

# Optimizing Business Environment by Developing E-government Services — A Case Study of the Guangdong-Hong Kong-Macao Greater Bay Area

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## ABSTRACT

The Fifth Plenary Session of the 19th Party Central Committee put forward clear requirements for the construction of digital government and the business environment. Besides, relevant studies show that e-government services are conducive to improving the evaluation of the business environment of enterprises and the degree of marketization. Drawing lessons from the practice of optimizing business environment by developing e-government services in foreign countries, this study puts forward two suggestions, that is forming a top-down mechanism of management by objectives and being user-centered and serving for whole user-journeys, to develop e-government services in the Guangdong-Hong Kong-Macao Greater Bay Area, which hopes to shed light on improving business environment and accelerating coordinated development of the Greater Bay Area.

**Keywords:** *e-government services, business environment, enlightenment, the Greater Bay Area*

## 1. INTRODUCTION

The Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) consists of the Hong Kong Special Administrative Region (HKSAR), the Macao Special Administrative Region (Macao SAR) as well as the municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong Province (hereinafter referred to as “the nine Pearl River Delta (PRD) cities”), covering a total area of 56 000 square kilometres with a combined population of approximately 70 million at the end of 2017. As one of the most open and economically vibrant regions in China, the Greater Bay Area plays a significant strategic role in the overall development of the country. Following the new vision of development, China takes forward supply-side structural reform and other reforms aiming at better quality, higher efficiency, and more robust drivers of economic growth, bringing new impetus to the transformative and innovative development of the Greater Bay Area. Meanwhile, the development of the Greater Bay Area faces many challenges. The uncertain world economy, the different social systems and legal systems in Guangdong, Hong Kong and Macao, and the wide development gap within the Greater Bay Area all

call for higher coordination and compatibility within the Greater Bay Area. The coordinated development of the Greater Bay Area cannot achieve without governments’ efforts, and one part of the links between governmental services and economic development lies in the association between e-government services and business environment. Thus, this study tries to get enlightenment from foreign e-government services for business environment, and hopes to shed light on the coordinated development of the Greater Bay Area. As Hong Kong and Macao are different from the other nine PRD cities with regards to its governing system and legal system, so this study will mainly focus on the nine PRD cities of the Greater Bay Area in the following discussions.

## 2. THE RELATIONSHIP BETWEEN E-GOVERNMENT SERVICES AND BUSINESS ENVIRONMENT

The main goal of e-government services is to provide the public with high-quality, low-cost, and more convenient government services through information and communication technology. E-government services in modern era boasts the following features: first of all, services help realize real-time interaction between

government departments and the masses and enterprises and integrate enormous service resources by coordinating fragmented information resources, centralizing administrative approval services and connecting various service departments. Secondly, e-government services have broken the restrictions on information storage and sharing. When administrative staff handles license applications, collects taxes and audits credit transactions online, e-government service platforms are able to trace and regulate their operations as all online operations leave marks on the internet, thus narrowing the space for any fraudulent use of office.<sup>[1]</sup>

Business environment refers to the aggregate total of all forces influencing the development of market entities in a region, including government services, market environment, social environment, infrastructure construction, and other elements. It is provided jointly by the government, market, and society. As one of the major elements, the government services constitute the soft environment of governmental systems and services that enterprises face in their business activities. The essence of creating a high-quality business environment is that the government provides high-quality government services to enterprises and the masses.

