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E-Government: A Critical Anti-Corruption Tool

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June 2006



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Outline

- Introduction
- How e-Gov can help
- Multiple dimensions, tools
- Case examples
- Program Design – what we know
- Discussion





Introduction

- **Working definition of Corruption:**
 - Misuse of entrusted authority for private gain (usually focuses on abuse of power in public sector)
 - Grand and administrative (“petty”)
- **Costs of corruption:**
 - Exacerbates poverty – less money for essential gov’t services.
 - Destroys citizen trust in gov’t.
 - Undermines economic growth.
- **E-Government a strong potential anticorruption tool.**
- **E-Gov alone is not guarantee corruption will decline.**



How e-Government Can Help Reduce Corruption

- Increase transparency.
- Make government processes faster.
- Make gov't processes more rule-based, objective.
- Add traceability.
- Offer anonymity.
- Easier to distribute info to public, collect it.
- Reduce gov't employee/public interaction.
- Realign incentives, improve accountability, limit power, build coalitions.
- Complex *and simple* e-gov approaches can work.





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Multiple Dimensions, Tools

- **G2G, G2B, G2C**
- **ICT options: Software, Internet, Cell phone (data/voice); radio, digital cameras, PDA's, + combinations**
- **Across government services sectors:**
 - Internal and inter-gov't financial management, revenue collection
 - Services to businesses, citizens
 - Judicial system
 - Elections, legislature, political parties
 - Health
 - Education
 - Natural resource management, e.g., forestry





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Case Examples

1. Interstate truck border crossings (India)
2. Anticorruption civil society network (India)
3. Municipal government services (Korea)
4. e-Procurement, budgeting (Argentina, India)
5. Budgeting/Financial Management (Guatemala)
6. Tax administration (Liberia)
7. Digital maps (Bangladesh)



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1. Border Crossings: Revenue Up, Corruption Down

- Indian state of Gujarat: interstate border crossings
- Problem: notoriously corrupt border inspectors in remote areas
- Result: unsafe, overloaded trucks + low revenue to state
- E-Gov solution:
 - SMART card drivers' licenses
 - Video cameras capture license of each vehicle crossing checkpoint
 - Automatic weighing and fee calculations
 - Truckers can pay with stored value card.
 - 3 fold increase in revenues to gov't in 2 years.
 - Vehicles cleared in 2 minutes, no longer 30.
- Challenges:
 - Complex, hard to implement
 - IT network, equipment not available everywhere.





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2. Central Vigilance Commission (Civil Society, India)

- A commission sharing info with civil society using ICT (and other means) re: corruption.
- **Problem:** In 1999, India was 73rd among 99 countries ranked by TI. Huge delays in court system; Conviction rate about 6%.
- **Result:** Distrust of gov't and its investigative bureau; fewer funds for basic services.
- **Civil society (sort of e-gov) solution:**
 - CVC was set up in 1964 as government agency; re-vamped in 1998.
 - Uses web (<http://cvc.nic.in>), to publicize officials being investigated, convicted
 - Citizens can report unusual assets of public servant inconsistent with income.
 - Citizens can file complaint against specific corrupt practice by individual.
 - Senior civil servants not exempt.
 - Now able to enforce law that person under investigation cannot occupy sensitive position.
- **Challenges:**
 - Citizens need to have access to Web (but ways around this).
 - Media needs to be well educated, informed.





3. OPEN: Seoul's Anticorruption Project

- Municipal government's OPEN (On-line Procedures Enhancement for Civil Applications) aimed at reducing corruption.
- Problem: quickly growing bureaucracy; widespread corruption + slow services.
- Result: New mayor elected in 1998 pledging all out war on corruption.
- E-Government Solution:
 - Allows public to track status of various G2C service processes by step via web.
 - Also on web: forms, instructions, who's in charge; phone number, email address.
 - Combined with massive deregulation, re-engineering; web only one part.
 - Changes in business processes; how cases/steps assigned.
 - All citizens surveyed for opinions on permit/approval processes they experience + hotline calls encouraged..
- Challenges:
 - Massive training of 5000 employees.
 - Commitment from top essential.



