The e-government imperative: main findings

Introduction

Since the advent of computers, and more recently the Internet, pressure on governments to perform better has increased, and information and communication technologies (ICTs) have provided them with the capacity to do so via e-government. E-government is here defined as "the use of ICTs, and particularly the Internet, as a tool to achieve better government". The impact of e-government at the broadest level is simply better government – **e-government is more about government than about "e"**. It enables better policy outcomes, higher quality services and greater engagement with citizens. Governments and public administrations will, and should, continue to be judged against these established criteria for success.

E-government initiatives refocus attention on a number of issues: how to collaborate more effectively across agencies to address complex, shared problems; how to enhance customer focus; and how to build relationships with private sector partners. Public administrations must address these issues if they are to remain responsive.

This *Policy Brief* highlights policy lessons from current experience in OECD member countries and suggests 10 guiding principles for successful e-government implementation. It builds on the work of the E-Government Task Force and the OECD E-Government Working Group, and summarises the main findings of the OECD Flagship Report on E-Government "*The E-Government Imperative*". ■

Organisation for Economic Co-operation and Development

How is e-government beneficial to public administrations and society at large?

E-*government improves efficiency*

ICTs enable efficiency improvements in mass processing tasks and public administration operations. Internet-based applications can **generate savings** on data collection and transmission, provision of information and communication with customers. Significant future efficiencies are likely through greater sharing of data within and between governments.

E-*government improves services*

Adopting a customer focus is a core element of member countries' reform agendas. Successful services are built on an understanding of **user requirements**, and online services are no different. A customer focus means that a user should not have to understand complex government structures and relationships. The Internet can help achieve this goal, by enabling governments to appear as a unified organisation and provide **seamless online service**. As with all services, e-government services must be developed in the light of demand and user value, as part of an overall service channel strategy.

E-*government helps achieve specific outcomes…*

The Internet can help stakeholders share information and ideas and contribute to specific **policy outcomes**. For example, online information can boost use of an educational or training programme; sharing of information in the health sector can improve resource use and patient care; and sharing of information between central and sub-national governments can facilitate environmental policies. The sharing of information on individuals, however, will raise **privacy protection issues**, and the potential trade-offs need to be carefully assessed.

…*and can contribute to broad policy objectives*

E-government contributes to other economic policy objectives by reducing government expenditures through more effective and efficient programmes, improving business productivity through administrative simplification and promoting the information society and ICT industry.

E-*government can be a major contributor to reform*

All OECD governments are facing the issue of public management modernisation and reform. Developments – globalisation, new fiscal demands, changing societies and increasing customer expectations – mean that the reform process must be continuous. ICTs have underpinned reforms in many areas.

E-*government can help build trust between governments and citizens*

Building trust between governments and citizens is fundamental to good governance. **ICT can help build** trust by enabling citizen engagement in the policy process, promoting open and accountable government and helping to prevent corruption. Furthermore, it can help an individual's voice to be heard in a broad debate, harnessing ICT to encourage citizens to think constructively about public issues and assessing the impact of applying technology to **open up the policy process**. Policies addressing information quality and accountability are also needed. However, few expect e-government arrangements to replace completely traditional methods of information provision, consultation and public participation in the foreseeable future. ■

Guiding principles for successful e-governement

Vision/political will

1 **Leadership and Commitment**: Leadership and commitment, at both political and administrative levels, are crucial to managing change. Committed leaders are required to deal with disruptive change, to persevere when benefits take time to emerge, to respond when things go wrong, and to establish visions and plans for the future.

2 **Integration**: E-government is an enabler, not an end in itself. It needs to be integrated into broader policy and service delivery goals, broader public management reform processes and broader information society activity.

Common frameworks/co-operation

3 **Inter-agency collaboration**: E-government is most effective when agencies work together in customer-focussed groupings of agencies. Agency managers need to be able to operate within common frameworks to ensure interoperability, maximise implementation efficiency and avoid duplication. Shared infrastructure needs to be developed to provide a framework for individual agency initiatives. Incentives can help encourage collaboration.

4 **Financing**: ICT spending, where appropriate, needs to be treated as an investment, with consideration of projected streams of returns. E-government requires a level of certainty of future funding to provide sustainability to projects, avoid wasting resources and gain maximum benefit from given funding levels. A central funding programme could help foster innovation and allow for key demonstration projects.

Customer focus

5 **Access**: Governments should pursue policies to improve access to online services. Many advantages of online government information and services are not replicable offline, so that those who lack access will be excluded unless action is taken.

6 **Choice**: Customers should have choice in the method of interacting with government, and the adoption of online services should not reduce choice. A principle of "no wrong door" to access the administration should be adopted. Services should be driven by an understanding of customer needs.

7 **Citizen engagement**: E-government information and services should be of high quality and engage citizens in the policy process. Information quality policies and feedback mechanisms will help maximise the usefulness of information provision and strengthen citizen participation.

