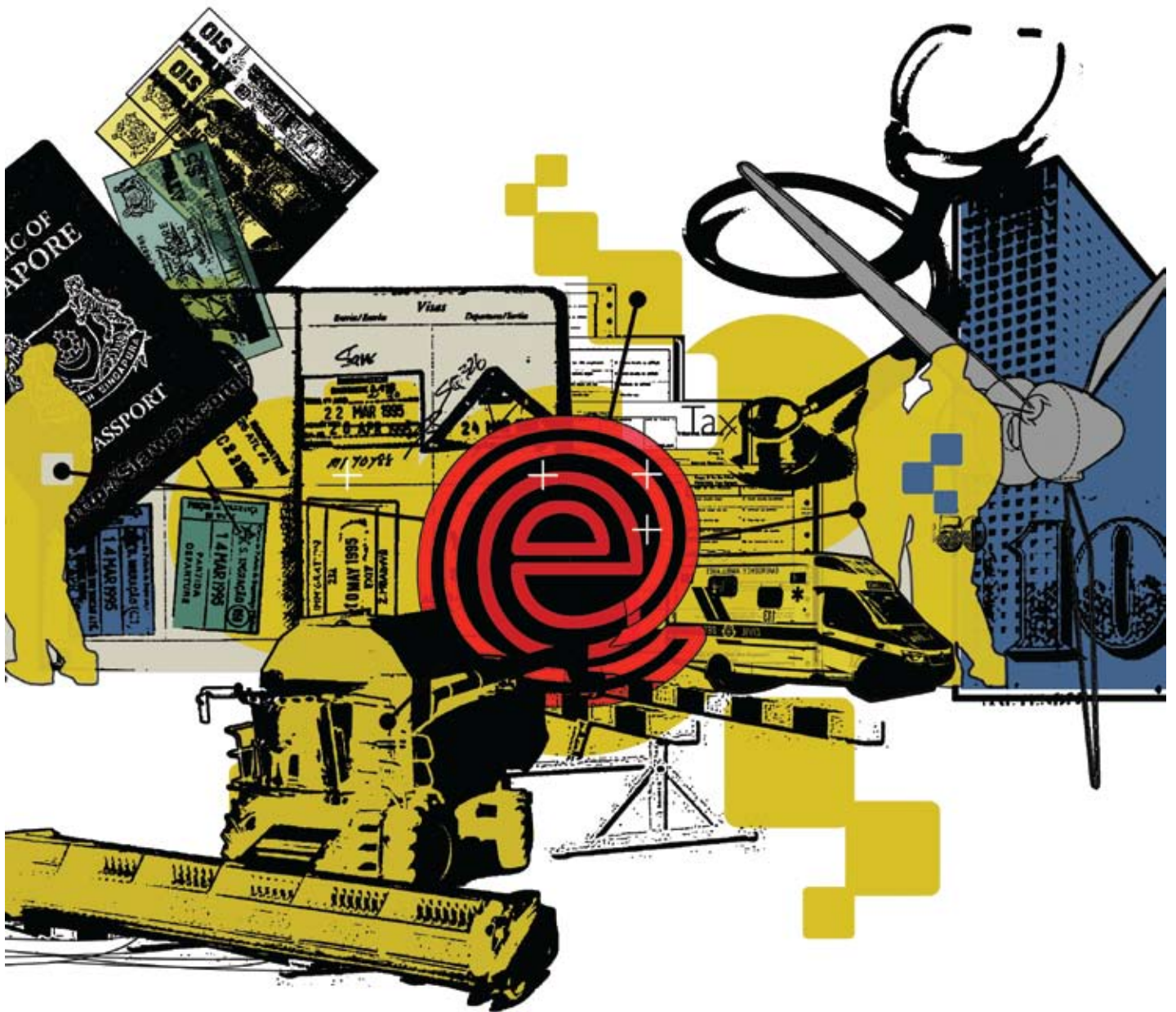


# Toward seamless administration

Opportunities and obstacles for intergovernmental collaboration in South-east Asia



An article by the Economist Intelligence Unit  
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## Preface

*Toward seamless administration: Opportunities and obstacles for intergovernmental collaboration in South-east Asia* is an Economist Intelligence Unit article, sponsored by Microsoft. The findings and views expressed in this report are those of the Economist Intelligence Unit alone. The Economist Intelligence Unit conducted desk research, selected interviewees, conducted interviews and wrote the report.



