Building Government–to–Government Enterprises

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INTRODUCTION

Electronic government has proven a watershed in the domain of public administration, despite being difficult to pin down precisely. Indeed, the government-to-government (G2G) arena is one of the least studied aspects of this newly established field of knowledge, despite its importance in fostering cooperation and collaboration between government agencies, mainly with respect to the management of their knowledge, in order to increase the effectiveness of public administration.

The main scope of this article is to present some key success factors for building G2G enterprises successfully. It also aims to show how public agencies themselves can benefit when they are electronically linked to others, thereby innovating and streamlining their working processes, in order to achieve greater agility and efficacy at reduced cost.

In order to pinpoint the key G2G success factors, a single explanatory and successful case study approach was used, namely one involving the Brazilian Central Bank (BCB) and the Brazilian Justice Department (BJD). The BacenJud system developed by the Brazilian Central Bank was analyzed in a more detailed manner. This case—considered a success—shows how this G2G project made it possible for both the Brazilian Central Bank and the Brazilian Justice Department to achieve greater agility and effectiveness regarding the processing of legal demands made by the Brazilian Justice Department, thereby handing down its sentences at reduced cost.

Furthermore, this study examined the factors that had a clear nationwide impact on the success of this endeavor in the realm of the Justice Department.

Therefore, this article intends to answer the following research question: From the case study analyzed, what are the key success factors in the implementation of government-to-government processes between public agencies in Brazil?

BACKGROUND

The Incremental Effects of Information Technology in Organizations

According to Henderson and Venkatraman (1993), the contribution of IT to business was affected by skepticism in the early 1990s due to the failure to achieve the promised results. In view of this perception, Venkatraman (1994) pointed out the pressing need to create and develop new criteria to evaluate the impact of IT on business, duly reappraising automation logic, cost reduction and internal operation efficiency-based logic, which had prevailed until that time and might well no longer be relevant parameters.

In order to overcome this hurdle, the author developed a referential model in which five levels of IT-enabled transformations in organizations were described: localized exploration; internal integration; business process redesign; business network redesign and business scope redefinition.

The first level, localized exploration, is the basic one for leveraging IT functionality within a business. The second level, internal integration, is a logical extension of the first, reflecting a more systematic attempt to leverage IT capabilities throughout the entire business process. The third level, business process redesign, reflects a strong view that the benefits from IT functionality are not fully realized if superimposed on the current business processes, however integrated they may be. The fourth level, business network redesign, represents the redesign of the nature of exchange among multiple participants in a business network through effective deployment of IT capabilities. The fifth level, business scope redefinition, directly addresses the question: What role—if any—does IT play in influencing business scope and the logic of business relationships within the extended business network?

B

According to Venkatraman (1994), the first two levels are evolutionary, whereas the latter three are revolutionary. His main thesis addresses the fact that the use of IT associated to evolutionary levels only has a very slight impact on business change, despite the complexity of the technological infrastructure used. Consequently, the real benefits of IT in business only arise from the revolutionary levels, that is, the redesign of business processes and also of business networks and the redefinition of business scope.

Internet technology-enabled organizations to rethink ways of doing business (Evans & Wurster, 1999). As regards the G2G realm, the redesign of business networks among public agencies is now a reality (Andersen, 1999) and the bedrock for G2G enterprises, as will be seen in the case study presented as follows.

E-Government: An Idea Lacking a Clear Definition

E-government is still an exploratory knowledge field and is consequently difficult to define accurately. Moreover, it encompasses such a broad spectrum that it is difficult to find one expression that encapsulates exactly what e-government really represents.

According to Zweers and Planqué (2001), one can say that "E-government concerns providing or attainment of information, services or products through electronic means, by and from governmental agencies, at any given moment and place, offering an extra value for all participant parties" (p. 92).

Lenk and Traunmüller (2001), on the other hand, choose to see e-government as a collection of four perspectives based on citizens, processes, cooperation and knowledge management, which is obviously merely taxonomy developed to help researchers study this field. Naturally, there is a great deal of interdependence among the facets quoted, and they can seldom be studied individually.

Other authors define e-government in a broader sense (see, for instance, Kraemer & Dedrick, 1997; Perri 6, 2001; Traunmüller & Wimer, 2004). For them, e-government encompasses a broad gamut of activities, from digital data and electronic public service to online pool, e-democracy, and e-governance. Yet, the most recent definitions see e-government as the various ways government uses information and communication technologies to remain relevant in the knowledge society (ITAC, 2002), that is, to support government operations, engage citizens, and provide government services (Dawes, 2002).

Currently, we detect substandard efficiency, efficacy and effectiveness, and at a high cost, in the traditional governmental processes between two or more public agencies. Faced with this reality one question arises: If enterprises have discovered the enormous benefits that the Internet can generate for them through linkages among themselves, why do public agencies not use this technology and the integration it provides, in order to become more responsive at reduced cost? As public budgets are shrinking all over the world and society is increasingly calling for more accountable public administration, integrated electronic processes between public agencies, via the Internet, known as government-to-government, can be the answer to this question (Cavalcanti-Neto 2002; Lutz & Moukabary, 2004).

CASE STUDY

The Brazilian Federal Constitution grants very few institutions right of access to the bank accounts of both citizens and companies or, indeed, the power to freeze financial assets of either. One such institution is the Justice Department, which intervenes by means of judicial orders handed down by the judges of several courts nation wide.

As required, a judge can either freeze or liberate the bank accounts of both citizens and businesses and even declare the bankruptcy of a company. Judges are further empowered to suspend a decreed bankruptcy or request financial information about organizations and citizens under scrutiny.

When it issues orders relating to information about the financial assets of either citizens or institutions, the Justice Department sends them directly to the Central Bank, which then forwards the orders to the specific recipients, namely either an institution or the Brazilian Financial System. It is almost impossible for the Justice Department to know precisely where the request should be sent.

As there was already a computerized system in the Central Bank linking it to the Brazilian Financial System (JUDNET, 2001), it was relatively easy to meet the Justice Department's requests. However, the increasing demand for this kind of information made by the Justice Department obliged the Central Bank to involve several employees on a full-time basis and expend considerable financial resources just to deal with this requirement. Over the years, the number of claims has increased dramatically. In the meantime, the Central Bank's Legal Department issued an opinion alleging that the Central Bank had no constitutional duty to assist the Justice Department with these specific demands. However, in order not to jeopardize its relationship with the Justice Department, the Central Bank decided to rethink its *modus operandi,* in order to continue giving assistance to the Justice Department.

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