# THE PRIVATE AND PUBLIC PARTNERSHIP STRATEGY IN E-GOVERNMENT ESDLIFE IN HONG KONG

Tak Ming Lam

*Hong Kong Polytechnic University, Kowloon, Hong Kong*

Keywords:     Partnership strategy, e-government, ESDlife.

Abstract:     Increasingly e-governments are turning to public and private partnerships as an alternative option to fund IT projects. Also The Hong Kong Government developed ESDlife.com as a one-stop portal to deliver public and private information and services. The portal's brand name "ESDLife" best demonstrates the vision to make "life" simpler and easier for the Hong Kong community. This paper is to discuss whether this business model would deliver a competitive advantage to customers using the case of "ESDLife. E-government, like e-commerce, will not be automatically successful by investing resources without clear strategic understanding of the critical success factors.

## 1 INTRODUCTION

The ESD Scheme was launched in December 2000 as a flagship e-government project and its portal is one of the world's first bilingual (English and Chinese) one-stop portals providing integrated electronic public and commercial services. The main aims of ESD are: to deliver high quality public services to the community in an innovative manner; to improve the efficiency and reduce the cost of delivery of public services; and to foster the development of electronic commerce in Hong Kong. Providing an open and common information infrastructure for the delivery of public and commercial services, the Scheme drives the development and adoption of e-commerce by the business sector and the general community.

Users can search for services through three mega-channels – "People", "Business" and "City"; through nine service types "Transport", "Citizenship", "Education", "Employment", "Finance", "Household", "Leisure", "Business" and "Tourist"; through the list of departments and agencies providing the services or through interactive search. Services are available 24 hours a day and seven days a week. Services can be accessed via personal computers with Internet connection; public computer facilities installed in district offices, community halls, post offices and public libraries; or smartly designed public kiosks installed throughout the city in train and subway stations, shopping centers, supermarkets, cultural and exhibition centers and Government offices.

## 2 ESDLIFE BUSINESS MODEL

The private sector operator is responsible for the development, operation and management of the ESD information infrastructure. The Government has not paid for the capital investment nor the recurrent operational and maintenance cost. It will only start to pay for each chargeable transaction made through the system after the number of cumulative chargeable transactions conducted has reached an agreed volume. The operator is allowed to make use of the system to provide advertisements and revenue-generating private sector e-commerce services via the same portal web site. This provides an additional income stream to the operator.

To the public and government, it can embark on such partnerships for the greater good, especially if the agency has the mandate to promote ICT adoption to domain industry partners, through leadership in ICT exploitation, to raise the overall competitiveness of industry or community specific services. Also the public agencies are no longer required to front substantial capital development and yet co-share in

e-services revenue collected. In addition if the public agency is not a dominant player to other parties in the value chain, then the agency could collaborate with other agencies so that the government as a whole becomes a dominant player.

From the private service companies views, we can see that the motivation lies on the potential additional profit stream and an opportunity to gain market share and domain knowledge of the public agency's user base. The private sector is able to get the incentives to create more innovative and value adding services for the end users. And it has greater chance to build up goodwill in front of the citizens and the government so as to keep a long-term business relationship with the government.

Probably the most important success factor in implementing e-government in Hong Kong is the vision of the HKSAR Government. The e-Government Coordination Office was established to plan and oversee the e-government policies and initiatives, including ESDLife project.

## 3 ADVANTAGE OF THIS MODEL

### 3.1 Reduce Risk of Government

Under this partnership approach, the business risk to Government will be kept to the minimum. The financial charging model also provides an incentive for the operator to drive the public in accessing e-government services, continuously to upgrade the system with the most advanced technologies and to deliver private sector electronic services

### 3.2 New Platform for Commercial Opportunity

More electronic business opportunities are provided by the government, and it could then enhance the e-business environment in Hong Kong. The scope of ESDLife requires the exploitation of new technologies, and it would then strength the community for digital exploitation.

### 3.3 Integration of Public and Commercial Services in the Same Portal

This enables the public to enjoy electronic services in a seamless and convenient manner. By allowing the ESD information infrastructure to carry commercial services, the project also promotes the development of e-commerce in Hong Kong. The e-government services and the commercial services can drive the overall adoption of e-commerce in the business sector and the wider community.

