

PAKISTAN SOCIETY OF DEVELOPMENT ECONOMISTS

**IMPACT OF E-GOVERNANCE ON THE
ECONOMY OF PAKISTAN –
THE REVOLUTIONARY PLAN**

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ABSTRACT

This study analyzes and examines in detailed the effect of e-governance on the economy of Pakistan. This research also focuses on the way by that each citizen can contact the government through a website where all forms, legislation, news and other information will be available. In near future most transactions can be done at an ATM, by mail or by the Internet, which has saved banks enormous costs. In other words, they do more work, with less people, in less time and with less and smaller offices. According to the United Nations Report 2001 on E-commerce and development, e-government is still in its infancy all over the world. This research also explain the life cycle and evaluate the position of the government of Pakistan in this regard. Also, define the revolutionary steps, which the Government of Pakistan is taking for transition from manual to IT culture. It can cause the great effect on the economy and in the near future Pakistan can be the role model for developing countries if the implement e-governance in appropriate way. In the perception of the majority of people in Pakistan: the e-governance is electronic delivery of government services to the people whereas the potential for e-governance is beyond electronic delivery, which is explained in detail in this research paper. There is also SWOT analysis to judge the challenges, which Pakistan is facing as a developing nation as well as weight rating to observe it in the scenario of Pakistan.

INTRODUCTION

It has been noticed that the public sectors of our country, have complaints that, the existing system is cumbersome and outdated. This result in widespread malpractice and inefficiency thereby causing public dissatisfaction and frustration. Government can improve the system as well as economic conditions of our country, by focusing on e-governance.

Nowadays, the wealth of a nation is not judged by its physical assets. It is determined by the technological gaps between the 'haves' and the 'have-nots'. No leap-frogging of the type witnessed in South East Asia is possible without increasing technological sophistication being built into the production structure. Information Technology today drives the technological and economic advancement of the developed as well as emerging economies.

We can say that the e-governance would be the first step toward **modernizes governmental administrative structures.** The transition from manual to IT culture will require government agencies to review their current system, process and work procedures and consequently modify or redesign them to suit electronic service delivery.

The challenge of transformation and the increasing need to modernize administrative practices and management systems has become a major goal to Governments Worldwide. This is more so in the last one-decade and especially the last four years in Pakistan.

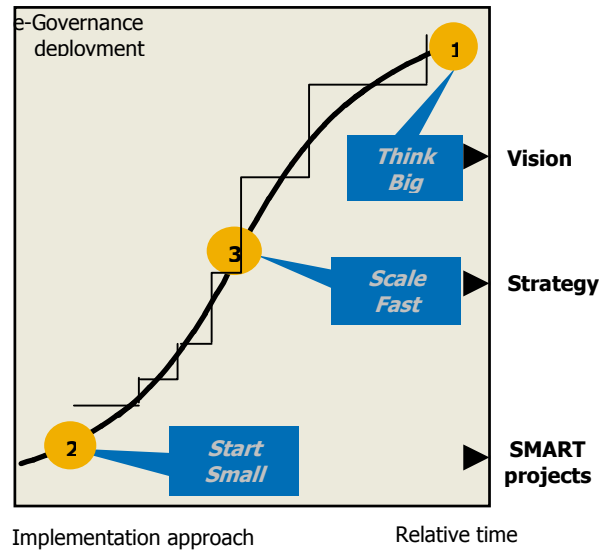
As we know very well, government in the developing nations like our country costs too much, delivers too little, and is not sufficiently responsive or accountable. E-Governance offers a new way forward, helping improve government processes, connect citizens, and build interactions with and within civil society.

They use the Internet. Government, as a collector and source of information, could follow this trend, to serve its customers (citizens and businesses) better and to save costs by making internal operations more efficient. If we look at global level, we shall know that there are 15.7 million people go online each day. Internet is the fastest growing technology which took only 5 years to achieve 50 million users whereas TV took 13 years and Radio took 38 years.

ADMINISTRATION REFORMS

One big reason for improper process is the interference of politicians in the public sector. We do not have any proper system of accountability. Concept of monitoring and evaluation of project is only on papers.

