Empowering Online Public Service in Asia: The Digital Frontier

Edited by

Lurong Chen Fukunari Kimura



Empowering Online Public Service in Asia: The Digital Frontier

© Economic Research Institute for ASEAN and East Asia, 2024.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form by any means electronic or mechanical without prior written notice to and permission from ERIA.

The findings, interpretations, conclusions, and views expressed in their respective chapters are entirely those of the author/s and do not necessarily reflect the views and policies of the Economic Research Institute for ASEAN and East Asia, its Governing Board, Academic Advisory Council, or the institutions and governments they represent. Any error in content or citation in the respective chapters is the sole responsibility of the author/s.

Material in this publication may be freely quoted or reprinted with proper acknowledgement.

Cover Art by Artmosphere Book Design by Artmosphere National Library of Indonesia Cataloguing-in-Publication Data ISBN no. 978-602-5460-55-5

Foreword

The global economic landscape is undergoing rapid evolution, demanding swift adaptation from ASEAN to remain relevant and effective amidst challenging developments and trends. Emphasising the urgency to address digital poverty and inequality, there is a compelling need for an accelerated digital transformation, incorporating the adoption of new technologies and the new mindset of development. The COVID-19 pandemic has notably accelerated the shift towards increased utilisation of online facilities, spanning e-commerce, e-healthcare, remote education, and access to public services facilitated by digital government.

The impact of digital government extends far beyond, significantly influencing the pace and nature of digital transformation. The digitisation of public services not only saves costs but also enhances government operations' efficiency, promoting transparency and improving the convenience and quality of services for citizens and businesses. This transformative process can contribute to more inclusive and democratic governance, a crucial aspect for the Asian region grappling with socioeconomic disparities and democratic challenges. Furthermore, by enhancing the efficiency of public administration and services, digital government can heighten a nation's appeal to foreign investors and stimulate economic growth.

In ASEAN and East Asia, the digital transformation of governments must be integral to national digitalisation strategies. This entails more than mere digital adoption in the public sector; it aims to foster a digital-driven, people-centered public service system in the long run. To maximise the positive impacts and mitigate potential risks of digital government, meticulous planning is essential, grounded in a profound understanding of the diverse challenges and opportunities specific to the Asian context. The current volume, edited by Dr Lurong Chen, ERIA Senior Economist, and Prof. Fukunari Kimura, ERIA Chief Economist, presents the principal findings from ERIA's recent study on Asian digital transformation. Offering insights into Asian countries' endeavours to unlock the potential of digital government, it sheds light on policy instruments aimed at enhancing the coverage and quality of region-wide online public services.

Tetsuya Watanabe

The President of ERIA

Tetanja Watandre

Acknowledgements

Digital government serves not only as a pivotal element in the realm of digital transformation but also as a decisive factor influencing its trajectory. Within the context of ASEAN, digital government should be regarded as an essential facet of digital connectivity. From an economic perspective, the implementation of digital government fosters a development-friendly environment conducive to digital innovation and entrepreneurship. Furthermore, it facilitates the delivery of government services with increased efficiency, transparency, and accessibility, particularly to those residing in remote or underserved areas. This, in turn, promotes inclusive development within the rapidly growing yet diverse digital landscape of the ASEAN region. Additionally, the digitisation of public services can enhance policy coordination amongst member states and streamline the harmoniation of regulations and standards across the region.

Research on digital government plays a crucial role in providing policymakers with a comprehensive understanding of the implications of technological changes. It sheds light on how to effectively integrate new technologies into government functions tailored to address specific needs and challenges.

This book presents the outcomes of the Phase One study of the ERIA research project on digital government. It stands as a collaborative achievement, and we extend our sincere gratitude to all contributors for their unwavering enthusiasm and engagement in the project. Special thanks are owed to Tetsuya Watanabe, President of ERIA; Koji Hachiyama, Chief Operating Officer of ERIA; and Shujiro Urata, Senior Research Advisor to the President of ERIA, for their invaluable advice and generous support throughout the research project and the compilation of this book.

