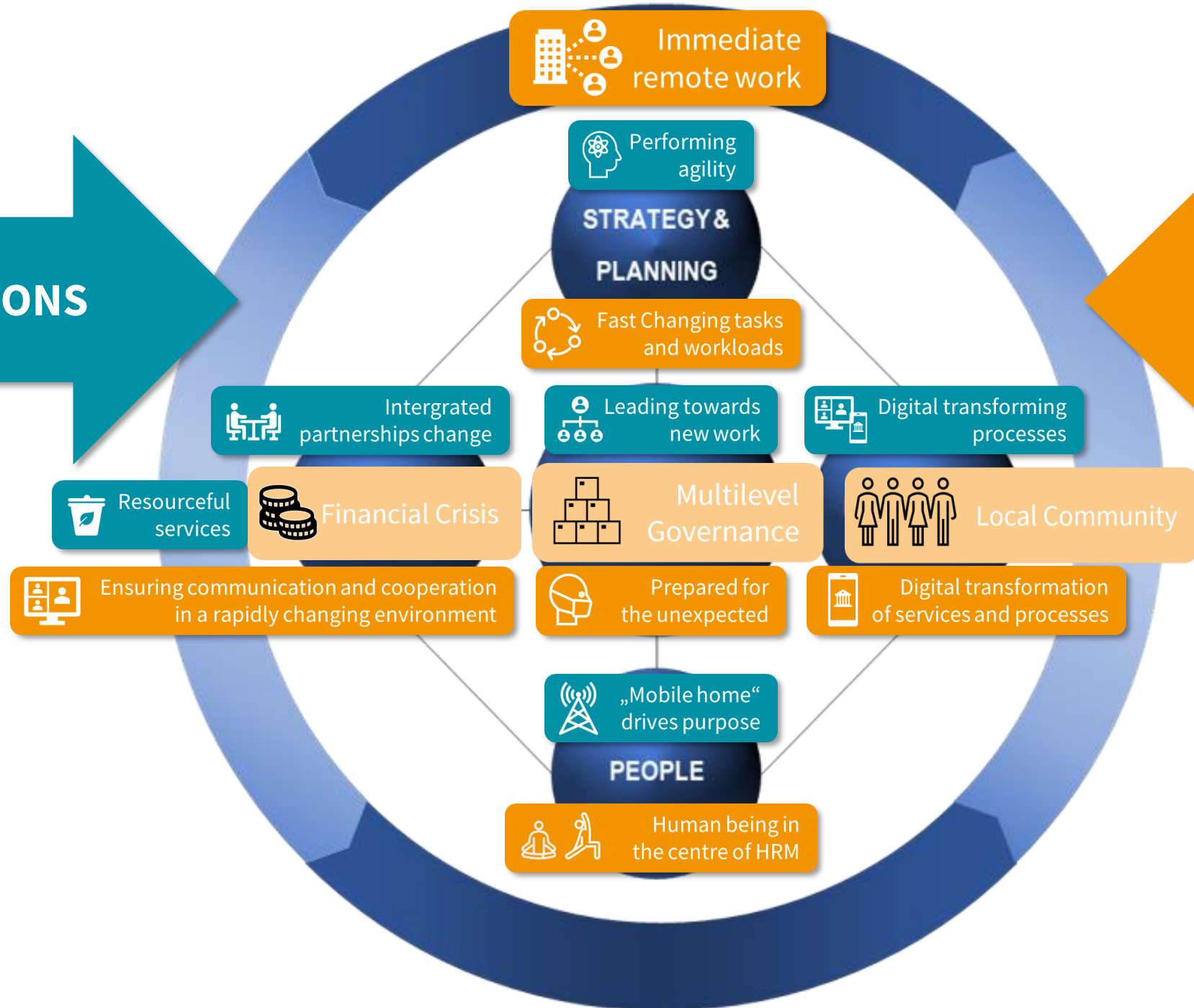
Mapping the EU member states’ public administration responses to the COVID-19 pandemic  
(for EU Enlargement and Neighbourhood countries)