It is better to introduce **information and communication technologies** which can make a significant contribution to the achievement of good governance goals. This 'e-governance' can make governance more efficient and more effective, and bring other benefits too. *We will think big, we will start small and building up incrementally.*



I believe that the use of electronic technologies can help to reverse that decline in trust, by making governments more open and accessible. As governments put more information about policies, programs and services on line, they become more transparent. Secrecy breeds distrust, and this increased transparency should have a double-edged impact: it should help citizens to appreciate the challenges governments face, and it should also encourage public officials to make decisions in a manner that withstands public scrutiny.

E-governance enable multiple means of service delivery to customers while upgrading the quality of service provision. Customer will not only have a wider choice but will also be able to access these services at any time and from any location. These new service delivery characteristics will fortify efforts to provide more customer oriented services.

PUBLIC SECTOR OF PAKISTAN

Nowadays this is very burning issue and the government is loosing millions due to inefficiency of public sector and poor quality of work. This sector still has less research and become outdated after the new development.

When people talk about the public sector they give the interesting remarks. People are very cynical about the public sector. Everyone talk about the inefficiency, delays and their response of the public sector, which to some extent seems to be true.

If we want to achieve good governance, we have to implement e-governance. This technology involves access to government information and services 24 hours a day, 7 days a week, in a way that is focused on the needs of our citizens and businesses. E-Government relies heavily on agency use of the Internet and other emerging technologies to receive and deliver information and services easily, quickly, efficiently, and inexpensively.

To provide access to information and services is only the initial stage in e-Government. In order to make Government truly "citizen-centered," agencies will have to work together to consolidate similar functions around the needs of citizens and businesses.

E-DEMOCRACY

Broadly, Electronic Democracy (eDemocracy) refers to the processes and structures that encompass all forms of electronic communication between Government and the Citizen. In a narrower perspective, eDemocracy refers principally to the processes and structures that encompass all forms of electronic communication between the Electorate and the Elected.

REVOLUTIONARY STEPS

It is common to hear predictions that e-government will transform our political institutions, revitalize our democracies and fundamentally change the relationship of governments to their citizens. And there is little doubt that it can have profound, perhaps revolutionary effects.

We can revolutionize the government activities and processes by using the electronic means. It is time to take the revolutionary steps for achieving the goals of good governance by implement e-governance.

E-Governance lies at the heart of two global shifts: the information revolution and the governance revolution. Both shifts are changing the way society works and the way that society is governed. They bring the opportunity for not just incremental but radical gains in efficiency and effectiveness. But, at present, any such benefits are accruing to the few, not the many.

It is the few who have access to ICTs, to digital information and knowledge, and to the benefits of reform in governance. We can thus talk of an 'e-Governance Divide' that is increasingly separating developed and developing countries, and elites and ordinary citizens within developing countries.

This growing divide must be addressed if the poor in developing countries are not to fall even further behind. We must seize the digital opportunity for governance and seize it now.

FIRST STEP TOWARD E-GOVERNANCE:

In October 2002 the Electronic Government Directorate (EGD) was established in pursuance to a decision of the federal cabinet. EGD is a dedicated wing of Ministry of Information Technology. It has been established to perform the following functions:

- Preparation of e-government projects.
- Implementation of federal level e-Government projects approved by government.
- Preparation of standards, guidelines.
- Providing technical support to the Federal, Provincial and District departments.

The main objectives which the government would like to achieve out of the implementation of this programme are:

- i. Improve services delivery to citizens

- Reduction in the cost of service to citizen by providing government information to the public through a government portal
 - Online availability and submission of all forms of the Government of Pakistan
 - Online availability of information on jobs, tenders, official gazette notifications etc. for the convenience of the public
 - Facilitation of payment of utility bills and taxes
 - Ensure transparency in government-public interactions
- ii. Improve the internal efficiency of government operations of all departments of the government so that government functionaries become well versed in the use of ICT to provide service in a speedy, efficient and transparent manner
- Improvement in productivity of government employees by automating routine functions of the government
 - Reduction in cost of operation of government in the long term by reducing time and effort spent in information search, retrieval and dissemination within the government
 - Reduction in the cycle time for responsiveness to citizens
 - Creation of synergies between various government functions through deployment of IT enabled applications and systems;