The "Doing Business 2020 Report", the latest in a series of annual reports by the World Bank, shows that China has been included among the top 10 fastest global reformers for two years in a row. The country has also seen a significant jump from the 78th position in the "Doing Business 2018 Report" to the 31st place in this most recent report. It also pointed to six key drivers of China's success, among which intensive use of e-government services is the one deserves special attention. Meanwhile, since 2001, the United Nations Department of Economic and Social Affairs (UN DESA) has published the United Nations E-Government Survey every two years. The Survey assesses the e-government development status of all United Nations Member States. It tracks progress of e-government development via the United Nations E-Government Development Index (EGDI). The EGDI, which assesses e-government development at the national level, is a composite index based on the weighted average of three normalized indices. One-third is derived from the Online Service Index (OSI) based on data collected from an independent Online Service Questionnaire (OSQ). The survey questionnaire assesses a number of features related to online service delivery, including whole-of-government approaches, open government data, e-participation, multi-channel service delivery, mobile services, usage uptake and digital divides, as well as innovative partnerships through the use of ICTs.<sup>[2]</sup> Comparing the "Doing Business 2020 Report" published by the World Bank and the list of leading countries in e-government development in 2020 included in the United Nations E-Government Survey, we can easily find that the top twelve countries on the two list are highly overlapped,

with the same seven countries or regions being on the two lists, including Singapore, New Zealand, Denmark, the United Nations, Republic of Korea, the United Kingdom and Sweden (See Table 1). That is to say, excellent business environment and e-government development is significantly correlated. At the same time, Professor Zhang put forward two hypotheses in his article Analysis of Optimizing Business Climate by Online Government Services: "Digital Dividend" and "Digital Gap" Effects: 1. E-government services are conducive to improving the evaluation of the business environment of enterprises; 2. E-government services are conducive to improving the degree of marketization.<sup>[1]</sup> He verified the two hypotheses through regression analysis. Therefore, it is safe to draw the conclusion that business environment and e-government services do bear a strong relationship.

**Table 1** The comparison between 2020 UN E-Government Survey and Ease of doing business ranking (2020)<sup>[4][5]</sup>

| <b>Leading countries in e-government development in 2020</b> | <b>Ease of doing business ranking (2020)</b> |
|--|--|
| <i>Denmark</i>   | <i>New Zealand</i>                           |
| <i>Republic of Korea</i>                                     | <i>Singapore</i>                             |
| Estonia  | Hong Kong SAR, China                         |
| Finland  | <i>Denmark</i>                               |
| Australia  | <i>Korea, Rep.</i>                           |
| <i>Sweden</i>  | <i>United States</i>                         |
| <i>United Kingdom of Great Britain and Northern Island</i>   | Georgia                                      |
| <i>New Zealand</i>   | <i>United Kingdom</i>                        |
| <i>United States of America</i>                              | Norway                                       |
| Netherlands  | <i>Sweden</i>                                |
| <i>Singapore</i>   | Lithuania                                    |
| Iceland  | Malaysia                                     |

Note: Italics are the countries both included in the two lists.

### **3. THE PRACTICE OF OPTIMIZING BUSINESS ENVIRONMENT BY DEVELOPING E-GOVERNMENT SERVICES IN FOREIGN COUNTRIES**

Based on the World Bank's evaluation indicators on business environment, many countries in the world have made enormous efforts to upgrade the indicators and improve business environment. Their important practices are summarized as following:

#### **3.1. Building "One-stop" E-government Services Platforms**

Some countries or regions integrated information about business activities on government websites through the launch of one-stop online business service platforms,

which greatly improved the efficiency of government services for business activities. The United Kingdom integrated nearly 2,000 government websites from 24 ministerial-level agencies and 28 other organizations into a unified online service portal “GOV.UK”, providing the public and enterprises with a single access to government online public services. GOV.UK is now “the government’s trusted online communications and public services channel”.<sup>[3]</sup> In addition, the Singapore government has established a business online service platform, namely “gobusiness.gov.sg”, to provide unified services for entrepreneurs. The portal aims to provide companies with a more user-friendly and efficient authorization platform. This one-stop portal can simplify the application and payment of license-related fees and allow companies to apply for multiple licenses at the same time. Moreover, companies can also update, renew or terminate their licenses via the platform. Therefore, the construction of the one-stop e-government service platforms not only significantly saves government costs but also greatly benefits long-term maintenance and further improvement.

