

**Strategic e-Government Development and the Role of Benchmarking**

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**Abstract**

Developing information systems and e-government requires a lot of strategic and financial resources that developing countries often do not have. Facing such challenges, some countries are supported by international assistance and donors. This research contributes to explain how such assistance on the development of national information and communication technology (ICT) strategies and programs is related to e-government development. This comparative study of Albania, Bosnia and Herzegovina, Croatia, (Former Yugoslav Republic of) Macedonia, Montenegro and Serbia takes a Rational Neoinstitutionalist perspective to look at longitudinal changes in these developing countries. Quantitative data such as the amount of foreign aid for national ICT strategies and the e-government index are combined with qualitative information from reports and documents. The research suggests that the effect of international assistance on e-government is generally positive in less developed countries. The analysis of benchmarking and benchlearning as e-government policy-making tools is another aim of this study, providing a critical discussion of their role and that of the donor-benchmarker duality.

**Keywords:** e-government, international assistance, benchmarking, benchlearning, Neoinstitutionalism, donor-benchmarker duality.

## 1. Introduction on international e-government assistance

The purpose of this study is to explore how foreign assistance from international donors on national ICT strategies and programs is related to e-government development. In a theoretical level, the fast developments in information systems and e-government literature highlight a persisting problem with the absence of theoretical consensus (Archer 1982, Orlikowski, Robey 1991, Heeks, Bailur 2007) beyond technology adaptation (Layne, Lee 2001) or acceptance models (Davis 1986, Davis, Bagozzi & Warshaw 1989, Venkatesh, Davis 2000, Venkatesh et al. 2003). More specifically, Yildiz (2007) points out at the problem of e-government research suffering from definitional vagueness, oversimplification of processes within complex institutional environments and various methodological limitations. Considering his suggestions and ways forward, this research attempts to fill some of these gaps by advancing the neoinstitutionalist debate on e-government development. Beyond the significant work done in the context of companies to analyze how people interact with technology (Geels, Schot 2007, Orlikowski 2008, Harrison, Koppel & Bar-Lev 2007, Orlikowski 1992, Walsham, Waema 1994, Poel 2003), this study focuses on the policy level of public sector information systems.

By default, government assistance is given and received based on certain needs (Burnside, Dollar 2000, Alesina, Dollar 2000, Collier, Dollar 2002), aiming at some positive results for both the donor and recipient (Crawford 2001). In the case of post-communist Western Balkan countries aiming to join the European Union and other Euro-Atlantic organizations, democratic governance (March, Olsen 1995, March, Olsen 2004) has always been a priority. The term is not only about representation rights (Franck 1992), but refers also as the institutionalisation of representation beyond national states into international organizations (March, Olsen 2004). The aim of international assistance practice in this case *“is to strengthen the democratic process [...] and help public institutions become efficient and*

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*accountable. It tracks governance policy, promotes knowledge sharing, innovation and leadership, and contributes to influencing the regional discourse on governance*” (UNDP Europe and CIS 2010). In the Western Balkan countries analyzed in this research, institutional priorities are often related to international integration, democratic governance and rule of law. The assumption here is that an elaborate institutional environment is expected to stabilize both external and internal organizational forces and relationships among states, associations and coalitions (Meyer, Rowan 1977). The discussion of a number of theoretical approaches on the role of international e-government assistance and benchmarking as institutionalized practices continues in the following part.

### **2. Theory: Neoinstitutionalism and e-government development**

In early neoinstitutionalist research it is noted that ‘*organizations are structured by phenomena in their environments*’ as well as ‘*by technical and exchange interdependencies*’ (Meyer, Rowan 1977). This initial idea of organizational institutionalization of technology was not new and could be traced back to a number of previous studies (Hawley 1950, Thompson 1967, Aiken, Hage 1968). However it was DiMaggio and Powel (1983) who tried to explain institutional isomorphism using three types of forces: coercive based on pressures, normative based on rules and mimetic based on similarities. Neoinstitutionalism stands on the idea of rules that influence the way organizations are transformed and become similar to each-other, even when they develop in different ways (Meyer, Rowan 1977, DiMaggio, Powell 1983, March, Olsen 1989, North 1990, Zucker 1977, Scott 1995). In this study, it is assumed that the same could happen through international e-government assistance between recipient countries and international organizations. Addressing the problem of missing theoretical conceptualization in e-government research mentioned earlier, three

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neoinstitutionalist approaches are discussed here before positioning this study along one of them.

Rational Action (DiMaggio 1998) or Rational Choice (Hall, Taylor 1996)

Neoinstitutionalism assumes that actors and actions are rational and operate based on predetermined rules, laws, organizational forms and norms. In this study the general term Rational Neoinstitutionalism (RNI) is used for both approaches interchangeably. A number of related literature is focusing on Public Choice Theory (Ostrom 1991), followed by New Public Management (Dunleavy, Hood 1994, Lane 2000, Barzelay 2001, Dunleavy et al. 2006) an approach based on cost-efficiency and business type management of state and e-government systems. According to RNI, institutional development is conceived as an effect of strategic action of individuals or selection mechanisms (Nielsen 2001). Rational Neoinstitutionalism has been labelled as ‘voluntarist’, ‘intentionalist’ and highly ‘functionalist’ (Hall, Taylor 1996) meaning that actors have a fixed set of preferences, they see politics as a set of collective action dilemmas and is based on strategic calculus affected by their expectations about each-other.

