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# THE ROLE OF E-GOVERNMENT IN THE RISE OF ADMINISTRATIVE EFFICIENCY

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**ABSTRACT:** *The aim of e-Government - one of the key objectives laid out in the Commission's i2010 Action plan - is to bring administrations closer to citizens and businesses by providing online public services e-Government refers to the provision of online public services to citizens and businesses. Services for citizens include registration to government services such as health care, education or employment benefits. For businesses, e-Government services can take the form of online alerts for public procurements or funding opportunities as well as information and support on applicable legislation in a given sector.*

## 1. E-GOVERNMENT IN THE EUROPEAN CONTEXT

In the EU context, e-Government could improve and accelerate administrative efficiency, have positive implications for cross-border mobility and the internal market and is seen by many as a way to achieve the EU's Lisbon target to become the world's most competitive knowledge-based economy.

The Commission is encouraging member states' actions by financing projects and securing the technical interoperability of e-Government services across Europe. Since 2000, Member States and the Commission have been co-operating in the area of e-Government through the 'Interchange of Data between Administrations' (IDA) Programmed, which is currently being used as a basis to develop pan-European services and exchange best practices. In 2004, EU Ministers replaced IDA by IDABC ('Interoperable delivery of Pan-European e-Government services to Public Administrations, Business and Citizens'). The first IDABC work programmed, covering the period 2005 - 2009, was decided upon on 8 November 2005.

On 23 February 2006, the Commission published a Communication in which it identified a number of different elements which should be harmonized to make different countries' e-Government services work smoothly together. On an organizational level, administrations should come to a common understanding as to how key events like births, marriages and deaths, as well as standardized business procedures like setting up business or taking part in a tender, should be dealt with. As a next step, they need to introduce a standardized vocabulary that will allow easy translation on a system level of key information provided. Finally, the systems themselves need to have standardized interfaces that will allow the easy exchange of information.

Europe continues to make progress in the supply of online public services and thereby is making major steps towards the goals of the Lisbon Strategy and the i2010 e-Government action plan. Businesses are well served and suitably engaged. Citizens are generally less well served despite the fact that they are increasingly exposed to and versed in web services. This has the effect of widening the gap between the public and commercial online worlds. The challenge is to close this gap, delivering an experience that is attractive to citizens and meets their needs efficiently, consistently and economically.

Basic services in all Member States are available online, and there has been a significant increase in the level of sophistication. However, there is a variation of around a 50 percentage points between the most and least advanced countries.

In terms of **full online availability**<sup>1</sup>, Europe advanced from 50% in 2006 to 58% of basic services in 2007. This is the largest percentage increase for a single year since 2001. The gap between the leader (now at 100%) and the worst performer is 85 percentage points. This variation reflects the inherent difficulty in ensuring the full delivery of

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<sup>1</sup> All online availability figures are taken from "The User Challenge: Benchmarking the supply of online public services", European Commission 2007, available at [http://ec.europa.eu/information\\_society/eeurope/i2010/docs/benchmarking/egov\\_benchmark\\_2007.pdf](http://ec.europa.eu/information_society/eeurope/i2010/docs/benchmarking/egov_benchmark_2007.pdf)

integrated ('front-to-back-office'), interoperable services, particularly in large and decentralized countries. Among the top ten performers, only three (UK, FR, DE) are large Member States (Figure 1).

