

The Role of E-Government towards Ensuring Good Governance in Trade and Commerce in India

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Abstract—This paper focuses on the role of e-government especially in trade and commerce perspective of India and shows how the application of recent technologies can help to promote efficiency, encourage transparency and build trust in government. The government initiatives for the implementation of e-government in trade and commerce are scrutinized in this paper. E-Government can transform the greater prospect for trade and commerce into reality in India. E-Government is likely to contribute to the creation of productive employment for the poor through the strengthening of many small scale and informal sector activities by reducing the corruption and creating a favorable condition for investment and increase economic competitiveness.

Keywords: E-Government, Good governance, Information Technology.

1. INTRODUCTION

In India some efforts have been put to implement e-governance. However, in the case of developing countries, ICT use in the public sector was very small, and therefore they had poor ICT infrastructure, if any (Bhatnagar and Anderson, 1990; Yong, 2003). The major functions of ministry of ICT are to assist in the introduction of good governance in the country through use, application and expansion of information and communication technology. The e-government can transform the greater prospect for trade and commerce into reality in India which seems to be overlooked.

To get more efficient governance, developing countries like India can associate existing government with the technology. At present people are more concerned about their rights and the way to be governed. The developed countries have tremendously used information technology as a tool to achieve better governance that helped in reduction of costs while increasing efficiency. The e-government movement in developed countries was largely triggered by the availability of modern technology which enabled to access government agencies remotely and inexpensively.

1.1. Objectives

The objectives of the paper are as follows:

1. To evaluate the concept of e-government and good governance in context of India.
2. To evaluate the measures taken for implementing e-governance in India to uphold good governance in trade and commerce.

1.2. Methodology

The aim of this study is to investigate whether e-government can facilitate good governance in trade and commerce in India. To achieve this objective, this study provides qualitative data from secondary sources and in-depth interviews about the perception of concerned parties. Interview questions were open-ended and were primarily derived from the research objectives.

1.3. Interviewee selection

Because of the access and time considerations associated with the collection of interview data, the number of interviewees was limited. The first interviewees are an IT expert who is working as a full time faculty member in a public university in the respective discipline. To identify relevant opinions in the sector under study, the second interviewee (Interviewer II), an entrepreneur in RMG sector was selected. The positions of the interviewees indicate their expertise and competency to evaluate the present situation. The third interviewee was a banker from a leading bank of the country which makes extensive use of e-governance in providing services to their customers.

1.4. Data Collection

Three in depth interviews with the selected persons were undertaken in Dec, 2013 and January 2015, While the sample size is relatively small. We believe that views provided by the

interviewees nevertheless provide valuable insights into the matter.

The interviewees received an invitation, explaining the purposes and nature of the research study. The interview ranged between 60-70 minutes. Before each interview the project was explained to the interviewees. One interview was conducted over phone. Interview responses were noted down in details. Later, these responses were analyzed according to the objectives of the articles.

2. E-GOVERNMENT DEFINED

According to the United Nations Division for Public Economics and Public Administration and the American Society for Public Administration e-govt. can be defined as "utilizing the internet and the worldwide web for delivering government information and services to citizens." Whereas World Bank defined, "E-Government" as the use by government agencies of information technologies (such as Wide area Networks, the internet, and the mobile computing) that have the ability to transform relations with citizens, businesses, and other arms of government.

E- Government commonly refers to the processes and structures pertinent to the electronic delivery of government services to the public. For instance, according to Gartner Consulting, e-government involves the use of ICTs to support government operations and provide government services. In sum, e-government is defined by inter-organization a relationship that promote policy coordination and implementation, and by the delivery of services online or, through other electronic means to citizens. According to Sadick Hassan (2003) includes : developing citizen -centric programs, promoting and enhancing citizen participation, perfecting online service delivery through analysis and evaluation, measuring efficiency, and benchmarking against other forms of service delivery, country indexing (performance measurement benchmarking); portal analysis, website analysis. E-government is about improving the efficiency and effectiveness of govt. by using the internet and related technologies (Audit Office of New South Wales, 2001) three dimensions reflect the functions of the govt. itself. These are: e-services-commerce, e-management (Saxena 2005) The respondents indicated the reliance on IT in defining e-government It was stated that -

1. E-government is a process where maximum use of IT can facilitate decision making which was previously based on intuition. In other words, E-government is reliance/dependence on IT to facilitate decision making whereas e-government provides data-statistics structure." (Interviewee I).

2. E-govt. is use of electronic tools to bring transparency in the system. (Interviewees II).

3. "E-government is use of technologies to make internal control and monitoring in the system easier It may be in the form of online reporting. Day today update is easier and faster to maintain. The rules and regulations of bank, circulars, can

be disseminated to all branches at the same time. The system used in my bank could be model for successful implementation of e-govt. Connectivity is a major issue here. Isolated branches can be monitored and directed easily by the head office. It can extend support in need to any branch promptly"(Interviewee III). From the above definitions we find a number of features of e-govt. which may be listed as below:

1. Use of electronic means of communication such as internet and web technology.

2. Two way transmission of information among concerned parties, namely govt., citizens and businesses.

3. Confirming of access and enhancing the interaction leading to greater participation by the general people in the governance mechanism.

