

OUTCOME BASED OPTIONS FOR INFORMATION AND COMMUNICATION TECHNOLOGY: TOWARDS MEANINGFUL LINKS BETWEEN ELECTRONIC GOVERNANCE AND LOCAL ECONOMIC DEVELOPMENT IN DEVELOPING COUNTRIES

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Abstract-Debates have long shifted from polarized arguments which have failed to recognize linkages between disciplines. Traditionally, discourses that attempt to define the relationship between Information and Communication Technology (ICT) and development have been trapped within these otherwise simplistic debates. Prevailing literature seems to suggest that arguments have moved on, and now attempt to understand the conditions under which ICT could be maximized for meaningful development.

In dealing with the links between ICT and development, this paper recognizes both these are major discourses which cannot by any means be covered on a single study. As a result, it has dealt with relatively minor discourses, that is, e-governance and LED, which operate within their respective broader themes. It set out to establish the way in which electronic governance (e-governance) in developing countries has been understood and implemented. The study has drawn attention to some success stories as well as challenges facing e-governance in developing countries. The project traced profound cracks in the e-governance discourse, when viewed from Local Economic Development perspective. Among these cracks, tendencies for e-governance to gravitate around government and businesses

operations exist. Poor implementation capacities also impede maximum impact of e-governance on poverty and underdevelopment. These incapacities often lead to tilted institutional balance in regards to policy influence.

I. INTRODUCTION

In response to a conceptually rich development menu, developing countries have increasingly attracted joint efforts from wide range of development players, local and international, all intending to impact on poverty and underdevelopment meaningfully. These players compete for policy influence, sometimes with obscure results, often at a slow pace, partly due to their fragmented and

uncooperative manner. However, the obscure impact on development should not go unnoticed. What this paper argues though, is that more ground work will need to be done, so that all available conceptual tools are successfully aligned for development. In this way the potential for development is likely to be maximized.

This paper treats e-governance and Local Economic Development as critical tools for development, and will attempt to forge a meaningful dialogue between the two. This will however result from interrogating the prevailing relationship, theoretically as well as practically.

Electronic governance (e-governance) is a term used to mean "...the application of Information Technology to the processes of government..." [1] while LED is understood to focus on, although does not limit itself to, locality development; business development and community development [2], -all under thorough going *local* public participation.

In reviewing literature, there are easily traceable problems within the LED- e-governance dialogue. For example, authors such as Riley [3] suggest that ICT is likely to enhance public participation. On the other hand, the United Nations Development Programme (UNDP) does not seem to share this optimism, it rather cautions that "...without *innovative*² ICT policies, many people in developing countries ... will be left behind" [4]. Pro- business and pro-government biases [5, 6, 7] are also detectable within the e-governance discourse. Consequently, inadequate attention is allocated to the role of ICT in community and locality development hence minimizing the impact of LED.

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By treating LED and e-governance the paper seeks to enlighten on the kinds, forms and nature of links that exist between e-governance and Local Economic Development in the developing world, before presenting a more integrated model of dialogue between the two disciplines. The paper will review existing literature around matters of e-governance and LED.

The structure of the paper will be as follows: First, it will interrogate the concept of governance, how it is understood, how it lends itself to development, as well as its shortcomings in development terms. Section two will attempt to understand the meaning of e-governance as well as the forces which determine and sustain this meaning. Section three will move on to shed light on the challenges that exist in linking e-governance to LED. Section four presents theoretical and practical recommendations for better and meaningful links between LED and e-governance. The conclusion will sum up the main arguments presented in this paper.

II. GOOD GOVERNANCE: THE CONCEPT AND IMPLICATIONS ON DEVELOPMENT

Underdevelopment in developing countries has often been associated with poor governance. In what seems to be some sort of good governance revolution, developing countries have come under increasing pressure to implement the good governance project as a necessary platform for meaningful development [8, 9, 10].