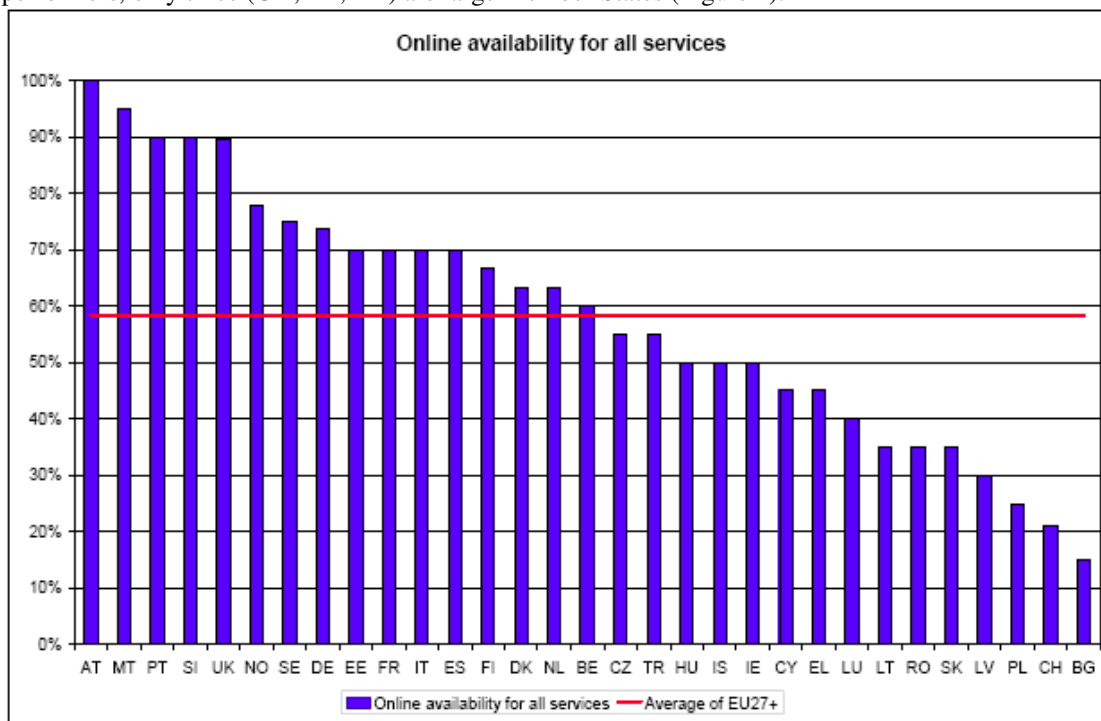


Figure 1

Source: Cap Gemini, "The User Challenge. Benchmarking the supply of online public services" 2007

There is a strong correlation between the **sophistication** and availability of e-Government services. Five countries achieve 90% or above on both measures. Austria retains its leading position, followed by Malta, Slovenia, Portugal and the United Kingdom (the first of the large countries). Modest size has enabled rapid progress. However, a number of small Member States have not yet embraced e-Government to the same degree. There are also a number of previously progressive 'old' countries whose progress has faltered somewhat over recent years.

E-Government is still progressing faster for business services than for services intended for citizens. The EU average for company registration fully available online, a good indicator for a business-friendly environment and crucial to the Lisbon agenda, is 79%. It is 100% in fifteen Member States, but in seven others (FI, NL, EL, BG, RO, LV, SK) it remains only at 50%. VAT and corporate tax declaration are both close to 100%, while the EU average for electronic procurement is 81%.

The situation is different for citizens. Sophistication stands at 70% and full online availability for services at 50%. The gap between the leader (Austria — 100%) and the worst performer exceeds 90 percentage points, although in some countries (UK, FI, NO, SI) citizens are now served as well as businesses.

The importance of Internet usage and digital literacy is underlined by the growth in online activities. As public and private services become increasingly available online, and at better quality, those people unable to access them face greater disadvantage. Since 2005, online activities have increased significantly in areas such as e-Government, searching for health information and online transactions. The progress has been remarkable, given that such activities are normally performed less frequently or seasonally. Sending e-mails and online searches for goods and services remain the most common activities (Figure 2).