4. e-Procurement – Two of Many Approaches (Argentina, India)

- **Argentina: The power of (web) publishing**
 - Use of public funds posted on web – by program + how administered.
 - Budgets vs. expenditures; debt; investments; inventory; more
 - Motivated by election promise by president.
 - Part of general e-gov initiative with portal (<http://www.cristal.gov.ar>).
 - Part of push for transparency, making gov't info public.
 - Challenge: took 2 versions to meet public's, press's expectations.
- **India: 1 of many e-gov apps in Andhra Pradesh; more complex**
 - Problem: manual procurement riddled with corruption of all types.
 - Radical change in procurement process: speeds buying; rules based; opens access to more vendors; more transparency.
 - Key challenges: sustainable PPP; coordinating across departments; change management; security and authentication



4. e-Procurement – India, Cont'd.

- **Some results:**
 - Price Quotes dropped 16% in first year of pilot alone.
 - Competition has increased from 3 bidders to 4.5
 - Advertising costs dropped 25% (still need to publish some in papers)
- **Costs**
 - Moving to a bidder transaction fee business model.
 - *Less than the tender fee charged in manual system.*
- **Key Lessons**
 - Top political leadership key.
 - Project/change management skills critical.
 - PPP's can work.
 - Rational and affordable business model (pricing) key.



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5. Budgeting and Financial Management (Guatemala)

- Part of a fiscal reform initiative funded by WB in 90's.
- Goal: better data; more professional financial management
- They kept it simple:
 - Not full FMIS
 - “Only” Chart of Accounts; Budget execution application (in-house development)
 - Modest expectations
 - Kept it in one ministry

Results: “Success”

- Illegal commitments eliminated, saving \$100M!
- E-procurement saved roughly 20% of purchases by adding competition, transparency
- Plus \$2.5M saved just by NOT issuing paper checks
- Then expanded to regional offices...



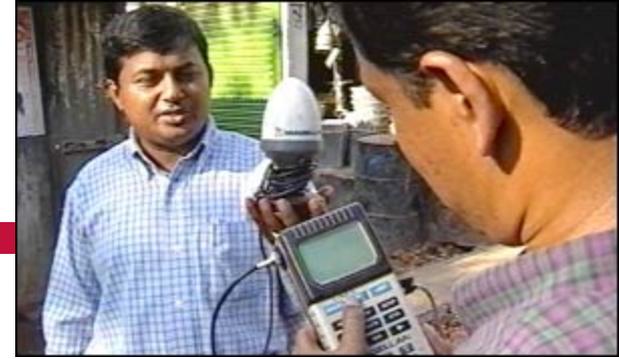


6. Tax Administration (Liberia)

- As part of fiscal reform, USAID helped with new Treasury Management System
- **Key:** Business processes changed:
 - Payments made directly to Central Bank cashier
 - All tax bills tracked electronically
 - More convenient for payer – and fewer opp's for fraud
- Dramatic results:
 - Revenue collection doubled! (\$5M in 1/2005 to \$11M in 1/2006)
 - May be a bit of hype but if even half true, impressive



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7. Digital Maps (Bangladesh)

- **Problem:** Bangladesh one of most corrupt countries.
- **Result:** Roads built to politicians' homes; school, infrastructure location decisions not based on communities' needs.
- **E-Gov solution:**
 - Using digital maps from satellite pix + national Geospatial database (and GIS) to clean up location decisions for new schools, roads.
 - Turn on the lights! Maps publicly available – paper or electronically.
- **Key challenges:**
 - Digitally mapping Bangladesh.
 - Still ways to corrupt.



Program Design: What We Know

- No need to use the “C” word.
- “e” just one part of strategy – not good enough alone!
- If focusing on anti-corruption, think strategically:
 - What are your (measurable and achievable targets?)
 - What sectors, industries are most important to tackle?
 - What openings/opportunities exist?
- Civil society organizations are key partners.
 - Build constituencies for reform.
- Don’t necessarily attack the “worst” first.
- Beware of window dressing:
 - Establish benchmarks to assess commitment
- “Building governance” is first basic step to “fighting corruption”.



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Discussion, Questions?