

Government online - the case of Hong Kong, China

Based upon presentations at APEC Telecommunications Working Group

(Canberra, Australia, March 2001)

and

IBM's E-Government Briefings

(Melbourne, Canberra and Sydney, Australia, and Wellington, New Zealand, June 2001)

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E-Government: Health Warning!

“About 80% of all public-sector IT projects are deemed failures.” (Todd Ramsey, IBM's worldwide head of government services). That does not mean they are total disasters, but that they usually take longer to implement, cost more and deliver less than was planned.’

Government and the Internet Survey, *The Economist*, 24 June 2000.

The Economist Gives Three Reasons

1. Protracted IT tendering processes
2. Tendency to over-customize IT processes to accommodate inflexible government working practices
3. Difficult to re-deploy or re-train people and functions across many government departments
Plus ?
4. Legacy systems, uneven IT development across departments and need for a “Champion”?

Four Stages of E-Government

1. Web used to promote department information - this usually very uneven across departments
2. Web used for limited two-way communications with public
1 + 2 = Hong Kong later 1990s
3. Transactions capabilities enabled
4. Portal to Government services online
3 + 4 = Hong Kong 2000/2001

What a difference in 10 years!

- “...no preferential treatment to the information technology sector has been given. The use of information technology in Hong Kong is requirement-driven rather than coordinated and promoted by the Government, apart from promotion through its own consumption. Such a stance is welcomed by the community and the IT industry at large.” C.C.Greenfield and E. Lee Government information technology policy in Hong Kong in J.King ed. Informatization and the Public Sector: Special Issue v.2.2 1992 (pp.125-132)

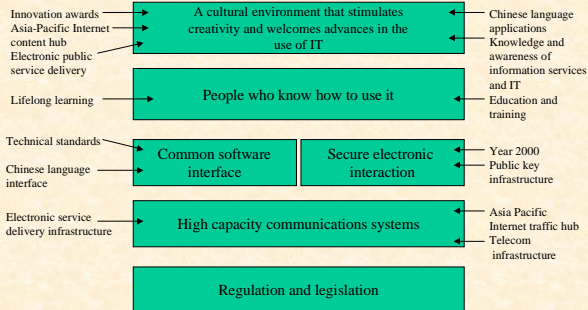
Policy Objectives, 1997

Following the Chief Executive's 1997 Policy Address “Our targets ...are -

- The availability of an open common interface for electronic transactions between Government, businesses and individuals
- The extensive use of IT within Government
- Higher computer literacy rate in the community
- High IT take-up rate in businesses and households
- Hong Kong's active participation in international and bilateral IT co-operation

Information Technology & Broadcasting Bureau, 1998

ITBB's Digital 21 Mission



Digital 21 - Areas of 'promotion and facilitation'

- Chinese Language Interface: Big 5 + Hong Kong Supplementary Character Set \ Chinese language applications
- IT in Education
- IT and Manpower Supply
- IT Industry Support
- IT Investment
- IT Awareness
- IT in the Community

Electronic Transactions Ordinance

- ETO enacted January 2000 = **PKI + Digital signatures + Certification Authority**
- **Director of Information Technology Services** given new role to oversee IT development - cf with earlier quote, 1992!
- **ITSD** now the lead agency within the Information Technology & Broadcasting Bureau (ITBB)

Digital Certificates

- Digital certs required for most G2C transactions:-
- Hongkong Post has issued
 - 10,600 certs to 3,400 organizations = 1% of > 250,000 business establishments in HK
 - 7,300 certs to individuals = 3.5% of > 2 million households, average size = 3.3
- Tradelink (not yet recognized under ETO) has issued 150,000 certs

Government Use of IT

G2G

Government Use of IT

Year	Civil Servants	PCs	PCs/civil servant
2001 (Q1)	180,600	93,000	51%
2000	183,400	84,000	46%
1999	187,000	73,000	39%
1998	189,300	72,000	38%
1997	185,200	63,000	34%
1996	184,200	50,000	27%

Note: > 70% Government computers are networked (23% with Internet access, December 2000)



G2C



“The objective is to provide more comprehensive services to users and make use of the ESD information infrastructure to pump-prime the development of e-commerce in the private sector.” (ESD “must read” notes - see www.esd.gov.hk - *emphasis added*)



- ESD Services Ltd is run by a privately contracted party, a joint-venture between Hutchison Global Crossing and Compaq
- Government is only one of the content providers
- Government average payment per transaction to ESDSL over the 5 year contract = HK\$5.5 (US\$0.70) vs. HK\$13 ‘over the counter’ services



Navigation by means of:

- 3 channels = “People”, “Business” and “City”
- Currently 78 services in 9 service categories

Transport	Citizenship	Education
Employment	Finance	Household
Leisure	Business	Tourism

- 29 Government departments/ public agencies - *but > 60 of these!*
- Key word search



Usage to May 2001 (5 months)

	March	April	May
• Visitors per day	35,000	50,000	105,000
• Transactions per day	1,400	2,000	3,200
• Transactions/visitor per day	4%	4%	3%
• Average transactions per visitor Jan - May = 3.7%	(Average pages hit per visitor per day varied by week from 12-16)		

Note: ‘transactional’ includes payments, also registrations.