According to Sawa (2004) e-government evolves through five levels. The first level of the government evolutionary process is known as the "emerging stage" and is connected with online information that is largely consumed internally. Often of this stage the websites that one finds are static. Level two is known as the "enhance stage" and is characterized by information being provided online about public services. Level three is known as the "interactive stage" and is characterized by an interactive e-government infrastructure which is able to facilitate downloading of forms. The fourth level is known as the "transactional stage" and is characterized by a two way interaction where processing of forms, including authentication, is possible. The final level is known as the "seamless stage" and can handle online services such payment delivery in a unified environment.

2.1 Good Governance

It is difficult to define the principles of good governance accurately. The United Nations Development Programme 1997 enunciates a set of principles that seem to have a universal recognition and are stated as legitimacy and voice (focus on participation and consensus or intention); direction (focus on strategic vision); performance (focus on responsiveness, efficiency and effectiveness); accountability (focus on accountability to public and transparency); and fairness (focus on equity and rule of law).

The interviewees have described good governance as "Good governance means clarity and fairness and reduction of corruption." (intervieweeI).

"I think good governance ensure fairness and transparency and access to information in every sphere. It is a precondition of sound business environment." (intervieweeII).

I think good governance can be interpreted in a few ways, firstly, by terms of ensuring social security in a country like ours and by maintaining and /or bringing economic stability by developing investment climate." (intervieweeIII).

Since governance is the process of decision making, good governance assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision making. Decentralization is indeed a technical necessity for good governance. It is changing the ways in which government does business with the public and, in the process, is creating demand for some form of participation from the citizen while reducing administrative burdens that can ensure good governance.

Good governance is vital for the development of a country as it support people by facilitating the free flow and exchange of information from govt. as well as non-govt. sources to substantiate freedom of expression and opinion. The governance structure in India is hardly accountable to its citizens. The problem of poor governance has been manifested in adopting unfair business practices in India. Poor governance can be both a cause and an indirect effect of ineffective trade and commerce development.

2.2 Benefits of E-government interpreted by Good Governance

E-government enhances freedom of information, improves efficiency and provides access to information (United Nations Department of Economic and Social Affairs, 2004). It also improves the development and implementation of public policies and helps the public sector to cope with the conflicting demands of delivering more and better services with fewer resources. A recent report commissioned by the European Public Administration Network (EPAN,2004), identifies seven types of inter-connected benefits of e-government:

1. Improved quality of information and information supply;
2. Reduction of process time;
3. Reduction of administrative burden;
4. Cost reduction;
5. Improved service level;
6. Increased efficiency;
7. Increased customer's satisfaction;

The introduction of modern technologies in relevant sectors can serve a variety of different ends:

1. Better delivery of government services to citizens,
2. Improved interactions with business and industry,
3. Citizen empowerment through access to information,
4. More efficient government management.

The application of e-governance reduces costs, inefficiency, inconvenience and ineffectiveness in service delivery. E-Government is also expected to develop content of immediate

local relevance, and preserve national history, heritage and traditional knowledge (Sawe 2004).

Despite sustained domestic and international efforts to improve economic conditions, India remains a poor, overpopulated and ill governed nation India faces the challenge of achieving accelerated economic growth and alleviating the massive poverty. But it has huge prospect of attracting investment because of its geographical location. The economy of our country is opened up with rapid liberalization of import policies for FDI compared to many other countries of this region and low cost of production. If we want to step forward in trade and commerce sector, it is necessary to set new plans to promote trade by copying with the globalization process. The effect of corruption on the impoverished economy of a country like ours is undeniably insufferable and intolerable. The three factors that Rose-Ackerman (1973, 1978 cited in Goudie and Stasavage, 1997); identified as the drivers of corruption were : monopoly of power; discretion ; and lack of accountability and transparency .E-govt might contributes in minimizing corruption through the application of ICTs in a system of governance, to bring in simple, moral, accountable, responsive, and transparent (SMART) governance (Rajashekhhar, 2002 cited in jain and Ramani, 2005; Harris and Rajora, 2006)

Moreover, e-government in developing countries must accommodate certain unique conditions, needs and obstacles (HEEKs, 2001) ,For instance developing countries may have poor infrastructure, corruption, weak educational systems, and unequal access to technology.

Adopting e-government strategies to establish e-governance in the trade and commerce sector will reduce the scope for corruption and attract investment. The promotion of good governance is widely accepted as a prerequisite for development (Sen, 1999).