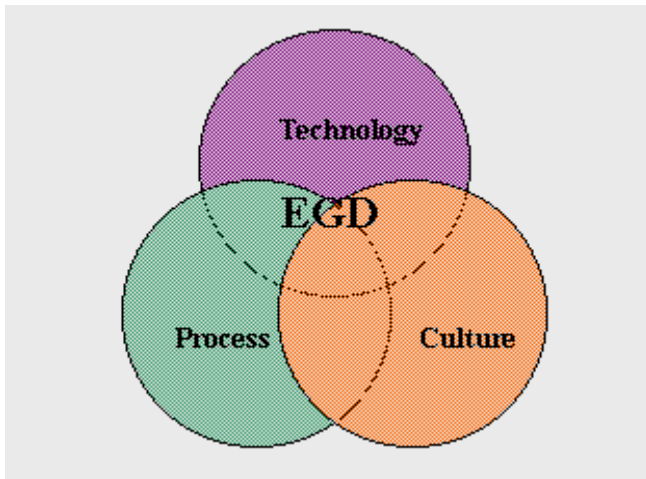
- Enablement of quick adoption of IT in government through enhancement of skills of government employees;

The vision for implementation of electronic government has been broadly identified as follows:

- To provide services to citizens by using ICT:
 - To identify services that can be delivered electronically
 - To deliver some services online in every year
- Use of ICT in government offices so as to provide services to citizens more efficiently:
 - All government ministries/divisions/departments to be networked gradually
 - All major functions in every ministry/division to be automated gradually
 - All official communications to be done by e-mail in a phased manner
 - All government officials to be made IT literate

At present **the main assignment of the EGD is to maintain the first ever web-portal of Pakistani government (www.pakistan.gov.pk)**. Around 11000 pages are available on above government web portal contains about 500 plus download forms. They are working to develop software by that all the information will be viewable in both Urdu

and English languages at the click of a button so that they would be able to save lot of cost and avoid the duplication.



ELECTRONIC GOVERNMENT DIRECTORATE (EGD):

In my view establishment of EGD is just like building a new stool for government to sit on with three legs making it extremely sturdy and difficult to tip over.

The three elements are:

- Changing the process by which government does its work
- Changing the culture or behavior of those doing the work
- Using Communication and Information Technology to enable both of these changes.

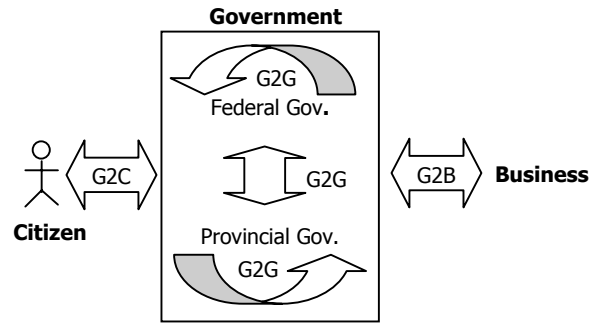
All three elements need to be present if want to implement the e-governance. Take away any one element and the stool will fall over. For instance changing work processes and culture without using IT produces less than optimum results. Using IT to enable process change leads to disappointment with the outcomes when the culture prevents the changes from taking effect. And using IT and cultural change programs only ignores the need to shift work processes from a top down orientation to one that focuses on customers and workers. The process begins by getting very clear on what new future you want to create

and how you want to do that. This statement of a desired future needs to be captured in a vision statement, which describes what you want to create and a list of values or behaviors.

LIFE CYCLE:

The four stages

❶ In the *embryonic stage*, e-governance means being present on the web, providing the public (G2C



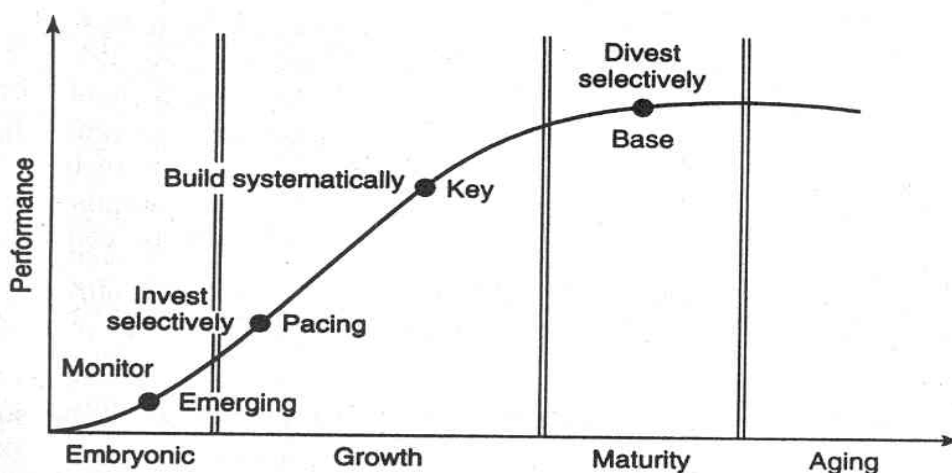
& G2B) with relevant information. The format of the early government websites is similar to that of a brochure or leaflet. The value to the public is that government information is publicly accessible; processes are described and become more transparent, which improves democracy and service. Internally (G2G) the government can also disseminate static information with electronic means, such as the Internet.

