Chapter XVII
A Study of the Relationships between Economic Climates, National Culture, and E-Government Readiness:
A Global Perspective

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ABSTRACT

As ICT-enabled services such as e-government initiatives diffuse globally, it is becoming clear that some nations are not faring as well as others. Yet, the notion of e-government stands to benefit the sorts of countries that are lagging behind the most. Here, we examine the relationships between economic climates and national cultural factors on the one hand, and e-government readiness on the other. Our results showed significant relationships between nations' economic climates, some cultural dimensions, and e-government readiness. We discussed our findings in the context of three relevant socioeconomic theories. We also highlighted the study's implications for researchers, policy makers, and governments.

INTRODUCTION

In the past few years, the world has witnessed the advent of e-government (Accenture, 2004; Moon, 2002). Development reports, surveys, and studies indicated that almost all the governments in the world have embraced one form of e-government or another (Breen, 2000; InfoDev, 2003; Moon, 2002; InfoDev, 2003; UNPAN, 2005). E-government can be described as an emerging model involving both the citizenry and the state, where the importance of citizen input in policy formulation and implementation is recognized and valued (Breen; InfoDev; Moon;). Governments

around the world are finding it appealing to use ICT-enabled initiatives that are cost effective to bring governance to their populations (InfoDev; Moon; UNPAN). The trend is noticeable in all countries, be they rich or poor. According to UNPAN (p. 45), "Steady progress in ICT diffusion, human capital development and Member States' e-government websites in the last 3 years led to an improvement in the e-government readiness world average to 0.4267 in 2005 compared to 0.4130 in 2004." The foregoing scores come from an index known as E-Government Readiness, which provides information on the diffusion of e-government globally. The index clearly shows that some countries and regions have better rankings and scores than others. For example, the index for the year 2005 puts the average for Africa and other developing societies at around 0.253, which is obviously below the world's average; high-ranking countries include several European countries and the United States, and this group of countries has consistently obtained scores around 0.8000 and above since the inception of the index (see UNPAN). We ask the following questions. What could be the reasons why some countries or regions have better rankings or scores than others? Could the differing socioeconomic climates and cultural factors existing among nations be responsible for this disparity?

While several studies (e.g., Ford, Conelly, & Meister, 2003; Nath & Murthy, 2004; Robinson & Crenshaw, 1999) have investigated the diffusion of ICT products such as the Internet globally, very few have studied the diffusion of e-government (Kovačić, 2005) or its relationship with contextual factors such as economy type and culture as we intend to do in this chapter. In similar past studies focusing on e-government, other researchers have dealt with its diffusion within single nations or regions (e.g., Altman, 2002; West, 2003). In contrast to those efforts, this study takes a global look at e-government readiness among nations. Again, the work of Kovačić only looked at the impact of national culture on e-government readiness, and the author did not consider the impact of other contextual influences such as economic climates. Even though Kovačić did not model economic variables in his study, he underscores their relevance by noting:

When the effect of other hard variables (economic variables, for example) are significant, then the cultural variables are redundant. If the cultural variables are still significant in spite of included economic variables, then the effect of culture on observed phenomenon, i.e. e-government readiness and its components could be confirmed. (p. 149)

It is our view that by explicitly modeling the relationship between economic variables as well as cultural factors on e-government readiness, our knowledge in this area will be enhanced. Conclusions from Robinson and Crenshaw (1999), Cronin (2002), Nath and Murthy (2003, 2004), Gregorio, Kassicieh, and Neto (2005), and UNPAN (2005) have all shown that the differing economic climates are positively related to the diffusion of the adoption and use of ICT-related products and services such as e-government. Here, we will begin by investigating the relationships between national culture and economic climates (economy types) of nations on the one hand, and e-government readiness on the other. Then we will draw from relevant theories to interpret our results. The conclusion of this work will benefit researchers, governments, and other policy makers.

LITERATURE REVIEW

Theories

With regard to the disparities in the global diffusion of e-government, we believe that the modernization theory, human development theory, and human capital theory may enable us