

SUMMARY

The intended impact of e-government is simply better government. Properly implemented, e-government enables better service provision, improved efficiency and greater engagement with citizens. However, a majority of e-government initiatives around the world, including many in the Arab states, have been unsuccessful in securing these outcomes. Arab states, in particular, face many common barriers to proper implementation of e-government.

To avoid repeated failures in e-government projects, a country-specific "right fit" has to be achieved. This includes leadership commitment, a cross-governmental vision, appropriate planning, a rational investment strategy, appropriate regulatory frameworks, practical awareness campaigns and rigorous capacity building for public administrators. Accepting the notion that there is no single correct approach to e-government is critical to avoiding common failures.



EXPLORING e-GOVERNMENT BARRIERS IN THE ARAB STATES

by Fadi Salem —Research Associate

Electronic governance has been widely endorsed as a solution for different predicaments in the public sector. With promises of decreasing corruption, cutting red tape, reducing government costs and facilitating participatory governance, the e-government revolution has swept most nations, capturing the imaginations of policy makers and attracting the interests of citizens and businesses alike. e-Governance has also received the support of international donors, NGOs and multilateral organizations. While the lofty goals behind e-governance are shared by governments around the world, the reality is that a majority of e-government initiatives have been far from successful in realizing them.

In the Arab states, e-government advocates have tempered many of their expectations, mainly because of repeated disappointments in e-government initiatives worldwide. The United Nations Department of Economic and Social Affairs (UNDESA) has estimated that more than 60 percent of e-government projects in developing countries fail. Arab states have not escaped this trend, as many of their e-government promises have failed

to materialize. The actual reasons behind such failures are only partially understood and require more in-depth exploration. There is still a wide consensus, however, that e-government could still deliver on all of its promises, but the full potential of e-government will only be realized if the barriers to e-government are better understood and eventually overcome.

e-GOVERNMENT BARRIERS IN ARAB STATES

Research conducted by the Dubai School of Government confirms that Arab states face common barriers in their e-government initiatives on the design, implementation and development levels.

WHAT ARE "e-GOVERNMENT BARRIERS"?

The real or perceived characteristics of the social, technological, legal and institutional context which hinder developing e-government, either through hampering demand by the citizens and businesses for e-government services or through obstructing supply of e-government services by the public sector.

Source: The European Commission and the Oxford Internet Institute, 2006



Moreover, there is general agreement among Arab e-government practitioners that there is no single “right” approach to e-government development. The common challenges faced by e-government practitioners in the Arab countries can be categorized into the following nine areas:

1. CAPACITY DEFICIT

A large share of civil servants in the Arab countries lack the knowledge required for successful e-government adoption at a national level. In addition to information and communications technology (ICT) skills, key skills required for successful e-government development are project management and business process redesign. Despite the broad realization of the importance of capacity building in the public sector, resistance to change is a common problem that hinders such efforts.

“Brain drain” is another related constraint to most Arab governments, specifically in sectors closely associated with e-government. While Arab governments with more developed economies suffer from migration of knowledgeable employees from public to private sectors due to better compensation packages, other Arab countries such as Palestine, Lebanon and Iraq suffer from brain drain on a wider national level, a phenomena not limited to e-government and ICT sectors.

The main deterrents for talented workers in the public sector are perceptions of widespread favoritism, patronage networks, the prevalent rent-seeking model and the general lack of meritocracy in the Arab states. Such problems

are national problems, rather than e-government specific ones and should be dealt with on a national level.

2. DIGITAL DIVIDE

The digital divide is one of the key global barriers to e-government adoption. Compared to other regions, Arab states suffer from low Internet and personal computer (PC) penetration rates. UNDESA estimates the number of Arab Internet users at 10 million, while the Madar Research Group puts the number at around 26.3 million, with a 8.5 percent penetration rate. Several Arab countries have attempted to overcome the digital divide problems through programs promoting PC ownership and the provision of public Internet access points. Nonetheless, computer illiteracy and low Internet and PC penetration are still widespread. This remains one of the most important barriers to e-government adoption.