❷ In the *growth stage*, the interaction between government and the public (G2C & G2B) is stimulated with various applications. People can ask questions via e-mail, use search engines, and download forms and documents. These save time. In fact the complete intake of (simple) applications can be done online 24 hours per day. Normally this would only have been possible at a counter during opening hours. Internally (G2G) government organisations use LANs, intranets and e-mail to communicate and exchange data.

③ With *stage three*, the complexity of the technology is increasing, but customer (G2C & G2B) value is also higher. Complete transactions can be done without going to an office. Examples of online services are filing income tax, filing property tax, extending/renewal of licenses, visa and passports and online voting.

Phase three is made complex because of security and personalization issues. E.g. digital (electronic) signatures will be necessary to enable legal transfer of services. On the business side, the government is starting with e-procurement applications. In this phase, internal (G2G) processes have to be redesigned to provide good service. Government needs new laws and legislation to enable paperless transactions.

④ The *fourth stage* is the when all information systems are integrated and the public can get G2C & G2B services at one (virtual) counter. One single point of contact for all services is the ultimate goal. The complex aspect in reaching this goal is mainly on the internal side, e.g. the necessity to drastically change culture, processes and responsibilities within the government institution (G2G). Government employees in different departments have to work together in a smooth and seamless way. In this phase cost savings, efficiency and customer satisfaction are reaching highest possible levels.



In Pakistan, e-governance is near to complete the embryonic stage and very soon it will enter in growth stage. If government takes appropriate and revolutionary steps to implement the e-governance, there is no doubt that we can become a role model for developing countries.

EGD Projects Implemented

- I - Citizen Online - provision of services through GOP portal
- II - Salary Disbursement through ATMs
- III - IT Skills Training programme for Probationary Government Officers
- IV - Process Mapping for improving efficiency at Ministry of Science & Technology
- V - Survey of Federal Divisions for LAN & Hardware Requirements

EGD Projects Under Implementation

- I - E-Communication & LAN at Prime Minister's Secretariat and Eight Divisions of Federal Government
- II - Project "Lexicon, Machine Translation & Text-To-Speech Urdu Software". It is being implement by EGD; the contract has been awarded to NU-FAST (Lahore)
- III - Access to Statutory/Case Laws at District Bar Associations

IV - Updating & Upgradation of Services & Information Web Portal:

EGD New Projects for 2003-04

I - Technical Support to IT Departments of Provinces and Azad Jammu & Kashmir

II - Electronic Office at Ministry of Information Technology (MoIT)

III - E-Enabling of Majlis-e-Shoora (National Assembly of Pakistan and Senate of Pakistan)

Technical Support Provided By EGD

So far EGD has rendered support on the following projects:

- i. Automation of National Savings Centres
- ii. A website of Pakistan's missions abroad
- iii. Access to Justice Programme
- iv. Disbursement of Zakat
- v. Installation of LAN in the Planning & Development Division
- vi. Enhancing IT Training Capacity at Pakistan Administrative Staff College (PASC)

All the information regarding taxation, utility bills and rules and regulations of different government departments would be available at the portal, which would help the public at large. Links are being developed between the State Bank of Pakistan and other commercial banks after which the performance of the banks will improve.