Social Neoinstitutionalism (SNI) on the other hand, often referred to as Social-Constructivist (DiMaggio 1998), Sociological (Hall, Taylor 1996) or Normative (Lowndes 2002, Peters 1998, Peters 2005) deals with the socially constructed patterns, institutionalized norms, culture and values influencing actors and agencies. In this research, according to SNI it can be assumed that new institutional practices are adapted because they “*enhance the social legitimacy of the organization and its participants*” through shared cognitive maps (Hall, Taylor 1996).

Finally, Historical Neoinstitutionalism (HNI) or Mediated Conflict Neoinstitutionalism as referred to by DiMaggio (1998), focuses on the study of stability, historical development and changes of institutionally shaped conflicts. Based on Powell and DiMaggio (1991), Nielsen

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(2001) summarizes its origins from “*historical institutionalism in political science*” (Steinmo, Thelen & Longstreth 1992, Thelen 1999) and “*historical and comparative sociology*” (Evans, Rueschemeyer & Skocpol 1985). There is a general common agreement that HNI provides a certain middle ground to other forms of Neoinstitutionalism (Hall, Taylor 1996, Nielsen 2001, DiMaggio, Powell 1991, Hay, Wincott 1998), combining previous rational choice strategic decisions, existing structures and social elements in shaping the present development of institutions and actors. HNI in this case would suggest following certain patterns of ‘state capacities’ and ‘policy legacies’ (Weir, Skocpol 1985) on subsequent policy choices like accepting international assistance on national strategies.

In this study of international assistance on national ICT and e-government strategies, RNI can explain the rational policy-making role of national and international organizations by looking at the e-government index evidence and local capabilities or need. It is difficult to apply RNI here to find and explain links between international goals and final users’ needs, but nevertheless, this is beyond the scope of this study. This limitation on links between international goals and end-users applies in full in the case of SNI. International benchmarking reports in general and the one from United Nations Public Administration Network (UNPAN) considered here specifically, provide a universal format of evaluation that excludes any social features of the actors and countries involved. Because of this and the macro nature of the international e-government assistance on national strategies, SNI cannot be applied in this study, regardless of its possible contribution to provide a deeper understanding of the underlying causes of social actor-agency shaping forces. Finally, the e-government index records used in this study give some good historical figures for the period 2004 – 2010 to guide the discussion according to the HNI. However, the international assistance on national ICT and e-government strategies is a unique event in time for the countries discussed here. This limits the applicability of this approach in this case.

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As a conclusion to this discussion, this study will use the Rational Neoinstitutionalist approach. Regardless of some limitations, RNI provides the best theoretical framework from the ones discussed here, considering the research question, empirical evidence and goal of this study. More recent approaches named Constructivist Institutionalism (Hay 2006) or Discursive Institutionalism (Schmidt 2008) explain institutional creation through discourse and emergence of ideas. These frameworks could be combined with RNI to explain the involvement of donors and developing countries in rational policy-making debates and consultations. Policy development in this case goes through the stages of strategy-making, implementation and evaluation (Stone, Maxwell & Keating 2001). In this study, this cycle is used to explore how international assistance on ICTs and e-government is embedded in the countries involved when it is standardized through benchmarking and is formalized through national strategies by both international organizations and recipients. Furthermore, this study will explore the involvement of international assistance and developing countries from benchmarking to benchlearning. Some studies (i Montserrat 2010, Wauters, Lorincz 2008) look at them on micro e-government level, but so far, there is very little work on explaining benchlearning and barriers to it in an international context by using Neoinstitutionalism.

Some of the literature on e-government for development (Ciborra 2005, Heeks 2003, Von Haldenwang 2004, Cocchiglia, Vernaschi 2006, Heeks 2002) looks at how information technologies can support the establishment of better governance and progress. Richard Heeks (2003) on the other hand suggests the design-reality gap approach to analyze e-government-for-development projects' failures in a developing context. However, it was Jane Fountain (2001) who made one of the first direct attempts to explain e-government through Neoinstitutionalism in her book "Building the virtual state". With her Technology Enactment Framework, Fountain differentiates the use of ICT and its actors involved stating that "*the embeddedness of government actors in cognitive, cultural, social, and institutional*

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*structures influences the design, perceptions, and uses of the Internet and related IT”*

(Fountain 2001: 88). Her study was based on three case studies in the United States. This research is trying to go a step further by exploring the embeddedness of international assistance into national e-government policies of not one, but six countries. In doing this, the aim is to advance the argument made by Yang (2003) on the immaturity and ambiguity of neo-institutionalism proposed by Fountain (2001) in accounting for institutional change by considering the balance between agent and institution in the long term. Claudio Ciborra and Diego Navarra (2005) have also given a great contribution in this direction with their study of good e-governance, development and aid policy in Jordan. Standing on the principles of New Institutional Economics, they argue that e-government policy initiatives have gained local and international validity by donors and recipient countries as catalysts for development reforms, but implementing standardized ICT portfolios to support good governance is difficult.

The literature review in this part is a good starting point based on single-country cases of e-government institutionalization and foreign interventions in developing contexts. This research however contributes by providing a cross-national comparative analysis of international e-government assistance on ICT strategies and benchmarking or benchlearning in six countries, taking a Rational Neoinstitutionalist perspective. The statistical data and their analysis in the following part will address the theoretical discussion here by looking at some research evidence.

