

# **An Analytical Look at Bhutan's e-Governance Journey: Is the Glass Half-empty or Half-full?**

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## **What is e-Governance?**

The UNESCO definition is: “e-Governance is the public sector’s use of information and communication technologies with the aim of improving information and service delivery, encouraging citizen participation in the decision-making process and making government more accountable, transparent and effective.”<sup>1</sup>

e-Governance involves new styles of leadership, new ways of debating and deciding policy and investment, new ways of accessing education, new ways of listening to citizens, and new ways of organising and delivering information and services. Governance, in essence, means the functioning of society, so e-Governance is generally considered as a wider concept than e-Government, since it can bring about a change in the way citizens relate to governments and to each other. e-Governance can bring forth new concepts of citizenship, both in terms of citizen needs and responsibilities. Its objective is to engage, enable and empower the citizen.<sup>2</sup>

e-Government on the other hand refers to the delivery of national or local government information and services, via the Internet or other digital means to citizens or businesses or other governmental agencies.

## **Why are Nations Jumping on the e-Governance Bandwagon?**

The World Bank has developed a 3-pillar strategy in 2012 for Information and Communication Technology (ICT). Understanding the three pillars will perhaps be the best way to explain why most nations have jumped on the e-Governance bandwagon.

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<sup>1</sup>United Nations Educational, Scientific and Cultural Organization (UNESCO), accessed from <http://en.unesco.org/>

<sup>2</sup>Source: [Palash Taing](https://www.linkedin.com/pulse/e-governance-definitionsdomain-palash-taing), accessed from <https://www.linkedin.com/pulse/e-governance-definitionsdomain-palash-taing>

The World Bank Group's 2012 ICT Strategy aims at helping developing countries use ICT to transform delivery of basic services, drive innovations and productivity gains, and improve competitiveness. The strategy reflects disruptive changes in the ICT sector over the last decade, including a dramatic increase in use of mobile phones and the Internet, plunging prices of computing and mobile internet devices, and the increasing prevalence of social media.

The 2012 strategy for Information and Communication Technology is designed around 3 key Pillars:

- **Connect:** Scale up affordable access to broadband—including for women, disabled citizens, disadvantaged communities, and people living in remote and rural areas.
- **Transform:** Make development more open and accountable, and improving service delivery—for instance, education, health, and financial services.
- **Innovate:** Leverage on ICT for innovation and promote the growth of IT-based services.

World Bank has just released their World Development Report 2016 (WDR 2016) – Digital Dividends initiative, which goes beyond the previous 3-pillar 2012 strategy with main emphasis on the broader impact of using digital technologies and to ensure that it is more transformational in nature.

Estonia and Singapore are two countries who have adopted World Bank's strategies (past and present) and have far out-performed their larger neighbours in terms of delivering efficient and desirable citizen-centric services.

Singapore's e-Government masterplans have always set the direction for the use of digital technologies over specified periods of time. There have been five eGov Masterplans so far; the last masterplan, eGov 2015, spells out a vision for a collaborative government that co-creates and connects with the people.

This eGov2015 masterplan shifted the delivery of government electronic services from a “government-to-you” approach to a “government-with-you” approach. This aimed to develop a collaborative government which facilitates greater co-creation and interaction between the government, the people and the private sector to bring about greater value creation. Singapore has journeyed through the wave of computerisation and the Internet era and has pushed almost all its public services online.

Singapore's tech journey has spanned over four decades, with six national IT masterplans culminating with the most recent launch of the seventh installment of the Infocomm Media masterplan. The execution of the various masterplans has been crucial in Singapore being highly regarded in numerous tech rankings globally. Amongst all the rankings, Singapore can be most proud of being number one for the World Bank's Ease of Doing Business Index for the last nine consecutive years.

Singapore is now embarking on their next initiative: building a Smart Nation by harnessing technology to the fullest with the aim of improving the lives of citizens, creating more opportunities, and developing stronger communities. The success of this plan will be dependent on good governance, infrastructure, and the ability to harness the overall digital capabilities from all levels of society.

Another small nation which is also making big waves in the e-Governance arena is Estonia, a tiny country in North-Eastern Europe, next to Finland. It has a population of only 1.3 million inhabitants, but what makes this country interesting in terms of governance, is not just that the people can elect their parliament online, or get tax overpayments back within two days of filing their returns.

