## 1.1 Introduction to Governance and e-Governance

**Implementation of programmes in an integrated way and in a time bound manner, in a cost effective fashion and also to provide the necessary services to the citizens equitably with ease, it is essential that we use the technologies available today and work out a comprehensive e-Governance system for all government to government and government to citizens transactions. e-Governance has to be citizen friendly. Particularly in a democratic nation of a billion people like India, e-Governance should enable seamless access to information and seamless flow of information across the state and central government in the federal setup.**

-Dr. A.P.J. Abdul Kalam

As a citizen of this democracy, everyone is entitled to the fulfillment of certain basic needs by the government. Physical resources have to be duly complimented by an optimum communication infrastructure. The relevance of physical resources is limited by the accompanying information structure. It takes little knowledge of management to realize that we first need to make better use of existing physical infrastructure before adding more to it. Obviously, the aim should be to first overhaul the communication infrastructure. In fact information and communication infrastructure are the next frontier for seeking the survival and the growth of democratic government.

With the coming of Internet it has thrown open the reach of government and citizens 24 hours a day, 7 days a week and 365 days a year. This needs to be exploited and an overall perspective needs to be presented focusing various related issues to e-governance. Internet-

---

1 Address at the inauguration of the Biennial Conference of Anti-Corruption/Vigilance Bureaus of States, UTs and Officers of the CBI, 16 Nov 2006. Source: http://www.cbi.gov.in/
based information and communication technologies have already started to be used by governments to offer value-based governance. E-governance promises to fulfill the dream every Indian dreams of – a progressive country. Prosperity through IT is at our door-step. We must open the door fully, and not keep it shut. We have lived in the past, in the dark, for far too long. e-Governance is the future, and we must go in for it, to make the future secure for our future generations.

In India also, many of the states have jumped into the bandwagon of e-governance. Local government/Federal government provides the largest link for the citizens and the administration. Citizens are constantly looking for better, improved services from the local government. Many of them have taken re-course to IT enabled services and thereby moved to a SMART (Simple, Moral, Accountable, Responsive, Transparent) government. Their efforts towards e-Governance have resulted in good quality, and low cost delivery of the services to citizens. In India and others countries there are various examples of such successful models.

Governance is a process by which governments and social organisations interact and relate to each other. There are three primary actors: (a) State, (b) Civil society (including NGOs) and (c) Private sector (including
media). These actors interact with each other in three spheres: administrative, economic and political.

The twin objectives of conducting public affairs and managing public resources can be achieved through just and moral means or through unjust and immoral means. Hence governance by itself may not be adequate. Good governance is the keystone. In the United Nations Millennium Report it is emphasized that “better governance means greater participation, coupled with accountability.” There are various other definitions emanating from the academic community as well as from the development sector. Though the concept of good governance evades a precise definition, it is commonly agreed that good governance has all or some of the major characteristics listed below:

- Accountability - Decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders.
- Participation - All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.

---

2 UNDP Policy Document on Governance for Sustainable Human Development
- **Transparency** - Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.

- **Responsiveness** - Institutions and processes try to serve all stakeholders

- **Rule of Law** - Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.

- **Consensus** - Good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group and, where possible, on policies and procedures.

- **Equity and inclusiveness** - All men and women and different social groups have opportunities to improve or maintain their well-being.

- **Effectiveness and Efficiency** - Processes and institutions produce results that meet needs while making the best use of resources.

### 1.2 Enabling Good Governance through ICTs

The emergence of Information and Communications Technologies (ICTs) are rapidly transforming the way citizens interact not only with each other but also with private businesses, public service utilities and government institutions. Traditionally citizens go to a government office to transact a government interaction, whether to get a certificate,
apply/renew a passport/driving license or to pay utility bills. Today using ICTs it is possible for the same interaction to take place in a service centre close to the citizen or over the internet or even at an unattended kiosk.

Thus “e-Government” or electronic government refers to the use of ICTs by government agencies for any or all of the following reasons: (a) Exchange of information with citizens, businesses or other government departments (b) Speedier and more efficient delivery of public services (c) Improving internal efficiency (d) Reducing costs or increasing revenue (e) Re-structuring of administrative processes.