### **3. Research methodology for a Rational Neoinstitutionalist approach**

The research methodology guided by the ideas of Rational Neoinstitutionalism is based on two pillars: the case study approach and the comparative analysis of the six selected countries. The study of neoinstitutionalist processes looks at the embedded practices and

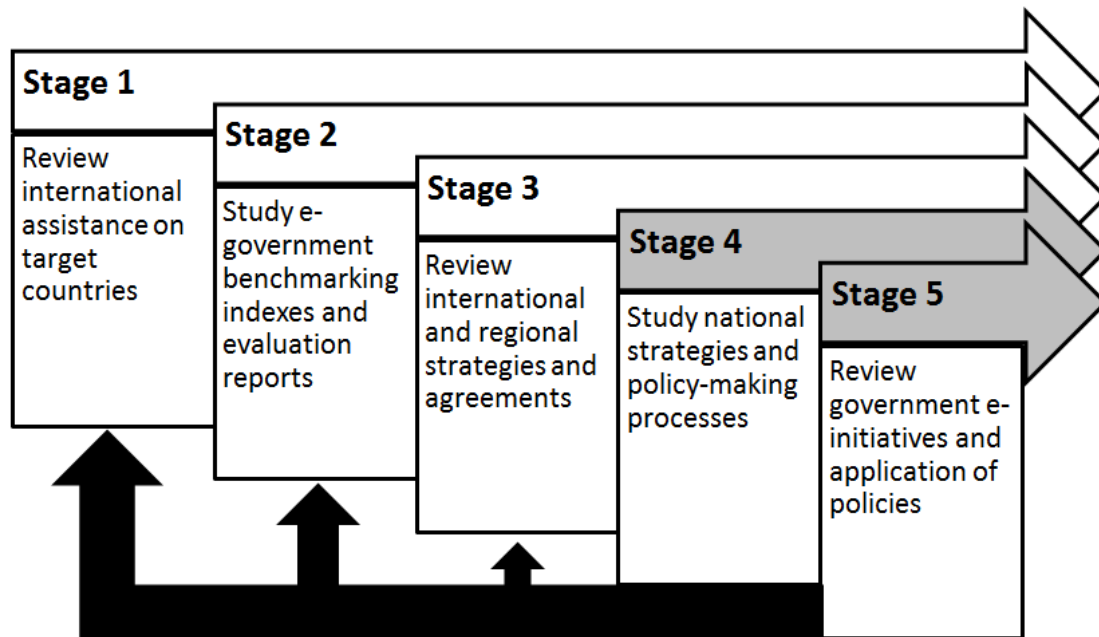
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patterns identified across the countries in terms of international assistance and the development of ICT and e-government strategies. These are relatively easy to identify based on the documents from government and donors. The interpretivist analysis of the qualitative and quantitative figures for each of the case study countries as units of analysis (Yin 2009) is the methodological approach taken in this regard.

More challenging in terms of methodology is assessing the institutional rationality of the actors and being able to relate it to what can be successful policy-making. Following the logic of RNI, the first assumption made here is that actors have a fixed set of preferences which they express in both their position towards international assistance and the e-government strategies they apply. The political and strategic positioning in this case can be studied by looking at this donor-recipient relationship in comparative qualitative terms. At the same time it is affected by the countries' and donors' expectations. The common goal is assumed to be the efficient regulation of the ICT and e-government sectors, measured and represented in the comparable e-government benchmarking index. Using it as the single standard measurement for rationality at first instance is done on purpose as part of the methodology, to analyse some of its limitations, contradictory results and provoke the critical discussion in the last part.

This study is primarily based on documentary reviews of official statistics (Bryman, Bell 2007: 324-346) following a five stage process summarized in the following diagram.





**Figure 1:** Five research stages in strategic e-government assistance and benchmarking

The research starts with a review of data from the donors' reports, in this case United Nations Development Programme (UNDP) and their assistance on ICT and e-government strategies in four of the six countries (UNDP Europe and CIS 2010). Rational Neoinstitutionalism would suggest that this decision is taken based on the predetermined nature and position of each country towards the donors in a specific field like e-government assistance in this case. The second stage is looking at the United Nations E-Government Knowledge Base and their benchmarking index (UNPAN 2003-2010) on each of the selected countries between 2003 and 2010. Following the theory, the index plays the role of a commonly agreed tool to evaluate and benchmark e-government performance. It is assumed to embed rationalized best practices into a single format for all countries. The third stage consisted of looking at European Union documents such as the eEurope strategy (European Commission 2002) or regional documents such as the eSEE Agenda for the Development of Information society (Stability Pact 2002). According to the RNI principles, the role of such documents is comparable to benchmarking index mentioned before in the generalizing sense of practices for a group of countries. The only difference is the qualitative nature of such documents

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compared to the quantitative figures of the index. Their discussion and analysis is related to the fourth stage of looking at the national strategies and policies developed with the help of international assistance or without it. A fifth and final research stage for this study was analyzing how such strategies were presented and started to be implemented in practice as evidenced in countries' e-portals and other local e-initiatives.

The learning process that happens here for both the governments and the international actors involved on both a national and regional level is marked by the black arrows and discussed in the final part of this study. The study of the last two stages can presumably suggest to go back and track changes in the documents and actors involved in the first three stages. This approach is expected to give a better understanding of how institutional change moves back and forth across national and international e-government assistance on policy-making.