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*Many governments across South-east Asia are promising to improve transparency and efficiency. To do so they will need to overcome the myriad barriers to internal collaboration*

Since 2002 the global economy has enjoyed one of its best periods of growth in history (though the trend may now be turning). Perhaps the most notable aspect of this boom has been the rising economic power of Asia. Indeed, in 2008, for the first time, China will contribute more to global GDP growth than the US. The growth of Asia has not been confined to economies-- there have also been vast transformations occurring on the political landscape, particularly with regard to democratisation and increased government transparency. More than ever before, governments in Asia care what citizens think about their administration. As a result they are focusing more attention on the ways in which they provide information and deliver public services.

Indeed, there is increasing pressure for the public sector to function in a similar way to the private sector--to be dynamic and user-friendly in its customer-facing processes, and lean and streamlined behind the scenes. Election manifestos all across South-east Asia promise the transformation of governments into efficient, accountable and cohesive administrations.

But government is, by definition, a bureaucratic beast, comprising a multitude of actors who often operate in their own silos. To function effectively, it is vital that these different agencies are able work together seamlessly, especially as countries face increasingly complex and intertwined issues. "Collaboration between agencies is fundamental to achieving government outcomes," says John Vidas, a managing partner in the Public Service Operating Group at Accenture, a consultancy. "On its own, a

single agency may improve a government outcome, but the collaborative efforts of a cluster of agencies is necessary to really make a difference in the community."

His view is shared by Phoon Chew Ping, a director in Singapore's Ministry of Finance, who cites the holistic "whole-of-government approach" that permeates Singapore's governing bodies. "No single agency is paramount. The underlying objective of any government activity is integration between different bodies. Many projects succeed only if the various agencies work together," she notes.

**So many barriers**

Yet the seamless integration of government bodies is not always easy to achieve. The involvement of myriad groups often results in uncertainty about roles and responsibilities. A major problem is governance. Who is the owner of a given project? Who has accountability for the outcome?

While a lack of leadership can certainly stymie collaboration, so can the reverse--too much leadership, and competition between agencies to lead projects. According to Florencio "Butch" Abad, a former secretary of education in the Philippines, power struggles sometimes emerge when different government agencies are required to work together. In the Philippines, "cross-agency collaboration is hampered by the politics of bureaucracy and the culture of political patronage," he says. This can lead to individual agencies vigorously defending their own turf to the detriment of the joint project.



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Collaboration requires definitive, strong leadership because of the numerous political and administrative challenges that abound. "Strong leadership is very important, especially with the number of agencies involved. It is not just a question of technology. There must be a common vision for a common outcome," says Mrs Phoon.

Mr Abad shares this view. He describes how collaboration efforts in the Philippines have frequently failed because Filipino presidents have been more focused on political survival, and hence it has been difficult for them to risk sacrificing political capital by pushing through reforms. "President Corazon Aquino had to survive eight coup attempts. She had little time to think of anything else," he says. Strong leadership is therefore crucial to defining a vision for the project, overseeing ownership of it, managing group dynamics and settling differences when they arise.

"There is also the fear of job losses if agencies are streamlined," says Erry Riyana Hardjapamekas, a former vice-chairman of Indonesia's Corruption Eradication Commission, pointing to a more prosaic hurdle to cross-agency collaboration. This is echoed by Mr Abad, who spearheaded the Philippines' Comprehensive Agrarian Reform Programme in the late 1980s. He faced stiff resistance from the various government agencies because of concerns that streamlining agency functions could lead to redundancy.

In many Asian countries, particularly those plagued by corruption and higher rates of unemployment, public sector jobs are especially cherished, because they provide access to the levers of power as well as an income. "The manufacturing and agricultural sectors have not been able to provide

enough jobs, and so government positions are highly sought after," Mr Abad says. Thus when the impact on headcount of a particular collaboration is unclear, the civil servants who may be affected tend to drag their feet. Other roadblocks to successful collaboration include technical challenges like sharing data effectively, circumventing legacy systems, and implementing technical standards.

### **Whether they like it or not**

Although they may drag their feet, there is a major trend occurring that can act as an accelerant to inter-agency cooperation. And that trend is e-government.

Indeed, the advent of information and communication technology has provided governments with an opportunity not only to optimise their existing services, but also to rethink ministerial functions, agency structures and administrative processes. While change often revolves around internal actors, the need for it is driven by the government's relationship with its customers: citizens, organisations, businesses and social groups. E-government then is crucial in enabling governments to perform faster, smoother and more efficiently what they have been doing since the dawn of time.