3. TECHNICAL INFRASTRUCTURE

Proper ICT infrastructure in the public sector is a key prerequisite for e-government dissemination. Despite a few good performers, most Arab countries suffer from inadequate ICT infrastructure within their public sector agencies. Furthermore, most governments in the region are facing major barriers to developing a collaborative approach for facilitating interoperable ICT infrastructure among government departments.

4. FUNDING SHORTAGES

e-Government development is a financially demanding exercise. Financial resources are

required for planning and coordinating projects, building infrastructure, and developing and managing new information systems, as well as training and capacity building projects. These financial barriers put governments under increasing pressure to deliver well-designed e-government projects with small or non-existent failure tolerance margins. This restriction has usually pushed countries to prioritize their e-government projects, focusing on projects mainly designed for cost cutting.

Non-GCC Arab countries, in particular, have limited financial resources allocated for e-government projects, which makes these countries heavily dependent on external loans and grants from international bodies. International aid is often fragmented and heavily politicized by international powers. As a result, many funding initiatives in Arab countries have not been successful in driving e-government development, primarily because they tend to dictate e-government “best practices” from developed countries, ignoring the specific context of Arab states.

5. INSTITUTIONAL FRAMEWORKS

The national institutionalization of e-government usually includes the establishment of steering committees with the role of setting clear responsibilities and mandates for e-government development. However, e-government development in most Arab states has so far been largely project-based. The lack of appropriate e-government institutional structure, coupled with inadequate financial resources, construct a major barrier to e-government development in the region.

6. DEVELOPMENT STRATEGIES

The unbecoming positioning of e-government initiatives in national reform plan is a primary barrier to e-government development in the Arab states. Many Arab countries hastily developed their national e-government strategies earlier this decade. Several countries have revised and re-launched them over the last few years. Two main factors contribute to these revisions:

- *Lack of e-government authority:* In earlier plans, several governments placed the e-government portfolio in the hands of a single ministry or government department that lacks the overall authority required for national level e-government development.
- *Single-sided view of e-government:* Initially, e-government was merely perceived as a “technological mission.” This contributed to many earlier, unrealistic e-government plans being deemed “null and void.”

In contrast to initial plans, many of the new plans realize the socio-technical nature of e-government and view it as a policy tool for advancing efficiency of the public sector. These plans establish the missing link between the e-government national plan and the overall public sector modernization and reform plan.

7. LEGISLATIVE FRAMEWORKS

Establishing proper legislative and regulatory e-government frameworks is an integral part of successful e-government initiatives. Replacing paper-based processes with their legally-accepted electronic counterparts (electronic payments, signatures and other government

transactions) is still in its early stages in most Arab countries. Inappropriate or inexistent legal frameworks have slowed down the provision of many electronic government services.

8. GOVERNMENT INSTABILITY

e-Government is viewed by several Arab governments as a complimentary governance trend rather than an essential public sector reform approach. Some governments even adopt e-government as a cosmetic response to international pressure. It is these views of e-government that make it one of the first government projects to be “sacrificed” when major security or financial threats hit the government.

During government changes or reshuffles, the lack of sustained development of e-government projects often has similar damaging effects. While this impact is not limited to Arab states, changes in senior government positions closely related to the e-government development plan usually hinder its development. Moreover, the security threats of terrorism and war, as well as politically-motivated commercial or technological embargos, are examples of the political factors that contribute to e-government failures in many Arab states.

9. TAKE-UP OF SERVICES

Ensuring the take-up of e-government services by citizens and businesses is one of the most common barriers to e-government dissemination. The challenges in Arab states include increasing public awareness and trust of e-services and changing public perceptions

of the value of e-government. In the majority of Arab states, citizens and businesses are provided with limited information about services available online. This is a key barrier even in countries with more developed e-government initiatives. An e-government project cannot be considered a success unless it achieves a certain utilization level that would indicate that a specific return on investment is achieved.