This research focuses on the policy making level and does not touch directly upon specific e-government projects and end-users. However, information from national reports along with some interviews and observations conducted specifically in Albania are used to validate some of the results. In this context, this research is trying to explain how 'institutional' mechanisms of assistance, information technology and benchmarking are related to both the donor and the recipient countries. In order to address this question, this study starts with the amount of international assistance per capita on national ICT strategies and e-government from one donor, United Nations Development Programme (UNDP), on the subject countries. This data is then combined with the United Nations Public Administration Network (UNPAN) index of e-government development. United Nations' organizations are the source of both international assistance (UNDP) and benchmarking (UNPAN) and their selection is important not only for data consistency and triangulation purposes, but also to discuss the donor-benchmarker duality latter.

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The discussion following the quantitative data analysis takes an interpretivist perspective (Walsham 1995, 2006) according to which the information presented in the first part is discussed to explain the position of the six selected countries in the e-government ranking and critically evaluate the role of benchmarking as a tool in this process. In this context, rather than simply defining a relationship between international assistance and e-government, the use of the strategy-implementation-evaluation policy cycle in this study suggests a more detailed focus on each of these three stages. The assumptions made in this research are that international assistance on e-government and ICT strategies is related to development change according to the strategy-implementation-evaluation policy cycle.

#### **4. The policy-making context and findings**

After about 50 years of communist dictatorship, the Balkan countries selected in this study emerged as market economies in the beginning of the 90s. New structures had to be developed or invented along with new governance models and values. The policy-making processes in this context have ever since been conditioned by the European Union and international integration of the post-communist Balkan region (Trauner 2009). To focus on more specific cases, the countries selected for this study are six:

AL - Albania

BH - Bosnia and Herzegovina

CR - Croatia

MN - Montenegro

MC - Former Yugoslav Republic of Macedonia

SR - Serbia

These countries are often considered as developing or transition economies (UNCTAD 2010). Since the collapse of communism in 1989-1992 these countries' integration attempts into the European Union and international organizations have been technically and

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financially supported to develop democratic governance systems (UNDP Europe and CIS 2010). The amounts of international assistance given on ICT and e-Government strategies are summarized in the table below, adjusted according to the population in each country. A standard unit for the comparison of all countries in this case is ‘*USD assistance / capita*’ in total for the period:

**Table 1:** International Assistance on National E-Government and ICT Strategies

<b>Country</b>	<b>Donor</b>	<b>Period</b>	<b>Amount</b>	<b>Population in 2004</b>	<b>USD assistance / capita</b>
<b>AL</b>	UNDP AL	From 2003	\$217,654	3,100,000	0.0702
<b>BH</b>	UNDP BH	From 2004	\$250,000	3,780,000	0.0661
<b>MC</b>	UNDP MK	From 2005	\$138,928	2,030,000	0.0684
<b>SR</b>	UNDP SR	From 2005	\$10,000	7,460,000	0.0013
<b>Source:</b> UNDP, World Bank					

The population figures in 2004 (World Bank 20112010) were used because this is the year in which most of this assistance for the development of national ICT strategies was given/received. The table shows that Albania followed by Macedonia and Bosnia and Herzegovina received most of the assistance per capita since 2003. International assistance on ICT and e-government strategies given to Serbia is insignificant while Croatia and Montenegro are not included in the table because they didn't receive any international assistance from UNDP or any other donor for their e-government strategies, therefore their USD assistance / capita index is obviously 0.

Most of the international assistance was given around 2004. A number of external events related to the European Union integration prospects of the region triggered the interest of the Western Balkan governments towards information and communication technology policies.

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The first was the launch in 2002 of “*e-Europe 2005 action plan: An information society for all*”, a strategic document by the European Union (European Commission 2002). During the same year, 2002, the members of the so called Stability Pact for South Eastern Europe, Albania, Bosnia and Herzegovina, Croatia, Federal Republic of Yugoslavia (Serbia and Montenegro), Macedonia, and Moldova, developed the “*eSEEurope Agenda for the Development of the Information Society*” (Stability Pact 2002). The commonly agreed goals of this document confirmed ‘*the responsibility of the countries of the region for the development of a proper environment for the Information Society for all and the joint will for harmonized regional cooperative activities*’ by recognizing the role of government in following the positive experiences of the EU eEurope and eEurope+ processes (Stability Pact 2002). The first step to comply with this strategic document, recognizing the importance of information and communication technologies for development, was the creation of specific national strategies in each of the countries. As it becomes evident from the previous table and the following ones and charts, some countries decided to use their own resources in this process, while some others were assisted, among others, by the United Nations.

The national e-government strategies and the rankings of the South Eastern European countries according to the UN e-government index have been summarized and compared in recent studies that confirm the influence of European Union integration policy-making processes in the region (Matei, Savulescu 2011). The object of this study however is to analyze how international assistance on ICT and e-Government strategies is related to e-government index changes for the period from 2004 when most of this assistance was given, to 2010. The Global UN e-Government Survey (UNPAN 2003-2010) used in this case is a consistent benchmarking database for e-government, allowing comparisons for the period 2003-2010, based on three main components: Web Measurement, Telecommunications and