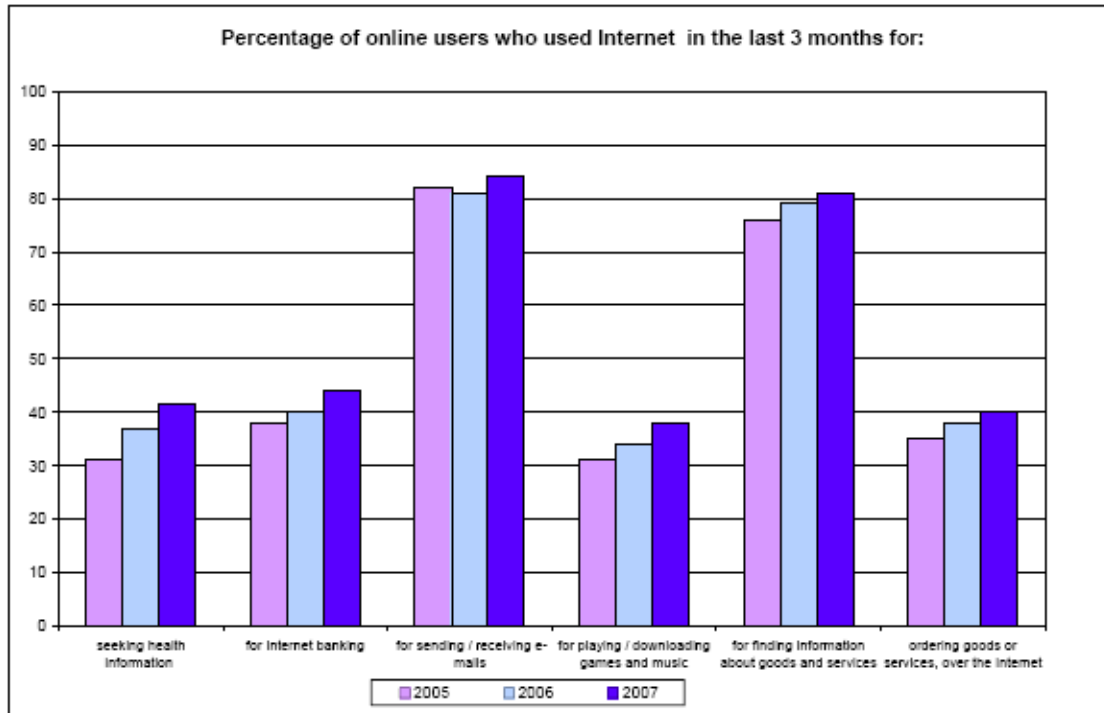


Figure 2

Source: Eurostat Community Survey on ICT Usage by Households and by Individuals between 16-74 years old (2006-07); EU27 without Malta.

According to the Community surveys on ICT use in businesses and households,, 2007 saw a significant improvement in the **take-up** of e-Government services, both by individuals and businesses. For individuals, 30% of Internet users have interacted online with public authorities in one way or another. This represents a 6 percentage point increase relative to 2006, but still lags behind the figure for businesses (66%). However, the development is very encouraging, and is likely to signal a positive trend after years of slow growth in take-up.

Nearly half of individuals and 61% of businesses have used e-Government to obtain information. Where sophistication is concerned, nearly 22% of citizens were able to fill in forms online, up 10 percentage points since 2005, compared with 46% of businesses.

However, a substantial gap between supply and take-up remains in most countries. The difference is much more marked for citizens than for businesses. Those that have achieved both high take-up and a high level of sophistication include the Nordic countries, the Netherlands, and Luxembourg (Figures 3 and 4). Monitoring of the full availability and take-up of e-Government services does not convey the full picture for e-Government developments, however. The Commission has carried out an analysis of the user experience and the elements important to this experience. The factors looked at were: the provision of a legally recognized, secure electronic identity; the accessibility of the service via alternative channels such as call centers, kiosks, mobile phones and TV; and, compliance of websites with the International Accessibility Guidelines. These **'User Centric Measures'** deliver a mixed result, the most striking finding being that only 5% of websites make specific reference to their compliance with international accessibility guidelines. With a plethora of public administration websites available and the use of conventional search engines to access public services, there are clear efficiency benefits from delivering a **national** portal as a convenient trusted and branded route to public services. The Commission has now for the first time conducted an assessment of national portals, and the findings are very positive.