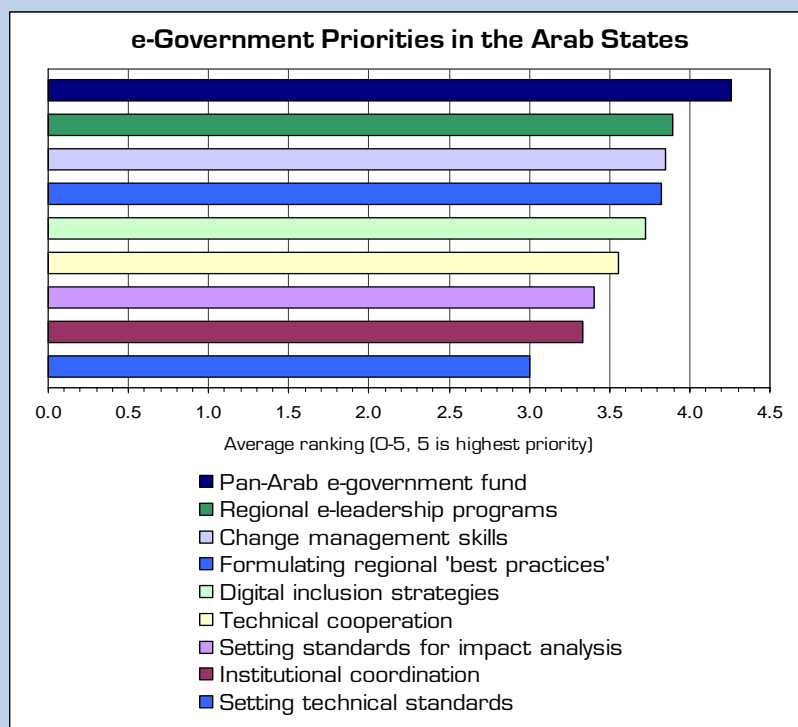
IMPACTS OF e-GOVERNMENT FAILURES

The tangible consequences of e-government failures include direct financial losses, such as the investments made for consultancies, equipments and training. In addition, there are indirect losses, such as the lost costs and efforts of public administrators involved in the failed e-government project. Moreover, there is the cost of the lost opportunity for spending the funds on development projects badly needed in developing countries.

Losses also incorporate intangible political and reputational damage to individuals and organizations involved in the e-government project as well as to the government itself. This damage to government credibility usually has more severe implications, the clearest of which is the migration of e-government champions and skillful human resources to the private sector or to other countries. This factor has proven extremely damaging to Arab states. Perhaps the most overlooked intangible loss of a failed e-government project is when political leadership loses faith in future e-government projects and when citizens lose trust in government promises.

e-GOVERNMENT BARRIERS: WHICH ONES TO OVERCOME FIRST?

In a separate DSG survey of the e-government directors of nine Arab countries, the respondents indicated that the top priority for e-government development is creating a pan-Arab e-government fund. The second ranked priority is forming a regional e-leadership program that focuses on promoting the role of leaders as agents of change in the knowledge society. This is followed by the need for “change management” skills on the different levels.



Priorities usually differ on the national and local levels. Some successful examples in the Arab states suggest that following a decentralized structure of e-government development with local-level prioritization might provide a more flexible approach for overcoming e-government barriers across Arab states.

Furthermore, in the absence of rigorous *ex post* analysis of such failed projects, the opportunities created by failure often attract rent-seeking behavior and contribute to corruption in the public sector. These failures also strengthen the position of those who have vested interests in maintaining the status quo.

LEARNING FROM FAILURES

A common problem in the developing countries is the lack of appreciation for failure as an

invaluable learning opportunity. Instead, research suggests that failure within the public sector in developing nations, including the Arab world, is commonly perceived as a non-option. In the rapidly developing e-government field, where failures are more probable, a culture of learning from failure should be promoted instead of the common face-saving efforts that usually prevail. This prevailing mindset usually leads either to efforts to

portray failed e-government projects as successes through media spin or hiding the failures altogether. It is this culture of failure-intolerance that turns partial failures into more damaging final outcomes in the complex area of e-government.