Yuanita Suhud and Tika Aulia Dewi provided exceptional assistance to the research project, and their contributions are highly appreciated. We also express our thanks to Stefan Wesiak, Fadriani Trianingsih, and Eunike Septiana, who edited and provided valuable comments on the manuscript. Finally, we gratefully acknowledge the diverse forms of support from our colleagues, including Toru Furuichi, Yoichiro Hatakeyama, Irene Juitania, Sumie Hoshide, Adisti Aulia, Maria Anastasia, and many others.

Lurong Chen and Fukunari Kimura

ERIA (Economic Research Institue for ASEAN and East Asia)

Editors Biography

Lurong Chen

He obtained his PhD Degree (International Economics) in Graduate Institute, Geneva. His research interests include digital economy, Asian regionalism, global value chains, trade in services, and IPRs. He is also working on FTAs, Chinese economy, and RCEP negotiation. Before joining ERIA, Dr Chen was a Research Fellow at the United Nations University.

Fukunari Kimura

He was born in Tokyo in 1958. He received his Bachelor of Laws from the Faculty of Law, University of Tokyo in 1982. He then received Master of Science and PhD titles from the Department of Economics, University of Wisconsin-Madison in 1990 and 1991, respectively. He worked for the Department of Economics, State University of New York at Albany as Assistant Professor in 1991-1994, and in the Faculty of Economics of Keio University as Associate Professor in 1994-2000. In particular, he has recently been active in writing academic/semi-academic books and articles on international production networks and economic integration in East Asia.

List of Contributors

Lurong Chen

Senior Economist, ERIA, Indonesia

Inkyo Cheong

Professor, International Trade, Inha University, Republic of Korea

Jungran Cho

Research Professor, Jungseok Research Institute of International Logistics and Trade, Inha University, Republic of Korea

Duc Anh Dang

Professor, National Centre for Socioeconomic Information and Forecast, Viet Nam

Derek Gill

Adjunct Research Fellow, School of Government, Victoria University of Wellington and Research Associate, NZ Institute of Economic Research, New Zealand

Aravinda Meera Guntupalli

University of Aberdeen, Aberdeen, UK

Thach Kao

Royal Government Delegate in charge as the C.E.O. of the Agricultural and Rural Development Bank, Cambodia

Fukunari Kimura

Senior Professor, Keio University Japan and Chief Economist, ERIA, Indonesia

Gerhard Kling

Professor, University of Aberdeen, UK

Tuan Yuen Kong

Research Fellow, East Asian Institute, National University of Singapore

Saurabh Kumar

General Manager (Research and Policy Advocacy) Apparel Export Promotion Council (AEPC), India

Yao Li

Research Fellow, East Asian Institute, National University of Singapore

Sanjay Kumar Mangla

Associate Professor, Symbiosis Institute of Management Studies, India

Rohini Nambiar

Coordinator and Senior Assistant Director, Policy Programmes, Singapore Institute of International Affairs, Singapore

Reth Soeng

Adjunct Professor of Economics, American University of Phnom Penh and Professor, Royal School of Administration, Cambodia

Sarah Y. Tong

Research Fellow, East Asian Institute, National University of Singapore

Gazi Salah Uddin

Linköping University, Linköping, Sweden

John Walsh

Director, English Program, International College at Krirk University, Thailand

Jessica Wa'u

Deputy Director, ASEAN Programme, Singapore Institute of International Affairs, Singapore

Nobuaki Yamashita

Adjunct Research Fellow, Centre for Transformative Innovation, Swinburne University, Australia

Hiroki Yoshida

Director, Governance and Financial Reform with Digital Technologies, Cabinet Secretariat, Japan

Table of Contents

	Foreword	iii
	Acknowledgements	iv
	Editors Biography	٧
	List of Contributors	V
	Table of Contents	vii
	List of Figures	ix
	List of Tables	X
	List of Appendices	xiii
	List of Abbreviations and Acronyms	xiv
Introduction	Digital Government in ASEAN Digital Transformation Lurong Chen and Fukunari Kimura	1
Chapter 1	Government as a Standard Bearer and Digital Platform Provider: The Case of New Zealand Derek Gill	19
Chapter 2	Digital-Empowered Online Public Services: Japan's Experience during the COVID-19 pandemic Hiroki Yoshida	57
Chapter 3	Digital Government to Counter the Effects of COVID-19: The Case of Singapore Jessica Wa'u and Rohini Nambiar	83
Chapter 4	Digital Government As a Business Enabler: An Analysis of Business Processes in India Sanjay Kumar Mangla	115
Chapter 5	Digitalizing Public Services in Supporting Economic Development: The Case of Viet Nam John Walsh	149
Chapter 6	Digital Government in the Republic of Korea: Evaluation and Challenges Inkyo Cheong and Jungran Cho	177

