

## HIS MAJESTY, THE CITIZEN AS THE CUSTOMER

**Jacob Navot**

**General Director of the Sham Information System**

**Israel**

**Jacob Navot**, is the Director General of the Sham Information System, a government IT agency that belongs to the ministry of finance in Israel and provides all IT services to the Tax Department and to the Internal Revenue Administration. Jacob is a graduate of the Hebrew University and Economics and has an MS degree in Computer Sciences from the University of London. He has been working with the government in Israel in various positions since 1974.

Good morning everyone. In this presentation I would like to address a particular issue, which to my opinion, has been either neglected or overlooked, although it has been mentioned in many presentations along the years.

I am going to raise some questions concerning the subject but I am not sure I have the right answers? The title and some slides are a little bit exaggerated but this is done intentionally and it is the only way to emphasize the subject in a humorous way.

The next slide and diagram highlight the state of e-Government today and tries to forecast the next stages. I am not going to talk about it, it is not a subject, but every country on the way to real-time government should see where it is placed and where it is going. The transition to real-time government is actually reaching stage three of e-Government. Stage 1 is publishing, this is about using information communication technology to expand access to Government information.

The second stage is about broadening civic participation in Government like e-mail, forms, feed-back forms, a comment on legislative and policy proposals etc. The third stage is the transaction stage which is about making Government services available on line 24 hours a day seven days a week effectively and efficiently through multiple channels as we heard from the first presentation. This stage actually demands a greater better management of services especially across multiple Government agencies in order to deliver a services similarly higher level of services, sophisticated collaboration of information, more emphasis on privacy, higher level of security and most of all I think is creating trust in Government systems. In order to reach these goals in an efficient way and an effective way Government tends to address its citizens as customers and try to make a sale for the same business. Some go out of their way in doing that they actually selling e-Gov services as commercial services and products of course with the emphasis of benefits of citizens what are they getting by using this product. I don't know if it is done intentionally or not but there is an invitation or say adoption of the business sector methods of selling but the real meaning of this saying is to bring citizens who use e-Gov services into the state of a satisfied customer which means meeting the citizen's expectations. The citizen receives the message and begins the transformation actually from a passive customer or I might say a compulsive customer into an active customer or combining the two together is a customer by choice when choice is part of the customer definition. But real customers exist only in the arena of the business sector where the rules are known to both sides. On one side on one hand customers pay on purchase while on the other side enterprises sell and profits. In e-Gov, rules might translate into

citizen's duties and rights and Governmental laws and regulations. It is difficult to define duties to customer, so rights, laws and regulation, freedom of choice begin to mix together and now we come to a confusing situation where it leads to the citizen is adopting the manners of a spoiled customer. He demands the service, he is entitled to everything in contradiction to the state he was before, '...its my right, its my privilege'. He actually becomes His Majesty. Two questions on the subject itself – can a citizen become a customer and behave like one or can Governments treat citizens as business customers. We'll come back to these questions later on but first let me show you a short clip made by the National Lottery in Israel that shows how a citizen should be treated as a customer.

(short sound/movie clip follows)

If you want to be a king that's how we treat you. Okay. Coming back to the questions with this equation Governmental business, citizens and customers, and we can add to them budget and expenses, efficiency and profit and monopolies and competition. Can a Government behave and manage itself on a business grant concerning e-Gov services while all of its activity is managed on a monopolistic environment and not in a competitive one? In a Governmental environment the citizen does not have the opportunity to choose from like a customer in a business environment does, he cannot just move to the other shop. Of course one could say that there is always the alternative of not voting for the party on Election Day but you know waiting two or four years is a long time and I am not talking about countries where a revolution is an alternative. Can Government adopt the sentence "the customer is always right – I'd like to see the Manager" or instead of this sentence "I would like to see the Minister in charge". A Company can accept the customer's demand even if he is not right. It serves as a tool to achieve Company policy like denial of a transaction in a credit card company. A Government is bound to laws and regulations and cannot behave the same way. On the other hand the provision of service is not imposed on an enterprise whereas an e-Gov service can be imposed by law or regulation. In some cases Government might have to punish a customer who is not right or has violated the law or a regulation. What about duties that are imposed on citizens? Could they be included under the line E-Gov services? What are the rights of a citizen? I might answer some of these questions later on, but can a citizen sue the Government on the grounds of bad service. Can he be compensated? A reduction in tax is welcome. What about the service level agreement?

Enterprises tend to address only parts of their customer's potential market whereas Government have to address all of the population equally. Does every citizen get the same service? Let's show you some nice citizens that get an equal service.- this example is from Singapore. Price and service – service costs money, I add to it, good service costs money and more to that keeping good service costs money. The question is should Government charge for e-Gov services or like and in this question I am not referring to the overall cost of e-Government, I doubt if any Government takes the real cost into any consideration. When a Government decides that e-Gov services should be free of charge can it grant it at the level of service will be kept within good standards even in bad times when the budget is short. Government services do not tend to stay at the high standard over a long period of time. Naturally they begin to deteriorate due to perversions in political and economic situations that change national security priorities. I might say that it would sample it as a resemblance to what has happened with the service given by some countries under the welfare policy. Don't we forget E-Gov services are eventually IT systems which consistently do not tend to stay the same there is always an upgrade in the next version and the question is not what will happen in the next upgrade insistent on providing of services. I am worried about what will happen in the second, third or fourth upgrade – will Government money still be available at the time? Building services that might be provided free of charge at the beginning but in due course in order to keep up a decent level of service a charge will be made only part of the population can afford it. Some experience show that services given by Government agencies free of charge has changed when the service has gone out-sourced or the agency has been privatised and the service becomes charged and for those of you who remember the story about the last

chapter of Genesis. We as Government do not want to ask the question what do we get for a rib. Isn't it wise to change a Government's services from the beginning then what about digital divide?