There are a good number of interesting issues that problematize the meaning and implementation of the concept, two of which are noted here. First, the experiences of developing countries suggest that the good governance project, in spite of its noble intentions, has not delivered on its pledges [11]. The concept made a grand entry into development in early 1990's, yet, two decades on, still, there are about 50 least developed countries, and 767 million people living below one dollar a day [12]. The picture according to this report is likely to become worse. This challenge flies in the face of meta-forces such as good governance. Stamer [13] has argued that while decentralization has taken place, it has carried with it ills, such as, nepotism, clientelism and other forms of 'isms' which reduce the impact of decentralization on development.

Second, good governance is yet to be adequately articulated in a contextual and consequently relevant manner in developing countries. Mitra [14] has alluded to this issue by looking at India's case. He has contended that good governance in part resembles modernization theory, such that those who control its definition are easily privileged by the way in which it unfolds. This has forced caution on developing countries, as they seek to integrate the concept in their respective contexts.

Like the modernization theory, the conventional model of good governance advocated for by international bodies, and presented in 'one size fits all' outfit, contradicts itself at best, at worst it projects biases predetermined by unclear agendas. Additionally, sub-national institutions have been largely disintegrated and as such have been poorly equipped to define and implement good governance. Problems of successful implementation either lie in the way the concept has been understood; other times the impeding factor is the lack of institutional capacity to implement. Either way development is minimized and therefore compromised.

The likelihood is that, the subsidiary discourses which operate within the broader governance theme are potentially faced with similar or even more complex challenges which derive their vigor from the parent discourse. Electronic governance (e-governance) is one of these subsidiaries, which in spite of being a critical development tool, faces unresolved dilemmas. These dilemmas are most likely predetermined by the untidy way in which the parent theme (good governance) has unfolded. These subsidiaries then, need to be re-directed away from the ills that are likely to dampen their role in delivering meaningful development.

As a way forward, before a workable and development based form of good governance is presented, the often complex currents that define and sustain the governance concept need to be realized. This section will grapple with issues of context of emergence and meanings of the parent discourse, good governance.

A. Fountains of good governance

Development literature has overloaded development players with options and proposals for better development outcomes. In legitimizing many of these options, the overwhelming argument suggests that nation states in developing countries are mainly inefficient and corrupt [8], and, as such, privatizing government services is likely to deliver development more efficiently [15]. The apparent assumption here is that the private sector is more efficient, regardless of whether it is located in developing or developed countries.

This neo-classical school is a fierce contester against a neo-Marxist school which advocates for state intervention in economic growth and development. Latin America in the 1950's demonstrated a good case of state protected development [16]. In a kind of Marshall-style approach, neo-classical proponents have forced developing countries to either privatize government services, or lose financial support, as [neo classicals] happen to be the dominant donors internationally. This sort of 'economic bullying' has led to a grand privatization scheme across developing countries. Thus, development history has spared large space for the so called Structural Adjustment Programs

(SAPs). The underpinning notion of the SAPs was to improve efficiency of service delivery through engaging the private sector, due to state inefficiency. The preface to this notion, however, was the view that the state machinery in developing countries was undemocratic and inefficient in delivery of development to its citizens.

This approach, commonly referred to as the pro-market approach to development has drawn criticism for its seemingly narrow focus and ignorance of the complexity of economic development [17]. It has also failed to recognize that opening up market based competition between local and international firms presents complex challenges to formulation and implementation of development policies. While this school advances that the private sector should take over much of the traditional role of the state, it overlooks the fact that the private sector is vast, consisting of international and local actors. Whether there is a leveled play ground between local and international players, is highly disputable. This approach has therefore left unanswered the question of power balance and the importance of this balance in development.

It would have been innovative for this approach to critique itself, but unfortunately much of the critique has emerged from a different and a counter school of thought, Local Economic Development (LED). As already noted, LED seeks to integrate both market and state processes, with outcome based focus as the overarching theme [18, 19]. Although attempts have been made to force LED into the state versus market debates, (thus we are treated with pro-poor and pro-market LED debates), it has deliberately struggled to retain its 'unique dimension'. It recognizes that, as Streeten [20] observes, globalization has been viewed from either state or markets but has rarely made meaningful impact on 'people'. Thus [21] notes,

“...recent decades ...have seen increasing disapproval of traditional theories, which operated in top-down fashions, seeking to 'civilize' the developing world. Whether to rescue the 'dying' discourse or to offer feasible alternative, development has now taken a major shift, with *people* in the center”.

