

E-PAYMENT FRAMEWORK FOR G2C E-GOVERNMENT SERVICES

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Abstract:

Allowing citizens and other customers (business, local government...) to conduct online financial transactions with government 24/7 is one of the biggest challenges for electronic government (e-government) applications. This paper explores the implementation of a partnership program between e-government in Serbia and domestic DinaCard system, and discusses the possibilities and the barriers that have impeded.

In many countries huge efforts and investments have been made to improve efficiency and productivity by implementation of e-government services, because these initiatives can contribute to socio-economic development of countries. The Republic of Serbia works on implementation of e-government services, based on few approved strategies and actions plans ("Public Administration Reform Strategy and Action Plan for the Implementation of Public Administration Reform for period from 2009. to 2012." and "The Strategy and Action Plan for the Development of E-Government up to the 2013."), covered with the European document "Electronic South-East Europe Agenda+". In the phase when e-Government services should transform from 'Interaction' to 'Transaction' phase, one of necessary mutual components (together with e-authentication, e-verification, e-signature) is e-payment. Generally, there are different solutions for this component of e-government. From traditional transaction services such as bank transfer, checks, then solutions applied in e-commerce services, including payment cards, special financial services, e-money, e-wallet, e-checks ... to solutions which are specially developed for e-Government on-line payment transactions. Online payments with cards (prepaid, debit, credit) are commonly used, but in Serbia this type of payment options is not widely accepted. The main reason can be the fact that most of payment cards are issued from commercial cards associations (Visa, MasterCard, Discovery, Diners Club ...) which cannot find acceptable financial model to include their cards in e-Government transactions. Namely, these card associations collect one part of

commission from merchants (in this case the Government) and on the other side, the Government usually charges their stakeholders for services and for them is unacceptable to be charged for provided services. However, there is domestic DinaCard payment system in Serbia, which is implemented and driven by the National Bank of Serbia, so it opens perspective to include this card brand in the Government payment system.

The contributions of this paper are systematisations of e-payment methods in e-government services, recommendations how to include domestic card brand for development and implementation of interactive local e-Government, how to improve their usage rates and make their services accessible and easy to use as well as by marketing applications.

Key words: e-Payments, e-Government, DinaCard, G2C, online transactions, Serbia