



E-Commerce and E-Governance

Raghavendra Kulkarni and Sanjay Mainali***

**Assistant Professor, Dept. of Computer Science, Guru Nanak Degree College, Bidar, Karnataka, India.*

***Assistant Professor, Dept. of Computer Science, Guru Nanak Degree College, Bidar, Karnataka, India.*

(Corresponding author: Raghavendra Kulkarni)

(Received 16 September, 2016 Accepted 19 October, 2016)

(Published by Research Trend, Website: www.researchtrend.net)

ABSTRACT: During its relatively short history e-commerce, the use of information and communication technology (ICT) in business has been more successful and glamorous than e-government, the comparable use of ICT in governments and administration. This may be the reason why many government initiatives try to emulate the success of e-commerce by using concepts, processes, technologies, and approaches pioneered by businesses. Many governmental initiatives aimed at promoting the use of information and communication technology (ICT) for the purposes of government and administration try to transfer ideas from the area of e-commerce to the area of e-government. Most notably, one can find any number of initiatives world-wide that emphasize the idea of citizen-centeredness which is based on the example of customer-centeredness in e-commerce. Furthermore, governments try to take advantage of the strengths of e-commerce in order to improve their e-government initiatives. Such attempts to import successful examples from e-commerce into e-government refer to all sorts and aspects of information systems. On the one hand governments buy hardware and software that was originally developed for the private sector and apply it to their tasks. On the other hand, governments take over arguments and whole discourses from the commercial sector. Customer or citizen-centeredness is only one example of this. Others would be the ideas of efficiency, optimization, or cost-benefit analysis. While these ideas are not confined to the commercial world, they have a strong association with it and during the last decades have mostly been developed in the context of private enterprises.

Keywords: e-commerce, government, e-government, governance, e-governance, ICT, e-administration

I. INTRODUCTION

The term e-commerce denote the buying and selling of products, services, or other commodities through the use of information and communication technology. Furthermore, we will include internal processes of companies that are geared toward the support and facilitation of such commercial exchanges. On the basis of this wide and inclusive definition of e-commerce one can note that it is not a radically new phenomenon. Companies have exchanged business data over a variety of communication networks for a number of years. However, the rapid expansions of the Internet and its use for commercial purposes have increased the volume of e-commerce immensely. In some areas this has led to completely new business models, while in many cases old business models have been adapted to be able to make use of the technology. It is debatable, how deep the changes introduced by e-commerce really are, whether we are looking at a revolution of the business world or just a gradual change of some aspects. Independent of the answer to this question, there are some aspects of e-commerce that could be observed

during the last few years which are important enough to speak of a new paradigm when applied to e-government. The use of the Internet to buy and sell goods has introduced a new form of competition to many markets. While competition is at the heart of the capitalist economic models and generally recognized as a positive part of market economies, competition in traditional markets is often limited. Individual consumers may have a choice of shopping in supermarket A or B but they rarely have the necessary information and resources to get an overview over markets and make economically rational decisions. Markets in economic theory tend to have a number of characteristics such as an infinite number of participants, complete transparency, and infinite reaction speed that are not even approximated by most real markets. E-commerce has in many cases led to an evolution of markets in the direction of perfect markets of economies. The use of the Internet as a market platform facilitates access to information and reduces barriers to access.

The individual market participant can get an overview over markets more easily and traditional markets. A customer who wants to buy a book, for example, can now choose between hundreds of booksellers located all over the world. She can easily compare prices and conditions and make a better-informed decision. E-commerce thus realizes the promises of market economies by providing better service to customers.

E-commerce does not only optimize existing markets but it also created new ones. There are a number of goods and services for sale online that are only possible through the use of ICT in commerce. Examples might be online information data bases, outsourcing of company tasks to web-based companies, and a whole host of services related to information as a commodity. Again, this may not be radically new but it has taken on new meaning through the Internet and related technologies.

The ease of obtaining information on the Internet has brought with it the disadvantage of information overload. The amount of information available to each and every Internet use is greater than the capacity for processing it. This has produced the side effect that attention has become more important than clear information. Even the best information is useless if it does not reach potential users; information suppliers on the internet are therefore concentrating more on grabbing potential customer's attention than on providing them with useful information. The Internet and e-commerce have thereby created a sort of attention economy where attention is the scarce good instead of goods, services, or information.

