Chapter VIII Public Sector E-Commerce

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INTRODUCTION

Electronic commerce or e-commerce has the potential to streamline existing functions and services in the public sector by reducing transaction costs or the cost of doing business. This article provides an overview of some of the critical e-commerce issues for the public sector focusing on its impact on reducing transaction costs.

BACKGROUND

E-commerce in the public sector has been defined as any process or transaction conducted by a government organization over a computermediated network that transfers ownership of or rights to use, goods, services, or information (Stowers, 2001). Public sector e-commerce has also been defined as the subset of e-government involving the exchange of money for goods and services purchased over the Internet by citizens and businesses (Reddick, 2005). The main aspect that defines e-commerce is transactions between government and citizens or businesses involving the exchange of money. Therefore, e-commerce is the use of the Internet and the Web to transact business. More formally, e-commerce is digitally enabled commercial transactions between and among organizations and individuals (Reddick, 2004b).

Generally speaking, one definition of electronic government or e-government refers to the use of technology, particularly Web-based Internet applications, to enhance the access to and delivery of government information and services to citizens, business, partners, employees, other agencies, and entities (GAO, 2001). E-commerce is a subset of e-government, is more restrictive in that it focuses on government transactions over the Internet. E-commerce is one way for government to reduce transaction costs and hence save budgetary resources, an especially critical function in fiscally restrained governments as witnessed by some of the transactional services offered online.

E-COMMERCE TRANSACTIONS

Survey data on the U.S. state government use of e-government was compiled by this author and

was taken from the Center for Digital Government (2003) (Table 1). The 2002 data indicates that the top five most popular online services were job searches (done by 48 states), unclaimed property searches (46 states), college admissions (45 states), legislative tracking (45 states), and personal tax filing (43 states). Other interesting observations were that driver's license renewals were done in eight states and auto registration renewals were provided in 18 states. Therefore, many of the top services involve information searches such as online job searches and unclaimed property search.

The results in Table 1 indicate that e-government has changed the traditional way of advertising for a government job. It has also made it much

Table 1. Top 35 U.S. state government online services. Ranking of services in 2002 (0 to 50 scale) (Compiled from data from the Center for Digital Government, 2003)

Ranking	Online Services	Number of	Ranking	Online Services	Number of
of		States offering	of	(continued)	States offering
Service		these Online	Service		these Online
		Services			Services
1	Online Job Search	48	19	UI Filing and	17
				Payment	
2	Unclaimed Property	46	20	Retirement Benefits	15
	Search				
3	College Admissions	45	21	Contractor Look Up	14
4	Legislation Tracking	45	22	Personal Property	13
				Tax Payments	
5	Personal Tax Filing	43	23	UCC Filings	12
6	Court Decisions Look	34	24	Social Service	9
	Up			Directory	
7	Sex Offender Look Up	33	25	Driver's License	8
				Renewal	
8	Business License Look	32	26	Adoption Services	7
	Up				
9	Vital Records	31	27	Corp. Biennial	7
				Reports	
10	Business Tax Filing	30	28	Criminal History	6
				Lookup	
11	Professional License	30	29	Motor Vehicle	6
	Look UP			Citation Payments	
12	Fishing and Hunting	28	30	Vanity Plates	6
	Licenses				
13	List of Active Contracts	27	31	Auto Licensing	5
14	Apply as a state	23	32	Child Support	4
	employee			Payments	
15	Park Reservations	22	33	Lobbyist Registration	4
16	Renew Professional	22	34	Court Filings	2
	Licenses			-	
17	Auto Registration	18	35	Online Voter	2
	Renewal			Registration	
18	Business Registration	18			

Note: UCC = Uniform Commercial Code; Top five e-commerce services in bold

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