1.3 What is e-Government?

There are different ways of defining the word e-Government, and one of the simple way to understand would be to define e-Government as the transformation of government to provide Efficient, Convenient & Transparent Services to the Citizens & Businesses through Information & Communication Technologies. e-Government is, above all, a process of change in the way government shares information and delivers services to achieve greater transparency and convenience in transacting with citizens and businesses. e-Government can be seen simply as moving citizen services online, but in its broadest sense it refers to the
technology-enabled transformation of government - governments’ best hope to reduce costs, whilst promoting economic development, increasing transparency in government, improving service delivery and public administration, and facilitating the advancement of an information society\(^3\). Some of the other definitions of e-Government are:

- The use of ICT in public administration combined with organisation changes and new skills in order to improve public services and democratic processes and strengthen support to public policies\(^4\).

- The use by the government\(^5\) of Web-based Internet applications and other ICTs, combined with processes that implement these technologies to:
  
  a) enhance the access to and delivery of government information and services to the public, other agencies, and to government entities; or

  b) bring about improvements in government operations that may include effectiveness, efficiencies, service quality, or transformation”.

The World Bank encourages e-Government projects in developing countries, describing the benefits as “less corruption, increased transparency, greater convenience, revenue growth, and/or cost

---


\(^5\) US Government document, 2002
reductions”. According to WorldBank⁶, “e-Government” refers to the use by government agencies of information technologies (such as Wide Area Networks, the Internet, and mobile computing) that have the ability to transform relations with citizens, businesses, and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions.

Traditionally, the interaction between a citizen or business and a government agency took place in a government office. With emerging information and communication technologies it is possible to locate service centers closer to the clients. Such centers may consist of an unattended kiosk in the government agency, a service kiosk located close to the client, or the use of a personal computer in the home or office.

e-Government is not about ‘e’ but about government. Electronic (or e) government is about the process of transformation of relationships of government with its constituents – the citizens, businesses – and between its own organs, through the use of the tools of Information and Communications Technology (ICT). The aim is to bring about enhanced

access, transparency, accountability, and efficiency in the delivery of
government information and services\textsuperscript{7}. A government online or e-
Government might mean different things to different people, but some
common points that are addressed by e-Government are\textsuperscript{8}:

- Citizens get online access to information which is otherwise,
difficult as citizens may have to visit government offices, stand
in the queue for long hours to get the information;
- There is more transparency in the government systems;
- There is a check on corruption;
- Citizens will find it easier to access government departments
and lodge their complaints with them;
- The government will be able to respond faster and be more
efficient.

All definitions lead to one basic principle for e-government, which is
about transforming the way government Interacts with the governed. The
process is neither quick nor simple. It requires a coherent strategy,
beginning with an examination of the nation’s political will, resources,
regulatory environment, and ability of the population to make use of
planned technologies. The success of e-government requires
fundamentally changing how government works and how people view the

\textsuperscript{7} Satyanarayana J, e-Government the Science of the Possible, Prentice Hall of India, 2004, page 1
\textsuperscript{8} M P Gupta, Prabhat Kumar, Jaigit Bhattacharya, Government Online Opportunities and Challenges, Tata
ways in which government helps them. There is no “one size fits all” strategy in implementing e-government, but we have identified five essential elements in the transformation process.

Some look at e-government in a much broader perspective, as in Sweden in general e-government is defined in terms of eServices, eGovernment and eDemocracy. This gives the development of eGovernment a wider meaning with an impact not only on public administration but also on the public, companies and civil society at large. eServices refers to the development of government services and the exercise of public authority using various electronic channels. This includes the development of self-service and the possibility of individual citizens to play an active part in addressing or dealing with the case or matter concerned. eGovernment, as interpreted here, refers to the internal efficiency within and between different government bodies. Finally, eDemocracy refers to the possibility to develop the influence and participation of the public in the political sphere.