INNOVATIONS



CHALLENGES

INNOVATIONS



CHALLENGES

# Sharp decrease in municipal revenues

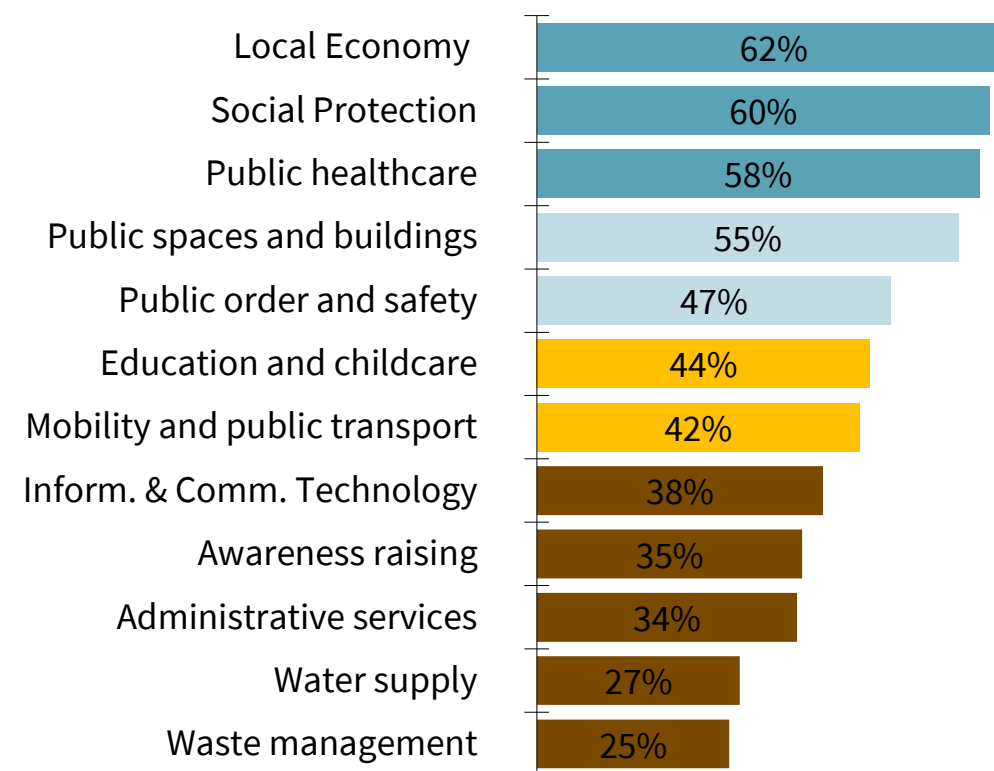


Municipalities	in Mio. Euro	%
Reduction of communal (business) tax	220 to 400	7 to 12 %
Impact on shared tax	800 to 1.200	8 to 12 %
Tourist tax and fees	130 to 170	40 to 50%
Impact on fees	25 to 130	1 to 5 %
Impact on childcare and related fees	30 to 60	20 to 40%
Impact on music shools and related fees	10 to 15	30 to 50%
Reduction of grants	100 to 150	8 to 12 %
<b>Total revenue decline in Mio. Euro</b>	<b>1.300 - 2.100</b>	<b>9 to 13 %</b>
Share of main municipal revenue	<b>9 bis 13 %</b>	

Source KDZ: Municipal Finances Forecast 2020

**For most local governments in Europe Covid19 resulted in a financial crisis**

## Expected challenges for the second half of 2020 and 2021



Functions **expected** to require an increased spending by more than 10% & 20%

Source NALAS, KDZ: South East European Local Governments in Post Covid 19 socio economic recovery



# Sharp increase of municipal expenditures and services



Financial Crisis



Resourceful  
services



Digital transforming  
processes



Performing  
agility

Impact of additional sectoral expenses due to COVID-19 crisis on LRGs budget in 2020

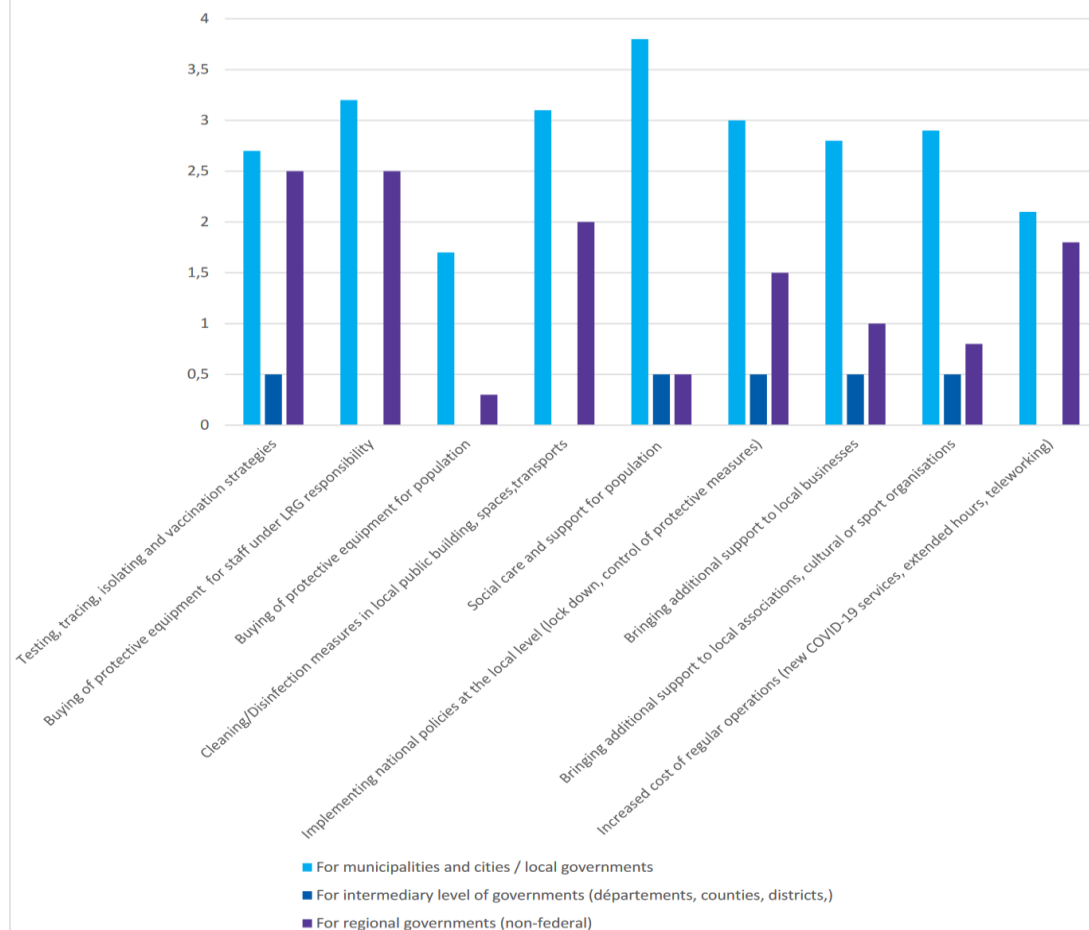


Figure n°1. Associations were asked to rate from 0 to 5 the impact of additional sectoral expenses on the municipal budgets in their country (where 0 means no impact at all and 5 means a very strong impact)

## Reactions of Local Governments

- Temporary closures (e.g. schools, childcare facilities, playgrounds, cultural and sports facilities)
- information and communication
- Coordination of local authorities and other actors
- Ensuring services of general interest, public transport
- Aid packages from the municipalities for the local economy

- Municipal and federal aid packages
- Savings programs in the municipalities
- Local and regional investment programs
- Further development of crisis management