ix

Chapter 7	The Effectiveness of Online Public Services: A Comparison of ASEAN Member States and the Way Forward Saurabh Kumar	199
Chapter 8	Do Online Public Services Improve Firm Performance? Evidence from Viet Nam Duc Anh Dang	239
Chapter 9	Digital Government in Promoting Trade: The Cambodia Case Reth Soeng and Thach Kao	269
Chapter 10	Digital Government in Facilitating GVC Participation Nobuaki Yamashita	295
Chapter 11	Can Digital Government Improve Economic Resilience? Yao Li, Sarah Y. Tong, and Tuan Yuen Kong	313
Chapter 12	Investigating the Growth Effects of Sharing Health Data in ASEAN Member States	343
	Gerhard Kling, Arayinda Meera Guntupalli, and Gazi Salah Uddin	

List of Figures

Figure 1.1	Continuum of Platform Openness	24
Figure A1.1	NZBN — The Journey from Concept to Trusted Valuable Platform	46
Figure 2.1	Schematic Diagram of Oil Refinery Process	60
Figure 2.2	Support Search Site on Yahoo! Japan	60
Figure 2.3	Support Search Site on Tokyo Metropolitan Government Website	61
Figure 2.4	Tokyo Metropolitan Government COVID-19 Dashboard	62
Figure 2.5	Coupon Number Reader for VRS	64
Figure 2.6	Digital Agency Dashboard for Vaccination Records	64
Figure 2.7	Applications for Cash Support to Citizens Website	66
Figure 2.8	Images of COCOA	68
Figure 3.1	COVID-19 Cases in Singapore (Jan 2020–May 2022)	86
Figure 3.2	Singapore Government Expenditure on ICT	90
Figure 3.3	Year-on-Year Change in Retail Sales and F&B Services Indices in Singapore (at current prices), 1986–2020	95
Figure 3.4	Year-on-Year Change in Retail Sales and F&B Services Indices in Singapore (at current prices), Jan-Dec 2020	96
Figure 4.1	SLOT Analysis of Digital Government	117
Figure 4.2	Areas of Digital G2P Interaction in India	120
Figure 4.3	Areas of Digital G2B Interaction in India	123
Figure 4.4	Achievements of the International Cooperation Division in India	125
Figure 4.5	Mission Mode Project on Immigration, Visa, Foreigners Registration & Tracking	127
Figure 4.6	Setting Up the Legal Existence of the Entity	128
Figure 4.7	Registering an Entity in the State	129
Figure 4.8	Pre-Commissioning Phase	131
Figure 4.9	Post-Commissioning Phase	133
Figure 4.10	Success of Andhra Pradesh E-Procurement Portal	143
Figure 7.1	Respondents' Profile by Age and Gender (%)	210
Figure 7.2	Respondents Not Using Digital Mode for Public Services (%)	211
Figure 7.3	Respondents Using Digital Mode for Public Services (%)	212

Figure 7.4	Rating of e-Governance Services by Country	213
Figure 7.5	Percentage of Respondents That Used e-Government Portals	214
Figure 7.6	eGovernment Services Catering Largely to One or Very Few Sectors (%)	216
Figure 7.7	Performance of e-Government Portals (%)	217
Figure 7.8	Visits to Government Offices (%)	217
Figure 7.9	Gender Biases of Digital Services (%)	218
Figure 7.10	Favoured Gender (%)	219
Figure 7.11	Respondents' Perspective of e-Government Services (%)	220
Figure 7.12	Internal Political Instability and e-Governance (%)	221
Figure 8.1	Relationship with Firm Performance	249
Figure 8.2	Relationship with Firm Performance—Adding Provincial Controls	251
Figure 8.3	Relationship with Firm Investment by Firm Size	255
Figure 8.4	Relationship with Firm Employment by Firm Size	256
Figure 8.5	Relationship with Firm Investment by Firm Ownership	258
Figure 8.6	Relationship with Firm Employment by Firm Ownership	259
Figure 8.7	Relationship with Firm Investment by Firms Inside and Outside Industrial Zones	262
Figure 8.8	Relationship with Firm Employment by Firms Inside and Outside Industrial Zones	263
Figure 9.1	Transactions via CamDX	281
Figure 12.1	Current Health Expenditure in Selected ASEAN Member States (% of GDP)	346
Figure 12.2	Secure Internet Servers in Selected ASEAN Member States (per 1 million people, indexed)	347
Figure 12.3	Mobile Phone Subscriptions in Selected ASEAN Member States (per 100 people)	347
Figure 12.4	Convergence of ASEAN Member States After 1950	357
Figure 12.5	Share of ICT Capital in ASEAN Member States	358
Figure 12.6	Relationship between ICT and e-Health	361
Figure 12.7	Cumulative Impulse-Response Function	364

