

Supreme Court verdict on mandatory disclosure by candidates has further strengthened their resolve to have a positive impact on elections. The increased demand for training has resulted in the creation of a PAC capacity-building component with a focus on groups in remote and backward districts of Karnataka. The demand for such training has also come from civil society groups in parts of Africa, where electoral reforms are becoming a major issue in civil society circles.

Institutionalization

As mentioned earlier, PAC's informed choices campaign has been boosted by numerous recently enacted electoral disclosure laws. The campaign for electoral reforms has gathered momentum and has attained a national character. From a small experiment in 1996, PAC has moved beyond Bangalore and has developed links with groups across Karnataka and in other states that have partnered with PAC during several campaigns.

PAC has interacted regularly with the State Election Commission and the Election Commission of Karnataka on various reforms. Both agencies take PAC's recommendations seriously. In addition, PAC's credibility and commitment have ensured the support of leading newspapers. During elections, PAC is regularly asked for analyses, which are widely disseminated. Neighborhood newspapers also carry regular features during campaigns.

Replication and Scaling Up

The campaign for electoral reforms has now spread to various parts of the country and assumed a national character. Several civil society groups, such as the Association for Democratic Reforms, the People's Union for Civil Liberties, the Catalyst Trust, People's Power, and Agni, are actively pursuing the common goal of cleaning up the electoral process by engaging various stakeholders in the government for reform. Whereas some of these initiatives have already led to path-breaking reforms, others have created a groundswell of public opinion and participation in the election process.

Programs have also been replicated by organizations in other states, notably People's Power in Andhra Pradesh, Agni and Youth for Voluntary Action in Maharashtra, and Election Watch. PAC's informed choices campaign has also been successfully adapted in Bangladesh.

Sources: Manjunath 1998; PAC 2002, 2006; Paul 2003, 2004; Paul, Poornima, and Rao 2005; Web site of PAC (<http://www.pacindia.org>); various issues of *Public Eye*.

PUBLIC PROCUREMENT SERVICE, REPUBLIC OF KOREA

To fight corruption and increase transparency, some countries have launched e-governance systems, which promote the use of communications technology such as the Internet and mobile telephones to open up government processes and enable greater public access to information. E-government is the online publication of information that enables citizens to download application forms for a variety of government services. It can also include the actual delivery of services, such as filing a tax return or renewing a license. More sophisticated systems facilitate the processing of online payments.

Electronic procurement (e-procurement), an important component of e-government, combines the use of Internet technology with procurement best practices to streamline the purchasing process and reduce costs. E-procurement increases transparency and probity by keeping a traceable record of government transactions online. A comprehensive e-procurement system includes three main components: (a) information and registration, (b) e-purchasing, and (c) e-tendering. Studies in developed countries have shown that e-procurement benefits the state through reduced monetary and administrative costs for organizations using the system, increased business opportunities for

suppliers, and more efficient use of tax money. E-procurement has been applied successfully in the European Union and in countries such as Japan, Korea, the United Kingdom, and the United States.

Even though e-government has emerged worldwide as an important tool for government reforms, citizen participation is lagging. The concept of e-government, beginning with an emphasis on improving efficiency and progressing toward a more “customer-centric” effort, is now being recast to include the transition toward participatory government that seeks to realize e-democracy. However, a report by the United Nations Online Network in Public Administration and Finance (2003) points to a situation where despite major advances in the concept of e-government, citizen participation is lower than expected, probably because of the low levels of Internet penetration in many developing countries.

Even though Korea has achieved the one of the highest level of e-government service in the world, the issue of low citizen participation has emerged as a major challenge.⁹ A 2003 analysis of e-government usage indicates that whereas the percentage of civil servants using e-government to obtain job applications was 45 percent, with the exception of passive information searches, citizens’ usage rate for more active public administration services was at a low level.

To transform the quality of e-government to enhance participation by citizens, the government of Korea embarked on an undertaking to improve its transparency and efficiency. Participatory e-government that is citizen oriented entails innovations in work methods, government service reforms, and information resource management. As a result of its efforts, Korea became the fourth country with an electronic bidding process, and government-to-government services were extended to government-to-business services. Even before the launch of the government e-procurement system (GePS) in October 2002, 9.4 million people belonging to 1,500 organizations participated in electronic bidding for activities worth a total of US\$13 billion.