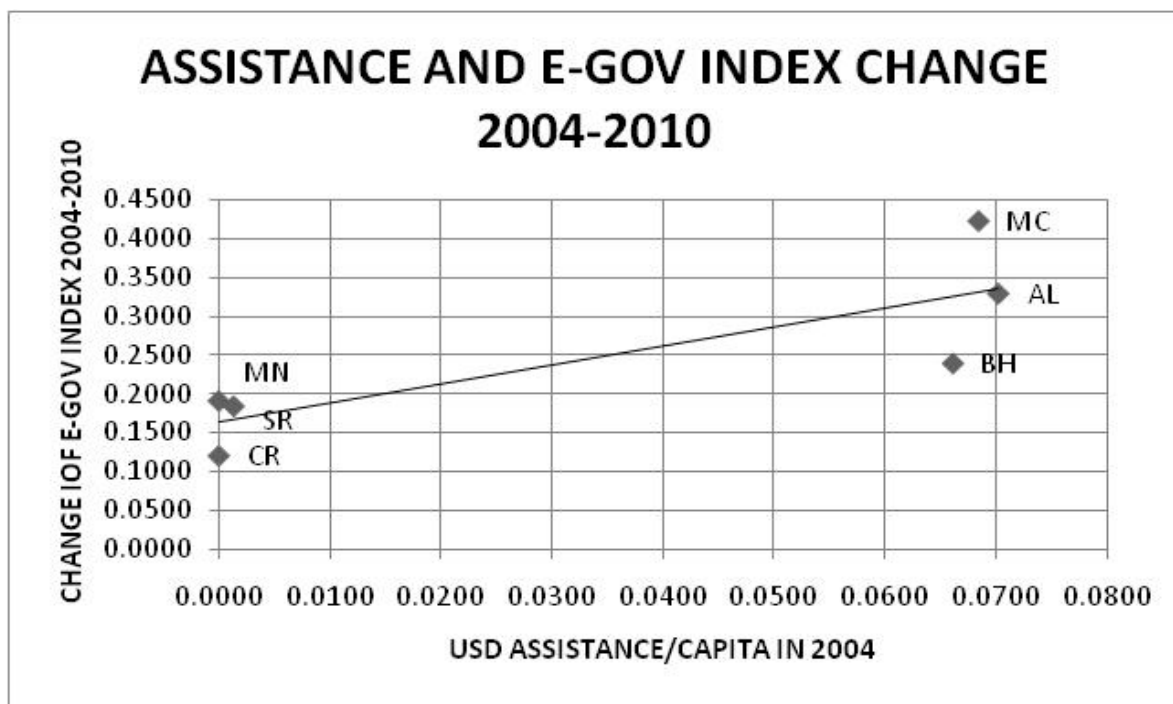
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Human Capital. The results for the six countries from the United Nations e-Government Development Knowledge Base (UNPAN 2003-2010) are given in the following table:

**Table 2:** E-Government Index 2003-2010 for Six Western Balkan Countries

<b>Country</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2008</b>	<b>2010</b>	<b>Change 2004 - 2010</b>	<b>Change – 2004 – 2010 in %</b>
<b>AL</b>	0.3110	0.3400	0.3732	0.4670	0.4519	0.1119	0.3291
<b>BH</b>	0.3090	0.3790	0.4019	0.4509	0.4698	0.0908	0.2396
<b>CR</b>	0.5310	0.5227	0.5480	0.5650	0.5858	0.0631	0.1207
<b>MC</b>	0.3620	0.3699	0.4633	0.4866	0.5261	0.1562	0.4223
<b>MN</b>	N/A	0.4282	0.4282	0.4282	0.5101	0.0819	0.1913
<b>SR</b>	0.3710	0.3871	0.1960	0.4828	0.4585	0.0714	0.1844
<b>Source:</b> UNPAN							

The information summarized in this table shows that the countries with the lowest level of e-government index in 2003, BH, AL and to a certain extent MC experienced the highest increase until 2010, MC and then AL being first with 42% and 33% increase respectively. Countries like CR that started at a high level of e-government index in 2003 experienced a low increase of only 12% until 2010. Looking at both tables, it is clear that the countries with the lowest level of e-government index in 2003-2005 received most of the support, Albania being in the first place with 0.0702 USD assistance / capita. The following chart combines both datasets, presenting the relationship between international assistance for the development of national ICT strategies and the UN e-government index change in 2004-2010:



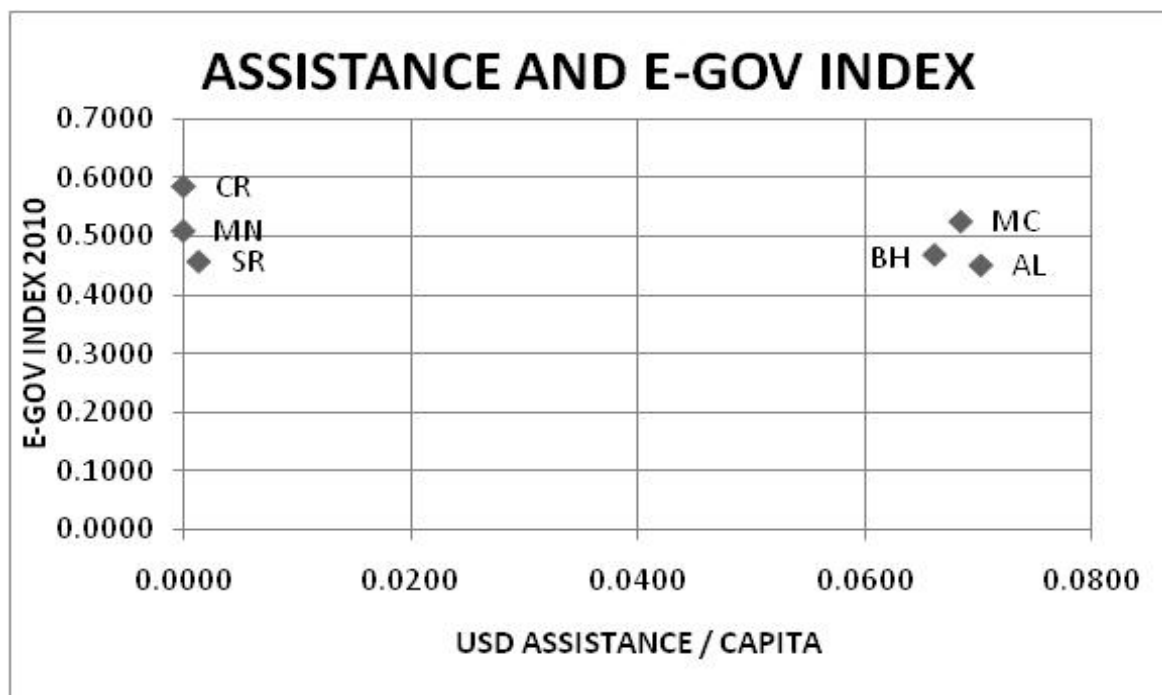
**Figure 2:** International Assistance and E-Government Index Change

The chart suggests that the improvement in the ICT sectors and e-government for the period 2004-2010 has been bigger for the three countries, AL, BH and MC that received the highest international assistance per capita for their national strategies. According to the data and the trend-line in this chart, there is a positive relationship between international assistance per capita given in 2004 and change in percentage on e-government index until 2010. Reports on respective countries reveal that assistance on ICT and e-Government strategies in these three countries was supported by other projects as well (UNDP). This shows a pattern in the donors' behavior to support and follow-up previous projects, especially those focused on strategies, with other ones to help their implementation. It is during this process of continuous support, long-term joint interest and isomorphic sustainable development where internationally assisted e-government initiatives are transformed from instruments into institutions.

Although a positive change might be a very good indicator for the donor to show the effectiveness of its assistance, the receiving country is interested on the final result of that

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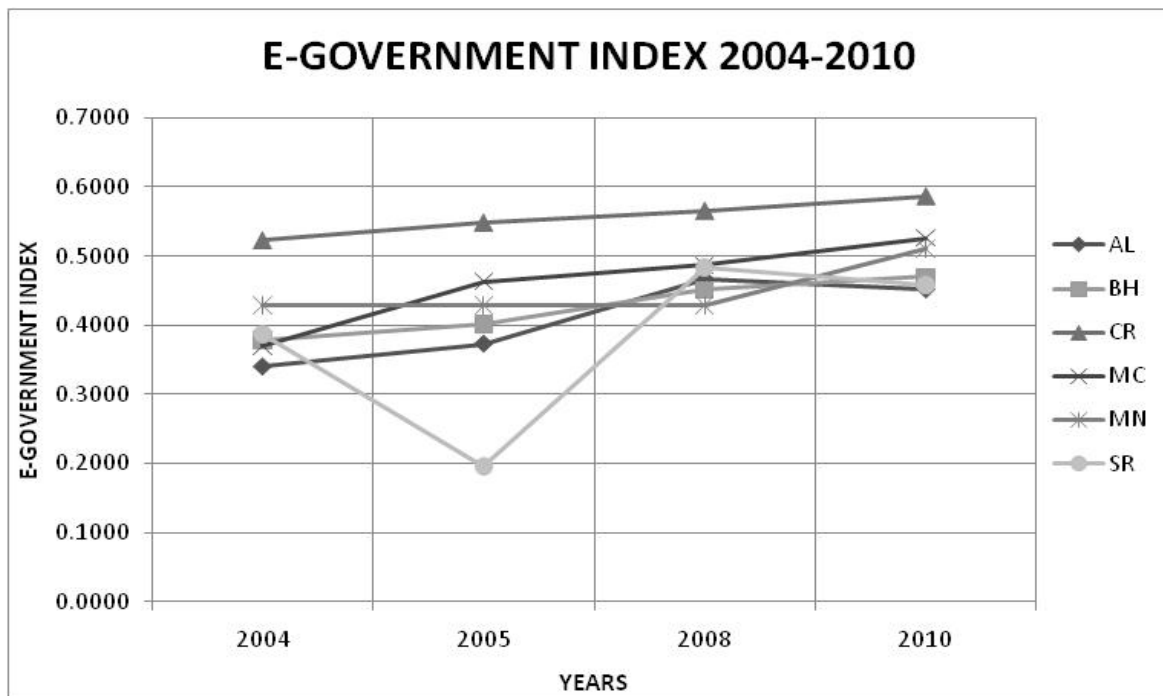
assistance compared to other countries. This is related to the implementation stage in the institutional evolution of internationally assisted e-government initiatives. In this context, comparing the e-government indexes for 2010 for the six countries in the Western Balkans, we get a different picture, as shown in the following chart:



**Figure 3:** International Assistance in 2004 and the E-Government Index in 2010

In this chart the fixed 2010 e-government index values are considered and not the change as in Figure 2. The results presented here are to some extent controversial to the previous one. It is clear that the countries that received very little (Serbia) or no international assistance at all (Croatia and Montenegro) to develop and implement e-government and ICT strategies, are in similar or higher position (Croatia) than those that received most of it (Albania, Bosnia and Herzegovina and Macedonia). The e-government index between 2004-2010 for each of the countries in the following chart gives a better picture of this situation.