8 **Privacy**: E-government should not be delivered at the expense of established expectations of privacy protection, and should be approached with the goal of protecting individual privacy.

Responsibility

9 **Accountability**: E-government can open up government and policy processes and enhance accountability. Accountability arrangements should ensure that it is clear who is responsible for shared projects and initiatives. Similarly, the use of private sector partnerships must not reduce accountability.

10 **Monitoring and evaluation**: Identifying the demand, costs, benefits and impacts of e-government is crucial if momentum is to be sustained. E-government implementers cannot expect support if they cannot articulate potential benefits.

What barriers are impeding the development of e-government?

Legislative and regulatory barriers can impede the uptake of e-government

In order for e-services to gain widespread acceptance, they must have the same standing as the equivalent paper processes. Additionally, current frameworks based on the assumption that agencies work alone (e.g. performance management, accountability frameworks and an interdiction of data sharing) inhibit collaboration. Finally, privacy and security need to be ensured before online services can advance.

Confusion about what exactly is in the law is another problem. Agencies may need clarification on what they can and cannot do, particularly in the areas of data security and technical standards. Especially in the case of small agencies with few resources, the cost of developing an e-government project in the wrong direction or using the wrong standards is potentially prohibitive.

Budgetary frameworks can restrict e-government initiatives

In many OECD countries, existing **budgetary arrangements act against** efficient e-government by funding through traditional government silos, and by not recognising ICT expenditure as an investment. Organisations need incentives for cross-organisational projects and tools for measuring returns on investment. This can be achieved through a government-wide approach to the assessment of e-government benefits and the sharing of savings.

To finance seamless government services and shared infrastructure, budgetary regulations should **facilitate co-operative funding mechanisms** such as co-ordinated bids for new funds and the pooling of funds. Additionally, ICT expenditure should be **treated as an investment**, recognising future benefits and providing a degree of certainty for future funding. This would focus ICT spending on developing cost-effective solutions.

The adoption of e-government solutions can lag behind technological change

Governments face the challenge of fostering the development of e-government while there is still great uncertainty regarding technological change and negative impacts (e.g. system vulnerability and illegal activities). Technological developments are moving very fast and it is difficult to anticipate future impacts in detail.

Broad approaches for adapting to emerging technologies include: technology neutral legislation and regulation; flexibility within broad regulatory frameworks and adaptation of current laws to a digital world; performance requirements rather than technical specifications when procuring new technologies; and increasingly looking to international co-operation to harmonise approaches to transborder issues.

The digital divide impedes the benefits of e-government

Online access has advantages that are impossible to replicate offline, such as the drawing together of information, independent search capacity and interactive policy consultation. Within OECD countries, however, there are significant differences in access to ICTs and the Internet. Generally the most disadvantaged have the lowest levels of access, yet they also often have high levels of interaction with government. If these individuals cannot access e-government services, they will **miss out on the benefits** of e-government. Improved online access will increase the pool of potential users of e-government services. This plainly justifies that policies to reduce the digital divide be pursued. ■

What needs to be done for successful e-government implementation?

E-government challenges existing ways of working

ICT needs to be incorporated into a package of modernisation, **related changes and reforms**

(including greater teamwork, flexibility in working arrangements and remuneration and enhanced knowledge management practices) that challenge public administration's current internal governance frameworks. There will not be a single model of an e-government enabled organisation. E-government co-ordinators should use ICTs as a tool to facilitate change, and should not attempt to restructure public administrations around current technology.

E-government requires leadership

The leadership and enthusiasm of individuals and organisations has driven many e-government advances. Leadership requires vision, commitment and actions that are consistent with the message (leading by example). In the early stages of e-government, leadership is needed to gain acceptance of concepts and benefits, and to put implementation frameworks in place. At a more advanced stage, leadership is needed to manage change and sustain support for the project, especially as benefits may take time to emerge.

Indeed, leadership is necessary at all levels, from the political to the administrative. Political leadership makes e-government a priority and guides transformation by putting it in a broader context. Within administrations, leaders help translate political vision into an action plan.

Seamless government services will draw agencies closer together

Seamless government services require different agencies to work closely together. Their collaboration cannot be merely technical, but must involve a deeper engagement in terms of **shared customers.** As services become more complex (and expensive), collaboration will also be driven by the need for efficiency. E-government co-ordinators should facilitate planning for seamless services, fund catalytic projects, clarify data-sharing arrangements and address accountability issues. When current ways of working make it difficult for agencies to collaborate, barriers to co-operation need to be overcome.

Yet co-ordinators must resolve a central dilemma – how can systems and information be shared with agencies still maintaining responsibility for results and operations? Approaches adopted to deal with this issue include peer reviews, a whole of government approach, standards and frameworks, interoperability, shared infrastructure and evaluated pilot projects.