But what exactly is e-government? The World Bank defines it as an electronic technology that has the ability to transform relations within general government and between government bodies, citizens and businesses to better deliver its services and ultimately improve efficiency. Thus e-government benefits various actors, not just private citizens. Mrs Phoon contends that there are two types of e-government integration. "There is integration within the public sector, and integration for serving the public," she says.



**Slow to adopt**

Perhaps the biggest and most immediate benefit of e-government integration is that it allows, and promotes, greater collaboration between the various organs of the state.

But while Asian consumers have a seemingly never-ending appetite for technology and experimentation, their governments have been slower to follow suit. Some governments, like Singapore’s, have implemented an array of e-government initiatives, yet many others, like the Philippines, have been unable to roll out useful e-services. This has created a gap between the government and its people in technological proficiency. It represents a missed opportunity for greater efficiency and more productive interaction between the state and the people.

According to Wing Lam, programme director at U21 Global, an online university, there are four distinct levels of e-government maturity: informational, transactional, process integrated and service

integrated e-government.

Informational e-government provides access to public information, such as opening hours of a government office, or allows the downloading of application forms. Transactional e-government provides comparatively simple services and data collection activities, such as submitting forms online or sending complaints through email. Process integrated e-government presents services that form part of a larger workflow, such as applying for financial support. This may involve dialogue through the system and repeated interaction. The highest stage of maturity is service integrated e-government, which provides citizens with a one-stop shop of interwoven services. South-east Asian countries fall at different points along this spectrum. For instance, on one end there is Singapore, which provides service integrated e-government. At the other is Laos, which provides informational e-government. In the UN’s e-government survey 2008, Singapore was placed 23 out of 192 countries, while Laos ranked 156 (see table).

Country	2008 ranking
Singapore	23
Malaysia	34
Thailand	64
Philippines	66
Brunei Darussalam	87
Vietnam	91
Indonesia	106
Cambodia	139
Myanmar	144
Timor-Leste	155
Lao People's Democratic Republic	156

Source: UN e-government survey 2008

**Matching the market**

Focusing on the customer’s needs is central to the success of any effort to advance service delivery—government or otherwise. “Governments cannot just internalise their own ideas. They have to talk to the business community and engage them in the long-term process,” says Mr Vidas. This means involving businesses in product design as well as obtaining continual feedback of the product’s usefulness.

The impetus for enhancing public services can come from a variety of sources. For instance, the Singapore government constantly tracks technological trends and listens to focus groups as part of its e-government research. “Singapore is



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always trying to innovate in service delivery. Even when direction comes from the top, there is a lot of discussion between the chief information officers of different agencies, and working level consultations," says Mrs Phoon.

In the Philippines, the lack of orientation towards customer service is one of the stumbling blocks to e-government integration. As Mr Abad notes, "There is a need to change the entire mindset of the bloated government bureaucracy. To make technology acceptable, it has to become more customer-service oriented."

One example of relative e-government maturity in Asia is Singapore's electronic tax filing system. The Inland Revenue Authority of Singapore, the tax collector, draws information from the Central Provident Fund (CPF), the state-run mandatory pension fund, to ascertain how much a taxpayer owes, or is owed in rebates. To simplify and integrate the processes, existing users of CPF e-services were automatically migrated to the Singapore Personal Access (SingPass) system, an e-government portal, through which they could file taxes online. "This is a case of various government agencies working together and leveraging technology for the public's benefit," says Mrs Phoon.

To be successful, e-government must be commensurate with the general population's technical readiness. "E-government take-up is much higher in Singapore through a combination of factors including proactive communication and education campaigns by the government, access to technology, and pro-activity of government to provide access to e-government services through many technology channels," says Mr Vidas.

Even within the public sector, government

agencies are forced to adapt because of technical demands. Government employees expect the same level of technology in the workplace as they have outside of it. For example, in Singapore young people have used instant messaging programmes widely since the late 1990s. Responding to this trend, the government integrated network messaging across 73 government agencies. As well as enabling employees to communicate in the way that they want, this programme is promoting collaboration between the agencies.

This does not, however, mean that e-government has no place in less developed countries with lower degrees of technological penetration. "There are many areas where technology can help with integration," says Mr Abad. He says that the Philippines' Department of Agrarian Reform could have used technology to perform better land surveys by providing terminals and e-government services to people at the grassroots. Meanwhile, the Department of Education could use technology to track the progress of teachers, allowing it to make better decisions about how they are recruited, trained and deployed.

