

Studying the Role of E-Government in enabling Good Governance



Submitted by:

Prakrit Silal

FP/03/16, MIS Group

IIM Calcutta

Thesis Advisory Committee

Prof. Debashis Saha (Chair)

Prof. Indranil Bose

Prof. Saravana Jaikumar

ABSTRACT

E-Government (EGOV), as defined by Belanger and Carter (2012), captures the use of Information and Communication Technologies (ICTs) by governments “*to enable and improve the efficiency with which government services are provided to employees, citizens, businesses and agencies.*” EGOV has been associated with improved service delivery, direct government-citizen connect, reduction in the number of agencies, enhanced transparency, and stronger institutions (Shleifer and Vishny 1993; Srivastava et al. 2016). One of the underlying motivations for the rapid uptake of EGOV across the globe has been the promise of Good Governance (GGOV) as a normative objective of EGOV (United Nations Department of Economic and Social Affairs 2014). However, the path to GGOV is often hindered by multiple barriers (Grindle 2011). Among these barriers, government-citizen disconnect (Lawton and Macaulay 2014; Thomas and Streib 2003) and corruption (Pillay 2004) emerge as two major ones inhibiting GGOV attainment. It is, therefore, important to identify possible measures to mitigate them. In this context, EGOV, due to its effectiveness in mitigating corruption (Elbahnasawy 2014) and in establishing a direct government-citizen link (Thomas and Streib 2003), exhibits strong potential to enable GGOV.

EGOV AS AN ANTI-CORRUPTION TOOL

Corruption is widely recognized as a hindrance to achieving the socio-economic welfare and economic well-being of citizens due to its close association with inefficient resource allocations, resource wastage, income inequalities, poverty, and lowering of economic prosperity (Krishnan et al. 2013). In literature, corruption is defined as “*a manifestation of the principal-agent problem owing to information asymmetry and non-alignment of incentives*” (Elbahnasawy 2014). It is, therefore, primarily caused by agency problems and government-agent-citizen information asymmetries. On the contrary, EGOV helps lower information asymmetries and reduce agent discretionary powers, which effectively mitigates agency problems and discourages political and bureaucratic elites from rent-seeking opportunities (Mistry 2012; Nam 2018). While extant literature substantially establishes EGOV’s role in controlling corruption, recent studies have argued for the inability of EGOV in lowering corruption under certain circumstances, thereby hinting at possible non-uniformity in the EGOV-Corruption Control relationship across countries (Bac 2001; Schuppan 2009). Nonetheless, very few studies have accounted for such non-uniformities while exploring the EGOV-Corruption Control relationship. We seek to address this research lacuna existing in the literature by considering country-level similarities in terms of their initial corruption levels, longitudinal corruption trajectories, and their differences in implementing EGOV at the sub-

indices level. Here, we draw from multiple theories, including resource-based view (Russo and Fouts 1997), agency theory, and rent-seeking theory (Khan and Krishnan 2019), to derive a set of testable hypotheses. We use a balanced panel dataset comprising 102 countries pertaining to the period 2008-2018 and employ the Linear Mixed Effects estimation technique to test our hypotheses (Das et al. 2017). Our findings provide substantial evidence of the presence of non-uniformity in the EGOV-Corruption Control relationship as captured in (i) the significant variations in the initial corruption levels of countries, (ii) the significant variations in the longitudinal corruption trajectory of countries, (iii) variations in the individual effects of the three sub-indices on Corruption Control, and (iv) variation in the time horizon of influence for the three sub-indices of EGOV. Accordingly, we draw implications for theory and practice and identify potential future research avenues.

EGOV AS AN ENABLER OF GGOV VIA CORRUPTION CONTROL

Next, we extend our research model to include the higher-order effect of EGOV on Good Governance (GGOV). Acknowledging corruption as one of the major barriers to GGOV (Graycar 2015; Pillay 2004), we explore the role of EGOV in controlling corruption and subsequently enabling GGOV. GGOV, due to its close association with some of the Sustainable Development Goals (SDGs) concerning poverty, good health, inequalities, strong institutions, and economic growth, has the potential to solve some of the global challenges confronting humankind. However, attaining GGOV continues to remain a challenge across countries. Drawing from agency theory (Mistry 2012), rent-seeking theory (Khan and Krishnan 2019), and institutional theory (Oliver 1992), we first conceptualize the linkages in the *E-Government - Corruption Control - Good Governance* relationship. Using archival data spanning 131 countries over 2008-2018, we empirically demonstrate that EGOV has a significant influence in enabling GGOV for Full Democracy and Flawed Democracy (Sihal and Saha 2020). Interestingly, we have found compelling evidence to show that although Hybrid Regimes (Sihal and Saha 2020) fail in utilizing EGOV towards achieving GGOV, Authoritarian Regimes (Åström et al. 2012) are quite effective in using EGOV for GGOV while being purposefully selective in their approach (Sihal and Saha 2020). Based on our findings, we draw actionable items to guide policymakers in using EGOV for GGOV attainment.

ROLE OF E-PARTICIPATION IN THE EGOV-GGOV RELATIONSHIP

Meanwhile, we note that the advent of online participatory tools has triggered a surge in national E-Participation initiatives amidst the growing global interests in galvanizing citizen participation and empowering them for a greater role in public policy making (Medaglia 2012). However, the impact of E-Participation at a global level remains largely unknown. We, therefore, augment our *E-Government - Corruption Control - Good Governance* model by adding E-Participation as a moderating variable. Through this study, we intend to add to this nascent discourse by assessing E-Participation's contribution, if any, to the existing modernization initiatives in the public sector. Accordingly, we seek to explore if E-Participation can positively influence EGOV in achieving its socio-political normative objective of GGOV. Hence, we integrate the human-centered development perspective (Sein and Harindranath 2004) with the dominant modernization perspective to derive a set of testable mediation and moderated-mediation hypotheses involving EGOV (and its sub-indices), E-Participation, Corruption Control, and GGOV. Using secondary data for 108 countries over 2008-2019, we employ the Linear Mixed Effects model and Quasi-Bayesian Approximation technique to test our hypotheses. Interestingly, while our findings reveal a positive mediating effect of Corruption Control on the EGOV-GGOV relationship as expected, E-Participation is found to have a diminishing effect on the Corruption Control mediated EGOV-GGOV relationship. At the EGOV sub-indices level, only Telecommunications Infrastructure (TI)

exhibited a significant indirect effect on GGOV via Corruption Control, while Human Capital and Online Services showed only direct effects on few GGOV tenets. Again, E-Participation had a diminishing effect on the TI-Corruption Control-GGOV relationship. Anchoring on these findings, we first explain why this is turning out to be so, and then derive theoretical and managerial implications while identifying future research avenues. Importantly, we feel an urgent need for a more engaging and responsive E-Participation environment.

Summarily, our study presents rich and compelling evidence of EGOV's efficacy in enabling GGOV while uncovering global incompetence in effectively harnessing the potential of E-Participation in galvanizing EGOV for GGOV attainment.

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