E-GOVERNMENT IN CHINA

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ABSTRACT

China’s “Government Online Project”, launched in 1999, illustrates the ambition of the Chinese Communist Party (CCP) to set up an e-government. By highlighting the development of this project, which has not been widely publicized, and by revealing the problems the Chinese central government faced with it, an introduction is made about e-government in China. Problems that the Chinese government is facing are pointed out, concrete steps towards establishing a Chinese e-government are noted and a conclusion is made with regard to e-government in China.

E-GOVERNMENT IN CHINA

Definition of E-Government

E- Government is the use of information technologies (e.g., Wide Area Networks, the Internet, and mobile computing) by government agencies to transform relationships with citizens, businesses, and other branches of government. These technologies can serve a variety of purposes: better delivery of governmental services to citizens, improved interactions with business and industry, empowering citizens through access to information, and more efficient management of government. The resulting benefits include less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions. (Salkever & Kharif, 2002)

Traditionally, the interaction between a citizen or business and a governmental agency takes place in a government office. With emerging information and communication technologies, it is possible to locate service centers closer to the clients.

Analogous to e-commerce, which allows efficient intra-business transactions (Business to Business, B2B) and brings customers closer to businesses (Business to Customer, B2C), e-government aims to make the interaction between government and citizens (Government to Citizens, G2C), government and business enterprises (Government to Business, G2B), and interagency relationships (Government to Government, G2G) more friendly, convenient, transparent, and inexpensive. Figure 1 shows how e-government will help the government reduce the costs of governance and make a closer link with the populace by reducing bureaucratic procedures.
Introduction of E-Government in China

China’s “Government Online Project”, launched in 1999, illustrates the ambition of the Chinese Communist Party (CCP) to set up e-government. Now, the Chinese government is making the administrative reform initiated in the mid-90s. The following goals have been realized: first, streamlining 40 ministries to 29; second, the rejuvenation of state workers, with more than 50% of state workers in the ministries are now younger than 40 years old; third, a more rational calculation of expenditures, including the ongoing plan to abandon administrative cars for upper level officials; and finally, the intensification of anti-corruption campaigns by suing high-ranking corrupt state workers.

Parallel to these measures, the central government is employing the Internet as an instrument to assist or accelerate the process of reformation and to efficiently implement some political measures. The importance of e-government in China is now acknowledged. By introducing a rational and transparent e-government, the Chinese government has taken a significant step towards technical legitimacy, even if the government’s fate cannot be predicted. The propaganda department of the central government is quite aware that a website on the Internet has many more advantages than a newspaper or propaganda pamphlet, since the Internet provides people with a 24 hour a day service. At the same time, the central government knows that the Internet as a global network is a great threat to the Chinese government and China is not ready to be conquered in this “battle field without blood-shed” (Jiang, 2000). Regardless of heavily weakened propaganda machinery during the reform period, the Chinese government still hopes to regain its propaganda terrain. (Junhua, 2001) Due to the advantages of the Internet, an online presence has become the Chinese government’s favored means of improving its image. It is no surprise for observers of China that the central of government decided by the middle of the year 2000 to invest 1 billion RMB Yuan to set up five new internet-based propaganda agencies.
which have their own portals. All other content providers were required to follow the style and rules of the official news portals and were not authorized to release any politically relevant information.

On May 18th, 1998, there were only 145 gov.cn domain names in China. At that time, the government realized that it must utilize the network resource to build an efficient workflow over the net. Two month later, China Telecom brought forward a proposal to construct an e-government. In January 1999, “Government Online Project” officially started. By the 31st world Telecom Day in 1999 the number of gov.cn domain names increased more than tenfold to 1470 sites with 720 governmental departments having their own www websites. According to the CNSC (Chinese Nation Statistical Commission) annual report in 2002, the number of gov.cn domain names has grown up to 5864.

The “Government Online Project” includes the following. Online electronic information exchange, online government procurement bidding, online welfare payments, electronic delivery, information center; electronic document management and publication; electronic tax; and digital identification (Zhaoxing, 1999) At the same time, the Chinese government’s e-government project undertook the development of a well-connected intranet system for governmental use. One purpose of the intranet is to enable existing information to be available to all relevant institutions which need it. The Chinese government wishes to play a role of collector and sharer of information for the central governance.

The development of an intranet is undoubtedly a precondition for introducing a paperless administration. Therefore, the plan to connect all institutions via an intranet shows that the central government is trying to regain its influence over the work of provincial government, which was severely undermined during the 1990s.

CHINESE E-GOVERNMENT PROBLEMS

There are many obstacles to realizing the Chinese government’s ambition of e-government. First, there is a fundamental contradiction between the leadership’s intention to promote of an e-government and the institutionalized way of thinking and behavior of the politically bureaucratic party. The idea of e-government is based on the belief that government work should be transparent and authorities obliged to deliver services to its citizens. (Carrow, 2001) The Internet culture represents modern political culture in which transparency, a fair share of information, and political equality are required.

