



Global Business Dialogue on Electronic Commerce

e-Government

September 14, 2001

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SECTION I

PRIVATE SECTOR RECOMMENDATIONS TO GOVERNMENT ON REALIZATION OF E-GOVERNMENT

Expanding Digital Opportunities for Government and Private Companies

INTRODUCTION

The players/stakeholders in e-commerce today are not only Business (B) and Consumers (C) but also the Government (G). The government not only executes laws and operates administrative systems, but also conducts activities related to business, such as procurement of products and services, regulatory disclosure and notification, and the imposition and collection of taxes. Hereafter, B

stands for Business, C stands for Citizens or Consumers, and G stands for Government.

Companies' successful investments in IT depend on the extent to which government administrative functions are also digitized. For private corporations, the government is very important to and deeply involved in our businesses. If governments do not proceed with utilizing IT, digitization and online operations, government-related processes will continue to be performed manually. For instance, we may have to continue submitting paper documents to governments. Even if private corporations put effort into utilizing IT and putting business processes online, their effect (e.g. increased efficiency and productivity) will be quite limited in such case.

Thus the GBDe, an assembly of private companies, proposes requirements of e-Government from the point-of-view of business partners of the

government. Moreover, assigning appropriate roles to government and the private sector should contribute to efficient realization of e-Government. Furthermore, this new role assignment will be a model for a new social system. These proposals should be valuable to countries that are already developing e-Government infrastructure and those that are just starting to promote it.

The realization of e-Government should improve the efficiency of private companies, increase their utilization of e-commerce, and thereby contribute to the further development of e-commerce in society as a whole. By the same token, it should be recognized that those regions, countries or local governments with non-advanced e-Government policies hold a risk of less private company attraction. We hope that this deliverable will function as a checklist of e-Government realization for both countries that have already begun e-Government establishment and those who have not yet started it.

- I. In Section I, we will propose basic requirements for governments in establishing e-Government to facilitate G-to-B transactions.
- II. In Section II, we will present ideas of how private sector can support in e-Government establishment and operation (see Section II).
- III. In the last section, we will present a compilation of the status of e-Government in different countries (see Section III).

1. DEFINITION OF 'E-GOVERNMENT'

Electronic government (hereafter e-Government) refers to a situation in which administrative, legislative and judicial agencies (including both central and local governments) digitize their internal and external operations and utilize networked systems efficiently to realize better quality in the provision of public services.

2. ROLE OF GOVERNMENT FROM PRIVATE COMPANIES' POINT-OF-VIEW

We consider that a government fulfills the following six roles:

- (1) *Provider* of public services (the 'vendor' in business sense).
- (2) *Purchaser* of materials needed for its operations (the 'buyer' in business sense).
- (3) *Supervisor* of law and institution (i.e. 'enabler' for IT society).
- (4) *Collector of taxes, duties and tariffs* needed for operation of government services.
- (5) *Facilitator of transparency* in G-to-B processes.
- (6) *Content holder* of large information including valuable statistical information.

3. MEANING OF E-GOVERNMENT REALIZATION FROM PRIVATE COMPANIES' POINT-OF-VIEW

(1) Governments provide public services with higher effectiveness, speed and quality.

Examples:

- New types of public services may be provided as a result of IT utilization.
- Increased efficiency in a current operation may lead to cost reduction, which may create a surplus over the original budget (tax revenue), which may be utilized for further improvements in operation.
- More efficient, responsive, and timely communication between the government and a company may be achieved.

(2) e-Government as a showcase of good IT utilization.

Private companies can deepen their understanding of advantages of IT utilization by looking at the successful use of IT in the government. e-Government can function as a showcase of IT utilization that private companies can refer to.

(3) Governments promote measures to overcome obstacles to IT society.

Through the process of e-Government implementation, governments will become more aware of problems and barriers that need to be

solved for successful IT utilization. Hence governments will set out effective measures to solve such problems.

Examples of possible measures:

- Create appropriate legal and institutional environments.
- Provide secure and efficient infrastructure.

(4) e-Government may facilitate IT utilization in the private sector.

When the government is digitized, private companies may also promote further investment to and utilization of IT in order to enjoy the benefits of e-Government.

(5) e-Government implementation may nurture IT-related industries and lead R&D.

Since private companies actively join the e-Government development project, IT-related industries should flourish.