But the real issue on this matter is local Government to citizen versus central Government to citizen. In local Government services are likely to be kept at a higher level than those given by a central Government – why is that? Even if the services are provided free of charge they are strongly associated with local taxes. Which neighbourhoods pay more and get more? Here we have the option we didn't have at the state level – a citizen can change his address and move to the other shop. At the state level in order to achieve the same correlation between Government services and taxes a strong national patriotism has to be employed. It is well known that in war times for instance people are more than willing to pay taxes and perform their duties. Enterprises see their service as a product and they charge for it. Enterprises sell services which they believe are better than those sold by their rivals. Enterprises take the risk of not selling. In Government the situation should be alike but the question is what is exactly the product that sells a service and what is the risk taken when provision of this service fails. Does e-Gov says the avoidance of classic Government services. If you get the service via e-Gov you will not suffer extending an endless line in Government office and you will not have to tolerate a tedious and inefficient bureaucracy. If you don't go on line we will get you in line. Isn't it a kind of protection e-Gov equals protection – it's a bit exaggerated but.

### **Privacy and Security.**

Private companies tend to accumulate vast amounts of information about their customers and about the potential market of their products in every possible way in order to deliver accurate and efficient service and thus achieving the main goal which is managing customer expectation. Can Government do the same? I think of course Government can do the same we all know that Governments are the greatest in accumulating and gathering information about their citizens. Though it is not for commercial reasons it is done mainly for business that relates to national security or law enforcement. The point of view of a citizen and a customer is different for example when a customer enters a company portal and receives the message "good morning Mr Smith what can we do for you today" he perceives the personalised message is a friendly one whereas when a citizen receives the same message from a tax office he sees in it the syndrome of Big Brother. Governments should emphasise on this matter in order to charge the citizens to change the citizen attitude towards private information gathered by the government it should be explained that its meant to serve the citizen. In Israel we introduced at the beginning of this year a new tax, we are full of taxes in Israel, a new Capital Gains Tax which is imposed on everyone that has a sell in stock market or has a gained some interest on his savings and everybody but the elderly people above the age of 65 are exempt from part of this new tax. The tax is 15 per cent. We did not want all the elderly people to pay and we have about 700,000 ones to go to the tax offices and apply for a form to receive the exemption from this tax and will receive all the information from the banks. The banks in Israel are deducting the tax from the interest and we receive all the information about the account numbers, the amount of tax deducted and we simply return the money deducted directly to the customer account number a week later. There is a delicate balance existing between privacy and information. Providing a good service needs information that sometimes violates the privacy. The citizen is entitled to information, freedom of information and of course enforcements and service. Back to the two questions again, can a Government act as a business or can a citizen act as a customer? As I said before I am not sure I have the right answers, but there are some possible suggestions. I think it is not only possible, it is essential, real-time Government could not step ahead with out adopting and introducing commercial aspects into its service and the key word is collaboration and collaboration mainly with the private sector. Collaboration with the private sector is definably a channel for which Government can deliver real-time services. We in Israel have a long experience in collaborating with tax representatives for over 15 years and are connected directly to main computer compatible with the tax systems and they are actually doing

everything a tax officer can do at the office. I am not pleased to say that the Government do not always keep laws and regulations clear and simple to understand there is always a need for mediators and those tax representatives and the like are mediators. Governments should adopt business methodologies in addressing and serving citizens. Citizens, organisations and company must be viewed as business partners with which a service relationship exists. Like partnerships and portals government links in commercial portals and paying commercial portals that are involved with activities concerning e-Gov services. There is a tendency to concentrate on technology; e-Gov is not just portals and websites. e-Gov should deliver services that are expected by citizens making market research personalised service and directed to different parts of the population. Should we focus on commission and core processes governments should look and check whether re-engineering is need for the service before launching it on the internet. There is a tendency of centralisation of all of e-government under one roof, as it is called 'one stop shop'. This might be right for civil services but not for all of them. It might accentuate the syndrome of Big Brother and we don't like it. Centralisation is right for e-government, for infrastructure we can hive-off some services. Governments should not force e-Gov services on the citizen, it should be a part of whole services. Charging less or not at all for new product or service might be a problem in a private company and as well in e-Gov; the introductory price often fixes the value of the product or new service in the buyers mind. You pay less you get less. Final question, should we change the e in government? It has been said by Bill Gates and I am quoting "change is not a question of organisational structure as organisational attitude but attitude we cannot change the e attitude it better achieved by education and I think that governments should invest more in education than today and government to education should be committed not involved and just to explain the difference between involvement and commitment on today's breakfast was bacon and eggs the egg the chicken is involved and the pig is committed. Governments should start sooner or even sooner. Thank you very much.