The institutional structure of the Chinese Communist Party (CCP), however, is characterized by its strict hierarchic system in which superiors are accustomed to monopolizing all useful information. (Gudrun, 2000) In fact, the mentality of the CCP is not in accord with the principles of modern political culture and technology, especially in remote, less developed regions. To increase accessibility to information via the Internet implies giving up at least part of the monopoly on information. Many officials and party functionaries with leading positions are apparently not ready to concede this power. Thus, the Chinese government plays an increasingly proactive role of initiator as it introduces new approach to governmental work. To a certain extent, this contradiction is also reflected in the discord between young and old
generations of the Chinese government, for many younger officials and party functionaries appear to be more sophisticated in dealing with modern technology, while the older generation has maintained a more conservative stance. As a result, the development of e-government in China is very limited. The problems mentioned above reveal the existence of attempts to gain technical legitimacy and in opposition utilitarian behavior. To some extent both of them require rational thought process.

Another obstacle to the development of cyber government is rooted in a lack of sufficient funding. Regardless of the subsidies China Telecom grants for the first period of online use, there are simply not enough financial resources to create or maintain the homepages of various government agencies. The first stage of the “Government Online Project” was pushed through by a command mechanism. As result, many institutions adhere to the command from above in a merely superficial way and deal with their websites in a “modest” way because of insufficient financial resources.

**Concrete steps towards establishing a Chinese e-government**

In comparison to other e-government in the past 5 years, the Chinese “Government Online Project” was realized in a very specific way. In the development of the Chinese e-government the following goals were conceived at the end of 1999. First, by the end of 1999, 30% of ministries and provincial governments should be moved onto the Internet. Second, by the end of 2000, 60% of departments of central and provincial levels should be brought online. To advance the project, the year 2000 was declared to be the year of “Government Online”. Third, by the end of 2001, 80% of state organizations should be online. Some of the websites should be free from subsidies and be able to refinance themselves. Last, in the years following 2001, all state agencies including embassies and consulates abroad should be networked. (Jack, 1999).

The officially formulated goal of “Government Online Project” is to build up a highly effective e-government as well as to make existing information accessible to all citizens and to facilitate bureaucratic procedures. (Junhua, 1999) The White Paper of Government Online Project State, the www.gov.cn contains six components which outline the main focus of the project. They are as follows. First, “The guidelines of ‘Government Online’” provide installation service and consulting to local governments. Second, “The propaganda center of ‘Government Online’” aims to present events concerning the project organized by central or provincial governments. Third, “Bulletins of government needs” concentrate on the publication of job and other government advertisements. Fourth, “The service center” provides services for installation of virtual platforms, security measures and other consulting and personal training related to the “Government Online Project”. Fifth, “The information center” presents laws and regulations available to citizens and other data banks. Sixth, “Hundred cities network” demonstrates regularly provincial hosts of Government Online and delivers information from the provincial governments. (Junhua, 2001)
ANALYSIS OF CHINESE GOVERNMENT WEBSITES

What follows is an analysis of the Chinese e-government’s progress with this project. A content analysis of the e-government’s websites and an observation of the access rate to Chinese e-government websites are given.

A comparison of the content of the first page of the respective government sites of the People’s Republic of China, the USA, Singapore and Taiwan will allow an identification of the special characteristics China’s e-government. Methodologically, this analysis focuses on the links of the first page which reflect the agenda and motivation of the website-maker, (i.e. the Chinese government). The following categories have been to set up to define the various links: Service oriented links provide links to other government agencies, information data in terms of public goods, as well as links to service provided by the central government. Communication oriented links which usually consist of feedback e-mail boxes and polls to which every cyber citizen can usually gain access. Business oriented links provide business and economic information such as data from the stock market as well as commercial advertisements. Agenda-setting links indicate that the government is interested in taking the role of guiding and influencing the populace. These links provide certain kinds of information including information which will help to improve government’s work. Administration oriented links focus on information about the state agencies and government work (including public procurement system). (Junhua, 2001)

Among all the explored e-government’s websites, China’s government site is the only one which is in part supported by advertisements from foreign and Chinese companies, (e.g., Microsoft, Cisco, IBM and Legend). (Junhua, 2001) The relatively large percentage of business-oriented links reconfirms the Chinese government’s view that the economy is the top priority on the one hand. On the other hand it indicates that founding of websites cannot be guaranteed by the government itself, as there is a lack of institutional and legal framework for an e-government. For lower level agencies, where the budgets are small, the founding of e-government could be a headache in the future.