List of Tables

Table 1.1	Regulations and Standards	27
Table 3.1	Singapore's Digital Economy	84
Table 3.2	Economic Impact on Singapore's Industries	87
Table 3.3	Overview of Singapore's COVID-19 Digital Tools	91
Table 3.4	Responding to COVID-19 Using Digital Tools	92
Table 3.5	Singapore's Initiatives to Ensure Digital Inclusion	96
Table 4.1	Setting up the Legal Existence of the Entity	128
Table 4.2	Starting/Registering an Entity in the State	129
Table 4.3	Pre-Commissioning Phase	130
Table 4.4	Post-Commissioning Phase	132
Table 4.5	Impact of MCA21 on Time Spent on Various Phases of G2B Interaction	136
Table 5.1	Typology of Digitalisation Strategies	151
Table 5.2	Ministries and Agencies Responsible for Developing the Digital Economy	153
Table 5.3	Viet Nam's Largest Cities	160
Table 5.4	Selected Regional Indicators, 2020	163
Table 6.1	Development of Korea's Major e-Government Projects	184
Table 6.2	Key Periods in the Korean e-Government Process	184
Table 6.3	Transition Towards Digital Government	187
Table 6.4	Share of Positive Responses on Digital Services by Age Group (%)	191
Table 6.5	Utilisation Ratios of Digital Services by Age Group (%)	192
Table 7.1	Country Role and Nationality of Respondents	209
Table 7.2	Source of Awareness of e-Governance Portals (%)	214
Table 7.3	Public Policy Areas Covered by e-Governance, by Country	215
Table 8.1	Descriptive Statistics	244
Table 8.2	Online Public Information and Firms' Performance	248
Table 8.3	Online Public Information and Firms' Performance—Additional Controls	250

Table 8.4	Online Public Information and Firms' Performance—Small Firms	252
Table 8.5	Online Public Information and Firms' Performance—Medium-Sized Firms	253
Table 8.6	Online Public Information and Firms' Performance—Large Firms	254
Table 8.7	Online Public Information and Firms' Performance—State-Owned Firms	257
Table 8.8	Online Public Information and Firms' Performance—Private Firms	257
Table 8.9	Online Public Information and Firms' Performance—Foreign Investment Firms	260
Table 8.10	Online Public Information and Firms' Performance—Firms in Industrial Zones	261
Table 9.1	Basic Statistics and VIF Values for All Included Explanatory Variables	284
Table 9.2	Estimation Results	285
Table 10.1	Number of SMEs in Survey Years 2011, 2013, and 2015	299
Table 10.2	Industry Distribution	300
Table 10.3	Firm-Level Characteristics	301
Table 10.4	Comparison of Digital Access	301
Table 11.1	Variable List	320
Table 11.2	Year-on-Year Change in Economic Performance by Region, 2020	323
Table 11.3	Digital Government Development by Region, 2020	323
Table 11.4	Impacts of the Pandemic on Digital Government Development by Region	324
Table 11.5	Overall Impacts of Digital Government and the Pandemic	326
Table 11.6	Impacts of the Pandemic on the Development of Digital Government (based on 2016, 2018, and 2020 annual data)	327
Table 11.7	Impacts of the Pandemic on the Development of Digital Government in Different Periods	327
Table 11.8	Impacts of Pandemic Policies on the Development of Digital Government in Different Periods	328
Table 11.9	Impacts of the Development of Digital Government on Government Responses to the Pandemic	329
Table 11.10	Impacts of Public Participation on Government Responses to the Pandemic, Q1 2020–Q3 2021	329
Table 11.11	Impacts of Digital Government Investment on Government Responses During the Pandemic, Q1 2020–Q3 2021	330
Table 11.12	Impacts of the Pandemic on Economic Growth	330
Table 11.13	Interactive Impacts of Digital Government and the Pandemic	331