Scope and Description of the Initiative

Korea began to lay the foundations for e-government in the late 1970s. Through several information system projects in 1980s, the government established a high-speed communications network and begun storing vital government records, such as resident registration, real estate transactions, and vehicle records, in a digital format. By the mid-1990s, the focus had shifted to efficiency-oriented e-government, with major information being put into databases and the development of operations processing systems to improve efficiency. Information technology has been applied to enhance key government functions, such as levying custom duties and approving patents, while also fostering interagency collaboration. A nationwide information super highway was built shortly after the turn of the century and has become an important part of the e-government infrastructure. At the same time, the government prepared a coherent implementation plan that it used as a basis for constructing a service-oriented system of e-government by focusing its efforts on service improvements, such as allowing the sharing of information among government agencies and the linking of their operations and activities.

Korea’s e-procurement is partly a natural outgrowth of its information technology culture: 70 percent of households have a high-speed Internet connection. Having achieved what is generally recognized

⁹ An index of municipal Web sites worldwide found that Seoul remains as the top-ranked city in relation to e-governance performance. The research was conducted jointly by the e-Governance Institute of Rutgers University-Newark and the Global e-Policy e-Government Institute of the Graduate School of Governance, Sungkyunkwan University, Korea. The survey was cosponsored by the United Nations Division for Public Administration and Development Management and the American Society for Public Administration. This index is the only systematic effort to evaluate digital governance in municipalities throughout the world.

as the most advanced telecommunications infrastructure in the world, the next step was to have the appropriate systems in place in the government. In November 2001, the E-Government Special Committee, which consisted of government officials and private sector specialists, was appointed to plan and budget the application of information technology to e-government nationwide. The most important of the 11 tasks selected for e-government was GePS.

The Public Procurement Service (PPS), the central procuring agency, operates GePS. The PPS provides around 30,000 Korean public institutions with the goods and services they require to carry out their responsibilities. Before the introduction of e-procurement, the PPS's procedures were cumbersome and involved a huge amount of paperwork and frequent visits to PPS offices. The PPS underwent a reform of its entire procurement system to reduce the level of inconvenience and inefficiency and to eliminate corruption.

GePS was inaugurated in September 2002. It processes complicated procedures and paperwork by digitalizing all procedures from purchase requests to payments and drastically reducing the extent of documentation (<http://www.g2b.go.kr/>). Since 2003, the annual transaction volume of GePS has grown by 20 percent every year. Today GePS is the world's largest cyber market, where 35,000 public institutions and 150,000 private companies trade about US\$48 billion worth of goods a year. About 93 percent of total bidding in the public sector is handled on GePS, cutting an estimated US\$4.8 billion a year in indirect costs for private companies.

Objectives

The objective of GePS is to enhance the efficiency, fairness, and transparency of the government's procurement administration by establishing a nationwide, Web-based procurement system that handles all procurement procedures electronically. It was aligned with the nationwide strategy known as Cyber Korea 21 (1999–2002) to build an online, knowledge-based system to improve national competitiveness and the quality of life and to develop Korea as one of the most advanced countries with respect to information technology.

Tools and Approaches

GePS is a single window for comprehensive information on procurement by all public organizations, including all information about national procurement projects, procurement requests, bids, contracting, and payment. GePS is also the single repository of vendor data for the entire public sector. The main features of the GePS government-to-business approach are as follows:

- *Public announcement of all government projects for bidding.* Private contractors can bid online for projects by various government agencies after registering a single time on the government procurement Web site.
- *Online process.* Government agencies and private contractors can use GePS to complete the entire procurement process, including announcing a public project for bidding, submitting bids, selecting a winning bidder, signing the government contract agreement, monitoring the completion of the service or supply contract, and paying for services. The process can be monitored in real time.
- *Establishment of a standardized category system for procurement supplies.* The sorting and identification of procurement supplies that were previously managed by each government agency independently were changed to comply with a set of governmentwide standards for public procurement. These changes allowed government procurement to be compatible across agencies and to comply with e-commerce standards with which citizens were familiar.

The shift to e-procurement involved the following stages:

- *Converting procurement operations into e-commerce.* After the initial strategic planning by the Ministry of Planning and Budget, the PPS, with its experience as the central procurement agency for the past 50 years and development and administration of the electronic data interchange and e-commerce since 1997, began building the system. The next step was to harness Korea's well-developed Internet infrastructure by means of a step-by-step process as follows:
 - An electronic signature is used to authenticate the identity of the sender of a message or the signer of a document and to ensure that the original content of the message or document that has been sent is unchanged. E-signatures are easily transportable, cannot be imitated by someone else, and can be automatically time stamped. This ensures that the sender cannot deny having sent the original signed message.
 - By sharing various types of information, including data on suppliers, GePS users were no longer required to repeatedly submit the same documents.
 - Through its connections with 11 guarantee agencies, GePS ensured the online submission of bonds for prepayment, tenders, performance, and so on.
 - GePS' association with 13 major commercial banks shortened the time taken to pay contractors.
- *Reorganizing from an administration-centered to a customer-oriented service.* In July 1999, the PPS began reforms that overhauled its organization and culture. By establishing the PPS's vision and mission and letting staff know of the goal of the reform, the PPS encouraged them to participate. User manuals and multimedia resources were distributed to contractors and government employees to increase their understanding of the GePS. The change in staff attitudes resulted in a steady increase in customer satisfaction.
- *Making procurement-related information available to the public.* The PPS rooted out sources of corruption by opening up procurement-related information to the public. Information was put in the public domain by means of the Internet on a real-time basis and the participation of external experts such as NGOs in the procurement process.
- *Linking the GePS to outside systems.* The provision of a one-stop service through its links to the online systems of other institutions such as ministries, associations, and financial bodies is one of GePS' advantages.

Partners and Stakeholders

The common feature of each major e-government initiative was the need for an information network that would link the systems and databases of each agency through a seamless network, which required the cooperation of all government agencies. The following key stakeholders and factors contributed to the success of GePS:

- *Active government support.* The involvement of President Kim Dae-Jung, vice ministers, government agency directors, and midlevel government employees was extremely helpful in making the project a success. Ministers from various government agencies gave their full support to the E-Government Special Committee. Nongovernment members of the committee carried out their assigned tasks conscientiously, and in the space of two years, the committee held more than 50 working-level committee meetings. The president's strong support helped smooth bureaucratic processes across agencies during committee meetings.
- *Support of the National Assembly.* Political support in the form of legislation and sufficient government funding were the preconditions for making the 11 major e-government initiatives

a success. The Millennium Democratic Party formed a special committee to develop and promote e-government services and processes. Assembly members from the Grand National Party also supported the e-government initiative.

- *Collaboration between government-funded agencies and the private sector.* The existence of a highly developed private sector in the area of information systems and information technology played an important role, in that the requisite systems were put into place by private sector contractors. In addition, government-funded agencies, including the National Computerization Agency, the Korea Information Society Development Institute, and the Korea Education and Research Information Service, were also involved.
- *World-class Internet infrastructure.* Korea has historically been among the top five countries in terms of Internet connections, with 70 percent of the population being Internet users. This infrastructure helped ensure problem-free e-bidding.

Resources

GePS cost a total of US\$24.9 million.

Outputs

GePs resulted in the following improvements to the government's procurement system:

- *Allowing paperless transactions.* A unique feature of GePS is the ability to conduct the entire procurement process online. This was achieved, in part, through the simplification of documents and the development of prompt e-payment methods. Previously, contractors would have to submit numerous documents, fill out lengthy forms, and visit many different government agencies to conform to the requirements for participating in public bids.
- *Providing online access to information.* To ensure the ease of online bidding, GePS provides integrated domestic bidding information: according to the National Contract Act, all bid information must be placed on the system. Contractors can visit GePS and gain access to all information about public bids across all government agencies. The government procurement brochure that carried listings of future public bids is no longer published.
- *Simplifying the bidding process.* In the past, contractors were required to register their companies with each government agency to be allowed to bid on agency-specific projects. GePS has eliminated these redundant processes. Once contractors have registered with the system, they can bid on any project by any government agency.
- *Creating a business-friendly environment.* This is evidenced by high participation in e-bidding.
- *Classifying commodities.* Following the introduction of GePS, government items for procurement were categorized more efficiently, enabling government agencies to select and procure supplies more conveniently.
- *Saving government resources.* The simplification of the entire procurement process has resulted in major savings of government resources estimated at approximately US\$20.3 billion since its launch.
- *Enhancing transparency.* As all steps of the procurement process are now carried out online, contractors and civil servants in charge of procurement do not need to meet face-to-face. This has had a significant impact on the extent of corruption in the procurement process.

Institutionalization

Bidding information used to be disseminated in gazettes and newspapers, but must now be provided online. To this end, relevant laws and regulations had to be revised to establish the legal foundations for handling procurement operations electronically.

Replication and Scaling Up

The completion of a government-to-business system and the enactment of laws to govern the system resulted in an expansion of the government-to-business market in terms of both scope and scale. Other public institutions in Korea and procurement agencies in other countries could modify the PPS's e-procurement system for their own use.

Sources: Bhatnagar 2003; Fisher 2000; Special Committee of E-Government 2003; Web site of the Korean Overseas Information Service (<http://www.korea.net/>); Web site of the Public Procurement Service (<http://www.pps.go.kr/english/>); Web site of the United Nations Online Network in Public Administration and Finance (<http://www.unpan.org/>).