As a relatively new school, LED considers participation of all stakeholders as central to democracy and good governance, and treats these as critical tools for outcome based development [22, 11,23]. This argument underlines a critical LED intention, that development programs and projects can only be meaningful if they seek to improve the livelihoods of the poor through providing platforms upon which the poor can take charge of their own development. However, there have been some major challenges facing this noble intention. Firstly, poor implementation of LED due to both conceptual as well as capacity deficits [13],

and secondly, tripping of LED policies by what appears to be poorly integrated discourses such as e-governance. Thus, it is questionable whether 'people' have *remained* in the center of development in spite of LED rhetoric. It is worth noting that the subsidiary discourses often compete fearfully with each other, such that each discourse inevitably fails in part to deliver its well meaning intentions. Often these development sub-themes are controlled by powerful stakeholders, in which case they tend to model after the interests of these stakeholders. The following subsection will look at power interplay in the formation process of the good governance concept.

B. Good Governance under test: Towards an Impasse or Re-introduction?

Good governance presents itself differently from conventional development as well as LED platforms. What is of interest is that emergence of good governance concept is traceable from the pro-market approach, under strong influence of international organizations, such as, the World Bank [23] among others. The pro-market approach has not only generated the good governance concept, it has also sustained it through subsequent revisions and advocacy of the same. Woods, for example, notes that “since the early 1990's many international institutions have been urging governments to conform to standards of good governance” (1999).

It is easy to detect biases from the context in which this concept emerged. In this regard, the use of the term as a defense tool for failed privatization programs [10, 23] is important to note. Woods [10] suggests that the term tends towards efficient public management [21]. What should not go unnoticed though, these kinds of 'public reforms' have been defined by international players more than their local counterparts.

The Local Economic Development approach has maintained that the local sphere is critically important for development [29]. In fact, it treats *local* public participation not just as a civil concept, rather as a *necessary* tool for development.

In these sometimes opposing views, it has been almost impossible, at least so far, to maximize good governance for development. LED however has, more than the conventional (neo classical) approach, increasingly utilized the concept of good governance as a development lever. By treating public participation critically, it has advanced its influence on human development. Streeten [20] has extensively elaborated on the importance of human development, by pointing out that any form of assistance rendered to developing countries need to include human or social criteria. Good governance has also attempted to address the human development question, although in narrow and often unrealistic way. Different strands of good

governance are therefore noticeable. Below the paper will unravel some of these strands.

C. Finding the balance

Literature suggests that attempts to understand the concept of good governance from different views have been made. For instance, Kabudi (undated) cautions against narrow approaches to the term, which fail to understand its wide ranging implications. He understands the concept as "...one of the key ingredients for poverty reduction and sustainable development" (ibid). This view which is also shared by the United Nations, seeks to link social, economic and political processes under the good governance theme.

For Woods, [10] there is a distinction between what he refers to as international governance and global governance. In his view, international governance deals with the way in which nation states within international organizations relate, while global governance applies to the "...links between individuals, peoples, groups and international organizations".

Others still, such as Simonis [25] argue that the concept possesses dual meanings. To academics, Simonis argues, it means "...the way in which power and authority relations are structured in different contexts" while to donors it generally means better design of state structures to "...ensure accountability, due processes of law, and related safeguards" (ibid). He further clarifies that within the academic discourse the concept is "directed mainly towards better understanding of institutional linkages between the state, civil society and the private sector" while within the donor discourse it seeks to enhance "...policy effectiveness..." (ibid). By interrogating the mainline use of the concept, the donor definition appears to be highly influential.

