### Chapter 2

# E-Government for Social and Economic Development:

## Asymmetric Information, Institutionalization and Diffusion Challenges

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### **ABSTRACT**

This chapter posits that e-Government constitutes a critical context for social and economic development in both developed and developing countries. In addition to leveraging economic development, e-Government also helps to stream line government services to more social based values of inclusion and citizens' participation, accessibility and power relationship ratios. It is clear from literature that e-Government is not a new phenomenon in most developed countries and some developing countries in Asia and Africa. These countries have already announced their Open Government Initiatives and data portals. However, e-Government leads to greater information asymmetry among citizens and government. There is also institutionalization and diffusion asymmetry of the practice of the current Openness in e-Government models within developing countries in particular. The study presented in this chapter draws on organizational decision-making research and adopts an explorative research approach that is informed by grounded theory. The findings of the research are that the information asymmetry between citizens and government; asymmetry in institutionalization, and diffusion within developed and developing countries are widely attributed to socio-economic and political variations in developed and developing countries. Unless these differences are skillfully identified and accommodated as such into the development and use models, openness in e-Government efforts would not help achieve the social and economic development goals by developing countries in particular.

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#### INTRODUCTION

E-Government is about using the tools and systems made possible by Information and Communication Technology (ICTs) to provide better public services to citizens and business. ICTs are already widely used by government bodies, just as in enterprises, but e-Government involves much more than just the tools (Ngwenya, Lubbe, & Klopper, 2010). Effective e-Government involves rethinking organizations and processes, and changing behavior so that public services are delivered more efficiently to the people who need to use them. Implemented well, e-Government enables all citizens, enterprises and organizations to carry out their business with government more easily, more quickly and at lower cost (Reding, 2006). Differing characteristics of local environments, both infrastructural and socio-economic, have created a significant level of variation in the acceptance and growth of e-government in different regions of the world (Rothschild & Stiglitz, 1976). This chapter posits that; e-Government constitutes a critical context for social and economic development in both developed and developing countries. The chapter also suggests that e-Government encompasses more than just technology, that is; it attempts to highlight the social and economic implications of changes that have occurred in recent years as a result of the transparency and accountability of government and how software usage can influence digital inclusion, trust and privacy and possible strategies to eliminate the digital divide by encouraging greater public and commercial use and re-use of government information through putting government data on the Web. There are documented differences between the success and failure factors in the developed and developing countries with regard to the adoption and embracing of Openness in e-Government practice models. In addition to leveraging economic development, e-Government also helps to stream line government services to more social

based values of inclusion and citizens' participation, accessibility and power relationship ratios.

The main objectives of this chapter are: to explore the role of e-Government in social and economic development in both developed and developing countries with particular emphasis on developing countries, to explore the effects of information asymmetry among citizens and government; to explore the effects of the asymmetry in institutionalization and diffusion of e-Government models within developed and developing countries; and to advance the knowledge that the asymmetry in institutionalization and diffusion within developing and developed countries can be attributed to socio-economic and political variations in developing and developed countries.

In the sections that follow, the author discusses the existing literature on e-Government aspects and conceptual framework; information asymmetry between citizens and government, asymmetry in institutionalization, and diffusion within developed and developing countries. To this end, interpretive research conventions are used in this study. Finally, the conclusions are drawn and the chapter ends by the focus of the study, the study's major findings and suggestions for further future research.

# BACKGROUND TO CONCEPTUAL FRAMEWORK

A comprehensive insight into the literature that covers some aspects of e-Government, and models that have been developed from past research and studies conducted elsewhere, are highlighted in the following sub-section. Also covered in this section on literature review are related topics such as e-governance and the digital divide, information asymmetry and its problems, information asymmetry problems between government and business, and asymmetry in institutionalization and diffusion.

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