Moving to the aspect of service orientation, which should be the main feature of e-government, China’s “e-government” is still far off from its goal of providing citizens with sufficient public goods. (Lovelock & Cartledge, 1999) An examination of the links on the website www.gov.cn deliver very little direct information. As China’s White Paper of Government Online Project suggests, the state agencies of central government, as well as those at each provincial level, should present data banks and statistics concerning all branches as public goods to all residents. But this remains wishful thinking for the majority of government websites. According to surveys, the amount of information which goes into and flows out of China are only 0.1% and 0.05% of the total volume of global online information. (Tillett, 2000)

Looking at websites of ministerial agencies, there is an unequal development in installed websites. The Ministry of Foreign Trade’s presence on the Internet is considered very successful because of smooth cooperation between the various departments within the ministry and between the ministry and commercial institutions. According to an official report, the access quote has
reached an average of 720,000 per day. Among these, 500,000 come from abroad. (Junhua, 2001).

Table 1 shows the average access rate of two ministerial institutions- the State Development Planning Commission (SDPC) and the Statistics Information Network (SIN – a website of State Statistics Bureau), from November 8th to December 8th 2000. (Junhua, 2001).

**NUMBER OF VISITORS TO THE CHINESE GOVERNMENT WEBSITE**

*(COMPARATIVE)*

<table>
<thead>
<tr>
<th>Institution</th>
<th>SDPC</th>
<th>SIN</th>
<th>GIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationwide registered hits per day</td>
<td>996</td>
<td>1334</td>
<td>762</td>
</tr>
<tr>
<td>Internet user nation wide</td>
<td>Ca. 20 million</td>
<td>Ca.8 million</td>
<td></td>
</tr>
</tbody>
</table>

Table 1

The number of visitors to the two mainland official websites indicate that the Chinese e-government is not attractive enough to draw great attention of cybercitizens as compared that of the other side of the Taiwan Strait (GIO – Government Information Office of Taiwan).

Considering the inequality of development in IT sectors and the telecommunications infrastructure in China, there are obviously great regional differences with respect to the realization of the goals listed in the White Paper. The uneven development could also be caused partly by the unverified content of websites and partly by disinterest in governmental work on the part of the populace. As a result, many municipal e-government sites are not visited often. An assessment of the different access rates of four cities, Chifeng, Qingdao, Taipei and Shenzhen, from November 6th to December 6th 2000 shows uneven use. (Junhua, 2001).

**NUMBER OF VISITORS TO SOME LOCAL GOV-WEBSITES**

<table>
<thead>
<tr>
<th></th>
<th>Qingdao</th>
<th>Shenzhen</th>
<th>Chifen</th>
<th>Taipei</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>2,2 M.</td>
<td>3,79 M.</td>
<td>0.44 M.</td>
<td>5,5 M.</td>
</tr>
<tr>
<td>Registered hit per day</td>
<td>1558</td>
<td>540</td>
<td>93</td>
<td>5848</td>
</tr>
</tbody>
</table>

Table 2

The contrast between cybercitizens from Taipei and those from mainland China with respect to their attitudes toward their own municipal e-government is great. Within China, the
varied representation of the different cities in the cyber populace is notable. While the websites of Qingdao municipality are frequently visited, the cybercitizens in Shenzhen do not show great interest in the website of their hometown. The reason for this lies not only in construction and content of websites, but also in the various level of interest cybercitizens have in the Internet and the different degrees of infrastructure available to access the Internet.

There is no official government statement about intranet development. One of the functions of intranet is to have the state workers well informed about the politics and policies concerning their work. Due to unprofessional bureaucracy and ambiguous understanding of public goods among state workers, the demarcation of confidential and public documents is not clear and the gray area between the two is very large. Thus, much information, which ought to be published on websites, still remains unavailable. Only the municipality of Shenzhen has displayed some attempt to abrogate all “red-documents” and bring all non-confidential data, that is, laws and regulations online. Up until now there has been no official assessment of this experiment.

Two additional points deserve special mention. One is the National Population Information Network, as part of the “Government On Line Project”, aims to provide police units nationwide with personal data on all citizens above the age of 16. Two concrete phases were set up to develop this network. First, by the end of 2000, 133 cities in China were connected. Second, within three years starting from 2000, a national population information network should be completed. Table 3 shows the number of recaptured prisoners as a result of the establishment of an internal police network, from July to August 10, 2000. (Junhua, 2001).

Another intranet success story is the new taxation system in China. At present, 60% of the county’s tax authorities are computerized, with 75% of taxes collected via the intranet. By
the end of 2000 part of the “Golden Gate Project” should have been completed with tax authorities and customs agents operating together to make taxation work more effective.