In addition to corruption, trade related regulations that are vague, contradictory and improperly implemented aggravate the situation. The infrastructural facilities in our country act as one of the main hindrance as developing countries have to computerize their internal functions and then to shift from traditional system to the virtual systems in case of digitalization. The bureaucratic problems along with weak governance system aggravate the situation. The wide access to government information and services and total transparency of government functioning will contribute to the business world. E-government can promote greater transparency in government activities, reduce the scope for corruption and attract investment. E-government is likely to contribute to the creation of productive employment for the poor through the strengthening of many small scale and informal sector activities by reducing the corruption and creating a favorable condition for investment and increase economic competitiveness. A study by the World Bank revealed that where there is participatory governance, an additional 1 percent of gross domestic product in aid translates into a 1

percent decline in poverty and a similar decline in infant mortality (World Bank 1998).

The above mentioned targets could be achieved with the applications of the following common e-govt. initiatives as these are considered as some of the most popular e-govt. initiatives that address corruption and lack of transparency :

1. Online delivery of govt. information and services,
2. Computerized licensing and registrations
3. Web based tender notification and procurement
4. Web enabled complaints submission and,
5. Online public comment for draft legislation.
6. Online procurement system.

Good governance ensures uniformity which can possibly do with the help of e-government procedures. If information is disseminated from the Centre to the hubs at the same time, there is low chance of distortion. (Interviewer III).

2.3 Caution with the implementation of e-government

There are some demerits of implementing e-government from developing countries perspectives as stated by the respondents; The security hazards brought by e-government Demands our attention Criminals can manipulate the system if technical security is low . Uninterrupted power supply is also important. Getting access to the internet can be dangerous as hackers are always trying to hack important websites. The maintenance of websites administered by the government is crucial. Dishonest unscrupulous people in the government body may pursue their ill motive by mis-utilizing their power. Again, adaptability of the existing officials in the government or other concerned in other major concern. (Interviewer I)

The centralization of banks is a hindrance for the business people. Though e-govt. facilitates decentralization, at present banks in our country are moving towards centralization in granting credit some business men are filing fake L/C agreement and spending the money for other purposes. As a result those who are genuine trader, face problems. (Interviewee II)

Lack of training for those who would be the beneficiary of e-govt. procedures is something worth attention. The business people in our country are not adequately trained. Proper guidelines with technical know –how is necessary in implementing e-govt. services such as tendering. (Interviewee (III)).

3. INDIAN FDI POLICIES COMPLICATE THE LANDSCAPE FOR FOREIGN-OWNED E-COMMERCE COMPANIES LIKE AMAZON.COM.

India currently does not allow foreign investment in business-to-consumer (B2C) e-commerce. Foreign investment is also capped at 51 percent in multi-brand retailing. These

investment restrictions have required Amazon to structure its activities in a complex way. First, to operate in the B2C e-commerce market, Amazon's website serves as an online marketplace for other retailers to sell their wares. These retailers pay Amazon a fee for the storage and distribution of their products and for access to Amazon's India website as a selling platform. Second, Amazon also sells Amazon-branded products in India, such as the Kindle. Amazon has chosen to sell these products through several Indian brick-and-mortar retailers and online (but with the actual sale of products online conducted through Indian firms).

Clinical research activity in India declined substantially Indian FDI policies complicate the landscape for foreign-owned e-commerce companies like Amazon.com.

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Since 2009, the Ministry of Communications and Information Technology has introduced three amendments to the rules governing India's telecommunications licenses. The first two amendments would have introduced LCRs as a condition for granting telecommunications licenses and would have forced foreign companies to disclose sensitive software code to Indian companies. These amendments were repealed before they went into effect, after pressure from multinational companies. The third amendment, which is set to take effect in April 2015, requires that certain telecommunication equipment receive testing and certification by Indian labs; certification by internationally recognized labs is not accepted.

4. CONCLUSION

India needs to take special efforts to utilize their expert personnel who are the main source of our link to modern technology and industry. In order to make this attempt effective a suitable platform for technology collaboration between resident and non-resident Indians with the private sector participation can be provided. Special funds can be allocated by the government to IT entrepreneurs and tax breaks for software and IT services companies can be approved. A comprehensive database can be created where all information in relation to technologists, investors and entrepreneurs worldwide would be incorporated. The database

may be made available through internet all ministries, divisions, agencies of government and autonomous organizations shall set up websites where all policy documents and information relevant to the public shall be posted as early as possible and regularly updated. There will be a web portal of India government from which link will be provided to the websites like e-forms, e-procurement, e-recruitment, e-results etc.

India is already in the race of e-govt. This study examines that effort by addressing the status of ICT in India. It analyses the initiatives of the India government to introduce e-govt.in India. It concludes that e-govt. preparation in India is still in its preliminary stages and has not fulfilled its potential. A coordinated effort of political leadership, bureaucrats, and private entrepreneurs could facilitate the desired development in the ICT sector and accelerate the presence of e-govt. in India.

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