4. PROPOSALS TO GOVERNMENTS FOR REALIZATION OF E-GOVERNMENT REQUIREMENTS

The GBDe proposes the following 23 points as the proposals to governments on e-Government desirable requirements. All aim to achieve the meaning of e-Government and to fulfill the roles of government mentioned above.

Additionally, the GBDe focuses on items that contribute to expanding G-to-B transactions. Although G-to-C area is a highly important field, we will not focus on it this time. The Digital Bridges Working Group deals with the digital divide component of G-to-C e-Government. Additionally, the Cyber Security Working Group deals with security matter related to e-Government. By the same token, the Taxation Working Group and the Trade/WTO Working Group discuss tax-related and trade-related matters in e-Government respectively.

4.1 Propulsion framework and the ways to proceed e-Government projects

(1) Establish institutional system that permits private companies' requests to be considered for government digitization projects.

Important 'users' of e-Government are not only Citizens but also Business. Therefore, it is important to establish institutional systems that permit private companies' requests to be considered for e-Government projects. An example of such institution may be an 'e-Government committee' that includes representatives of private sector as its members.

(2) Disclose and publicize e-Governments' information systems.

The reason for this proposal is that a government system can be referred to as a model or prototype by the rest of the society. Governments should disclose details of their information systems, as well as their development processes, except those that require limited disclosure (e.g. national security matters). By doing so, the rest of the society (i.e. private sectors and the citizens) can understand the ways to develop information systems and realize the merits of IT utilization.

(3) Express milestones and a roadmap for e-Government implementation.

Governments should clearly state the objectives, substance and the roadmap of e-Government. Governments should incorporate private sector's opinions when setting such milestones. By responding to the government's roadmap, private companies may be able to make effective IT investments.

(4) Establish measures and structure to appropriately evaluate governments' digitization. Publicize the evaluation results. Let private companies join the process of evaluation.

Private companies, as tax-payers, have the rights and the duty to join the process of evaluating policies and the effects of e-Government.

(5) Specify ‘feedback merits’ of digitization of procedures.

Governments should notify what kind of merits private companies can receive from e-Government. For instance, governments may quantify and publicize ‘reduction in time required for a transaction’, or ‘lowering of service fee’, that occurred as a result of digitization. By doing so, the private sector can clearly recognize the merits of e-Government and IT utilization.

(6) Utilize private outsourcing.

Technology changes rapidly everyday, as does the costs of using the technology. Private companies possess knowledge of managing customer relations through their business. Thus private outsourcing may contribute to prompt response, while maintaining relatively low development costs. Moreover, private outsourcing may function as a means to nurture the country’s IT industry and market.

4.2 Desirable e-Government features

(1) Enable 100% of administrative procedures online, and achieve one-stop service provision, with the favorable law establishment.

Currently, users of administrative services often have to take separate manual procedures with different agencies in order to complete one single issue. e-Government should offer one-stop services that allow users to complete these procedures (e.g. document submission and fee payments) at the same time in a single online window. Related laws should be amended to enable such service. The basis for this idea is that partial digitization of current administrative services may not provide a big improvement in users’ efficiency, since they still have to make many procedures separately. Additionally, the effect of digitization on the private sector may be limited if business transactions with governments remain partially manual and non-online. Business consumers of government services need *seamless* services that users don’t necessarily feel the boundaries of government agencies.

(2) Conduct administrative reforms and establish the favorable law institutions.

Operations within government agencies should be integrated and simplified. Again, the reason for this request is that mere digitization of current administrative services without BPR may not provide sufficient results in enhancing the effectiveness of public sector. What is more, laws and institutions should be modified to make these reforms possible.

(3) Standardize operational forms of central and local governments. Enhance simultaneous digitization process in central and local governments.

Private companies engage in procedures and transactions with all central and local governments. In doing so, it is more convenient for the users if operational forms of central and local governments are the same for equivalent procedures. For instance, the format of an application form should be identical between central and local governments. If the speed of digitization differs in central and local governments, the private sector cannot enjoy the full merits of e-Government. What is worse, such difference in formats or procedures in central and local government operations may cause confusion. Therefore, we propose that there should be a simultaneous process of digitization in central and local governments.

(4) Ensure secure environment.

The e-Government system must be securely protected so that private companies can access, provide and exchange various information (e.g. transaction information or company performance report) at ease.

(5) Carry out measures to facilitate SMEs’ utilization of e-Government services.