### 3.4 Quick Receive and Response to Customer Feedback

Apart from that, the ESD operator has carried out customer surveys to obtain customer feedback on the usage of ESD services. Such feedback is also important to improving the services under the Scheme.

## 4 DISADVANTAGE OF THIS MODEL

### 4.1 Registration Problem

Although the e-government initiative offered convenience to the public, there remained some inconvenience, in particular in relation to those electronic services that required an electronic certificate to allow the user to register on-line.

### 4.2 Third Party Software Needed

In addition to the electronic certificate, users needed to download and install special software in their computer. Two programs were required, one for security issues and another for the use of Chinese characters.

### 4.3 Connection Problem

Although ESD was made available in a variety of ways – in kiosks at around underground train stations and other public places – the system only efficiently supported users with broadband Internet hook-up, which meant that users who were connected to the Internet through telephone lines faced long delays in transmission.

### 4.4 Complexity of Process

For example, renewing a driver's license through the Internet required scanning and transmitting an Identity Card and other documents, a process that took several minutes and equipments to complete.

This process was not considered simple, particularly for non-technical people.

## 4.5 Privacy and Security Issues

From the citizens' point of view, the major concern for them towards the involvement of the commercial sector in providing e-government services is infringement of the personal data. It is true that more use of the personal information means more privacy concerns. It is possible that in collecting, transferring and accessing citizens' data through the ESDLife systems for registration or transaction, the private sector may be inappropriate to use and even disseminate them without citizens' previous consents. And lack of adequate control mechanism in reviewing private institutes would even bring this problem to a large extent. On the other hand, privacy will also surface as it is possible for the government to track online activities like frequently accessed products, the length of time spent on each page, and the length of time spent searching. While this tracking information can be used toward improving the website and its offerings, the temptation to sell this information to external parties may also exist since a close relationship with each other.

## 5 FURTHER IMPROVEMENT SUGGESTIONS

To develop a consolidated mix government portal, and to keep improving and well prepared for the challenge in future, we proposed the following suggestions:

**Smooth Transformation from Traditional Processes to Modern Technology.** Despite that the Scheme has offered a substantially more efficient and effective alternative means of service delivery, it is not a easy task to use the Scheme to replace the existing forms of providing services to the public over the counter or over the phone.

**Privacy Enhancement.** To alleviate the concern for the customers over the public and private sector collaboration in delivering government services, a clear and transparent guideline should be drawn to illustrate the liabilities and obligations between both parties.

**Digital Signature Fee.** Since digital signature is one of the methods used to provide data integrity, most of transactions occurring in the ESDLife need to adopt the digital signature technology to verify the users. However, in most of the situations, citizens are needed to charge $50 per year for the use of the digital signature.

**User Interface.** Firstly, ESDLife system should always inform the users what is going on. It is very important in payment status. Secondly, It is important to lead users to have more control and freedom in using the system.

## REFERENCES

Apple Computer (1987). *Human Interface Guidelines: The Apple Desktop Interface,* Addison-Wesley.

Poon, S. and Huang X., (2002) *Success at E-Governing: A Case study of ESDLife in Hong Kong.* Electronics Markets 12(4), 270-280

ESDLife Launches Electronic Service Delivery,Hutchison Global Crossing (2000) http://www.hgc.com.hk/eng/aboutus_latestnews_11dec00.html

ESD Services limited www.esdlife.com

Information Technology and Broadcasting Bureau, Government of the Hong Kong Special Administrative Region, August 2001. "Hong Kong Report on Portals"

Jessie Ting, Deputy Secretary of Information Technology and Broadcasting, Government of the Hong Kong Special Administrative Region, December 10, 1999. "Impact of ESD on e-Commerce Development in Hong Kong"

"StockHolm Challenge: Hong Kong – Electronic Service Delivery (ESD) Scheme ("ESDlife") http://www.stockholmchallenge.se/projectdata.asp?id=1&projectid=2892