II. ADVANTAGES OF E-COMMERCE

In order to understand why it might be tempting to use the ideas in e-government it is helpful to translate them into manifest advantages for the customer. In functioning markets producers and service providers will not be able to retain the gains they make through efficiency and productivity gains but they will eventually have to pass them on to customers. Customers can therefore save money which then translates into a greater freedom of choice. Cost savings thus take on an ethical meaning which can easily be translated into something a democratic government can identify with. Following this line of reasoning one can see other ethical benefits in e-commerce which stem from its realization of functioning capitalist markets. Cost savings not only increase freedom of choice but they also allow to produce more with the same amount of resources and they are therefore a necessary condition of redistribution and thus of justice. The ethical advantages of e-commerce are thus of a fundamental nature and they touch deep-seated ethical concerns such as freedom and distribution.

One big advantage for customers that an e-commerce promises is that it facilitates a more personal service. The use of ICT allows vendors and service providers to accumulate great amounts of information on the customers and this information allows them to cater to individual preferences and needs. An integral part of many e-commerce applications is the so-called customer relationship management (CRM), CRM systems can be bought as complete packages or they can form a part of other e-commerce applications. Their use varies between industries and sellers but the overall defining nature is that customer's views are taken seriously. Again, this is a very important point for governments, and it the reason why the use of the term "customer-centered" which is closely linked to e-commerce and CRM is transformed to "citizen-centered" in e-government.

III. ICT & GOVERNANCE

ICT is defined as an electronic means to collect, process, store, and communicate information, especially through computer hardware, software, and networks. ICT has been instrumental in changing the way in which the government operates through horizontal and vertical interactions and information flows. It has provided unique opportunities to governments in terms of new ways of doing business through e-Government and e-Governance applications. e-Government is about leading the transformation of government to provide efficient, convenient and transparent services to citizens and businesses through the use of Information and Communication Technologies (ICT). e-Government is not about 'e' but about 'government'; it is not about computers and websites, but about services to citizens and business. e-Government is not about translating processes; it is about transforming them. E-Government concerns with the transformation of government, modernization of government processes and functions and better public service delivery mechanism through technology. Citizens are the recipients in e-Government.

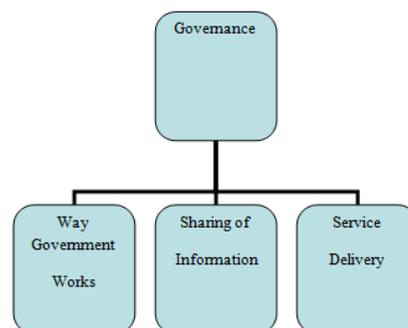


Fig. 1. Working of Governance.

Good governance is fundamental and e-governance is instrumental. e-Governance is a tool. No e-Governance tool can be successful without focusing attention to process reforms for good governance. Good governance dictates the design and shape of e-tools for improving governance outcomes and processes. E-Governance can be an effective and efficient tool for good governance if and only if the process reforms have been carried out. Automating complicated government processes will create more problems than it can solve. In e-Governance, the letter 'e' is small and the letter 'G' is big.

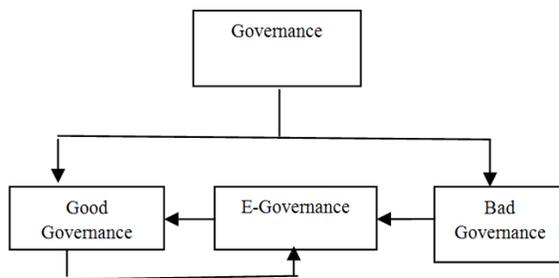


Fig. 2. Relationship between Good Governance and E-Governance and Bad Governance.

e-Governance, on the other hand, comprises decisional processes and the use of ICT for wider participation of citizens in public affairs. Citizens are participants in e-governance. The purpose of implementing e-Governance is to improve governance processes and outcomes with a view to improving the delivery of public services to citizens.

The United Nations distinguishes between the following areas where governmental operations can be improved by the application of ICT:

e-Government: This applies to inter-organizational relationships, and includes policy coordination, policy implementation and public service delivery.

e-Administration: This applies to intra-organizational relationships, and includes policy development, organizational activities and knowledge management.

e-Governance: This applies to interaction between citizens, government organizations, public and elected officials, and includes democratic processes, open government and transparent decision-making.

Government needs to play a key role in shaping/supporting e-Government, e-Administration and e-Governance programmes with a view to improving governance. Good governance has eight major characteristics i.e. Participation, Transparency, Effectiveness, Efficiency, Responsiveness, Accountability, Equality and inclusiveness, Rule of Law. The term 'Governance' is wider than 'Government'. Governance may be an activity of governing/controlling a country by its Government, controlling of an organization or a company by its CEO or Board of Directors or controlling of a house hold by

the head of the house, Accordingly E-Governance may also involve governing of a country, organization, company or a household, however with the help of Information and Communication Technology (ICT).