Small and medium-sized enterprises (hereafter SMEs) often lack sufficient financial and human resources, which may cause delays in responding to governments’ digitization. Thus when compared

to larger enterprises, SMEs typically have smaller chances to fully enjoy the benefits of e-Government. Therefore, governments should strive to create an environment in which SMEs can use e-Government services easier.

(6) Disclose more information on government services. Speed up the process of information disclosure.

Government information should be released on the Internet simultaneously with conventional publishing and press releases. It is necessary because differences among media in the extent and timing of information disclosure may cause confusion for the users. For instance, it may cause companies the need to refer to many different media to obtain information about one single matter.

(7) Create an environment to diversify the means to utilize services.

e-Government services should be accessible not only from personal computers but also from mobile instruments and digital TVs. This is necessary in order to expand the merits of e-Government more broadly. Additionally, countries have different situations in the prevalence of network access facilities. Therefore, e-Government should be able to correspond to various means for the access.

(8) Establish methods of timely resolution of conflicts in transactions between business and government.

Methods of timely resolution of conflicts (e.g. ADR) are necessary to retain promptness of e-Commerce. This applies not only to company-to-company disputes in e-commerce but also to that of company-to-government disputes.

(9) Help provide and disclose information that private companies need in formats that are easy for them to use.

Providing and disclosing some of the vast information that Government holds is highly important. Yet it will not have a sufficient effect if it is not in a format that users can use in their

system directly or by applying a conversion tool. For instance, it is better to have government information released in code data format rather than graphical format such as bit map.

(10) Establish a transparent system, and assure transparency in operation as well.

There is a need to construct a transparent system and operate it impartially so that the Government cannot utilize it in favor of certain stakeholders.

4.3 Internationalization/Globalization issues

(1) Correspond to as many languages as possible.

Providing government services in several languages may enhance business opportunities for companies in more countries and regions. At the same time, it will also expand opportunities for government to acquire products and services with better cost performance, by having access to a wider selection of products and services.

(2) [Technical Standard] As for access method and protocol, adopt specifications and technologies of internationally neutral standard.

The IT field is highly competitive. Relying on the existing fixed specifications may prevent further development of technologies. It may also prevent use by many different companies. As for the language used for Internet services, the use of XML is becoming widespread. Yet there are other areas in which several specifications and technologies are used. For such areas it is advisable to use some main formats, and provide converting tools between them.

(3) [Management Standard] Promote adoption of international or global standard.

Methods and specifications used in transactions and procedures should meet a certain international standard. For instance, meter-kilogram-second is adopted as a standard for International System of Units (SI units). Having useful standards is

important for facilitating free trade and globalization. Yet some exemptions may be required for situations in which a country seeks to develop its immature industries, or peculiar defense or diplomatic situations. Another possible solution is not to prescribe a single format, but to lay out certain conditions that must be met. B and G should consult on and consider the standardization of methods of business.

(4) Collaborate with foreign governments to strive for global digitization and international networking.

Business is rapidly becoming more and more international. Secure international networks are necessary for prompt communication between different governments. Likewise, this will be useful for private companies communicating with foreign governments through their home governments.

(5) Notify necessary qualifications and standards for bidding, as well as proper reasons for setting them.

It will become easier for companies to decide on whether or not to take the bid when the Government's information on bidding qualification is transparent to them. This may facilitate international bidding as well as conventional domestic bidding.

(6) Government operations related to international e-Commerce must go on-line with high priority (e.g. trade / import and export operations).

This is an area that advantageous effects of Internet utilization are significant. There are many different Ministries and Agencies involved in the administration of customs and export and import regulations, so the potential impact is especially strong.

(7) Arrive at an agreement for dispute resolution in international e-Commerce transaction.

There may be cases in which a company has a dispute with a foreign government in e-commerce transactions. In such cases, it is difficult for a single private company to resolve the dispute. There is a need for agreements between the governments for handling such disputes.

FINAL REMARK

The GBDe addressed the issues of G-to-B area of e-Government extensively. The importance of G-to-B e-Government was stressed, and comprehensive recommendation on what should be done for its realization has been presented. The significance of the G-to-C area, however, must be recognized as well. For any government, providing services to its citizens is ultimately the most important task. Accordingly, it is also important for the private sector to discuss and recommend desirable features of G-to-C e-Government. Investigation into the G-to-C area may in turn elicit our recognition of new issues for G-to-B e-Government area. Moreover, private companies possess methodologies and knowledge for customer satisfaction using the networks, which may contribute to increasing satisfaction among citizens using e-Government. Therefore, we would like to take up G-to-C area in the future.