# Coordination between governmental levels



Multilevel  
Governance

## What kind of support did the central and regional governments provided to the local level in your country in 2020?

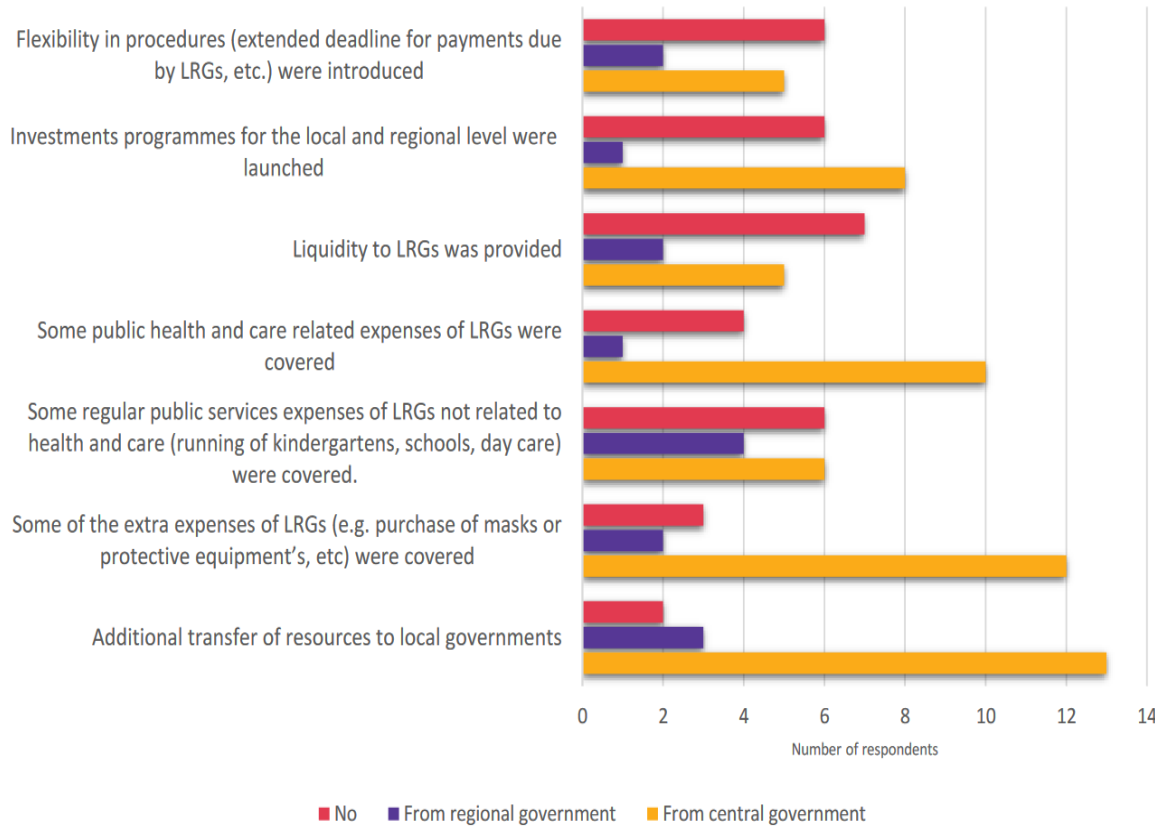
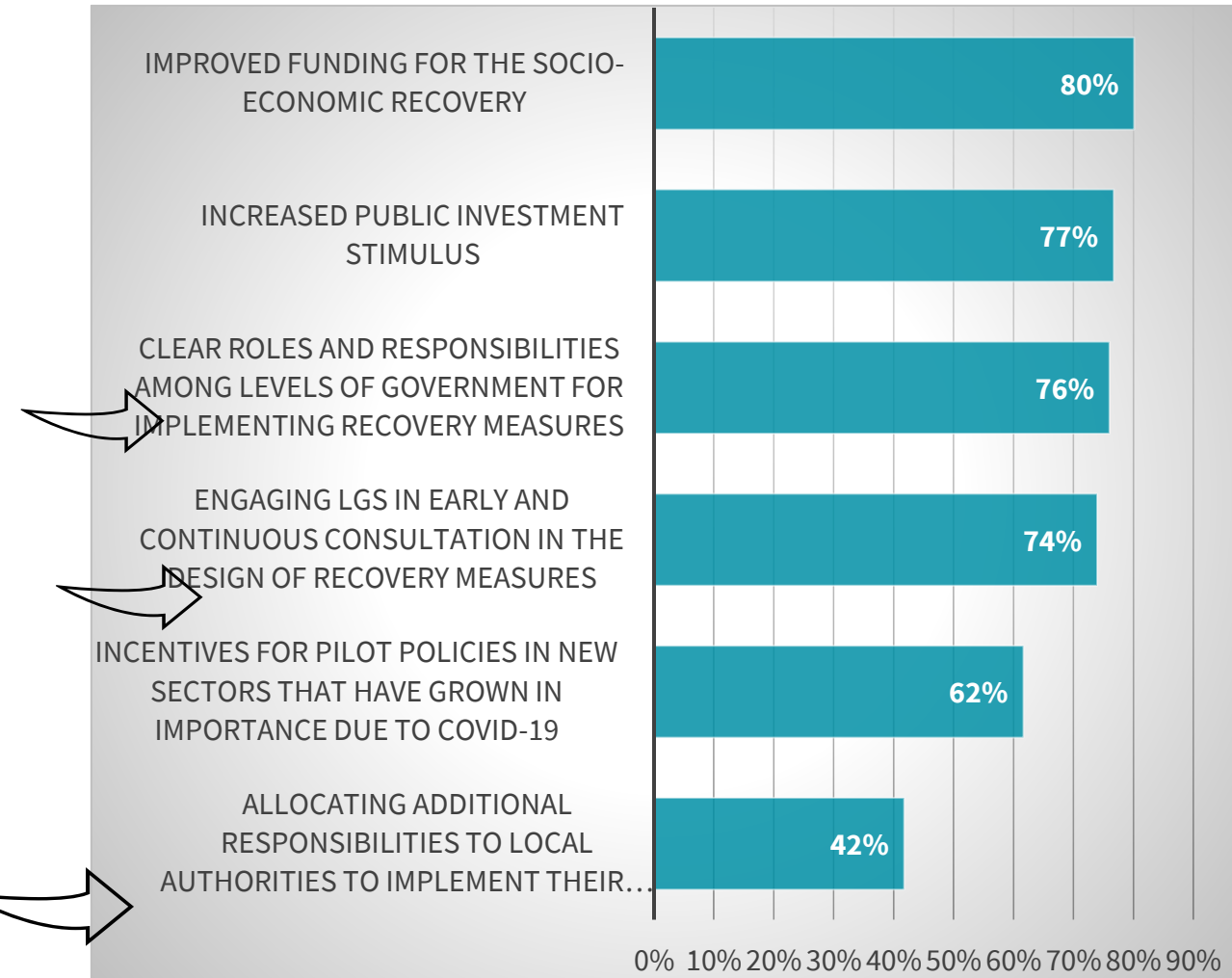