**Figure 4:** Comparison of Countries Based on the E-Government Index Level 2004 - 2010

This diagram shows that all countries that received international assistance to develop their national e-government and ICT strategies around 2004 experienced a quicker growth in their e-government index around 2005, but after that, their incremental increase was smaller compared to the countries that didn't receive any assistance. It is easy to notice on the other hand that Croatia or Montenegro have a steady or increasing marginal change in their e-government indexes up to 2010, although they didn't receive any assistance for their strategies. These results suggest that in the context of ICT and e-government, development is easier with a higher involvement of the recipient countries. However, it can be noticed that almost all countries (except Serbia due to political instability and issues with Kosovo in the meantime) present a very similar increasing trend, regardless of receiving international assistance on e-government and ICT strategies or not. This could suggest that international assistance has a weak influence in this sector. Furthermore the institution of international partnership between the donor and the recipient of e-government assistance is not strongly related to the amount and scope of this assistance.

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The critical approach of the quantitative data analyzed here could suggest that benchmarking as the evaluation stage of e-government could be a self assessment tool for the evaluating organization itself, if that is involved in the two previous stages of strategy and project implementation. In this process when benchmarking itself has become a trend to evaluate e-government and information systems' performance in the public sector, its role is not only that of an evaluation instrument, but also of an institution with a life of its own. Its format in the long term influences both the donor and the recipient, potentially leading to the consequent stage of e-government strategic reformulation in each country.

### **5. A critical analysis of e-government assistance and benchmarking**

A critical review of benchmarking was left on purpose for this part to understand the "Why?" of the situation shown by the data. The literature suggests that "*e-Government benchmarking means undertaking a review of comparative performance of e-Government between nations or agencies*" (Heeks 2006) on retrospective views, prospective planning and potential accountability from users. Following a constructivist approach of institutionalization, the strategy-implementation-evaluation cycle is assumed to benefit both the donor and the receiving party suggesting '*institutionalization as the normalization of policy paradigms*' (Hay 2006). This view supports the role of benchmarking practices to lead e-government reforms and policies by providing measurement standards on the availability and level of sophistication of online services (Graafland-Essers, Etedgui 2003). There are a number of studies on e-government benchmarking impact (Janssen, Rotthier & Snijkers 2004), comparing different frameworks (Rorissa, Demissie & Pardo 2011) or introducing more recent contextual methods (Jansen, De Vries & Van Schaik 2010). Some however take a more critical position on e-government benchmarking. Bannister (2007) for example points out that due to its problems with standardization, purpose and the distortion effects,

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*'benchmarks are not a reliable tool for measuring real e-government progress'*. E-Government benchmarking as a developing institution is sometime considered also as *'a booming business'*, becoming an increasing trend from the late 90s (Bannister 2007). The general conclusion is often that e-government benchmarking provides a good general overview, but needs to be adjusted to local needs and characteristics (Sharma 2004, Kunstelj, Vintar 2004), along with international assistance on the development of strategic e-government policies. Contributing to this discussion and following the previous session with the data, this research highlights some important issues that should be considered carefully before deriving any conclusion.

### ***5.1 The starting point***

Comparing countries with each other requires having a standard or common starting point. While the international assistance was adjusted according to the population in each country, the e-government index was not modified. For different reasons, countries like Croatia for example had a starting point far above all other region countries compared here. Assuming that Croatia is not developing fast enough now compared to the other countries is not entirely correct, since we don't know what will be the development of the other countries when they reach the starting level of Croatia in 2004.

### ***5.2 The marginal change***

The simple difference between the e-government index in 2010 and the one in 2004 shows that the change is marginal, meaning that the less developed a country is, the bigger its incremental development (Albania, Bosnia and Herzegovina, and Macedonia in Figure 6). Already developed countries like Croatia that have reached a high development level do not experience the same growth compared to more developing countries. Because of this reason,

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it could be not entirely correct to assume that the least developed countries considered here in terms of ICT and e-government development are doing better than more developed countries when receiving international assistance.

### ***5.3 Donor-benchmarker duality***

The scope of this study was not only to compare some countries, but also to analyze the role of that one actor, the United Nations Development Programme, that can be directly involved in the strategy, implementation and evaluation stages of e-government development. Talking about the purpose of benchmarking studies, Heeks (2006) points out that *“it could relate to a desire to raise the profile or perceived expertise and legitimacy of the individual or organisation in e-Government, or it could relate to a desire to attract funds or win additional e-Government business.”* His argument continues by highlighting the possible tension between the market value of benchmarking and public sector reform goals. This study suggests that careful consideration is needed when the same organization that is evaluating e-government, is also supporting it for some countries through international assistance while leaving other countries to use their own resources. This situation could have an important role on the strategic implications and planning of national policies. Normally a country would be inclined to accept international assistance on strategic sectors such as ICT and e-government from such organizations. In the context of this study, it was not possible to find any case of such international assistance from donors being refused. The reason could be simply the fact that the donor has a strong international position also as the evaluator. Who would know better what is needed to rate higher in the next evaluation if not the evaluator itself? In the worst case a government might have to pay for this assistance. Again, the same private companies such as Capgemini or Ernst and Young that prepare the benchmarking (Bannister 2007) could be among the first to contact for premium expertise. It is necessary to

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highlight however that the interest and motives of UN and other international organizations giving assistance are different from those of the companies that benefit directly from the benchmarking-consultancy combination.