An online business registry is another example of a simple e-government initiative that can benefit less-developed countries. By helping companies invest and trade in a country, it can spur foreign investment and economic growth.

Mr Hardjapamekas certainly appreciated the use of technology, in particular web-based communication, for his work at Indonesia's Corruption Eradication Commission. "It really facilitated communication with similar law enforcement agencies globally," he says. While he felt that the use of technology was not maximised, he believed that its continued use would reap dividends for government efficiency.



### **Where there's a will?**

Inter-agency collaboration and e-government have mutually reinforcing effects. While collaboration is necessary to achieve the most sophisticated level of e-government integration, e-government can also be a driver of increased cooperation between different entities, as was the case for Mr Hardjapamekas.

Nevertheless, despite its many boons, resistance to e-government occurs for a variety of reasons. In addition to all the challenges to simple collaboration, there are other unique problems. For example, there is the simple fear of change. "Many people are trapped in a comfort zone, so extensive change management is needed," says Mr Hardjapamekas. For some older civil servants, in particular, schooled in processes from the pre-computing era, the migration to e-government can be daunting.

While e-government can provide many new opportunities for cooperation, the mere technology alone is not sufficient. There must be the political will to harness it for serving the public. Much as strong leadership is a prerequisite for successful agency collaboration, it is needed in equal measure for the development of integrated e-government services.

The predominant political culture in a country can be unfriendly to e-government. Mr Abad says that many bureaucrats in the Philippines fear a loss of power if government functions are decentralised and streamlined through technology. E-government encourages transparency by trimming bloated structures, thereby reducing the scope for corruption. "Many politicians fear this," he says. "They consider bureaucracy the spoils of war."

A failure to introduce e-government is not, however, always a matter of deliberate resistance. Rather, it could be simply because governments have

limited human and financial resources. According to Mr Vidas, there is less provision of e-services in places like Malaysia simply because they have not got round to it yet. "Governments have different priorities and different states of readiness," he says. For example, he highlights public pressure over petrol prices in Malaysia and concerns about foreign direct investment in Vietnam as government priorities that supersede the pursuit of e-government.

The rollout of e-government services may also be delayed due to concerns over data security and privacy. This is typically most widespread where technology penetration is low, but can damage confidence even in more advanced economies. For example, worries about electronic safety mounted after attacks on US agencies by Chinese hackers. "This could result in slower take-up of e-services if there are fears that data could be compromised," says Mr Vidas.

Finally, e-government implementation can also be held up if a country's regulatory and legislative framework is slow to adapt. The changes and new processes that e-government brings about can often push existing regulation to its boundaries particularly with regard to information sharing and procurement policies. Legislation must be reviewed in the light of e-government to ensure that consistent policies govern infrastructure, security, intellectual property and collaboration across government agencies.

### **The fallout from the rollout**

While e-government can deliver greater efficiency, collaboration and communication, it can also have some negative effects on society. One risk is that it may worsen existing inequalities between the digital haves and have-nots, because e-services tend to benefit those with access to technology—generally the affluent and



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educated—at the expense of those who are relatively disadvantaged. It is the duty of government to fill those gaps, in order to deliver fair and equitable outcomes.

While this is not a major problem in Singapore—owing to the country’s high PC and broadband penetration as well as the ubiquitousness of Wi-fi hotspots—the government has taken steps to ensure that no pockets of society are neglected. For example, it has set up e-Citizen Centres to provide information about the various e-services available. These centres are manned by officers who can assist people unfamiliar with the technology.

### **A continuous process**

The intertwined pushes for cross-agency collaboration and e-government integration are certain to be important facets of government performance in Asia in the coming years. Despite some successes, Mr Vidas does not think that governments have done as much as they can. “They have yet to put forth a strategy for using the

full suite of technology at their disposal,” he says.

Even Singapore is not resting on its laurels. “No-one has ‘arrived’ when it comes to global competition. E-government is one of the key strategies to serve the public and we continue to look for new opportunities on the horizon,” says Mrs Phoon. South-east Asia’s less developed nations should take note. The governments of Indonesia, Malaysia, the Philippines and Cambodia have all fought and won elections partly on a promise to improve government efficiency and accountability. Now is the time for execution. Further integration, by driving collaboration and a holistic approach to administration through all government agencies, will be vital for empowering citizens, providing universal access to public services, ensuring transparency in procurement, eradicating corruption and facilitating trade and investment. Taking these steps is essential in order for the region to fulfil its future economic potential.



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