Managers need e-government skills

E-government increases the need for ICT-related skills in government. The skills required for e-government are **not simply technical**, as general managers also need broad skills to engage in the ICT decision-making process. Necessary skills include a basic technical understanding (IT literacy), but also an understanding of information management and the information society. Managers must be able to lead (and not be led by) the organisation's IT department and outside partners, and must be able to integrate the organisation's ICT strategy with its broader goals.

Furthermore, traditional management skills need to be updated and strengthened to deal with the impact of e-government. Additional competencies are needed in areas such as performance management, accountability frameworks, co-operation and collaboration across departments, and public-private partnerships. Governments should take steps to identify and ensure the skills needed for effective e-government.

E-government involves public-private partnerships

Working with the private sector is a feature of almost all e-government activity. Governments do this to access skills and products, reduce risk, draw in private capital and integrate provision of government services with private-sector channels. More innovative arrangements, involving flexible, longer-term relationships with partners sharing risks and rewards, can help respond to changing technologies and opportunities. E-government co-ordinators, with procurement authorities and key agencies, should develop an **e-government public-private partnership framework**. As part of this

framework, an examination of audit and accountability arrangements covering ICT partnerships would be helpful.

Implementing e-government can be risky, expensive and difficult

Implementing e-government can be risky, expensive and difficult, and **requires change**. Current practices tend to resist pressures for change, leading to wasted opportunities and unnecessary expenditure. Development of e-government implementation is also hampered by ineffective project management, technology failures, problems of "first mover disadvantage", funding discontinuities, and unrealistic political demands. When ICT projects go wrong, cost overruns and service delivery failures can be highly visible. Moreover, Internet-based service options raise issues such as changing customer expectations, heightened privacy concerns and public-private boundaries.

Monitoring and evaluation are essential to effective e-government

E-government implementers should articulate the impacts and benefits of a programme, in order to justify continued political and public support. Assessment should be realistic and done within time frames that are useful to decision-makers. Priority should be given to the assessment of demand, benefits and service quality. **Assessing demand remains a major weakness** in OECD countries' e-government programmes. As services become more complex and expensive, it is increasingly important to assess this demand and incorporate user feedback. ■

What are future opportunities and next steps?

Governments are under pressure …

New technologies are forcing governments to be particularly attentive to time. Unlike other aspects of government, technologies evolve very quickly and equipment rapidly becomes out of date. The decisions taken today commit administrations to a future that is changing, and not fully understood. Errors are costly financially, but are especially worrisome in terms of the trust of citizens and the businesses, which have high expectations. For all OECD countries, the transition to e-government is an opportunity for government to show its capacity to adapt. Economic development in this competitive, rapidly changing world will be penalised by delays in implementing e-government reforms.

At the same time, traditional government is adapting slowly to the information revolution and tends to treat it as only one among multiple challenges with which it is confronted.

… and must act, but wisely and with the right tools

In order to make the right decisions and avoid falling behind, governments must identify and resolve the different issues thrown up by the transition period during which traditional and e-government co-exist. Rather than just focussing on introducing ICTs, governments must also decide on, guide and control the transformation of government into e-government. This radical change of structures and traditional methods of government operations takes place by establishing real collaboration between agencies and between the different levels of government. Monitoring and evaluation of results will be an essential tool for policy makers to limit the margins for error when putting future strategies in place. Finally, service provision, which is the focus of strong attention, is only part of the potential of e-government. The use of ICT to strengthen the involvement of citizens and businesses in public decision making must progress at the same time.

As long as these different steps have not been successfully undertaken and the necessary tools put in place, e-government will remain a misleading, cosmetic operation.

For further information

The full report on which this *Policy Brief* is based, *The E-Government Imperative*, will be published this year and may be purchased from the OECD Online Bookshop (**www.oecd.org/bookshop**). The report was written under the guidance of the OECD E-Government Working Group, a group of 12 OECD Member countries (Australia, Canada, Denmark, Finland, France, Germany, Italy, Japan, Korea, Mexico, Netherlands, United States). The Policy Brief and report draw heavily upon the insights and guidance of national experts and senior officials from the centres of government in OECD countries participating in the Expert Group on Government Relations with Citizens and Civil Society.

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For further reading

- **The E-Government Imperative,** 2003
  (*forthcoming*)
  ISBN: 92-64-10117-9, 131p.

- **E-Government in Finland**, 2003
  (*forthcoming*)

- **OECD Policy Brief:**
  The Hidden Threat to E-Government, 2001
  Available at www.oecd.org/pol_brief/

- **OECD Policy Brief: Engaging Citizens Online**
  for Better Policy-Making, 2003
  Available at www.oecd.org/pol_brief/

- **OECD E-Government Seminar Proceedings**
  (*forthcoming*)

- **Promise and Problems of E-democracy:**
  Challenges of Online Citizen Engagement,
  2003 (*forthcoming*)

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The OECD Policy Briefs are prepared by the Public Affairs Division,
Public Affairs and Communications Directorate.
They are published under the responsibility of the Secretary-General.

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