The researcher Jane E Fountain sees the development of eGovernment not only as a question of improving efficiency but rather as a process that will change the structures for the administration and governance of

---

society. The European Commission has also adopted a broader definition of the term eGovernment and describes it as “The use of information and communication technologies in public administration combined with organizational change and new skills in order to improve public services and democratic processes and strengthen support to public policies”\textsuperscript{11}.

The terms e-government and e-governance are often loosely used, but they are different in the finer sense\textsuperscript{12}. An e-government is a technology led administration, where citizens can avail of government services like getting a copy of land records, filing of tax returns, etc, while e-governance involves the formulation of laws and regulations such as domain names, etc to govern cyberspace. The Gartner Group describes e-government “as the continuous optimization of service delivery, constituency participation, and governance by transforming internal and external relationships through technology, the internet, and new media”.

Thomas B Riley\textsuperscript{13} defines “Government and governance are both about getting the consent and cooperation of the governed. But whereas government is the formal apparatus for this objective, governance is the outcome as experienced by those on the receiving end,…e-Government can be more productive version of government in general, if it is well

\textsuperscript{12}M P Gupta, Prabhat Kumar, Jaigit Bhattacharya, Government Online Opportunities and Chhallenges, Tata McGraw Hill, 2004, page 8
\textsuperscript{13}Thomas B Riley, The Riley Report, May 2003. www.rileyis.com/report/may03.htm, accessed on
implemented and managed. e-Governance can evolve into participatory
governance if it is well supported with the appropriate principles,
objectives, programs and architectures”.

Again if we look at these various definitions of e-Government and e-
Governance, some of the key factors of these two types of
transformations include:

• **e-Government** - Transformation of Government, Modernization of
  processes & functions, Better delivery mechanisms, Citizens are
  recipients

• **e-Governance** - A decisional process, Use of ICT for wider
  participation of citizens, Citizens are participants

As for the purpose of this research we would like to study the e-
Government related works in context to the scope of this research, and
henceforth restrict our understanding to e-government only.

The Gartner Four Phases of e-Government Model\textsuperscript{14} demonstrates the
progression of e-Government in the connected environment, and
identifies strategy and other factors that contribute to success in each
phase. The Gartner Four Phases of e-Government Model provides a
reference framework for positioning e-Government initiatives. By

\textsuperscript{14} Gartner e-Governance Maturity Stages, Gartner Research document.
mapping each project against the model, a department, agency or government can determine its level of progress, understand which areas must be addressed, and develop a checklist to plan and prioritize policy, organization and technology interventions required to meet e-Government objectives.

**Figure 1.1: e-Governance Maturity Stages (Gartner)**

**Dimensions of e-Government:**

The different dimensions of e-Government can be understood as interactions between the different stakeholders in the governance arena, like citizens, businesses, within government, employees, etc.
**Government-to-Citizen (G2C)** – This level of application creates an interface between the government and citizens enabling them to potentially benefit from a large range of public services. This expands the availability and accessibility of the government to an anytime, anywhere mode. This gives citizens the choice of when to interact with the government – 24 hours a day, 7 days a week; from where to interact with the government – service centre, unattended kiosk or from the comfort of one’s home; and how to interact – through internet, fax, telephone, email, face-to-face, etc.

**Government-to-Business (G2B)** – This category of application helps the business community – providers of goods and services – to seamlessly interact with the government. The advantages are it helps to cut red tape, saves time, reduces operational costs, cuts unnecessary delays and eliminates redundant data capture. It also creates a more transparent business environment when dealing with the government. The interactions can be transactional, such as in licensing, permits, procurement, and revenue collection. They can also be promotional and facilitative, such as in trade, tourism, investment and campaigns.

**Government-to-Government (G2G)** – This kind of interaction is only within the sphere of the government which can be both horizontal i.e. between different government agencies or vertical i.e. between national,
provincial and local government agencies. The primary objective is to share information in order to avoid duplication and reduce turn-around time; to increase operational efficiency; and to facilitate better integration on inter-governmental programmes and projects potentially leading to performance improvements.

Similarly, Government-to-Employees (G2E) refers to the delivery of services by the Government to its employees. These types of services primarily relate to HR areas.