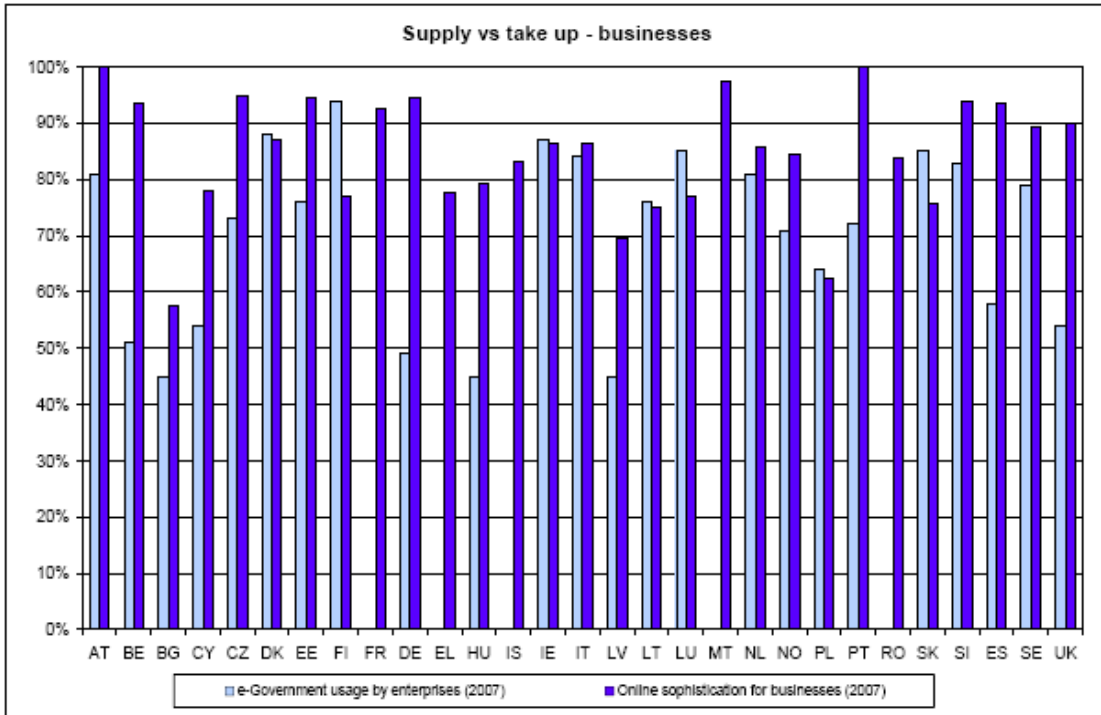


Figure 3

Source: Cap Gemini "The User Challenge. Benchmarking the supply of online public services" 2007, and Eurostat, Community Survey on ICT use in Enterprises, 2007.

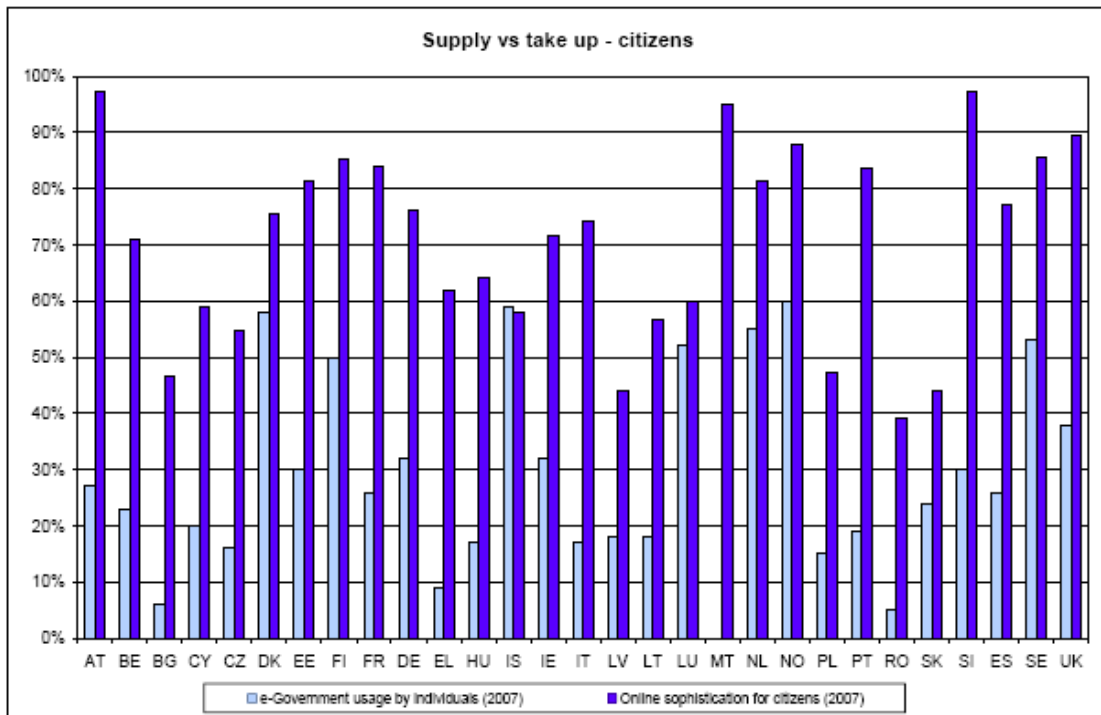


Figure 4

In the e-services awards, second place went to eBooks on Demand, a service network making millions of books available online through close cooperation between thirteen libraries from eight European countries. The European PAYment circuit (EU Pay), a simple, multi-channel payment collection mechanism for public authorities, was third.

## 2. MICROSOFT IN PUSH TO ESTABLISH E-GOVERNMENT STANDARD

The US software giant has launched a new set of products aimed at standardizing the provision of online services to citizens by public administrations. But while Microsoft says the move will help address the fragmentation of Internet services offered by local authorities, competitors argue it may pose a threat to the development of alternative software. The European Commission considers the ability to offer public services online - so-called 'e-Government' - as a priority in order to reduce public expenses, provide better services and widen the knowledge-based European society. In the EU's view, paying taxes, acquiring a certificate or finding a job are activities that should be carried out via the Internet.

