Government Reform as a Key to Success for e-Government

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Graduate School of Public Policy
The University of Tokyo
E-government is *not a panacea*. Although it can facilitate change and create new, more efficient administrative processes, e-government will not solve all problems of corruption and inefficiency, nor will it overcome all barriers to civic engagement.

http://www.infodev.org/section/programs/mainstreaming_ictsis/egov
Moreover, e-government does not happen just because a government buys more computers and sets up a website. While online service delivery can be more efficient and less costly than other channels, cost savings and service improvements are not automatic. **E-government is a process that requires planning, sustained dedication of resources and political will.**
What is e-government?

- G2C, G2B, G2G, IEE
- Politicians2Constituency, Electric Vote
- Juridical process

- Every public activities by government using ICT are e-government!!
What is motivation to e-government?

- Citizen-centered, customer-oriented?
- Internal EE improvement?
- Market leader of advanced technology?
- Catch-up / follow advanced governments?

- Very important
- Lots of political rhetoric!!!
- But who cares seriously?
### Global E-government Readiness Index

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*Red: over World Average Increase*
## Readiness Index top 10

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Average ranking for 2005: 11
Average ranking for 2003: 11

Note: The ranking numbers represent the order of the countries in terms of readiness index.

*Table shows the change in ranking between 2005 and 2003 for the top 11-20 countries.*
## Web measure index: A component of Readiness Index

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## A component of Readiness Index

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### Readiness Index Increase

#### Top 10

They are all developing countries

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| World Average  | 0.4267                   | 0.0243     |
Prerequisites of E-Government

1. Human Capital
   - Literacy
   - Skill to use technology

2. Network Infrastructure

3. Management skill
   - IS governance
   - Total management of Human, financial and information resources to serve citizen
Case of Japanese E-Government Initiative
E- Government Policies in Japan

source: Japanese Government revised by Okumura

[Adm. Reform through Use of IT]  [Promoting Use of IT in the Society]

Master Plan for Promoting Government-wide use of IT: 95-99
(Cabinet Decision, Dec. 1994)

Revision of Master Plan for Promoting Government-wide use of IT: 98-02
(Cabinet Decision, Dec. 1997)

Before 2000

Program for Building e-Government
(CIO Council Decision, July 2003
Revision in June 2004)

Next Initiatives for Administrative Reform
(Cabinet Decision, Dec. 2004)

IT Basic Law

Basic Policy for the Promotion of Advanced Information and Communications Society
(Headquarters for Advanced Information and Communications Society, Decision Feb.1995, Revised Nov. 1998)

Establishment of IT Strategy Headquarters (ITSHQ)
(enactment in November 2000, enforcement in January 2001)

After 2000

e- Japan Priority Policy Program 2001
(ITSHQ, March 2001)

e- Japan Priority Policy Program 2002
(ITSHQ, June 2002)

e- Japan Priority Policy Program 2003
(ITSHQ, August 2003)

e- Japan Priority Policy Program 2004
(ITSHQ, June 2004)

e- Japan Strategy
(ITSHQ, Jan. 2001)

e- Japan Strategy II
(ITSHQ, July 2003)

5 Priority Policy Areas

Development of the world’s most advanced information & telecommunications network

Human resources development, (education and learning)

Promotion of e-commerce, etc

Realization of e-Gov (promotion of use of IT in public sector)

Ensuring of the security and reliability advanced information & communications networks

New Strategy
(ITSHQ, Jan. 2006)

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Q: Who is CEO in Government?

PM / Minister / Secretary?

Head of permanent officials?

Who has real power in administration?

**Pink:** Elected official

**Blue:** Administrative official

**Dark Blue:** CIO: They are (assistant) CEO / have not IT expertise

**Yellow:** Assistant CIO (from private sector)
Japanese Government CIO
I’s uniqueness

- Agency CIO ≠ real CIO in general
  - They are (assistant) CEO
  - They have potential power to change management
  - But, they don’t care about IS, expect to the extent of budget cost. And, usually don’t have knowledge about ICT.
Japanese Government Assistant CIO: Useful staffing

- To Cover the weakness of CIO
  - They have technical expertise
  - But, they have frustrations of weak IT management and less linkage of IT and general management in the Government
“Program for Building e-Government” (Outline)

Goals: 1. Provide “User-oriented Administrative Services”
2. Realize “simplified Public Administration with High Budget Efficiency”

Basic Principles of Initiatives

Provide better services to the public

- Provide the public with information they need with easy access for 24 hours a day, 7 weeks & 365 days.
- Provide secure one-stop administrative services through a single website on the Internet.

Renovate business process and system

- Make a zero-base review on business processes/systems to make them more rational and efficient by:
  - introducing unified systems for back-office operations,
  - outsourcing various operations of

Improve infrastructure for building e-Government

- Strengthen infrastructure for e-Government, e.g.: staffing “assistant CDGs” (technical advisors appointed from outside the Government) and fortifying measures of security and legal systems of protecting personal information.

Programs by Individual Ministries

- Specified Actions and Initiatives that individual Ministries shall take in line with the "Basic Principles" above.
Initiatives for “Renovating Business Processes and Systems”

- Develop **Optimization Plan**: Optimize 83 nominated areas of business operations (23 cross-agency common operations and 60 individual agency systems)
  1. Decide “Guideline for Review” respectively to clarify the whole picture of renovation (by Jun. 2005 at latest).
  2. Decide “Optimization Plan (OP)" to optimize business process and system (as soon as possible by Mar. 2006).