### ***3.2. Building Powerful Search Engines***

Some foreign government websites are dedicated to exploring ways to optimize the direct display of information through search engines, making sure “it can proliferate across whatever medium the users wants to access it on”. With the help of a powerful search engine, users can be directly guided to the required services, which can effectively save the users time and energy. The function of fuzzy search is also available in many websites, and key words related to the subject can all direct the users to the page in need. For example, the type of “start a restaurant business”, “restaurant business” or “restaurant” on such websites as gov.sg and aucklandcouncil.govt.nz can allow users to find the service index for opening a restaurant on either the government website or the specific business e-government service platform.

### ***3.3. Serving for Whole User-journeys***

Some government online service platforms have shifted from focusing on providing services for discrete and singular transactions to an offering that is proactive, low-friction and more rapidly iterating. Serving for whole user-journeys and working on whole topics enables users to get the right access to the right thing at the right time. “In practice, this means informing users of things they need to do, helping them understand the things they may not realise are relevant to them, guiding them through complex life events and getting them to the next stage in their task.” For example, for citizens or investors of Auckland in New Zealand, if they want to start a café or restaurant, they can find a guide to applying for good registration and choosing the food plan that suits

their business. The guide include five parts, including checking if a consent to open a food business in a specific area is needed, checking if a food control plan or national programme is needed, what are needed to apply for food registration, how to apply and pay for food registration as well as ways to renew food registration.

### ***3.4. Customizing Services***

Detailed guidelines are provided so that users can clearly understand the conditions, processes, preparation materials and other information of the business activities. The guidelines are not only easy to access, but also easy to understand. Some foreign e-government service platforms try their best to provide easy-to-understand guidelines for different users. Differences in users' educational levels and understanding abilities are fully considered and concise expressions with pictures and texts are employed so as to improve the efficiency of text reading. Instead of simply listing all content such as legal provisions, the guidelines remove messy and useless information but retain information that is meaningful to users' actual operations and guides users to read content related to their own business activities in a progressive and in-depth manner. Moreover, some platforms also provide users with questionnaires or options based on the various situations, and generate personalized service guides according to the users' answers to the questionnaires.

## **4. THE DEVELOPMENT OF E-GOVERNMENT SERVICES IN THE NINE PRD CITIES**

As all levels of governments across China vigorously carried out digital government construction and traditional government service models reform, Guangdong Province took the lead and published the Overall Plan on Digital Government Construction in Guangdong Province and put all effort to construct an operating model of “government-enterprise cooperation and management-operation separation”. Abiding by such principles of making innovations on ideas, systems and technologies, Guangdong Province is on the road of building a digital government that serves all the people with all-around services, governs the whole province with big data and supports the development with a grand platform. Along with the uniform development of e-government services in Guangdong Province, the nine PRD cities, as the region with the strongest economic vitality, present the following features in terms of their e-government services.

### ***4.1. Coordinating All Levels of Services via Information Technology***

As it is integrating all data together, Guangdong Province has created a provincial collaboration platform

for all businesses, which technically changed the previous situation of division of departments, business failures, and scattered resources, reduced data loss and realized data and resources integration and business collaboration. <http://www.gdzwfw.gov.cn/>, a website sponsored by the General Office of the People's Government of Guangdong Province, brings together government service matters at the province, city, county, town and village levels. Various enterprise-related matters and matters concerning people's livelihood can be handled uniformly on the website. The successful running of this platform symbolizes the province has partly reached its time-bound development goal of integrating resources and sharing data, greatly improving the government service level all over the nine PRD cities.

#### ***4.2. Coordination of Governments, Enterprises and the Society***

Digital Guangdong Network Construction Co., Ltd., jointly invested by Tencent, China Unicom, China Telecom and China Mobile, was formally established in October 2017, in order to optimize the business environment and improve services for government affairs and matters concerning people's livelihood. All concerned parties, including the service providers-all levels of governments, service users-all kinds of enterprises and common people and service evaluators-the whole society, have been working together to provide effective, fair and easy-to-access government services.

