Chapter 17
Towards a Customer Centric E-Government Application:
The Case of E-Filing in Malaysia

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EXECUTIVE SUMMARY

Information Communication Technology (ICT) has played an important role in today’s global economy. Many countries have gained successful growth due to the implementation of ICT. In Malaysia, increased utilization of ICT has contributed significantly to the total factor productivity. One of the main contributing factors is the e-commerce and Internet based services. Therefore, this case study aims to examine the contribution of the newly introduced E-government application, namely E-filing system. E-filing system is a newly developed online tax submission services offered by the government to the tax payers in the country where they are able to easily, quickly and safely file their tax returns. The primary discussion in this case study concerns Malaysia’s ICT revolution, followed by the introduction of E-Filing system, the challenges and barriers faced by the government, and the chapter concludes with future trends in the implementation of this system.

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INTRODUCTION

Role of ICT

The advances in information and communication technologies (ICT) have raised new opportunities for the implementation of novel applications and the provision of high quality services over global networks. The aim is to utilize this “information society era” for improving the quality of life of all citizens, disseminating knowledge, strengthening social cohesion, generating earnings and finally ensuring that organizations and public bodies remain competitive in the global electronic marketplace (Hesson & Al-Ameed, 2007).

Developed economies are identified with countries that properly use technology for the creation of wealth and less developed economies are identified with countries lacking technological know-how necessary to create wealth (Khalil, 2000). As such, a proper management of technology also includes low-tech to high-tech to super-high technologies. Khalil (1993) asserted that a proper management of low or medium level technologies can still create a certain competitive advantage and be effectively used for wealth creation. This is especially evident in newly industrialized countries (NICs) such as Taiwan, Korea, Singapore and Malaysia.

In Malaysia, ICT has assimilated into people’s lives in many ways such as communication, logistics or in their working environment. Malaysia has invested enormously in ICT over the years. For example in the Ninth Malaysian Plan (2006-2010), a total of US$6 billion was allocated for enhancing ICT diffusion throughout the country. This shows the importance given by the country for ICT accelerate the economic competitiveness of Malaysia (Kuppusamy et al.2009).

Impact of ICT on Economic Growth

Solow (1957) through his famous seminal research on the contribution of technology on productivity growth in the US had sparked great interest among scholars on the relationship between technology and economic progress.

Since then, various firms, industries and countries have undertaken studies to find out more on the relationship between technology and economic growth.

Based on the study of Jalava and Pohjola (2002), both the production and use of ICT have been the factors behind the improved economic performance of the United States in the 1990s. A further research done by Jalava and Pohjola (2007) proves that the ICT’s contribution to the economic growth of Finland was three times larger than the contribution of electricity industry.

In relation to the study done on Korea’s economic development from 1996-2001, it is proven that Korea’s economic development in the 20th century are mainly due
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