SECTION II

PRIVATE SECTOR SUPPORT ON e-GOVERNMENT IMPLEMENTATION

INTRODUCTION

As mentioned above, the government not only executes laws and operates administrative systems, but also conducts activities related to business, such as procurement of products and services, regulatory disclosure and notification, and the imposition and collection of taxes. Therefore, the players in e-Commerce today are not only Business (B) and Consumers (C) but also Government.

In Section I, we have proposed the deliverable addressing requirements that government should consider when implementing e-Government. Now, we propose some ideas of how private sector can contribute to the e-Government implementation.

Before beginning the discussion, roles of private sector for governments can be stated as follows:

- (1) Vendor of products / services to governments
- (2) User of government services
- (3) Taxpayers.

Additionally, we consider five main phases of e-Government implementation cycle:

- (1) Plan
- (2) Development
- (3) Operation/Utilization
- (4) Evaluation
- (5) Modification.

WHAT THE PRIVATE SECTOR CAN CONTRIBUTE FOR E-GOVERNMENT IMPLEMENTATION

1. E-Government propulsion framework and the ways to proceed e-Government project.

- (1) Private sector can provide with experts in needed areas of e-Government project.
- (2) Private sector can offer outsourcing services suited to public sector.

Examples:

- services with high security services
- services that can be universally provided with low service charge.

2. Facilitating desirable e-Government features.

- (1) Private sector can actively utilize the digitized services provided by government, as well as offering suggestions for improvements.
- (2) Private companies' BPR (business process re-engineering) method may be introduced to government.
- (3) Private sector may provide with strategies for increasing customer convenience and customer satisfaction.

- (4) Successful examples of IT utilization in private companies can be presented.
- (5) Private sector can provide information on the most recent technologies.
- (6) Small- and medium-sized enterprises (SMEs) should create an environment in which they can receive e-Government services cheaply. Such environment can be achieved by interoperable framework of needed software, infrastructure and systems. This framework may consist of three sectors; SMEs paying service fees (that are set at low price), big vendors providing necessary products/services cheaply to SMEs, and government providing subsidies to SMEs.
- (7) Effective methods of evaluation in private companies can be introduced to evaluating government operations.
- (8) Private sector may cooperate in IT education of governmental officials.
- (9) Private companies may provide universally acceptable equipment easy to use for governmental officials with various handicaps.

3. Contribution to internationalization issues.

- (1) Private sector can provide with information on international movement on technologies and standardization issues.
- (2) International companies can disclose problems that they have experienced in using IT internationally, as well as the countermeasures.

SECTION III

E-GOVERNMENT DATABASE

As one of the outputs of e-Government Working Group this year, we have created an e-Government database, and published it on e-Government section of the GBDe web site (<http://www.gbde.org>). This Database comprises reports of e-Government projects in many different countries all over the world. Due to lack of space, we cannot list all the reports here. Thus we list the names of countries or regions in the database in the following page. Additionally, a sample report from Japan is

attached. Please refer to the web site for actual reports.

The objective of this database is to provide useful reference when central government, local government and private sector are working to realize e-Government. One of the useful reference points should be the list of URLs related to e-Government in different countries. Additionally, there are useful links to excellent e-Government studies done by GBDe member companies and other organizations.

The reports are the contributions from GBDe member companies, ABAC members, government officials who attended GBDe Conferences, and many other people we asked for cooperation. We hereby express our sincere appreciation to all of them. The cooperators filled in the Research Form we sent for their own countries. As these reports were created on a voluntary basis, they exhibit wide variety in expression, and they do not assure uniformity or strict accuracy. We will continue striving for increase the number of countries reported and further improvement of contents of the reports.

LIST OF COUNTRIES AND REGIONS IN THE E-GOVERNMENT DATABASE
(as of September 4, 2001)

Asia / Oceania	1	Australia
	2	Hong Kong
	3	Japan
	4	South Korea
	5	Philippines
	6	Singapore
	7	Taiwan
	8	Thailand
	9	Vietnam
Europe / Africa	10	Belgium
	11	Czech Republic
	12	Egypt
	13	Finland
	14	France
	15	Greece
	16	Italy
	17	Netherlands
	18	Slovenia
	19	Spain
The Americas	20	Canada
	21	Chile
	22	United States