**Essential Ingredients of e-Government**

Fundamentally, e-Government projects would stand on four key pillars\(^\text{15}\) – People, Process, Technology and Resource (PPTR), Figure 1.2. Each of the components need to addressed carefully and in a holistic manner, to achieve the desired results of the project, figure 1.3.

\(^{15}\) J Satyanarayana, presentations given as CEO, National Institute for Smart Government (NISG), 2004-2008.
The Four Pillars of eGovernment

- People
- Process
- Technology
- Resources

Figure 1.3: Components of e-Government Strategy
As e-government projects are rolled out across the country people within and outside the government will play an increasingly important role in ensuring the success of these projects. The scale of transformation is huge and enormous resources not only in terms of money but also the expertise, skills and commitment of the people will be required.

A World Bank document\(^\text{16}\) which analysed how personnel issues slowed down e-governance projects in different countries identified five factors:

- Threats of jobs losses increase resistance – A real or perceived threat of job loss should be addressed adequately to mitigate the damage to employees’ morale through inaccurate information and rumors. Employees need support and re-training for a new set of skills.

- Government staff may resent external staff – Intrusion by external consultants on to what is considered their privileged domain creates stiff resistance. It helps a great deal if external staff have the time and patience to talk to employees.

- High-level support does not ensure staff buy-in – Even when top political leaders support an e-government project, senior officials and their staff may remain uncommitted if they do not see benefits from moving to a new system.

\(^{16}\) *Staff Incentives and Project Implementation: Lessons from e-government*, World Bank, October 2005
• Staff are unenthusiastic when credit is not shared – A common perception is that an e-government project is an IT department project and if the project is successful, the IT department will get all the credit. This results in non-cooperation. Turf wars between departments also results in one department being in the limelight and taking all the credit. This undermines project success unless addressed adequately.

• Managers exaggerated risk aversion harms project credibility – Fearing that new systems may not deliver, managers tend to continue manual systems in parallel, and thus there is no incentive for staff to switch to the new system. It also sends the signal that the new system is unreliable. Prolonging the trial period also discourages users from changing old habits thus making the final switchover all the more difficult.

**PROCESS:**

E-Government is not just about the automation of manual records and existing processes, with all their inefficiencies. Rather, it is about transforming government processes and creating new relationships between the government and its citizens and businesses. Hence, a fresh set of process parameters and related workflow should be created, without creating unmanageable and chaotic changes, to maintain the consistency and sustainability of the process.
Poor governance can be identified by signs of long queues and presence of intermediaries at government service delivery points. Typically, citizens make multiple visits to government offices unsure of the outcome or quality of service, mystified by government procedures and at the mercy of government officials. Government processes are known for their proverbial red-tapism, lack of service-centricity or customer-focus, slowness, inflexibility, silo approach and antiquity. It is well-recognized by policy-makers in government that Business Process-Reengineering (BPR), otherwise known as Government Process-Reengineering (GPR) in the context of e-Government, is a necessary first step on the road to implementation of large scale e-Government initiatives.

“Reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed.”\(^\text{17}\)

Reengineering administrative processes and reorganization of information ownership is the most important step for implementing an e-government application. Process reengineering requires that an agency implement substantive reform in organizational structure, initiate a

change in culture and mindset, train and improve skills of its people, and put in place appropriate supporting ICT infrastructure to enable online processes that are timely and efficient to both the user and the government agency. The process or transaction fundamentally changes to allow the efficiency and transparency gains associated with e-government.\textsuperscript{18}

The focus of reengineering can be at two levels:

a) In back-office reengineering to enable reduction in costs, increasing productivity, adding more flexibility, simplifying organizational structures, greater interoperability, improving staff working conditions, etc.

b) At the front-end for users by reducing the number of offices to visit, faster, cheaper more accessible services, fewer errors, more transparency, new possibilities, better service fulfillment, greater ease of use and greater user control.