Figure n° 3 LRG associations were asked what kind of support did the central/regional\* government provided to the local level (municipalities, cities, counties...) in your country in 2020

Source CEMR: Uncertainty Amidst Recovery, 2021

## Share of SEE LGs considering these elements as very important

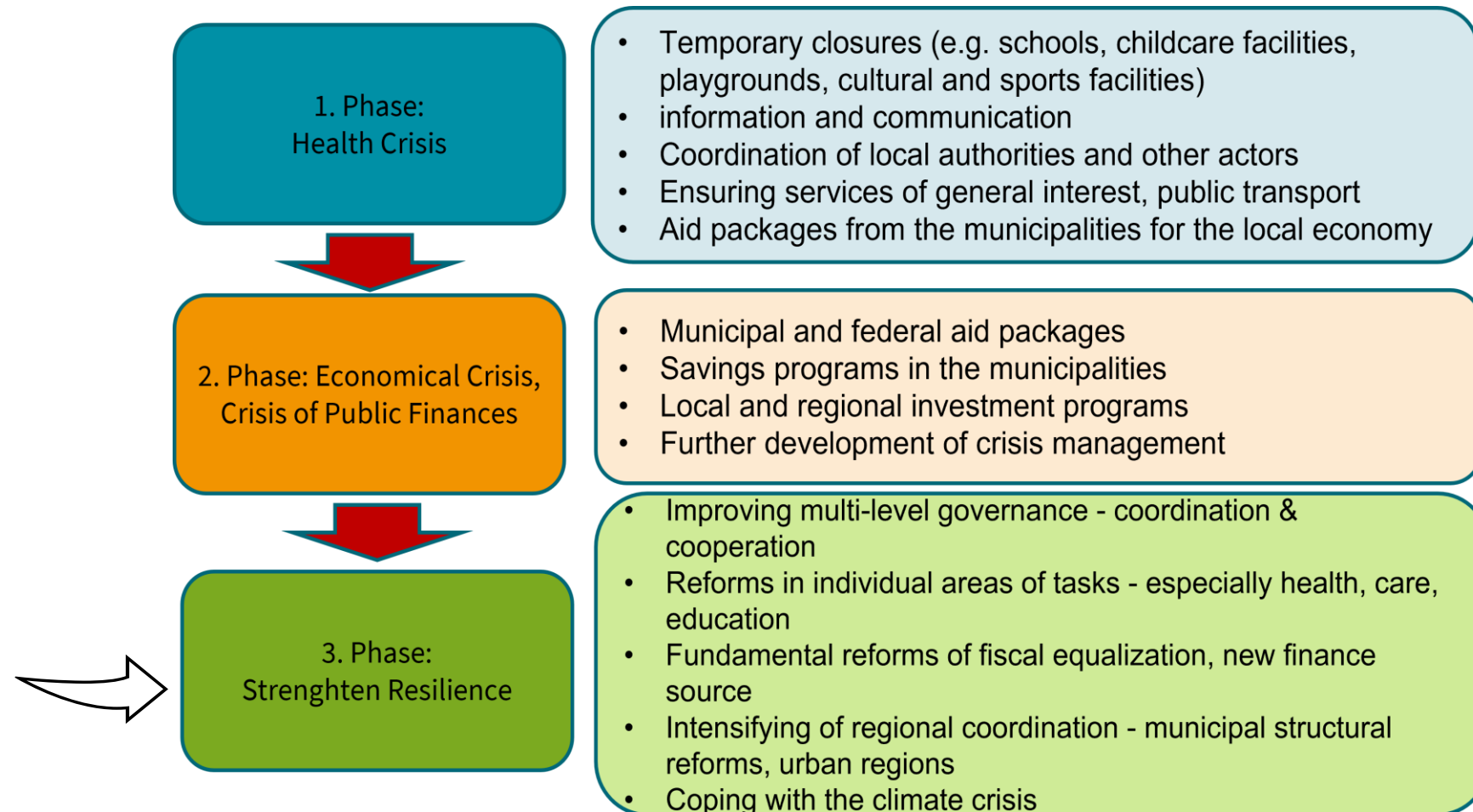


Source NALAS, KDZ: South East European Local Governments in Post Covid 19 socio economic recovery