Woods definition of global governance seems to fit into Simonis academic definition. Importantly, the divisions between donors and academics, conceptually, might not be as hard lined as Simonis might seem to suggest. There are other perspectives such as those of local communities which might not fall under Simonis' categorization. However, his argument demonstrates reasonable level of complexity in regards to good governance, providing useful working tools for addressing the otherwise difficult theme.

In view of the misty meanings attached to good governance, it is not surprising that, in spite of the increasing emphasis on 'good governance' as a prerequisite for development, research findings have demonstrated that the links between 'good governance' and poverty reduction are unclear [26]. What Resnick and Birner have not stated though is that, this conclusion depends on the way good governance has been conceptualized and implemented. It is reasonably difficult to measure good governance from the misty foundations

shown above. It is equally difficult to conceptualize and implement the subsidiary discourses, such as, electronic governance given the obscure meanings of good governance. The following section now turns to conceptual and implementation issues surrounding e-governance. Attention will be given to developing countries.

III. ELECTRONIC GOVERNANCE: IN SEARCH FOR LEGITIMACY

It is widely accepted that ICT is critical for development [27]. A wave of electronic influence on both government and private sector seem to be sweeping over the development stage. Thus, concepts such as e-governance, e-democracy, e-schools, e-business [27] and other 'e' themes have become highly popularized. While this new wave is important in that it has introduced new dimensions to development, it presents potential problems in that it has ascended the development stage while broader development themes, such as, good governance are yet to be fully de-constructed, theoretically. This section attempts to interrogate the problems, scope and meanings attached to the concept of e-governance in regards to developing countries.

A.E-governance: Scope and Competing influences

E-governance has emerged as not only as a critical component of good governance [27, 28], but also as an important dimension of ICT. Additionally, W'Okot-Uma, argues that governments are faced with the challenge of utilizing ICT meaningfully, to adequately sustain the growing knowledge society. W'Okot-Uma seems to suggest that, as far as development delivery is concerned, e-governance theories tilt towards governments. [28] Presents his argument with biases of what governments should do *for* and *to* citizens. He claims that governments need to, inform, represent, encourage, consult and involve the citizen. Fundamental assumptions such as passive citizens and able and proactive government are easily traceable in Backus argument.

W'Okot-Uma and Backus views are not isolated. In fact globally, the pro-government biases are more salient than most of the other biases. This is evident in examples of e-governance rhetoric from transnational institutions, such as, follows. The International Institute for Communication and Development states that "e-governance is a powerful tool for bringing about change to *government processes*³ in the developing world" [30]. The United Nations surprises the public by suggesting what it has referred to as *connected governance* [31]. This of course raises expectations on what scope is covered by this concept. Unfortunately, in reading through the survey, *governments connectedness* seem to be the mainline theme in spite of the 'connected governance' articulation. The New Partnership for Africa's Development

³ Emphasis by the author of this paper.

(NEPAD) has consistently drawn attention to governments in reference to e-governance [32]. Thus, governments seem to be overloaded with 'e' responsibilities. This bias is likely to produce far reaching negative implications in development terms, in view of often poorly equipped governments.

In what seems to be a more balanced approach, Finger [33] understands e-governance from institutional transformation standpoint. He points out that the 'e-themes' can only be "...fully understood, appreciated, and assessed if they are ...placed within the much broader framework of state transformation". This institutional approach seems better equipped in addressing service delivery questions. He also takes into account globalization and related prevailing trends observable in political, social and economic institutions.

In what appears to be a contradiction, it is of interest that while the market based approach seeks to broaden the good governance agenda as a useful tool for the private sector, the same approach seems to lock e-governance within the government sphere. This approach might suggest that e-governance does not necessarily operate from the good governance theory. However, authors, such as, Okpaku [34] have sought to challenge this seemingly self-defeating approach, by contending that the use of "e" as a prefix for governance can be potentially misleading, as it might suggest substituting human personnel with electronic machinery in administration of government services. Unfortunately, [28] sometimes falls into the 'government bias' trap in his subsequent arguments, although he has tried to contend that this conceptualization is narrow and misleading. In his contention for broad based approach to e-governance, he argues in favor of an understanding of e-governance as the "...innovative and sustainable applications of ICTs both within government administrations, as well as in their interaction with citizens and the private sector" (<http://www.idrc.ca>). Thus, citizens, as well as businesses, in Backus view remain critical players in terms of e-governance targets.