The Bhu Bharati in Andhra Pradesh\textsuperscript{19} is an innovative project that has been conceptualized and designed to transform from the department centric approach to the service-centric approach in land administration, characterized by an integrated system for capturing, storing, checking,

\textsuperscript{18} Subhash Bhatnagar, e-Government –From Vision to Implementation, Sage Publications, 2004
integrating, manipulating, analyzing and displaying data about parcel/property and its use, ownership and development. Presently, there are multiple departments, namely Survey and Land Records department, Revenue, Registration, and Urban & Rural local bodies that maintain land information and provide related services. This is resulting in inaccurate records, incomplete information, co-ordination issues and poor citizen services. A unified agency which caters the land administration and provides related information services to citizens is planned through the implementation of this project.

**Process Reforms**

Rules and regulations designed for the paper world can hinder implementation of e-Government. In India, every department or government agency is bound by acts, rules and regulations. Some of these are very old regulations and would need to suitably amended before the implementation of e-Government. It is therefore necessary that e-Government strategies should examine legal frameworks and acts to ensure that there are no barriers to putting information and services online.

While the issue of process reengineering has been explained in an earlier section, successful attempts at reengineering are usually backed by
reforms, changes in acts and issue of government orders to institutionalize the reengineered processes.

A case in point is the Decentralized Rural Information Systems & Technology Initiatives (DRISTI) project in Burdwan district of West Bengal\(^{20}\) that has introduced computerized accounting and fund monitoring system for process in the Gram Panchayats of this State. Having successfully piloted the application in 180 Gram Panchayats, the department of Panchayati Raj passed an order to amend the West Bengal Panchayat (Gram Panchayat Miscellaneous Accounts and Audit) Rules, 1990 to make computerized accounting and fund monitoring systems legal.

The National e-Governance Plan\(^{21}\) (NeGP) aims to make all government services accessible to the common man. Implementation of e-Governance in the country requires dynamic laws aligned with technological advancement. The essence of e-Governance is supported by providing legal sanctity to basic governmental functions and practices through publication of an Official Gazette for acceptance, issuance, creation, retention or preservation of any electronic document and participation in financial transactions electronically.

---


e-Governance in India does not yet have a separate enabling legal framework to ensure the effective delivery of services. e-Governance represents new form of governance\textsuperscript{22}, which is dynamic, and exponential. It needs dynamic laws, keeping pace with technological advancements. But this new dispensation of e-Governance requires new set of laws to redefine the old structures of governance by meshing with the new structures of the web. These reforms\textsuperscript{23} may have to go well beyond laws specifically affecting government electronic information systems. The accessibility of e-Government depends on the diffusion and affordability of access to the ICT infrastructure, which in turn depends on the regulatory framework for telecommunications and ICT services. Other issues affecting e-Government – particularly the legal validity of electronic documents, cyber-security, privacy and the availability of online payment mechanisms – are related to the framework for e-Commerce. Still other issues that may relate specifically to government documents – interoperability and the right of citizens to access government information – may be addressed most effectively on a government-wide basis by national laws or policies. The Information

\textsuperscript{22} Vakul Sharma (2004), Information Technology Law and Practice Cyber Law & E-Commerce, published by Universal Law Publishing Co. Pvt. Ltd. page 44

Technology Act, 2000\textsuperscript{24} provides legal recognition for transactions carried out through electronic data interchange and other means of electronic communication which involve the use of non-paper based methods of communication and storage of information, facilitating the electronic filing of documents with government agencies. However the Act and the amendments thereof do not suffice for the legal requirements which are required for cross agency cooperation after the implementation of e-governance projects in the country. Many countries like Austria, Finland, and United States of America have comprehensive e-Government legislation. The IT Act does not have provisions for privacy of citizens, inter-agency cooperation, e-procurement etc.

**TECHNOLOGY:**

The **Technology Challenges** relate to lack of an overall architecture and a road map for e-Government, lack of standards, poor IT Infrastructure, especially the poor communication networks and, above all, adoption of the hardware-approach rather than service-approach in the design and implementation of e-Gov projects. These challenges, if not addressed adequately and in time, result in an ad-hoc approach to e-Gov implementation. A few projects get implemented in isolation with big questions on their sustainability and scalability. This challenge in a sense boils down to one of creating an IT Governance structure for the e-
Governance sector. The governance structure should take care of the requirements in the 5 areas namely,

i. e-Gov Principles and Policies,

ii. e-Gov architecture,

iii. e-Gov infrastructure,

iv. e-Gov applications

v. e-Gov investment and prioritization.