Most Frequently Used Transactions

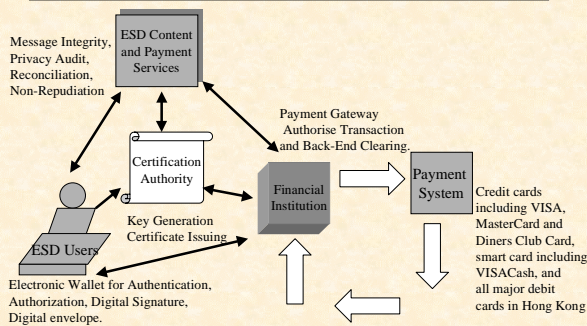
- **Job search:** > 5.1 million service requests Jan.-April (43,000 per day = < x 130% Dec. 2000)
- **Tourist information**
- **Payment of Government bills:** 630/day Oct.-Dec.2000 (1,350/day Jan.-March 2001)
- **Register as Social Welfare Dept. volunteer** (42/day to beginning March (114/day by May 2001)
- **Appointment for ID card registration** (> 30 per day in March (38 per day by May 2001)



Closing the Digital Divide

- **Awareness/ training issues:** include IT awareness courses for housewives, the elderly, disabled, new arrivals, at district level and in colleges; a co-ordination committee for IT literacy among women; opening PC-equipped cyber-centres near housing estates, etc
- **Access issues:** 2,200 computers installed in public libraries, post offices and community centres access buildings + 100 kiosks in shopping malls, subway/train stations, supermarkets and Government buildings for public access to ESD

ESD Security



E-Procurement

G2B

Government Supplies Department

- 10.8% (up from < 2%) products bought by Government Supplies Department originate in Hong Kong
- 97% (up from 90%) of tenders submitted by agents in Hong Kong

GSD Online

BACKEND

- **Goods-On-line Ordering, Distribution, Stock Management and Accounting Network System (GOODSMAN)** = 2 LANS + remote terminals for online goods ordering and inquiries + barcode functions to improve stock control functions
- **Procurement Management System Upgrade (PMSU)** = evaluation of offers, order/contract monitoring and supplier performance

GSD Online

FRONT END

- Electronic Tendering System (ETS) = online issuing of tenders, receiving inquiries and offers, and issuing of contracts not exceeding \$10m
- 5,304 registered suppliers to GSD by June 2001 - 18.2% using ETS June 2001
(*↑ x139% over June 2000*)

Public Works Tendering Board

- All public works tender documents go out on CD-ROM from August 2000
- Electronic Tendering System (ETS) for contracts > \$10 million to be introduced during 2001
- Use of ESD for public works under study - would include exchange of planning and design, feasibility study and design, utilities information, tendering and contract administration

Future Developments

Technologies

- M-commerce, digital terrestrial transmissions
- Scanned ID cards and passports
- EDI customs clearances
- Electronic payments by contractors
- More backend automation - eg Allocation Stores Ledger Posting System (ASLPS) ; auto-replenishment of stocks

Future Developments

Markets

- Mainland China collaboration/partnerships
- Regional marketplaces
- Enhance logistics/financial centre of HK
- Catalyst to accelerate e-commerce
- Allow other Government departments to buy low value items directly = encourage more online supplier relationships

Conclusions

- Promising start in Hong Kong - but e-Government is unfinished business:
 - full back-middle-front end integration remains a big task
 - uneven development across departments
 - success breeds success (demand for electronic resources will not stop!

Conclusions

- eGovt (like any organization) needs a champion - can outsource expertise but cannot outsource the champion
- Outsourcing is advantageous - but constant monitoring of true extent and quality of interactivity of services is vital = customer care
- Need to monitor the effectiveness of eGovernment as driver of e-commerce

Accenture's E-Government Assessment

Innovative Leaders Canada Singapore USA	Visionary Followers Norway Australia Finland Netherlands UK
Steady Achievers New Zealand Hong Kong France Spain Ireland Portugal Germany Belgium Accenture 2001	Platform Builders Japan Brazil Malaysia South Africa Italy Mexico