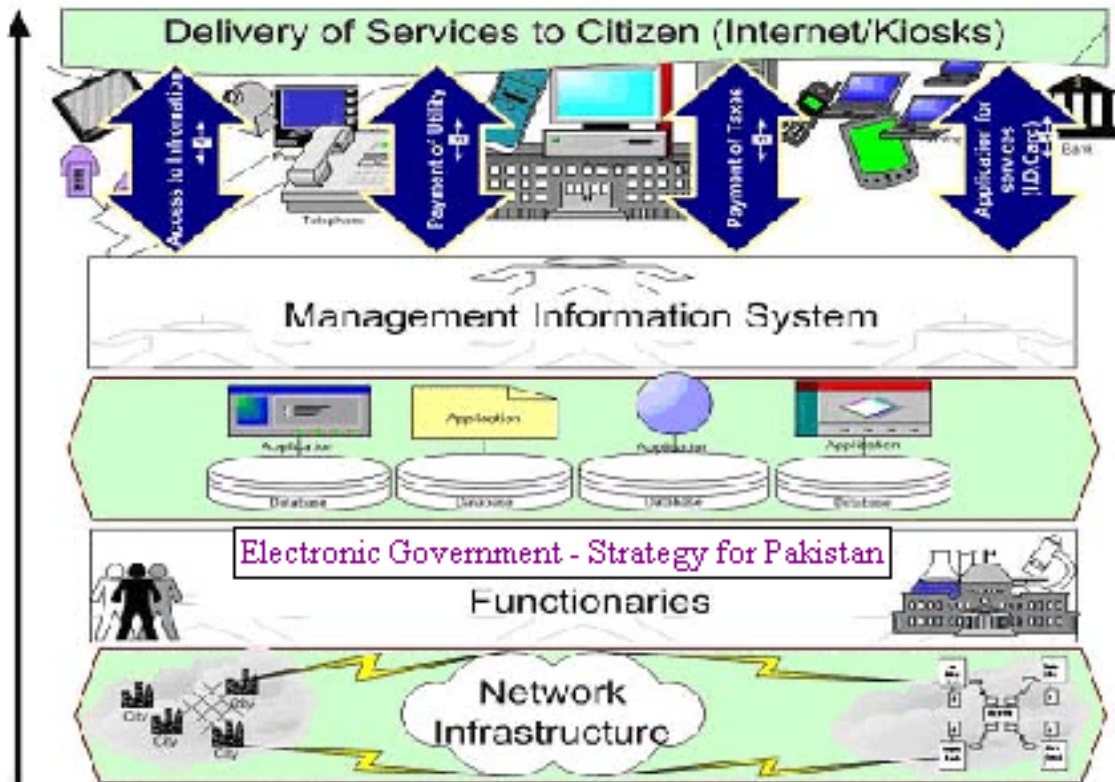
GOOD GOVERNANCE REFORMS

The majorities understanding of e-governance is electronic delivery of government services to the people whereas the potential for e-governance is beyond electronic delivery of government services to the people. E-Governance in its real sense is the use of information and communication technologies to support good governance. The areas noted e-administration, e-citizen and e-services initiatives, and the government-related components of e-society together represent a Networked Government model for e-governance, the overall aim of which is to more effectively utilize **ICTs (Information Communication Technology)** for good governance reforms. These new connections strengthen existing relationships and build new partnerships within the civil society.

It is essential to know that there are few who have access to ICTs, to digital information and knowledge, and to the benefits of reform in governance. We can thus talk of an 'e-Governance Divide' that is increasingly separating developed and developing countries, and elites and ordinary citizens within developing countries.

However, the potential remains largely untapped to date due to poor human, organizational and technological infrastructure and because of the inappropriate approaches taken by donors, vendors and the government. It is essential to explore the

possibilities, challenges, and the prospects of implementing an ICT based governance mechanism.



source: website of EGD

SWOT ANALYSIS

In this section, the challenges of e-governance for Pakistan as a developing country is analyzed. Four SWOT-analyses are presented, with a focus on political, social, economic and technological aspects.

Economic aspects related to e-governance are funding, cost-savings, business models, e-commerce, spin-offs of e-governance.

| Economic aspects | |
|---|-----------------------------|
| <i>Strengths</i> | <i>Weaknesses</i> |
| E-governance argument for external funding Transparency for businesses (procurement) | Investors Budget control |
| <i>Opportunities</i> | <i>Threats</i> |
| Higher cost efficiency New business | Corruption |

Political aspects related to e-governance include strategies and policies, laws and legislation, leadership, decision making processes, funding issues, international affairs, and political stability.

| Political aspects | |
|---|---|
| <i>Strengths</i> | <i>Weaknesses</i> |
| Combination with democratisation reforms Internet as pull factor Modern image | Budget Lack of cyber laws No problem owner within government Slow decision making process Hierarchical structures Short term approach due to elections Integration and reform |
| <i>Opportunities</i> | <i>Threats</i> |
| Raise external funding Show competitive edge Transparency causes natural change of processes Reinvent government | Bureaucracy Piracy, misuse Corruption Maintaining disorder, no transparency Political instability Resistance |