**RESOURCES:**

New technologies demand new types of implementation models. Adopting conventional procurement methods would not take us far on the path of e-government. In the conventional approach, the project ownership lies with the public sector itself along with the responsibility for funding it and bearing the entire risk.

The concept of PPP has been in operation since more than, primarily in relation to the construction and operation of public infrastructure projects like bridges, airports, highways, hospitals etc. PPP is a reform that is a ‘generation next’ to privatization. Privatization is the process of involving the private sector in the ownership and management of ongoing and existing projects and businesses of the public sector. In PPP, the private sector partner is inducted into a project right from the stage of initiation to completion and management. The word ‘PPP’ is used
interchangeably with PFI or Public Finance Initiative – a concept in use in the UK. Though PPP has been in vogue for over a decade, not much research has taken place in this area – and very little in its relation to e-government. The experience has also not been extraordinary. In UK, as of end of 2003, 570 PFI deals have been signed, of which 126 are in Health. PFI scheme in education and health have caused considerable controversy, while PFI IT projects have proved practically difficult to get right.

There are many compelling reasons why governments should look at PPP in relation to their e-government plans. Some reasons are enumerated below.

(a) **Combining accountability with efficiency:** The PPP model can combine the accountability and domain expertise of the public sector with the efficiency, cost-effectiveness and customer-centric approach of the private sector. Despite the shortcomings like legacy mindset, bureaucracy, red tape and lack of responsiveness to citizen needs, the public sector is still the largest repository of domain expertise in addition to possessing the monopoly of exercising statutory powers. The public sector, however is not adept at absorption of new technologies. The

---


private sector on the other hand, is reputed to be efficient and cost-effective and more importantly, agile enough to absorb and apply new technologies in innovative ways. Therefore it is possible to create a win-win situation combining the core strengths of the public and private sectors to fulfill the objectives of e-government i.e. delivery of efficient online services.

(b) Complexity and size of e-government: E-government involves application of complex ICT technologies and management practices to equally complex business processes of the government over a sustained period. The situation appears more intractable if we visualize the government to be a complicated amalgamation of heterogeneous agencies with dynamically changing business processes, cross-communications and dependencies. It is a tall order to expect the government organization to accomplish the task of e-government in any meaningful timeframe. An assessment of the magnitude of effort involved in e-government in India, puts it at over 1,25,000 man years! Theoretically, the private sector is supposed to be able to raise ‘unlimited’ resources provided there is economic sense in the e-government exercise. There is thus a reasonably good match between the need of the government and the resources of the private sector.
(c) **Pace of implementation**: ICTs change fast. This applies to all its segments – hardware, software and networks. Newer versions and releases of operating systems, database servers, application servers, and security software are released at regular intervals by the vendors to maintain and capture market share. Networks and devices are no exception. The typical life cycle of a large e-government initiative is 18 to 24 months from initiation to completion. Lot of water would have flown under the bridge during this period, in terms of technological advances. In this fast-changing technology scenario, it is impractical to plan for implementing projects one after the other. By the time a second batch of projects is finished, they would be incompatible or out of sync with the first. We need to adopt a ‘carpet-bombing’ approach after we have designed appropriate architectures and readied the people. It is not possible to attain and maintain such a high pace in implementing e-government, if the government attempts the task by itself. This is a compelling reason to join hands with the private sector.

(d) **Resources**: The combined effect of the huge size of e-government effort and the great speed of implementation is that investments required in e-government sector are very large over a continuous period of 5 years. It is estimated that India needs $8 billion of investment in e-government sector over a 3-5 years period - excluding the cost of communication and access infrastructure. This is sixteen times higher than the current
annual IT expenditure of about half-a-billion in the government sector. Add to this the stupendous requirements in the managerial and human resource fronts. No Government can bring in these resources to complete this task. Tapping the financial, managerial and manpower resources of the private sector is a viable alternative in this regard. Structuring appropriate public-private partnerships that complement and supplement each other in functional, technological and resource areas is the key.

