



# Using the Cloud is a paradigm shift for the Public Administration

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Just as the private sector, the Public Administration is increasingly dependent on the use of software to optimize its planning and management processes. However, the public entities are bound to a series of standards and legal limitations when contracting, so that the rapid changes in the market of information technology present challenges in the field of software acquisition.

One visible change in the market that has already reached public entities is the rapid consolidation of cloud computing. In general, cloud computing permits the installation of, and access to the software by means of the Internet, without the need of any physical infrastructure installation. Therefore, in this configuration, the client acquires the software as a service, but not as a product. From the point of view of the Administration, cloud storage services, electronic mail and data analysis, among others, can be contracted.

In practical terms, what changes for the public administrator? A lot!

A substantial change refers to how public expenditure is allocated in the budget. While the costs with products can be allocated as Capex, i.e., initial capital investment, software purchased in the cloud falls into the category of Opex, i.e., within the cost of the machine. This is because, being considered “services”, software is remunerated in a continuous manner, according to the volume used by the client. In practical terms, the costs with the use of cloud services compete for space in public budgets with other costs essential to the functioning of the public machine, such as payroll.

On the other hand, contracting cloud services allows for some spending flexibility, because the client only pays for the services effectively used. According to a study conducted by the Federal Court of Audits in 2015, which is still one of the main references adopted by the Federal Government in the discussion about cloud computing, as well as the elasticity of cost, this business model has other advantages for the public entities, such as greater agility in the update of programs, which makes providing government data to citizens and giving effective attention to the population in cases of demand peaks (for example: deadlines for tax report delivery or the “High School National Exam” (ENEM) enrollment) easier.





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The same study, however, maps the risks which must be taken into consideration by public managers, such as data vulnerability, the possibility of budget overspending due to a lack of control on the use of the resources contracted and the dependence of governmental bodies in relation to service providers.

Although the government might not have the same agility as that of the private sector to keep up with changes in the market of information technology, the capacitation of managers and public servers to procure goods and services in this area is essential because, sooner or later, they will inevitably be presented with concrete decisions which will be permeated by the issues discussed above.