

# Can govtech help promote democracy?



*Many nations and tech-related startups are leading the way for govtech—a public-private partnership to deal with public problems. [Chetan Choudhury](#) writes that, by optimising government efficiency, govtech can boost the accountability of—and trust in—government, strengthening democracy and technological sovereignty, and freeing nations from undue dependence on foreign corporations.*

Advanced technology is changing the way people communicate, study, work, shop and rest on a daily basis. Services such as online banking, social networks and more have become a necessity. It was only a matter of time before this technological revolution affected the interaction between modern governments and citizens. We see this manifesting in today's world in what is termed 'govtech'.

Govtech is usually understood as a public-private partnership between governments and tech-related startups to unravel public problems. It offers solutions and services to governments on finance, investment, business development, innovation, procurement and even education for public servants on soft skills.

The ongoing rise of govtech makes for a more functional and competent State that matches the demands of citizens efficiently. [Accenture research](#) shows that 75% of citizens globally say the government needs to tackle complex issues by collaborating with them, with over 60% ready to take up an active role in personalising services.

Radical shifts in citizen expectations and the rapid emergence of new technologies has led to the emergence of govtech as a force to contend with.

- **Expectations** – With time, citizens' expectations and interest have taken a turn as they have grown accustomed to a different kind of user experience coming from consumer-focused apps like Spotify, Uber and Google.
- **Technologies** – With technology becoming more accessible and affordable, startups in the scene are also able to deliver cloud-based, mobile-first services that are as robust and secure.
- **Engagement** – Active policies by governments are now bringing [citizen engagement](#) into the dialogue and creating avenues for govtech to grow with external involvement from startups and experts in various fields.

## The manifestation of govtech

The phenomenon is now global with US\$400 billion spent on government technologies worldwide – a growing part of spending dedicated to govtech and startups in the space. Govtech spending in Europe alone stands at [US\\$25 billion](#). Let us look at a few examples across countries and companies.

## Countries in the spotlight

**Denmark's** NemKonto provides an account to a citizen for payments to and from the government. Its online identification scheme, NemID, provides citizens with a secure means of private identification. In the five years since its launch, more than 95 per cent of the Danish population has used this service which has transformed the fundamentally now redundant way in which the government dealt with transactions previously.

**Estonia** has succeeded in establishing one among the foremost sophisticated e-government infrastructures within the world with entrepreneurial startups and scaleups driving this transformation. [Ninety-nine per cent](#) of its administrative procedures are digitised while most public services are available through a blockchain-enabled identification system.

**France** has launched the Action Publique 2022 program which aims at digitising the 250 most frequent administrative procedures in the State by 2022.

**Germany** passed the Online Access Act in 2017, intending to generalise the digitisation of administrative procedures at all levels, federal to municipal, by 2022 with about €500 million.

**The United Kingdom** has set up a £20 million [Govtech Catalyst Fund](#) that helps startups pitch tech-driven solutions to complex problems across the public sector.

**Portugal**, in 2018, launched their first edition of a govtech competition, focused on global goals and engaging Portuguese govtech entrepreneurs on the Sustainable Development Goals.

The Digital **India** campaign by the [government in 2015](#), pushed for digitisation of all government services, public-government interaction and data-driven decision making.

CAF – Development Bank of **Latin America** published the first [Ibero-American Govtech](#) Index that analyses the integration of tech-based, data-driven entrepreneurial ecosystems seeking to improve public services. and measures the degree of maturity of govtech ecosystems and the dynamism of tech-for-good startup markets.

In **Colombia**, MiLab is a public innovation lab in charge of generating new solutions to dicey problems by testing scenarios with innovation communities.

In 2018, when a million **Mexico** City residents found themselves without water, public servants turned to Cityflag, [a young startup, for help](#). Cityflag deployed a mobile app and dashboard to monitor water distribution in real-time, helping to manage the delivery of over 400,000 gallons of water.

## Startups developing the dialogue

**ProudCity** is a [US-based startup](#) developing digital government services for municipalities. With accessible, mobile-friendly, and open-source applications, the startup builds websites and other online tools for local governments including features like forms, payment gateways and meeting tools.

British startup **Novoville** provides a citizen engagement platform trying to transform public services and improve government policy making and outcomes. Novoville can quickly expose the e-services of councils directly on the smartphones of citizens, and thus makes interactions between local governments and citizens more immediate, efficient, and cost-effective. Over [60 local authorities](#) around Europe are already using the platform.

**MicroTraffic**, a Canadian startup founded in 2017, uses AI-powered computer vision and turns existing traffic cameras into sensors to detect near-misses and predict crash likelihood using a unique kinetic energy approach. It is already working with cities like LA, Montreal, Toronto, Vancouver, Amsterdam and Beijing, and helping big cities, the small towns, and rural highways all get to vision zero.

**OpenGov** established in 2012 is one of the pioneers of the govtech ecosystem. It's cloud-based ERP platform simplifies complex government finances. Working with more than [1000 customers](#), OpenGov addresses the unique budgeting, financial management, and citizen services needs of the public sector to drive more effective and accountable government.

There are many more examples like the above where progressive nations and innovative companies are leading the way for govtech.

## Ecosystem approach

At the same time, looking at the current govtech landscape, it is also apparent that startup activity is still in its nascent stages and their funding quantum forms only a small proportion of the global numbers. While the US has witnessed most of the [govtech deal flow](#), a large number of the existing govtech startups focus on improving public safety and security. Quite obviously, geographical and segment diversity also have a long way to go. This could radically change in the near future if each participant in the ecosystem – government, startups, medium/ large companies and civil society – contribute individually to accelerate and support the process. But governments need to take the lead and be more progressive, both in terms of outlook and processes, for a self-sustaining ecosystem to thrive. For instance, bringing new people into its fold, sending public servants out into the private sector to gain [new skills](#) and insights, and [modifying procurement processes](#), are pipelines that need to be deployed.

The [Presidential Innovation Fellowship](#), run by the US General Services Administration, is a powerful example here. During the fellowship, external technology specialists are brought into the government to work on innovation projects across federal agencies. The [Moonshot Apprenticeship](#) Program launched recently by the UAE government is another great example.

## The future of govtech

In 2019, the [Great National Debate](#) organized by French President Emmanuel Macron showed that 74% of respondents believed that digital access to some public services was a top priority. While digital transformation involves initial investment, it will ultimately save significant amounts of time and money in the long run. Estonian Minister Urve Palo estimates that the country [saves an equivalent of 2% of GDP per year](#) due to digitalisation.

The primary goal of govtech is to change the relationship between the government and its people. This also implies that a first level premise of govtech would be to for governments to convert citizens into partners and share decision-making and city management with them. Maybe, Justyna Orłowska, head of the govtech centre in the chancellery of the Prime Minister of Poland, is right when [she imagines govtech](#) as “a circular flow, where citizens develop solutions helping themselves (directly or indirectly) and the administration is in the middle, constructing a framework they can do it in”.

However, in doing so, govtech has the power to forever change the way people look at governments and also the way governments work. In the process of optimising government efficiency, it can boost accountability of and trust in government, and thus, deepen the quality of democracy in a state.

Govtech doesn't only benefit citizens; companies and countries alike would benefit from the development of the govtech ecosystem. While citizens can get higher and safer standards of life, and companies can become more competitive and have higher impact, govtech can enable governments to improve operational processes, provide better service, as well as strengthen their technological sovereignty and thus, free themselves from undue dependence on foreign corporations.

- This blog post first appeared at [LSE Business Review](#).
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*Note: The post gives the views of its authors, not the position USAPP– American Politics and Policy, nor of the London School of Economics.*

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