**“e-Estonia”** is the term commonly used to describe Estonia's emergence as one of the most advanced e-societies in the world—an incredible success story that grew out of the partnership between a forward-thinking government, a proactive ICT sector, and a switched-on, tech-savvy population. Estonian programmers have been behind the creation of digital brands such as Skype, Hotmail and more recently Transferwise (an online currency converter).

In Estonia, interaction between government entities and citizens is defined by the widespread use of solutions based on e-Identity/e-Signature and a citizen portal as a single point of contact to government services and information. The Estonian state currently offers 600 e-services to its citizens and 2,400 to businesses.

Utilising a locally developed Electronic ID card, which effectively acts as an online passport, a large proportion of Estonians can and regularly utilises this for taxes, elections, banking, register enquiries, health and many others. Estonian citizens seem especially happy about the higher level of transparency regarding government activities and easier access to data held by government bodies. e-Government thus has become one foundation for democracy by giving the power of information to the citizens.<sup>3</sup>

<sup>3</sup>Source: <http://www.theatlantic.com/international/archive/2014/01/lessons-from-the-worlds-most-tech-savvy-government/283341/>

## **What is Bhutan's e-Governance Strategy?**

During the launch of the e-Government masterplan in 2014, former Secretary of the Ministry of Information and Communications, Dasho Kinley Dorji, explained that hundreds of ICT initiatives and projects are taking place in the country today, but in isolation of one another. Thus the need for an ICT roadmap, e-Gov. masterplan, and ICT masterplans for different sectors.

My former colleagues and I, from IDA International (Singapore), had the privilege of being involved in the development of Bhutan's ICT industry development plan and the e-Government blueprint, which was completed in 2014. Our advisory services in helping to shape Bhutan's ICT masterplans have largely been influenced by our past collective experiences in implementing Singapore's e-Governance model.

Bhutan's e-Government master plan, launched by the present Prime Minister Lyonchhen Tshering Tobgay, serves as a roadmap and a catalyst for change. It paves the way for the government to run its overall governance machinery in a more efficient and transparent manner, achieving good governance by leveraging ICT for the present and the future. The blueprint will help the government and private sector navigate, adopt and utilise ICT towards creating a knowledge-based society.

Bhutan has improved by ten places in the e-Government development index (EGDI) and is now ranked 133 out of 193 countries, according to the United Nations 2016 e-government survey. It was ranked 143 in 2014.

The biannual UN survey measures how public administrations provide electronic and mobile public services. The EGDI is a composite measure of three important dimensions of e-Government: online services, telecommunications connectivity, and human capacity.

## **The e-Governance Journey is a Never-ending Endeavour !**

The EGDI ranking improvements is good feedback and a timely indication of positive progress made by Bhutan's e-Governance programme, but it is important not to get too carried away with this recognition. The journey ahead is still fraught with many challenges and uncertainties.

In Singapore, besides the EGDI, the government also places huge emphasis on World Bank's Ease of Doing Business Index (EoDBi) which studies the country's overall

business climate with respect to well-thought-through criteria such as Starting a Business, Getting Credit, Trading Across Borders, Resolving Insolvency, etc.

It is worth paying very close attention to the EoDBi because it measures the state of the country's overall business climate in terms of attracting Foreign Direct Investments (FDIs) which has a direct economic impact on job creation.

Bhutan's EoDBi 2016 ranking fell by one notch (compared with 2015) to 71<sup>st</sup> position from a total of 189 economies. In this recent EoDBi ranking, a nagging issue which needs to be immediately addressed is the 'resolving insolvency' criteria where Bhutan was placed last, at 189<sup>th</sup> position.

This criteria studies the time, cost and outcome of insolvency proceedings involving domestic entities as well as the strength of the legal framework applicable to liquidation and reorganization proceedings. Bhutan's poor rankings for this criteria is mainly because of the absence of bankruptcy laws. This will hurt the country's capacity to encourage more entrepreneurship ventures and investments into the country.

It will be useful for Bhutan's business councils to seriously study the World Bank's EoDBi rankings annually and focus on those criteria where the rankings are poor. It will trigger appropriate follow-up actions, policy reforms, and explore better ways to leverage ICT to transform business-related areas, thereby improving the ease of doing business in the country.