A Government is a group of people responsible for the administration and control of a Country/ State. It involves people like the Heads of States, Ministers, Government Employees, etc. It also involves public participation. So, electronic substitution for a Government is not possible. Therefore, E-government may only refer to a Government using in conducting its business. E-Government i.e. Electronic Government is the use of Information and Communications Technology (ICT) to run or carry on the business of the Government of a country.

IV. REASONS FOR THE ADOPTION OF THE COMMERCIAL PARADIGM IN E-GOVERNMENT

The reasons why governments and administrations might want to use ideas and concepts from e-commerce for their own activities should have become quite clear from the enumeration of the advantages of e-commerce. Fundamentally, one can summarize the advantages of e-commerce as those of a functioning capitalist market economy and those advantages should be transferable to the activities of government. Among these positive points we have found efficiency, which should allow governments to deliver the same or better services at lower costs. This idea of efficiency also mirrors a hope that government bureaucracies, which are traditionally seen as inefficient and reluctant to change, could be accelerated and streamlined. The hope is that bureaucracies may find it possible to become as flexible by using processes and motivational measures copied from the commercial sector.

The adoption of the concept of customer-centeredness in the form of citizen-centeredness should also be understood in this context. Since fundamentally, the state is there for the citizens it should be focused on the citizen anyway. If governments try to become more citizen-centered, then this is an expression of the reflection of the government on their original purpose.

V. LIMITS OF THE COMMERCIAL PARADIGM IN E-COMMERCE AND E-GOVERNANCE

The starting point of the limits of the commercial paradigm is the difference between customers and citizens. The idea of customer-centeredness, which is closely linked to e-commerce, is quite attractive to administrators in public bodies. Just like companies have to satisfy their customers to receive orders and survive, governments should satisfy their citizens. Accepting the commercial paradigm should lead to desirable developments such as speedier service and more efficient processes. However, there are limits to this analogy.

The role of citizens in state and government is fundamentally different from the role of customers in a company. Companies exist for purposes that are defined by their owners. Customers are important for companies as means to achieve these ends but they carry no intrinsic value. This is different for governments which exist for citizens. The citizens are at the same time the owners and decision makers of governments.

Another group of limits of the commercial paradigm results from the dissimilarity of the states and markets. Markets are self-organizing entities whereas states are directed and led. Furthermore, markets are not natural occurrences but they require a framework of rules, regulations, and enforcement that can only be supplied by political entities. Markets are thus fundamentally different entities from states and governments and, consequently, some of the characteristics and advantages of e-commerce may not be transferable from one to other.

VI. CONCLUSION

Some of the aspects of e-commerce can be used and applied in administration and democratic decision making. This means that in those areas where governments provide goods and services for the citizens, where citizens can thus justly be seen as customers, e-commerce may provide a useful role model. Democratic decision making including elections, representation, parliamentarianism, etc. have few or no equivalents in the business world. E-commerce can therefore not provide governments with suggestions how ICT can be used in these areas. On the one hand the commercial paradigm promotes values such as efficiency, service quality, speed of delivery etc. that can also be valuable for the legitimacy of democracy. On the other hand it can produce problems due to the confusion of customers and citizens, the

dissimilarity of political and economic system and the hidden agenda and ideology it can carry. While framing e-Government in terms of e-Commerce is not a bad thing, political decision makers need to be aware that it can produce moral problems that not only jeopardize the success of e-Government but that can affect the very legitimacy of democratic structures. It was not intended to say that we should not make good use of positive experiences in the business world and use them to improve the workings of our states and administration. However, we should realize that there are fundamental differences between democratic government and business. Neglecting to take these differences seriously may in effect do more harm than good by weakening the participative basis of democracy.

REFERENCES

- [1]. Bernd Carsten Stahl (2005), The Ethical problem of framing e-Government in Terms of E-commerce, *The Electronic Journal of e-Government* Volume 3 Issue 2, pp 77-86.
- [2]. Bernd Carsten Stahl (2005), The Paradigm of E-Commerce in E-Government and E-Democracy
- [3]. Dr. P.K. Mohanty, Director General, Centre for Good Governance, Hyderabad, *Using e-Tools for Good Governance & Administrative Reforms*.
- [4]. Intekhab Khan, Nadeem Khan, Nazia (2015), *E-Governance Reforms in India: Issues, Challenges and Strategies- An Overview*.
- [5]. Parminder Jeet Singh (2008), *Recommendations for Meaningful and Successful e-Governance in India*.
- [6]. Shailendra C.Jain Palvia, Sushil S. Sharma, *E-Government and E-Governance: Definitions/Domain Framework and Status around the world*.
- [7]. Subhash Bhatnagar, Advisor eGovernment, ISGIA, World Bank, Washington DC, *Opportunities and Challenges in E-governance*.