Replicable “best practices” in a complex and continuously developing field such as e-government rarely exist. Such practices are always good tools for triggering ideas and developing innovative ways of overcoming e-government barriers and avoiding failures, but good practices should not be copied and cloned. In many cases, the “if it works for them, it will work for us” approach represents a formula for failure in e-government projects. Instead, studying “bad practices” in e-government projects in countries with similar public sector environments might be a more effective approach to avoiding such pitfalls.

The first step to overcoming further failures in e-government projects in Arab countries is to recognize failures when they happen. This would have to go hand-in-hand with a systematic assessment of the hidden costs of e-government projects failures. Introducing custom, home-grown risk management approaches in the public sector would be most helpful in understanding the causes of failures, limiting their impacts and making the learning process more systematic. Moreover, Arab governments in general tend to follow a high *uncertainty-avoidance* culture. In such cultures, critical changes (such as the changes introduced by e-government) tend to be interpreted as threats rather than opportunities.

Risk management approaches that consider this cultural feature would be better equipped for limiting future failures in e-government projects in the Arab states.

Leaders of public administrations in the Arab states will be better off accepting the high probability of failure in e-government projects more openly as a first step for overcoming the barriers discussed. Appreciating failed projects as a learning opportunity also entails documenting such failures. Moving forward, if this appreciation is accompanied by a vision for systematic knowledge management on a regional level, failures would be increasingly perceived as common risks that could be alleviated in advance. This view of the complex problems of e-government in Arab countries could help policy makers in each state reach the success factors compatible with the particular context of the country and its e-government initiative.

CONCLUSION

In Arab countries, which share many similarities on the social, political and cultural levels, e-government barriers are commonly shared as well. Despite these similarities though, each state has its unique combination of political, regulatory, economic and social constraints that affect the e-government development efforts differently. e-Government projects would be better equipped for avoiding repeated failures if the “right fit” is achieved between leadership commitment, clear cross-government vision, appropriate planning, rational investment strategy, suitable regulatory frameworks, practical awareness campaigns

ABOUT THIS POLICY BRIEF

The Dubai School of Government, in collaboration with the OECD, conducted a survey of senior e-government practitioners in the Arab states as part of the UNDP and OECD Good Governance for Development Initiative in the Arab Countries (GfD). Participants included practitioners overseeing e-government development and administrative simplification procedures in nine of the participating countries: Algeria, Bahrain, Egypt, Jordan, Lebanon, Morocco, Palestine, Tunisia and the UAE. Survey participants consisted of ministers' advisors, national e-government program directors and national-level e-government project managers in the nine countries.

This policy brief constitutes an executive summary of a comprehensive academic Dubai School of Government working paper. For references and access to the full paper, please contact the author.

and rigorous capacity building for the public administrators and society at large. This "right fit" is very much contextual and will differ from one country to another. Accepting the notion that there is no single correct approach to e-government is critical to avoiding common failures.

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The views expressed in this policy brief are those of the author and do not necessarily reflect those of the trustees, officers and other staff of the Dubai School of Government.

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Endnotes

1. UNDESA. 2005. *Global E-Government Readiness Report 2005: From E-Government to E-Inclusion*. New York: UNDESA.
2. Madar Research Group. 2006. "Arab Internet Users Exceed 26 Million in 2005." *Arab Knowledge Economy Newsletter*. Vol. 1, No. 1. Dubai: Madar Research Group.

Recommended Reading

European Commission and Oxford Internet Institute. 2006. *Breaking Barriers to eGovernment: Overcoming Obstacles to Improving European Public Services*. Oxford, UK: European Commission.

Heeks, Richard. 2006. *Implementing and Managing eGovernment: An International Text*. London: Sage Publications.

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The Dubai School of Government is a research and teaching institution focusing on public policy in the Arab world. Established in 2004 under the patronage of HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai, the school aims to promote good governance by enhancing the region's capacity for effective public policy.

Toward this goal, the Dubai School of Government collaborates with international institutions such as Harvard University's John F. Kennedy School of Government and the Lee Kuan Yew School of Public Policy in its research and training programs. In addition, the school organizes policy forums and international conferences to facilitate the exchange of ideas and promote critical debate on public policy in the Arab world.



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