The former Director of the Department of Information Technology and Telecom, Phuntsho Tobgay, pointed out that Bhutan is currently at an "ICT convergence" stage, where common infrastructure including data centres, network management systems, email systems, and human resources, among others, are being consolidated.

The lack of integration and coordination amongst ministries and across the various diverse systems could well be the 'Achilles heel' for Bhutan if integration is not orchestrated and executed properly.

Other areas the Bhutan government is working on to improve its e-Governance services is in the area of e-commerce. According to a World Trade Organization (WTO) Report, "e-commerce in developing countries will facilitate competition in international trade, but the full potential of its benefits can be realized only when governments create conducive business environments."<sup>4</sup>

<sup>4</sup>Source: [https://www.wto.org/english/res\\_e/publications\\_e/ecom\\_devel\\_countries\\_e.htm](https://www.wto.org/english/res_e/publications_e/ecom_devel_countries_e.htm)

Enabling online commerce in Bhutan includes having an e-payment system with the Royal Monetary Authority. This will involve setting up payment gateways, aggregation and intermediaries that will enable e-transactions with the proper enactment of relevant and supportive policies and legislation.

A major area of critical importance which Bhutan needs to address is to raise the overall quality and offerings of the ICT industry's products and services. There must be a deeper commitment by the government to promote the ICT industry because it represents the 'engine of growth' which will drive ICT capabilities at a national level. The key challenges which drove the requirement to develop Bhutan's Industry Development Plan are the lack of ICT demand from the domestic sector, and limitations of the current ICT manpower capacity and ICT enterprise capabilities.

To overcome some of these challenges, there must be a concerted attempt to grow the ICT industry with the demand generated from the various ICT projects to be rolled out from the e-Government masterplan. While engaging the ICT industry, government procurement policies may need to be tweaked to make it more flexible in order to manage the risks involved during the experimentation phase for untried innovative ICT projects, where requirements are by nature very unclear.

Also highlighted in the industry development plan is the lack of ICT innovation taking place in both the public and private sectors with a lack of project collaborations between the industry and the academic institutions. If Bhutan hopes to develop more high value ICT products and services, then more effort is required in reviewing the existing infrastructure and policies, ensuring that a conducive environment is put in place to foster innovation and entrepreneurship to spur the growth of both foreign and domestic ICT enterprises.

### **What's Next? Transform the Business of Government!**

To take advantage of the rapid technological advancement, the government needs to redesign the strategies, practices and structures to capitalize on the pervasiveness of ICT and leverage on new developments in ICT to positively transform the lives of Bhutanese from all walks of life. The government also understands that it needs to build the capability of the domestic ICT industry to operate effectively and efficiently. The growth of the ICT industry is going to be crucial in accelerating the transformation of government and businesses, and in helping the country adapt to the dynamics of ICT. Therefore, the key impediments that obstruct the necessary growth of the ICT industry must be addressed sooner or later.

In the recent inaugural ConnectGov 2016 summit—organised by Chief Information Officers (CIO) Academy Asia from Singapore—over 140 Asia Pacific (APAC) CIOs and business leaders assembled in Bhutan to share their insights about leading in a disruptive world.

At this summit, Mr. Randeep Sudan, World Bank advisor for digital strategy and government analytics observed that, “Governments are capturing data as they have control of public sector transactions and the economy. Data is very powerful because it is the currency of economic development today.” He also remarked that countries which present “government as a platform” are making a good move because this strategy simplifies complexity and allows people faster access to technology.

This “platform” concept fits in well with the principles of WDR 2016–Digital Dividends strategy where the call for action is for countries to work on the “analog complements” by strengthening regulations that ensure competition among businesses, by adapting workers’ skills to the demands of the new economy, and by ensuring that institutions are accountable.

Bhutan has already taken positive strides in achieving the aspirations and goals for e-Governance. It needs to make more effort to remove the “elephant in the room”, namely outmoded mindsets and policies which will block the way moving forward. Bhutan needs to beware of the OB (Outbound) markers and be ruthless when it sets out action plans to overcome the challenges. It is important to always keep a watchful eye of what other countries are doing and try not to reinvent the wheel; there are lessons to be learnt from other more developed nations as they journey through their respective e-Governance programmes.

ConnectGov 2016 summit highlighted the fact that digital disruption was rising exponentially. Digital transformation is today’s game-changer if it is executed well; governments and enterprises must embrace this new wave of change. It will not only allow them to stay relevant but also be more competitive.