- **Quantify estimated “Effects of Reducing Processing Time and Costs”**

- **Build government-wide unified “Common Operations” systems**
  → Scrap overlapping investments in building systems for efficient budget spending.

- **Significantly cut costs and streamline operations of “Legacy (old) Systems” by:**
  1. Clarifying “Investment Effectiveness” by complete renewal of systems,
  2. Transition to “Open Systems”,
  3. Re-examining Contracts for Data Communication Services, and
  4. Shifting from Negotiated Contract to “Competitive Bidding”.

**Promote simple, efficient and rational administrative operations strategically and consistently to ensure overall optimization.**
Business/ System Optimization Plan

As Is

- Business Architecture
- Data Architecture
- Applications Architecture
- Technology Architecture

 Standards

To Be

- Business Architecture
- Data Architecture
- Applications Architecture
- Technology Architecture

 Transitional Processes

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Development process of Business / System Optimization Plan

- Role of Business/ System
- As Is B/ S
- Guideline for Review
- To Be B/ S
- Optimization Plan

Targets:
- High Budget efficiency / streamlined Government

Principles of Optimization
- Business process analysis / identify major tasks
- Common guidance for revision
- Benchmarks / Success cases
An Example: Business process analysis/
Identify major tasks (G. Document)

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<th>Major tasks</th>
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<tr>
<td>1</td>
<td>Amendment of relevant laws &amp; regulations, if necessary</td>
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<tr>
<td>2</td>
<td>Streamlining business process</td>
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<td>3</td>
<td>Paper reduction of business process</td>
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<tr>
<td>4</td>
<td>Training experts</td>
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<tr>
<td>5</td>
<td>Monitoring business performance</td>
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Business flow: during purchase process of goods

25 staff involved!
How many can be reduced?
Next Step of Japanese Government

1. Government Program Management Office (GPMO)
   - Under IT Strategy Headquarters

2. PMO in each agency
   - To improve IS governance by supporting activities of CIO & assistant CIO

3. Assessment Committee
   - Under IT Strategy Headquarters
Lessons Learned
Technology Enactment & Actors

Objective
IT

Organizational Forms
Bureaucracy
• Hierarchy
• Jurisdiction
• Standardization
• Rules, files
• Stability
• Networks
• Trust vs. Exchange
• Social Capital
• Interoperability
• Pooled resources
• Access to Knowledge

Outcome
• Indeterminate
• Multiple
• Unanticipated
• Influenced by rational, social, and political logics

Institutional Arrangements
• Cognitive
• Cultural
• Sociostructural
• Legal & formal

Actors Group A:
Vendors
Consultants

Actors Group B:
- CIO
- Decisionmakers of IT system

Enacted Technology
- Perception
- Design
- Implementation
- Use

Actors Group C:
- Policymakers
- Managers,
- Administrators
- Operators, Workers

Outcome
- Indeterminate
- Multiple
- Unanticipated
- Influenced by rational, social, and political logics

Distance: CEO vs CIO

CEO does not care about IT.

CIO does not care about Management.
Move from CIO to CEO

Japanese Government so far & next step are still in this state.
Move from CEO to CIO

Very few think about this in Government
Both CEO & CIO move

Is it possible?
But, indispensable!
Mbst Real Cases

CEO

CHO

CFO

CTO Etc.

CIO
Ideal positions

CEO
CIO
CHO
CHO
CFO
Desirable Knowledge for CEO
- the essence of information -

- How information is used / dealt in business
  - Create / reuse / compare / revise
  - Communicate / Share
  - Authorize \rightarrow take actions
  - Store / Retrieve

- Different business operations may be brought down into the similar package of information use
  - Information system design
Desirable Knowledge for CEO
- Management & Information-

- Human and Information interaction
  - Information, if used by organizations, become meaningful in organization
  - Information used by organization is a reflection of institutional arrangement

- Total management: **SBCT** approach
  - Whom must government business **S**erve?
  - **B**usiness process management
  - **C**ost & **B**enefit of IT investment
  - **T**otal management of human resources, financial resources and information resources
Government vs Private

- Incentives to change management
  - Weak vs strong
- Fair & accountable business process
  - Strong vs weak
- Beautiful rhetoric vs action
- Performance requirement
  - Weak & difficult vs strong & easy
- Monopoly vs Competition
- Organizational system
  - Complex (Central, Local, within them,) vs simple
- What is Motivation for Change?
- Pressures from sense of urgency without big failure+!!
Solutions
- short & mid term -

- Peer pressures on governments, agencies
  - International comparative studies on Government management and IS governance
  - Effective evaluation / monitoring mechanism by independent experts
- Develop particular incentives for change management in government
Solutions

- long term-

- CEO education
  - To overcome digital negligence by CEO / potential CEO / CFO / CHO.
  - To develop concepts & language bridging Human Resources management, Financial Resources management & Information Resources management and manage them totally.
  - To educate the concept of “whom government serves” in the above management skill
CEO Education as a key to the better Government

*not a panacea but a herb medicine*

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