Table 12.1	Variables, Definitions, and Data Sources	354
Table 12.2	Descriptive Statistics	356
Table 12.3	Growth Regressions	359
Table 12.4	Combining Macro-Level, Industry, and Firm-Level Data Sources	362
Table 12.5	Granger Causality Tests	363

List of Appendices

Appendix 1:	45
New Zealand Business Number – a critical piece of the digital architecture	
Appendix 2: Business Connect — a joined-up government-tobusiness platform	48
Appendix 3: Beneficial Ownership – an enforcement tool to follow the money	50
Appendix 4: Global standards – the role of har codes and containerisation	52

List of Abbreviations and Acronyms

ACE ASEAN Centre for Energy

AEO ASEAN Energy Outlook

AHEAD Advanced Hydrogen Energy Chain Association for Technology Development

AMS ASEAN Member States

APAEC ASEAN Plan of Action for Energy Cooperation

APS Announced Pledges Scenario

ASEAN Association of Southeast Asian Nation

ATR Autothermal Reforming

ATS AMS Targets Scenario

BAU Business-As-Usual

BECCS Bioenergy with Carbon Capture and Storage

BEV Battery Electric Vehicle

BF-B0F Blast Furnace—Basic Oxygen Furnace

CAGR Cumulative Annual Growth Rate

CCS Carbon Capture and Storage

CCUS Carbon Capture Utilisation and Storage

CO2 Carbon Neutral
CO2 Carbon Dioxide

COP Conference of the Parties

COVID Novel Coronavirus Disease

DAC Direct Air Capture

DACCS Direct Air Capture with Carbon Capture and Storage

DNV Det Norske Veritas

DRI Direct Reduced Iron

DRI-EAF Direct Reduced Iron-Electric Arc Furnace

EE Energy Efficiency

EJ Exajoule

ERIA Economic Research Institute for ASEAN and East Asia

EUR Euro

EV Electric Vehicle

FCEV Fuel Cell Electric Vehicle

GDP Gross Domestic Product

GHG Greenhouse Gas

GW Gigawatt

HBI Hot Briquetted Iron

HDF Hydrogene De France

IEA International Energy Agency

IEEJ Institute of Energy Economics Japan

IESR Institute for Essential Services Reform

IISIA Indonesian Iron and Steel Industry Association

INDC Intended Nationally Determined Contribution

IRENA International Renewable Energy Agency

ISOM Isomerisation

JETP Just Energy Transition Partnership

KBPD Thousand Barrels per Day

KTPA Kilo Tons per Annum

Lao PDR Lao People's Democratic Republic

LCOE Levelized Cost of Electricity

LED Light Emitting Diode

LNG Liquefied Natural Gas

LS Likely Scenario

MEA Mono-ethanolamine

MEMR Ministry of Energy and Mineral Resources

METI Ministry of Economy, Trade and Industry

MOU Memorandum of Understanding

MT Million Tons

MTBE Methyl Tertiary Butyl Ether

MTPA Million Tons per Annum

MW Megawatt

NDC Nationally Determined Contribution

NZE Net-Zero Emissions

OGJ Oil and Gas Journal

PEM Proton Exchange Membrane

PLN PT Perusahaan Listrik Negara

PNOC Philippine National Oil Company

PT Perseroan Terbatas

PTT Petroleum Authority of Thailand

PV Photovoltaic

RE Renewable Energy

SDG Sustainable Development Goals

SDS Sustainable Development Scenario

SEA Southeast Asia

SEAISI Southeast Asia Iron & Steel Institute

SMR Steam Methane Reforming

STEPS Stated Policies Scenario

TPA Tons per Annum

TWh Terawatt Hour

US United States

USD United States Dollar

USGS United States Geological Survey

VRE Variable Renewable Energy

WEO World Energy Outlook