Examples of some **social aspects** of related to e-governance are people, (level of) education, employment, income, digital divide, rural areas vs. cities, rich vs. poor, literacy, IT skills.

| Social aspects | |
|---|---|
| <i>Strengths</i> | <i>Weaknesses</i> |
| People eager to learn IT skills Skilled people possible export product | Basic education poor Low literacy IT literacy Different languages Public acceptance of self-service models Skill shortage: competition with private sector |
| <i>Opportunities</i> | <i>Threats</i> |
| Employment increases Education system improve People get structural job Cheap manpower widely available Promotion of Internet | Brain drain IT skilled people after training Influence of other cultures Resistance of people Digital divide Privacy |

Technological aspects involve software, hardware, infrastructure, telecom, IT skilled people, maintenance, safety and security issues.

| Technological aspects | |
|--|---|
| <i>Strengths</i> | <i>Weaknesses</i> |
| Everything is new: no negative legacy Leapfrogging possible Internet as pull factor Lack of IT standards? | Shortage IT skills High cost of internet Heterogeneous data Lack of IT standards? Software licenses |

| <i>Opportunities</i> | <i>Threats</i> |
|---|--------------------------|
| 2 nd hand hardware available Use one standard | Dependency of technology |

External Strategic Factor Analysis Summary (EFAS)

| External Strategic Factors | Weight | Rating | Weighted Score | Comments |
|---|--------|--------|----------------|-------------------|
| OPPORTUNITIES | | | | |
| Reinvent government | .15 | 5 | .75 | |
| Employment increases | .10 | 4 | .40 | |
| 2 nd hand hardware available | .05 | 4 | .20 | |
| Education system improve | .10 | 3 | .30 | |
| New business | .10 | 4 | .40 | |
| THREATS | | | | |
| Dependency on technology | .05 | 2 | .10 | Rain: system down |
| Piracy, misuse | .05 | 2 | .10 | |
| Influence of other cultures | .15 | 3 | .45 | |
| Privacy | .05 | 2 | .10 | |
| Corruption | .20 | 4 | .80 | Viruses, hacking |
| Total | 1.00 | | 3.60 | |

Internal Strategic Factor Analysis Summary (IFAS)

| Internal Strategic Factors | Weight | Rating | Weighted Score | Comments |
|---|--------|--------|----------------|-----------------------|
| STRENGTHS | | | | |
| Everything is new: no negative legacy | .20 | 4 | .80 | Leapfrogging possible |
| Internet as a pull factor | .10 | 5 | .50 | |
| People eager to learn IT | .05 | 2 | .10 | |
| Combination with public sector reforms | .05 | 2 | .10 | |
| Transparency in process | .10 | 3 | .30 | |
| WEAKNESSES | | | | |
| High cost of internet | .10 | 4 | .40 | |
| Lack of IT standards | .10 | 3 | .30 | Lack of cyber laws |
| Skill shortage: competition with private sector | .05 | 2 | .10 | IT literacy |
| Software license | .10 | 2 | .20 | |
| Budget control, investors | .15 | 3 | .45 | |

| | | | | |
|--------------|------|--|------|--|
| Total | 1.00 | | 3.25 | |
|--------------|------|--|------|--|

Above rating is given on the basis of observation and survey where 1 (poor) and 5 (outstanding). According to it implementation of e-governance is at satisfactory level in Pakistan.

CONCLUSIN:

If electronic technology is changing all aspects of society, from the levers of economic and social growth to citizens' expectations of government, governments have no choice but to respond and adapt in order to remain effective and relevant.

Recognizing the power of information and communications technology (ICT), Pakistan can promote it as a way of helping businesses improve efficiency, create jobs and reduce poverty.

ICT's has already shown its potency in increasing the productivity and effectiveness of organizations. Now it is necessary to manage it properly so that it can influence the competitive position of industry in all sectors of economy. The use of ICT is fundamental to linking organizational functions. It can form the base for managing in a technology environment.

Government's anti-corruption drive will also be given boost through e-governance because it will bring openness and transparency in government affairs. Every ministry and division would be mandated to register information about their procurements and other affairs at the government portal by the use of e-governance.

The ultimate test is whether governments can use e-governance as a technology to operate more efficiently, to design and implement better policies, and to provide programs and services more effectively.

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