## Reform Model Multilevel Governance Austria

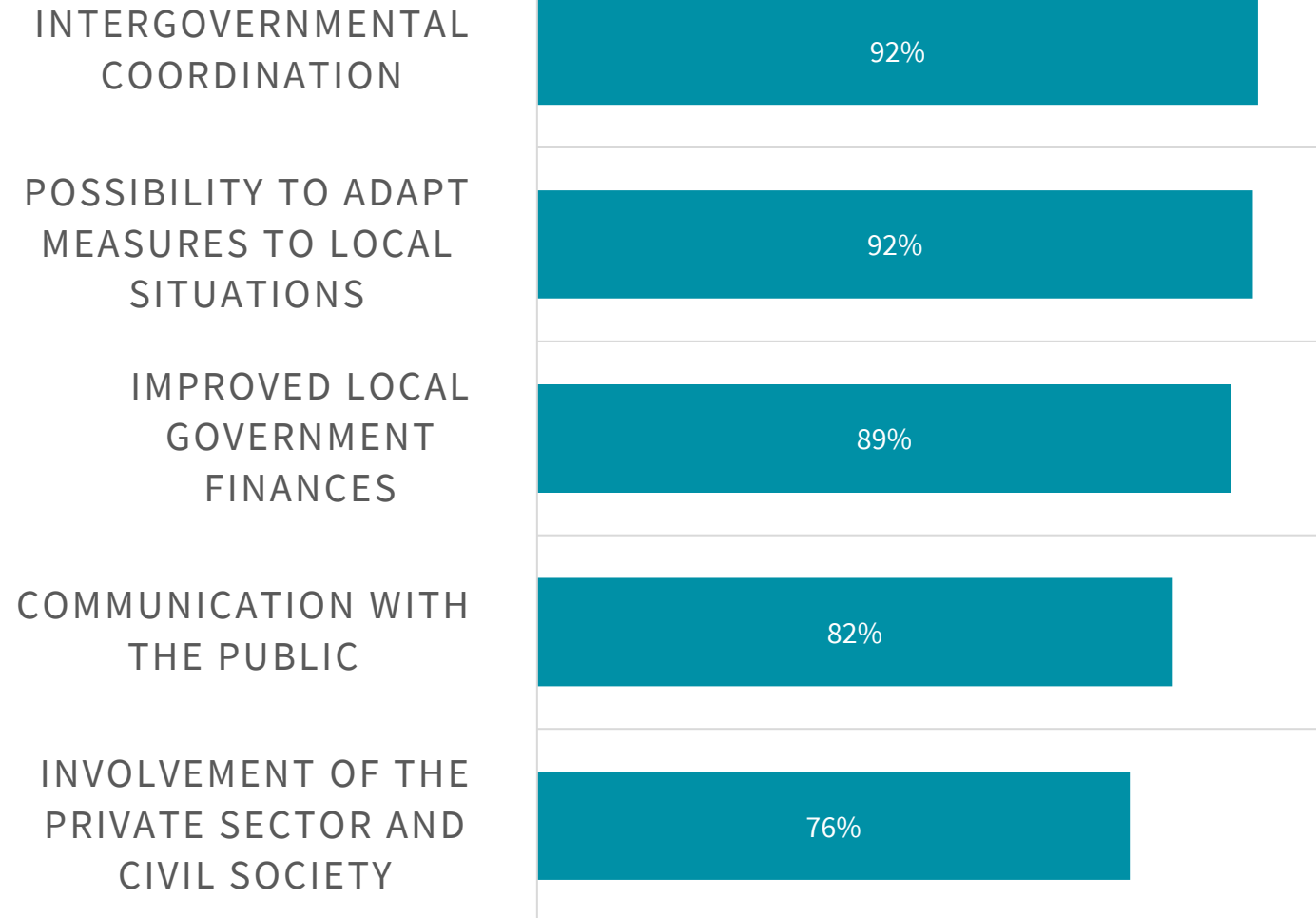




## GOVERNANCE IMPLICATIONS

**Key factors for  
successful recovery  
strategies  
according to SEE  
LGs**

### Share of SEE LGs considering these elements as very important



Source NALAS, KDZ: South East European Local Governments in Post Covid 19 socio economic recovery