#### ***4.3. Unbalanced Development among the Nine PRD Cities***

According to Wang Runliang's linear regression analysis, the overall business environment concerned with e-government services among the nine PRD cities is favorable and convenient, but there are still many problems. The unbalanced development among the nine PRD cities is one of the major problems. Shenzhen and Guangzhou ranked the first, 7 points ahead of Zhongshan, the last one on the list. The unbalanced development is mainly caused by the different economic development levels as well as the different reforming intensity in the nine PRD cities. Official statistics show that Shenzhen and Guangzhou have stepped up their reform continuously and their reform intensity were among the best for four consecutive quarters among all the sub-provincial cities.

### **5. THE ENLIGHTENMENT OF THE PRACTICE OF OPTIMIZING BUSINESS ENVIRONMENT BY DEVELOPING E-GOVERNMENT SERVICES IN FOREIGN COUNTRIES**

As have discussed above, the practice of optimizing business environment by developing e-government

services in some foreign countries have been highly effective, so it is rather significant for us to draw some lessons from other countries.

#### ***5.1. Meeting the Business Environment Evaluation Index of the World Bank, and Forming a Top-down Mechanism of Management by Objectives***

In recent years, foreign governments have established national-level digital service organizations, and have developed detailed standards on evaluating digital services. For example, the New Zealand Government has set up a department for digital services and it welcomed all interest groups and stakeholders to design the Digital Service Design Standard which was published in mid-2018. The core of the standard is its 12 high-level purpose statements and objectives of the standard, which has become a benchmark for the design and construction of all national online services.

Although the Overall Plan on Digital Government Construction (2018-2020) as well as the provincial website for government service (<http://www.gdzwfw.gov.cn/>) has laid the foundation for the coordinated development of e-government services in the nine PRD cities, yet further efforts are necessary for the implementation of the service standards. Therefore, all governments of the nine PRD cities can promote the implementation of relative services and their standards through legislation, requiring that all service providers ensure that everyone can use the service, including the disabled and those who have no access to the Internet. What's more, the top-down management mechanism is highly conducive to the systematic integration of all levels of services, so as to further cope with such problems of investors and entrepreneurs not being able to find clear work processes.

#### ***5.2. Being User-centered and Serving for Whole User-journeys***

Being user-centered is the basic concept of many foreign government public services. As is stated in the first purpose statement of New Zealand's Digital Service Design Standard, identify your users and understand their ongoing needs, pointing out that users are of great importance. In addition, the Strategy for a Digital Public Service, published in 2015, sets the direction to modernise and transform the public service, putting citizens and businesses at the centre of government services. Other governments such as the British government and Australian government have also set the similar standard for its governmental digital services.

Yet, it's not that simple to truly be user-centered as the users are diversified and complex. As a result, it is highly recommended for the nine PRD cities to standardize such procedures as user needs researching,

user needs designing and technical implementation and gradually perfect all the procedures according to users' feedbacks. Users' feedbacks are of vital significance for fixing all flaws and perfecting all procedures in providing e-government services. In addition, it is also highly recommended to introducing questionnaires throughout the complex life events, as citizens or enterprises sometimes may be not so clear about all details concerning doing a specific business. Serving for whole user-journeys enables users to have a comprehensive understanding of upcoming business activities, which can effectively prevent users from making wrong decisions and make users clear about the preparations to be made at each step. Moreover, it can also let users know what legal risks will be brought if they do not comply with government regulations.

## 6. CONCLUSION

The construction of e-government services for the business environment is a complex system involving governments at all levels, departments, and relevant social forces. A new institutional framework that can improve coordination, cooperation and accountability mechanisms will effectively ensure the sustainable development of e-government services for the business environment. To this end, further researches can focus on detailed measures to improve mutual trust and standardize all e-governmental services among cities in the Greater Bay Area.

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