PPP model of implementation is more suitable to particular areas of e-government and not to all. The criteria for PPP include long-term nature of demand for a service, profitability and amenability to structuring a commercial framework and business model for PPP. The following areas are recommended for PPP.

**Information Infrastructure Projects** - e-government architecture, Data centers, Communication backbone, Call Center, e-government gateway, e-payment gateway

**Government-to-Citizen Projects** - Citizen service portals, Integrated service centers, Agency service centers, Networks of Kiosks.

Issues in PPP implementation

In the PPP model two different entities – a private sector and a public sector enterprise – with widely varying cultures, styles of working, objectives, etc., are expected to work closely together to ensure the success of the project. This leads to difficulties and throws up many operational issues which need to be tackled for smooth implementation.

(a) Lack of congruence in objectives: PPP is about the partnership in realizing shared objectives. The success of PPP depends on the degree to which the public and private sector partners align themselves along these objectives. Failure to realize this certainly leads to failure of the venture. ‘The development of a shared vision for the partnership between the two parties takes time and both must commit to developing an understanding of each other’s objective and be sympathetic where these do not necessarily match their own,’ says an official spokesman of UK government, which pioneered the PFI concept. The objective of providing convenient, high quality e-service may often conflict with the objective of making the initiative a commercially sound and viable proposition. Clarity on objectives has to be achieved by both the parties at the outset.

(b) Risk and Control: Sharing of risk and control is another slippery area. Most often, governments attempt to transfer the risk to the partner without passing on the related controls to the partner quoting “public
interest” as the reason. This results in one partner calling the shots and expecting the other partner to play the game! An example is setting up a portal with substantial private investment with the government trying to prescribe and control what services are to be offered and at what transaction cost. Operational controls should be passed on to the private partner in proportion to the risk transferred. This promotes adoption of innovative approaches rather than inhibiting them.

(c) Clash of cultures: The organizational cultures of the private and public sector differ widely in all parts of the world. This is bound to result in conflicting situations, in as much as e-government involves substantial process reform needing interaction between the partner company and the government agency or agencies in charge of the ‘domain’. The agencies perceive the surveys, interviews and studies conducted by the consultants of partner company as interference and disturbance from their ‘normal duties’. The private partners tend to look at the government employees as bureaucrats with antiquated ideas that have outlived their time. Both the views are substantially wrong. It is necessary to create a joint control and review mechanism that creates mutual trust and confidence, especially during the initial period of the project.
(d) Monopoly: Several of the e-initiatives depend, for their viability, on the principles of aggregation of demand and economy of scale. Very often there is space for only one partner in areas like e-procurement, country or state portal, data centre, gateway and the like. This is likely to result in a situation of monopoly – the monopoly of the state being replaced with the monopoly of the private partner and more importantly, monopoly of a particular technology. While a monopoly appears to be inevitable, at least in the initial periods of e-government growth, the following methodology is recommended to mitigate its impact.

The operational monopoly can be handled by defining the commercial features of the contract unambiguously while notifying the project to an open bid. The service levels and the formula for determination of the transaction/ service charges have to be spelt out in the RFP. The service/transaction charges could be a combination of a fixed base plus viable cost. The following factors are to be considered in arriving at the formula:

- Projected customer base and transaction volume
- Length of the concession period
- Fee structure of the existing services
- Price elasticity of the new services
- Capacity for growth.
The model should provide for (a) revision of the charges, especially downward revision, as it often happens with advance in the ICT sector (b) a slab system where the transaction charge gets smaller with the increase in volume.

The **technology monopoly** can be mitigated by prescribing open standards in conformity with the technology architecture approved by the government and ensuring that there is scope for developing interfaces with other systems that may be developed concurrently or in future.

Around the globe all countries are having eGovernment as their key agenda for development. Governments around the world have been quick to see the benefits of delivering services using new information and communication technologies, not just for efficiencies and savings but also for improving service standards and responsiveness. India has also taken lead in propagating e-Governance in the Country through a centralized plan, the National e-Governance Plan (NeGP)\(^{27}\) and de-centralized implementation approach.

---