Chapter I

Government Transformation: The First Step to Integrate E-Business into E-Government

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ABSTRACT

The incorporation of e-business models into e-government applications is an additional approach in building the citizen-centric strategy. The value chain analysis is used to prove that the additional approach can overcome the weaknesses of the main current approaches such as the one-stop service centers and customer management relationship. However, this incorporation is challenged due to the differences between governments and businesses. The value chain analysis assists to find out solutions, which are specialization into a single or group of related services and commercialization allowing the participation of the private sector in carrying e-government initiatives, in order to create the sufficient pre-conditions for integration of e-business models. In other words, government transformation in which commercialization and specialization are the essential parts is the first step to integrate e-business models into e-government applications.

INTRODUCTION

Recently, an increasing number of countries around the world apply Information Communication Technology (ICT) into their administration in order to improve their efficiency and provide better public services via Internet. For instance, in 2001, one of the President’s Management Agenda initiatives in the Bush Administration is Expanding Electronic Government, which focuses on “modernizing Information Technology (IT) investments within agencies using the principles of e-business (and) integrating IT investments across agencies centered around groups of citizens” (Executive Office of the President of the United States, 2003, p. 2). However, results
of the e-government initiatives are mostly not as good as the expectation. The number of online public service users is very low compared to the huge amount of capital invested on e-government projects. Particularly, Heeks (2002 & 2003) found that more than 60% of e-government initiatives in developing countries was partly or completely failure. Hence, the contemporary e-government research is nowadays concentrating on exploring the critical success factors which are defined as those few key areas where things must go right for programs to proper (Dubelaar et al., 2005). Among other factors, the need of a citizen-centric view when providing e-services is currently taking attention of not only researchers but also policy-makers. For example, the e-Japan initiative has been evaluated as its operation was mostly from the supply-side point of view, and thus, it could not be always in sync with the needs and requirements of citizens. Moreover, the private sector with the customer-centric strategy has reaped success as proved by the growth and global expansion of eBay and Amazon. Therefore, within this chapter, we will discuss how incorporate the customer-centric e-business into citizen-centric e-government to make the targets of e-government feasible.

RESEARCH METHODOLOGY AND MODEL

While the citizen-centric strategy can be traced farther back in public administration reform (PAR), the ICT potentials for PAR have recently given new attention (Kubicek & Hagen, 2004). Therefore, the first step in this chapter is reviewing the citizen-centric e-government literature to understand the insufficient of the current approaches. The summary of literature review and comparison is displayed in the following table.

The findings from the comparison point that we need an additional approach to fill in the gaps which current methods leave since these gaps are the cause of partly failure in citizen-centric e-government projects. In fact, both e-government and e-business are currently orienting to the strategies which focus on meeting the demand of online-users and the growth and global expansion of many companies such as eBay, Google, Amazon and Tesco (Timmers, 1998) has proved the relevancy of the customer-centric model in the private sector. Hence, the idea of bringing the citizen-centric e-business model into government operation is a new and creative approach. However, the differences between businesses and governments challenge the ability of realizing this idea. To overcome these obstacles, the value

Table 1. Citizen-centric e-government approach comparison

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Customer Relationship Management</th>
<th>One-stop service centers</th>
<th>An additional Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on citizen needs</td>
<td>Yes</td>
<td>Yes</td>
<td>No change</td>
</tr>
<tr>
<td>Focus on both font system and back end</td>
<td>No (i.e only front systems)</td>
<td>Yes</td>
<td>Yes (Need Integration)</td>
</tr>
<tr>
<td>Required realistic level</td>
<td>Yes</td>
<td>No (i.e required huge</td>
<td>Yes</td>
</tr>
<tr>
<td>of government capacity</td>
<td></td>
<td>amount of time and effort)</td>
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