# Socially responsible collaboration



Local Community

YES

NO

Homeoffice

Together securing the victory over the crisis

Digitalisation

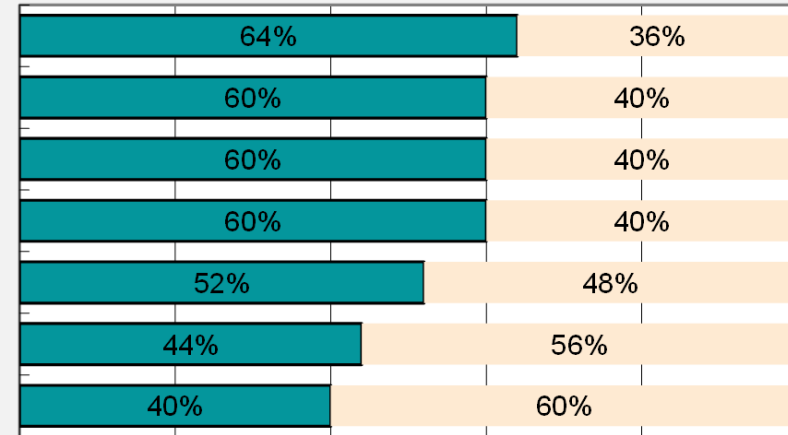
Balance Finances

Adjusting services and service levels

Further develop the new online services

Improve Risk and Crisis Management

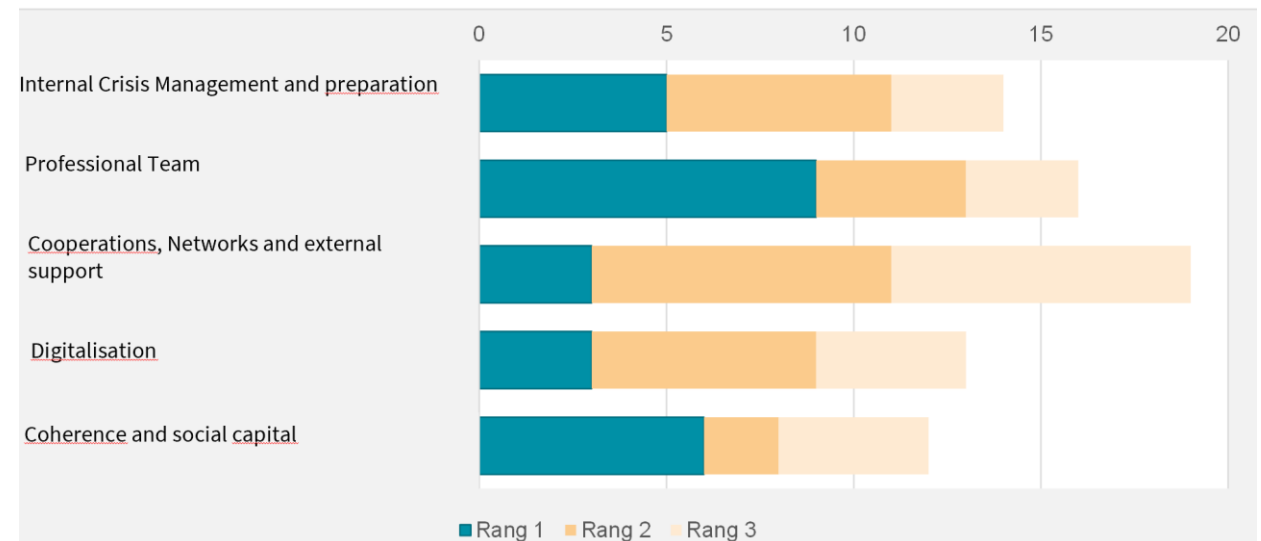
Source KDZ: Survey KDZ Member Cities 2020



**How to overcome the crisis?  
Perception of City Managers**

## What helped most during the crisis? Perception of City Managers

- Voluntary work of citizens
- Purchasing groups to support elderly and vulnerable citizens
- Cooperation with NGOs and emergency organisations

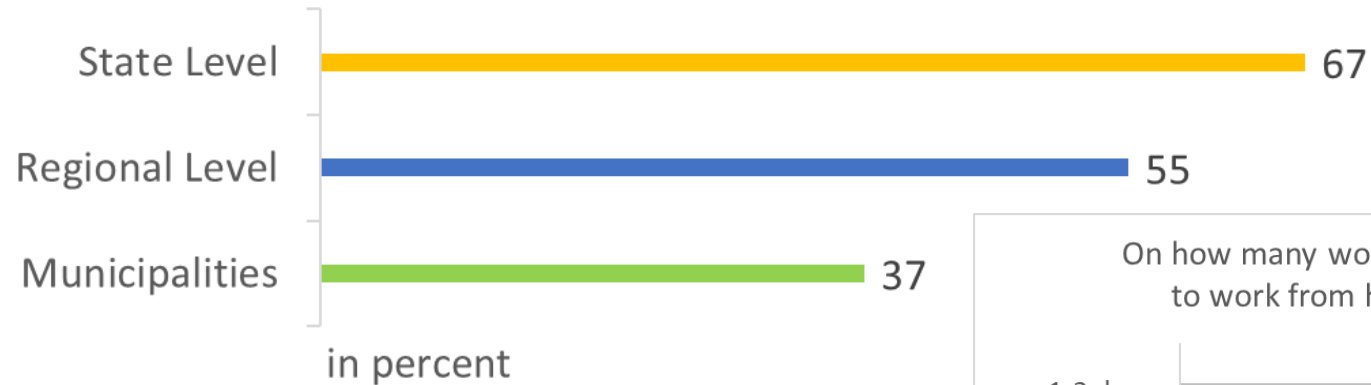


Source KDZ: Survey KDZ Member Cities 2020

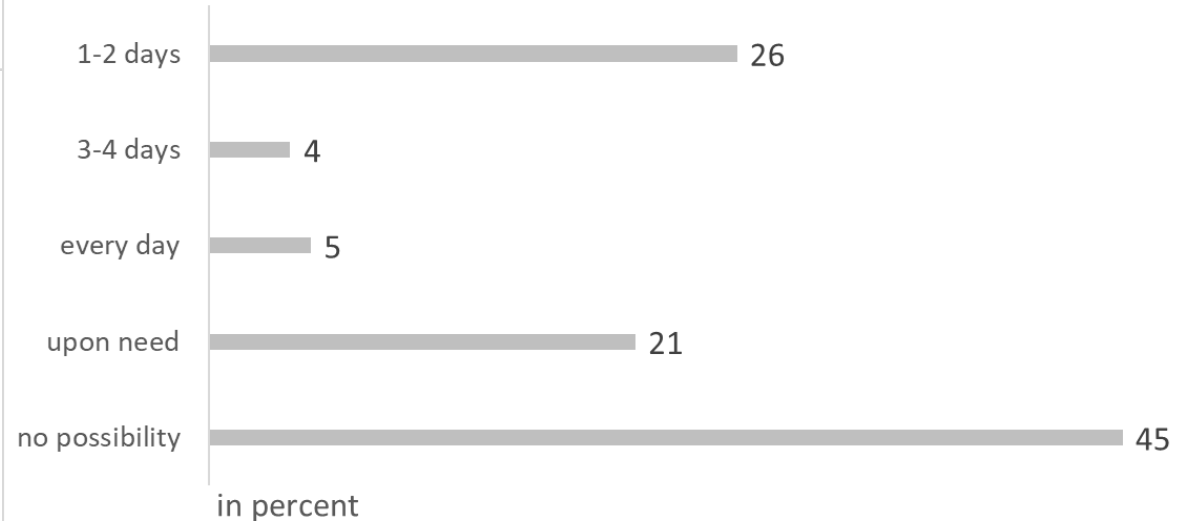
# „No“ Teleworking for the local level



Have you mostly worked from home in the past three months?