E-Government is one of the pillars of the i2010 strategy to promote convergence in information and communication technologies by the end of the decade.

The European Services Directive (also known as the Bolkestein Directive), scheduled to enter into force in 2008, will further increase Europe's focus on e-Government. Indeed, the text requires public authorities to offer a range of online services to citizens by 2009.

The majority of public services provided to citizens remain the responsibility of local authorities.

In a recent report commissioned by Microsoft, CAP Gemini highlighted that half of public spending in Europe is delivered locally. At the same time, the online services provided vary considerably among European countries and regions, with a gap of "around 50% among the first and last".

The Commission considers reducing this fragmentation as essential to increasing cooperation between public authorities, with 'interoperability' the keyword. Indeed, Brussels is progressing in this direction with the launch, scheduled for May 2008, of the SEMIC platform aimed at harmonizing the format and content of online public services.

Microsoft is also approaching the problem with a new range of software, the Citizen Service Platform (CSP), launched at the Berlin conference. The idea is to facilitate cooperation by offering the same products to everybody, as has already occurred in offices and households worldwide with its Windows operating system.

Microsoft insists that the new platform will guarantee interoperability. Indeed, it is designed to be used by public authorities in conjunction with the other software currently at their disposal. But even if smaller operators do not question its interoperability, there may be a new cause for concern for Microsoft's main competitors in this sector, IBM and Oracle. CSP arose from a series of projects between Microsoft, our partners, and local and regional governments. By incorporating past lessons and achievements, we will be able to provide governments with technologies they can cost-effectively and easily deploy for the direct benefit of their citizens.

## CONCLUSIONS

At EU level, the main issues in the debate surrounding e-Government are:

- The development of high-speed infrastructure to access the Internet, mainly through broadband and other high-speed internet connections like Internet over power lines, Wi-Fi (wireless, high-speed Internet) and other technologies;
- creating trust and transparency, which, a study has found, are essential for the successful delivery of e-Government services;
- citizen access and participation through the availability of Public Internet Access Points to avoid a digital divide;
- network security and the protection of computers against viruses, unsolicited e-mails (spam) and other nuisances to Internet users;
- interoperability of networks (within countries and across the EU) so that they can be linked to one another and offer seamless services to customers
- online privacy;
- the development of pan-European services on other means than the PC (e.g. mobile phones using the 3G technology or digital TV);
- investment spending in online administration by European and national authorities, and use of open-source software (OSS) by public administrations as a potential threat to major software companies trying to reap the benefits of the growing enthusiasm for e-Government solutions and services.

**Euro business**, which brings together European industrial and employers' confederations, is of the view that quantitative targets for getting Europe online must be followed by focused qualitative targets. Euro business therefore calls on Member States to promote e-Government measures.

The **Global Business Dialogue on e-commerce (GBDe)** proposes a list of 23 points to governments on e-Government desirable requirements. Their main proposals are to:

- 1) Adopt explicit milestones and a roadmap for e-Government implementation

- 2) Utilize outsourcing from the private sector
- 3) Carry out measures to help small and medium-sized enterprises (SME) use e-Government services
- 4) Release government information on the Internet simultaneously with conventional publishing methods

Analysis of the availability of basic services, personalization ('my portal'), and consistency of layout demonstrates that European governments have invested in delivering good national portals and that they are considered as cornerstones of national e-Government strategies.

The Strategy will seek to systematically stimulate measures for technological innovation and use of its results, internet access and ICT uptake through the improvement of and wider use of ICT in SME and schools, establishment of public internet access points network in the areas of market failure (under served rural and small urban areas), ensuring access for all categories of population (including vulnerable groups such as Roma and disabled persons). These services will require access to broadband connections.

The development and effective use of electronic public services will provide benefits for the public and private sectors such as increased institutional transparency, regulatory credibility and lower costs.

These will be achieved through implementing e-Government solutions, e.g. e-education, e-learning, e-health and e-tax. Increasing the security of electronic communication networks will help eliminate fraud and contribute to the achievement of the e-business and e-government objectives.

Romania needs a safe and dynamic e-business environment, which can be achieved by increasing the number and level of exploitation of e-business opportunities by companies in general and SME in particular. E-commerce, just like ICT in general, can generate significant cost reductions and can facilitate access to domestic and foreign markets.

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