As the “Government Online Project” continues, some important points must be taken into consideration. First, unlike the construction of an e-commerce project, e-government must have a special organization to manage its progress, since the government must be responsible for what information puts on the net and for the information’s sequence. As government moves forward, there must be firm control over the whole process. Second, the information monopoly must be broken and regulations and laws published on the Internet. Lack of information will cause chaos, but information abuse will have the same result. Third, a security center should be established to assure information is delivered safely and correctly. Not only will e-government publish public information, but it will also exchange internal information through the net. So, the security center must be responsible to protect secret information. Fourth, the real government must alter its workflow to fit e-government’s requirements. Officials must know how to deal with the daily affairs on the net. This requires some kind of technical training and management training as well. Fifth, the rational for e-government creation should be made clear. E-government provides additional means for the people to gain information from the government, and therefore is a method for the government to serve the people. Sixth, the government should popularize the use of computer and Internet technology, because if only few people can access the net, the e-government looses its meaning and cannot reach its original objective. Since in China, 10% of the population is illiterate, a major problem to resolve is how to popularize the technology and make the Internet easy to use.

CONCLUDING REMARKS

Based on the assessment of the “Government Online Project”, the following points appear to be important. First, China is still a long way away from a service and communication oriented e-government. There is a great disparity between word and deed, between what the government intended to do and what has actually happened. Consequently there are contradictions between technical and moral legitimacy and between technical legitimacy and Chinese utilitarianism. By the end of 2002, China had 22.5 million Internet users. Despite an exponential growth rate, one must keep in mind that Internet penetration is at present less than 2% in China in comparison to the US with rates surpassing 45% and in nearby Singapore’s with a rate at almost 50%. This indicates that the e-government cannot presently have large-scale communication with people, even if e-government were successfully realized. An e-government will become relevant to the populace only when there are significant numbers of Internet users in the country.

China can have a modest e-government, if the central government is wise enough to face its problems in a rational way. Among the developing countries China has relatively good facilities. The development of a telecommunications infrastructure in the past five years will make it much easier for Chinese citizens in urban areas to obtain access to the Internet. By the end of 2000, 229 million households were connected either via mobile or normal telephones, this implies that China is not far away from its goal of enlarging the number of Internet users. (Yuezhi, 2000)
An e-government promotes transparency, but it is not necessarily identical with democracy. The differentiation between technical and moral legitimacy is often neglected by many social scientists. (Junhua, 2001) A country can, for a certain period have transparency and technical legitimacy without necessarily having to gain moral legitimacy or become democratic. Given the ever more complicated relations between agencies of the ministerial level and between the central and provincial government, the Internet will help the Party to reduce tensions and will make surveillance over subordinate agencies possible. Also, the emergence of a digital world in China will, in the short run, enhance the political bureaucratic of the government.

For many countries undergoing transformation, however, the Internet functions as more than a neutral instrument. An e-government will help a government to become more accountable and behave more rationally. In fact, the accountability is not merely the precondition of the modern capitalist countries, as Max Weber stated, it has become the precondition of modern democracy. Consequently, the rest of the world should not only push China to legitimize itself from a normative, moral perspective, but also encourage and support China’s efforts in creating technical legitimacy by establishing a service- and communication-oriented e-government, even if it is still in the infant stage. (Salkever & Kharif, 2002).

Efforts to gain technical legitimacy will benefit the democratization process in the long run. A special discussion forum during a session of People’s Congress is a far cry from institutionalized democracy, but once it has opened, it will be difficult for the Party to reverse.

It is evident that the “Government Online Project” and its following projects (Enterprises Online and Households Online) have advanced Chinese IT immensely. It can be argued that parallel to the development of a global Internet, a Chinese language Internet network is emerging. The Chinese language network links the different Chinese speaking regions and ethnic groups and thereby ensures that they will influence each other. The main driver of the new Chinese virtual world is not government institutions, but the very new economy itself. The rapid increase of domain names of “dot com” in China as well as in other countries has already proved this to be the case. (Reinermann, 2000). “Better-informed businessmen may be more competitive in the new global economy, but they are also, inevitable, better informed about life in the outside world – and the rights and freedoms that China does not yet permit.”

As the German proverb says, commerce brings about changes. (Huang & Luo, 2001). China’s ongoing “fermentation evolution” via the Internet is definitely at work, although the online success depends very much on the political reforms which should be conducted off-line. The ongoing digitized economy, achieved mainly by the proactive role the Chinese e-government took in forming the structure of e-government, will in turn push forward the digital government in China onto a new stage and eventually change the Chinese way of thinking and patterns of governmental work.

In observing the recent Internet controls imposed by the Chinese government one might become discouraged as to the future of ethical governmental practices in China. However, a political breakthrough takes time. As it stands in China today, the introduction of an e-government has opened Pandora’s Box and China’s Internet has begun to work towards an unprecedented political breakthrough, which the Chinese government itself did not expect.
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