The Transition to E-government: The Comprehensive Strategy of Chile

Claudio Orrego Larraín
Ex–Ministro de Estado
Ex Secretario Ejecutivo del Comité de Modernización del Estado
¿Why Modernize the State?

• Fiscal Discipline (“control spending”)
• Economic Competitiveness (“countries compete, no only corporations”)
• Social Effectiveness (greater complexity of social problems)
• Democratic Development (better citizen service, greater transparency and more legitimacy of governments)
Modernization Plan

Two key features common to the best modernization cases in Chile’s State:

• Strong and clear leadership

• Strategic use of Information and Communications Technologies

Examples: Internal Revenue Service, National Health Fund, Civil Registry, National Pension Fund, Customs, etc.
¿What is Electronic Government?

DEF:
“ A way of organizing public management in order to increase efficiency, transparency, accessibility and responsiveness to citizens, through the intensive and strategic use of Information and Communications Technologies (ICTs) in the inner management of the public sector (intra and inter governamental relations) as well as in its daily relations with citizens and users of public services”. 
Diagnosis of the ICTs use in Government

1998 Survey

- 20 national networks (but “autistic”)
- 85% of agencies need some critical information from another agency, which is provided in paper
- 80% with some sort of Intranet
- 60% with some use of Internet
- E-mail and Internet restricted to authorities
- 47 Kbps average bandwidth
- MM US$ 14 spent annually in connectivity
- 30 Gov. Web sites (at the beginning of 1998)
Some E-Government projects:
Chile’s Government wide Intranet

• The idea was to integrate, share and coordinate all of Government’s work

• Save money and get a better service for everyone, through the use of Government’s economies of scale. Results: 60 MM in savings in 5 years, for an Intranet of 1 Gigabyte of bandwidth (16000 times better)

• Provide every agency with a large variety of services (IP telephony, e-mail, electronic signature, internet, other e-services, etc.)

The Intranet was adjudicated in 1999. Now is in its stage of Regional implementation.
Chile’s State Portal (www.estado.gov.cl)

- Currently more than 450 agencies with their web sites (from 30 in 1998), with a semestral quality contest to promote the best 5 as benchmarks.
- Any public information can be found by: theme, alphabetical order, government structure, word, or the specific service you are looking for.
- There is a daily increase in demand for more and better information, but also interactivity and online services.
- The government has now implemented two new portals: the government portal (www.gobiernodechile.cl) and services (www.tramitefacil.gov.cl)
US$ 7000 MM of public spending annually on procurement, with more than 1.4MM transactions, and US$ 12 MM in newspaper advertising.

- New legal mandate for all agencies to report their biddings, contracts and results in the system.
- Estimated savings with the system at 100% operative are around 200 MMUS$ annually (currently we have found savings between 7 to 20%).
- A new law will eliminate the former procurement agency, allowing for full procurement and advertising in the electronic system.
- The administration of the system has been outsourced, and currently we have 4200 firms registered.
E-Government in Developing Countries: Achievements and Prospects

Information and Services On-line
www.tramitefacil.gov.cl

SII: Number of tax declarations on line
1997: 2,500 (# of firms with Internet)
1998*: 23,000
1999: 150,000
2000: 470,000
2001: 800,000

*: First operational year of the system
Chile and Argentina signed the first international treaty using electronic signature in 1999.

January of 2000: General Controller makes the first official act of legal control using electronic signature, as part of a 6 months pilot program.
Some preliminary conclusiones

- Change is possible, even in a short period
- Larger % of e-government benefits come as part of a more global modernization strategy
- E-government has to be presented as a critical part of a political or social agenda
- Shopping allows for savings and short-cuts
- Public sector supply of on-line services is critical to the masification of Internet
- Four keys for success:
  - Clear vision and a realistic plan
  - Strong administrative and political leadership
  - High visibility, great impact and short term results
  - Public/private partnerships
Problems and Obstacles

1. Opposition by professional or union interests
2. Doubts or resistance by leaders (Y2K, digital divide, security)
3. Lack of innovation incentives in the public sector (specially when it comes to IT)
4. Lack of capacity to manage big computing projects (ej.RRHH -Minvu), and absence of policy guidelines to outsource services.
5. Lack of comprehensiveness and continuity of policies and programs (“everyone wants to re-invent the wheel, and do it fast”)

Problems and Obstacles (2)

5. Lack of conviction by top and middle leaders (no sense of urgency or survival)
6. Lack of adequate balance between speed, depth and comprehensiveness
7. Obsolete legal frameworks to innovate and to incorporate private companies´ entrepreneurship.
8. Excessive turf between public agencies.
9. Lack of institutional support, both intra and inter agency ("sign of weak political commitment")
10. Municipalities if left to far behind, become bottlenecks for e-government.
Five stages of electronic government

1. Useful information for citizens and firms on the net
2. Integration of internal financial and management systems (“move from data collection to knowledge management”)
3. Bi-directional communication between State, citizens and firms (“learn what they want, what they don’t or simply listen to them”)
4. Electronic provision of services (24x7)
5. Government wide integrated portals (one stop shops for everything)
New Challenges

1. Need to create a sense of national and political urgency to rapidly masify the strategic use of ICTs in the whole country (State, firms, and society)

2. Provide affordable access and basic training to every citizen, shortening the digital divide (ex. Perú)

3. Advance towards digital democracy (campaining, financing, electoral registration, pools, citizen-representative relation, Congress and Government performance, citizen feedback, and, why not voting?)

4. Create new public/private models (ex. UK)

5. Foster training of labor force in this area (ex. India)

6. Elaborate specific policies: security, autentification, privacy, interconnection, outsourcing, etc.
THANK YOU VERY MUCH!!

Claudio Orrego L.
claudio.orrego@sonda.com
orrego@interactiva.cl