### *5.4 Evaluation parallelism and learning*

Learning from international e-government assistance and benchmarking processes is something that countries involved in such projects need to develop, rather than simply accept them as they are provided. According to Heeks (2006) e-government benchmarking has both an internal purpose to benefit the organisation undertaking it and an external purpose for its users. However, unlike Croatia for example that developed such systems with its own resources, assisted countries like Albania for example are often supplied with evaluation reports. Considering their convincing quality like in the case of UN benchmarking standards globally, or donors' reports locally, assisted countries often take them for granted. Local learning however is important in this process which in turn requires local evaluation structures to be created, even if they will have to run parallel to such structures given by the donors.

But why doesn't 'benchlearning' always happen in international assistance cases of ICT and e-government policy development? Rational Neoinstitutionalism suggesting a predetermined and well calculated logical positioning of the actors fails to explain the contradictory insights that e-government policy-making assistance is hardly associated with the sustainable development of national strategies in this sector. Apparently there is a lack of balance in this case when the lessons learned are absorbed better by those who give the assistance and prepare the benchmarking indexes, compared to the recipient countries. While the first could use the lessons learned to disseminate good practices, for the recipients the institutionalization of such benchmarking knowledge does not always translate at the same

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pace into local benchmarking. A factor to consider is that learning how to learn from locally developed or assisted e-government projects is being institutionalized much more slowly than the development of e-government technological infrastructure promoted. This however is an important lesson for policy makers accepting international assistance in e-government policy-making and adjusting the speed of its implementation.

This study wouldn't have been possible without international benchmarking reports, but only with locally developed e-government evaluation systems in the Western Balkans. However, local evaluation need to be encouraged for the benefit of the countries and donors alike who can both learn more about each-other from such parallel evaluations.

Regardless of the criticism on international e-government assistance and its evaluation, this study has shown that improvements are being made. International donors are realizing the importance of international assistance on e-government systems for developing countries as well as their evaluation based on local characteristics which in turn is related to the level of democracy and governance in these countries (Crawford, Kearton 2002). However they need to be careful on their involvement. As a final remark, regardless of its challenges, international assistance given for the development and implementation of e-government and ICT strategies could be considered more as a success rather than as a failure.

### **6. Limitations and recommendations for future research**

The use of Rational Neoinstitutionalism as a theoretical approach to explain the relationship between international assistance and the development of ICT and e-government strategies in this study is only an exploratory one. This attempt to apply RNI by combining quantitative and qualitative data highlights at the same time some of its limitations, such as the inability to explain conflicting institutional realities and different institutionalization paces. A more detailed analysis and application of other neoinstitutionalist approaches discussed only briefly

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in this study could contribute to a better understanding of e-government development and benchmarking. Furthermore, other theoretical and methodological approaches such as the Actor Network Theory could provide additional insights and explanations of international e-government assistance networks and dynamics.

The five stages of research methodology applied here do not go beyond policy-making, nor do they make the direct connection between this macro level and end-users. As mentioned earlier, this was not the scope of this research; however, it could be an interesting direction for future research in this area.

This study is limited to six countries and one donor, analyzing only e-government development and international assistance on national ICT strategies. Other international donors and organizations might show different characteristics in the way they manage their involvement on information systems for developing countries, especially in the absence of the donor-benchmarker duality. On the other hand, donors' interaction with each other, especially when they share common objectives and goals such as a clear focus on information systems in this case, is something that deserves some more attention in future research.

### **7. Conclusions**

International assistance on ICT strategic development could have a limited but positive impact on overall e-government levels. As this research suggests, this could be especially true in less developed countries, similar to those in the Western Balkans studied here. More developed countries show a decreasing marginal progress as they have passed the early stages of e-government reforms. In this context, the starting inequality between countries compared, is an important issue identified in this research that need to be addressed carefully before driving any conclusion on the efficiency of international e-government assistance.

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From a neoinstitutionalist perspective, international e-government assistance on strategic initiatives and benchmarking are strongly related to long-term joint interests between donor organizations and developing countries. The RNI discourse and focus of research move from the international to the national level and back. Governments in this process have to take important strategic decisions, being in between the international and national actors and forces with predetermined goals and interests. It is at this stage where conflicting institutional forces that shape policy-making processes are identified by looking at the application of strategic e-initiatives. A major role in this case is played by international organizations with multifaceted involvement in the strategy-implementation-evaluation cycle of e-government development. This study addresses this type of involvement as the donor-benchmarker duality, critically suggesting the need to separate from benchmarking indexes external influences from international organizations that do the benchmarking, but are also involved with projects in the countries they rate.

Long term progress and benchlearning remains one of the biggest challenges, both for donors and recipients. It is generally implied that countries receiving international assistance will have at a certain point to develop their own capabilities based on the lessons learned. The challenge remains putting the benchmarking lessons into practice by adapting a more holistic local approach to e-government policy-making and evaluation, considering also the regional context. ICT and e-government national strategies are the first step towards long lasting reforms where international involvement could have an important influence, but more important is the ability of countries to learn how to evaluate their own progress. Setting up local structures of e-government evaluation is not an unnecessary duplication of donors' reports for the projects they finance, but an important strategic step towards sustainability and independence from international aid that still needs to be institutionalized.



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