On how many working days per week did you have the opportunity to work from home before the start of the corona pandemic



# New tasks for Generation Y & Z



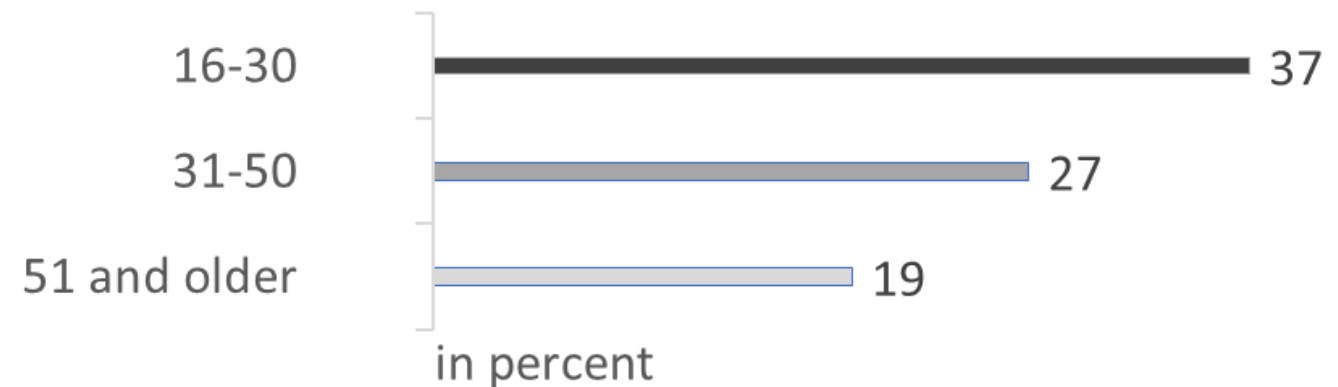
Fast Changing tasks  
and workloads

Have you been entrusted with other tasks in the course of the corona pandemic?

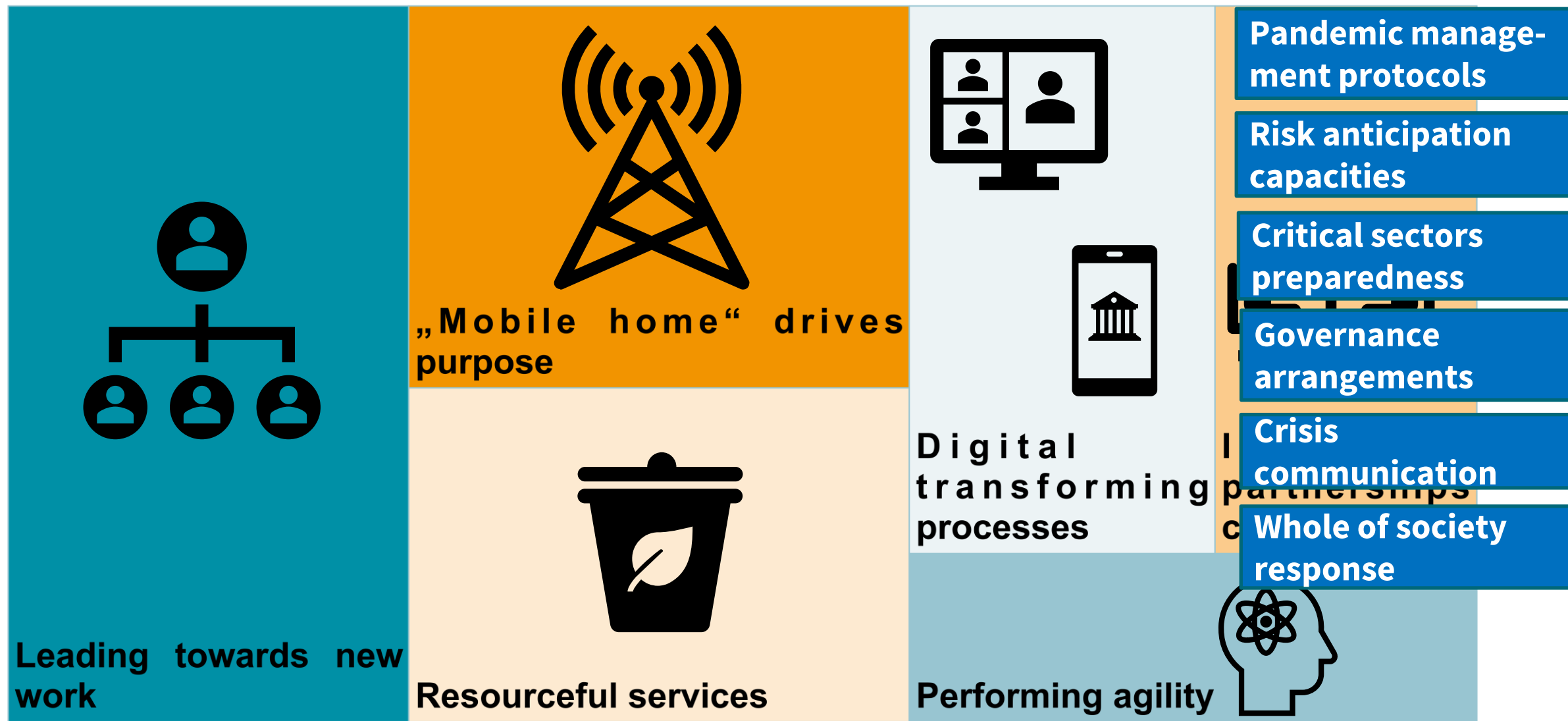


■ No	74%
■ Yes	26%

Other tasks per age



# Innovations as a response to Covid19





# Lessons learned I



## Long term focus on CAF strengthens resilience

- (CAF, continuous improvement, process management, open internal communication and innovation culture, Self-Assessment Group)



### Public administration has proven its agility

- with or without existing crisis plans

**Pandemic management protocols**

### Appreciate and involve staff

- This results in flexibility, solidarity, self-organisation, workload, tasks, wellbeing...

