E-Government as a Tool for Improving Entrepreneurship

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ABSTRACT

This article addresses the relationship between e-government development and entrepreneurship. The study adopted an inductive approach, where it utilized archival data to test the relationship between the two paradigms. The authors hypothesize that improving e-government initiatives will influence entrepreneurship. Utilizing global data will guard for researcher biases and utilize the huge sample size built in the archival data used. The two data sets included the UN’s e-government survey, and the Global Entrepreneurship and Development Institute survey. Results indicated a full support of the relationships assumed between the major dimensions of EGDI and GEI. Regression analysis indicated that Online service Index and telecommunication Infrastructure index are significant predictors of GEI, but failed to support the role of Human Capital Index. The coefficient of determination of the regression equation estimated 69.2% of the variance in GEI. Further tests and research conclusions are stated at the end.

KEYWORDS

Electronic Government, Entrepreneurship, Global Entrepreneurship Index, Prediction, UN E-Government Development Index

1. INTRODUCTION

The use of information and communication technology (ICT) in organizations, to improve performance and introduce innovations, is becoming an essential dimension of organizational strategy. Public sector is following the lead of private organizations in utilizing technology for the purpose of improving its service provision to citizens (Oni et al., 2017; Panagiotopoulos et al., 2012) and the decision-making process, aided with citizens’ participation (Quental and Gouveia, 2014). This paradigm is called e-government, where it aims at improving the service provision to citizens, improving the democratic and consultation process, and enhance the public sector performance (Abu-Shanab, 2017).

Research on e-government focused on direct relationships between such areas (service, democracy and public performance) and utilized specific country’s analysis or citizens/employees surveys. On the other hand, a different direction of research tried to map other relationships between e-government development and diverse factors to establish an indirect connection between them. As an example, the research published by Abu-Shanab and Harb (2013), where they tried to link the transparency

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provided by e-government and the open dimension of information and how it can enhance country’s
global rank in human rights.

The development of e-government means that government’s websites are offering suitable
information to citizens to encourage and provide the foundation for new business establishment.
Such opening is supported by publishing information on diverse economic sectors, new ventures, new
infrastructure projects, needed workforce, and new business opportunities. Such issue encourages the
evolution of new ventures and encourage entrepreneurship openings. When talking about readiness,
research indicated that accessing services and acquiring needed licensing is the core of such level.
Cooper and Fotla (2017) state that readiness is the ability to overcome challenges facing entrepreneurs.
Entrepreneurship is a field with numerous challenges. Based on this an indirect support between the
two paradigms is assumed. The relationship between e-government and entrepreneurship might seem
implicit, but can be tested with secondary data available on public and global websites.

This study will try to investigate the relationship between e-government development and
entrepreneurship using archival data. The data representing e-government is derived from the
United Nations’ survey (UNDESA, 2018), and the entrepreneurship data is derived from the Global
Entrepreneurship and Development Institute (GEDI, 2018). The following section will try to survey
the literature for some conceptual support for our claimed relationship. Followed by a research method
section, where we describe the two sets of data used. The fourth section discusses the results and data
analysis. Finally, conclusions and future work are depicted.

2. LITERATURE REVIEW

The relationship between e-government and entrepreneurship is an implicit one, where most research
focused on direct relationship between e-government and service provision, public sector performance
and democracy. The following three sections will explore the literature related to both.

2.1. E-Government Background

E-government is characterized by using electronic systems and the Internet to improve public services
to citizens (Al-Yafi et al., 2016). This major stream of research (improving services to citizens)
de ned e-government as simple as providing electronic services to citizens through the Internet
((Basu, 2004; Evans & Yen, 2006; Layne & Lee, 2001; Yildiz, 2007). On the other hand, and as
e-government is attracting more attention by scholars, research defined e-government as a channel
for providing public services through multiple electronic channels (Sharma & Qian, 2012), a tool for
refining the democratic system (Cook et al., 2002; Mason, 2011), a venue for improve government’s
performance (Cook, 2000; Navarra & Cornford, 2005), and an instrument for bridging the digital
divide (Cegarra-Navarro et al., 2012).

The new developments in e-government, and the introduction of m-government made its services
accessible 24X7 and regardless of citizen’s location. M-government in its simplest definitions
represents the use of mobile technology to transform government operations (Schlaeger, 2012). Others
defined it as the use of mobile devices for providing citizens with customized, location-based, real-
time information and services (Al-Hujran, 2012). The importance of m-government stems from its
capacity to serve citizens in a convenient fashion. Such aspect is emphasized by the new and advanced
capabilities of mobile and smart phone.

Finally, and like private sector, public sector institutions stepped into the domain of social
media and tried to utilize such capacity to the benefits of e-government operations. Many (or
maybe most) governments utilized social networks (Like Facebook, Twitter, WhatsApp) and other
social media outlets (Like YouTube, Blogs and wikis) to vitalize the connection with citizens
(Mishaal & Abu-Shanab, 2017).