**Risk anticipation capacities**



### Flexible teleworking is effective and efficient

**Governance arrangements**



### Mindful leadership sets the ground for resilience

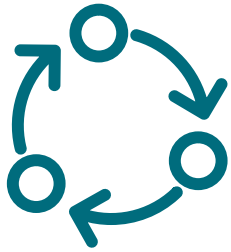
- culture of openness, trust, dialogue, teamwork, responsibility and innovation

**Crisis communication**

## Lessons learned II

Crisis  
communication

Pandemic manage-  
ment protocols



Existing process management is  
an enabler for quickly adapting  
services

Governance  
arrangements



Well-functioning long-term  
partnerships and collaborations  
are an asset

Whole of society  
response



Without digitalization,  
operations and services could  
not have been maintained

- e.g. teleworking, adaptation of  
services



Take into consideration the  
human factor in digitalization

- There is still need for physical  
citizen services



Not all new services and  
innovations will be sustained

Critical sectors  
preparedness

Governance  
arrangements

Risk anticipation  
capacities

# Lessons learned III



Governance  
arrangements



Risk anticipation  
capacities



Pandemic manage-  
ment protocols

Whole of society  
response

**Don't forget monitoring and  
controlling in crisis**

- to ensure rule of law and  
efficient use of resources



- **Existing Emergency plans** and coordination  
mechanisms are a valuable basis for better coping  
with crisis, **BUT...**

Pandemic manage-  
ment protocols

**New decision-making formats  
have been developed  
immediately and should be  
continued**

Crisis  
communication

- working groups, task forces,  
transversal boards...

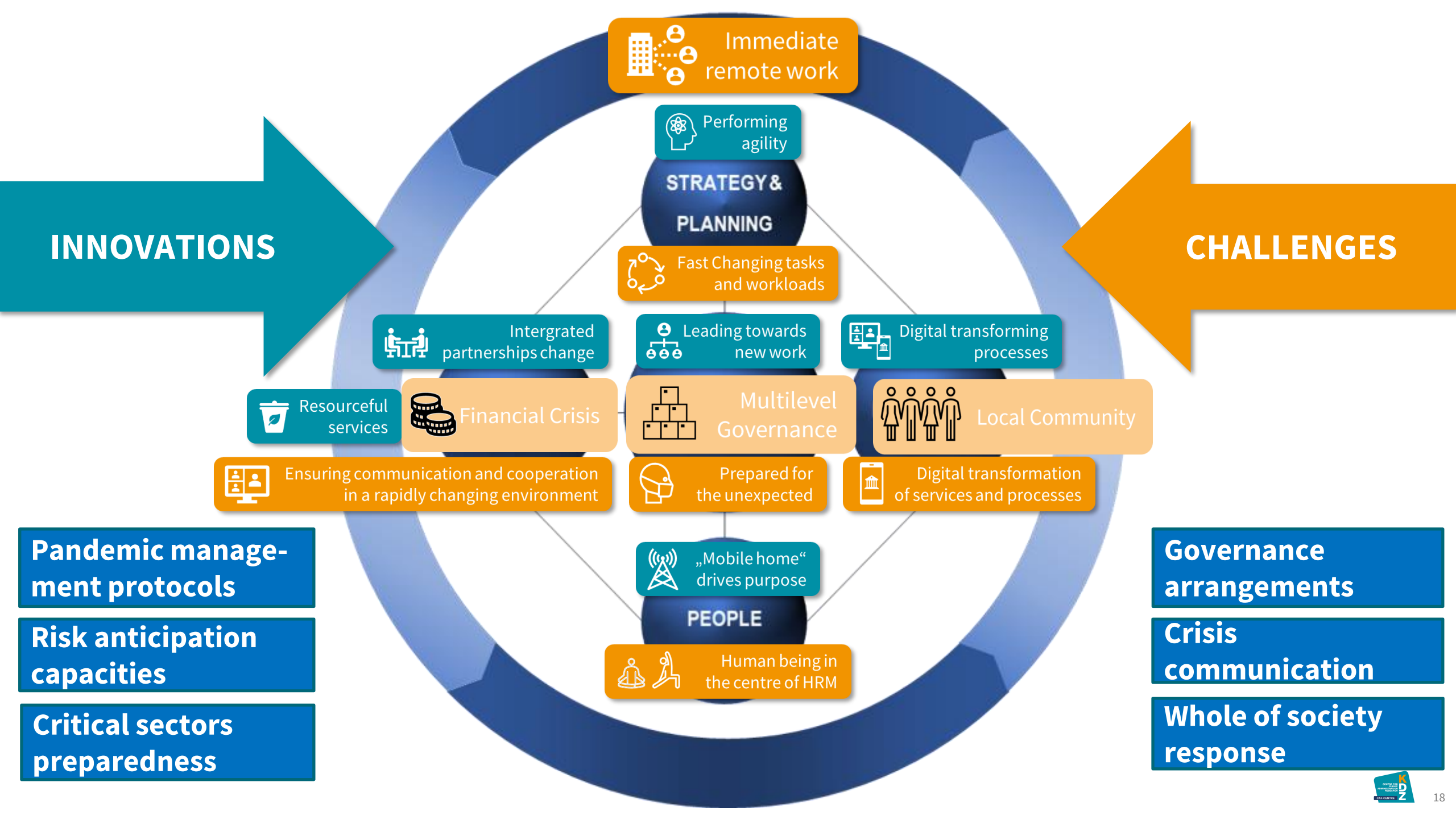
**Legal regulations need more  
time and delay organizational  
adaptions**



**Need for strategic and foresight  
thinking, anticipating possible  
crises, and preparing emergency  
procedures**

Critical sectors  
preparedness










## Thomas Prorok

Managing Director KDZ – Centre for Public Administration Research


 [prorok@kdz.or.at](mailto:prorok@kdz.or.at)

 +43 1 8923492-18

 +43 676 849 579 18

 Thomas Prorok

 @thomasprorok

 Thomas Prorok