B. Rethinking development through e-governance?

From the above argument, it seems that ICT has somewhat forced governments to think on *how* they can utilize technology for development, while they themselves are under transformation. The private sector is also under transformation, as the development discourse continues to review the traditional role of the sector. Thus, e-governance needs to operate from both public and private sectors. The issue of re-thinking the use of ICT for development for both the public and private sector though, might not be as simple. There are wide ranging and competing forces which dictate the direction taken by both technology and development. For instance, different countries have taken on different development models, often under local

or international pressure. This has influenced the way in which ICT has been integrated into development processes. In what appears to be a result of international pressure, e-governance has become a catch word within development efforts, though as far as government systems are concerned. Finding and sustaining broad based development intentions of e-governance in the context of local and international pressures is the main challenge.

The pro-government stance should not be seen as existing due to the newness of the concept. There are forces that have sustained this 'pro-government' model. It has been argued that e-governance has existed for a good while, only that it has changed with changing development philosophies. For example, Riley, [35] notes that in the 1970's e-governance "...focused on automating high -volume bureaucratic routines...". In other words, he suggests that e-governance has simply followed development from its traditional model, (which was highly centralized and vertical) through its new model, (which is largely decentralized and horizontal). Also, in terms of development strategies, global production structures have changed from single producer model to flexible specialization (Fordism to post Fordism respectively), in recognition that the latter is more efficient and cost effective. This change of production structure has also influenced the way in which ICT integrates to the 'new' production structure. And e-governance has inevitably subscribed to these shifts.

Developmental versus Administrative e-governance

While the above sub-section grapples with the scope and the forces that have influenced e-governance, in regards to a precise definition of e-governance, as at 2001, Riley [35] cautioned that the concept was by no means clear. The scope [see the above section] not only casts doubt in the clarity of e-governance, but also raises suspicions on its objectives. In part, as already indicated, conceptualizing ICT in government context potentially undermines development. The possibility is that, due to the administrative nature of governments' traditional duties as purely *administrative* rather than *developmental*, e-governance becomes an administrative rather than a developmental tool. This administrative trend is observable in cases such as Backus [28] *E-governance and Developing Countries* work.

By suggesting a broad based scope to e-governance, which involves citizens, government and private sector, both Okpaku [34] and Finger [33] seem to advocate for a shift from administrative to *developmental e-governance*. Okpaku, for example, draws attention to *e-governance* as encompassing both state and non-state actors, versus *e-government*, which involves only the state. E-governance therefore seems more comprehensive and realistic in keeping with the prevailing decentralization trend globally. In elaborating the changing roles of institutions for greater

development impact, Finger [33] observes that public affairs are becoming increasingly complex. This is why the trans-sectoral potential availed by e-governance need to be entertained and utilized. In this context, ICT as Finger [33] argues, dovetails with the changing role of nation states, not only in sustaining this change, but also in responding to the new challenges that emerge from this change. This view underscores increasing involvement of non-state players in development. Against this background, Okpaku's distinction between e-governance and e-government seems justified. Within reason, then, it could be argued that *e-government* carries with it administration biases, while *e-governance* weighs more heavily on development.

C. E-governance in Developing Countries

Tracking Conceptual issues

It would be inaccurate to assume that e-governance policy framework does not exist in developing countries. The New Partnership for Africa's Development (NEPAD) for instance has integrated ICT into its objectives. The E-Africa commission, a task team of NEPAD has been mandated to "... accelerate the development of ICT infrastructure and its usage for ICT applications and services" in Africa [32]. The e-Africa commission has spelt out the prevailing challenges as; leadership, policy, processes, and public participation [32]. What attracts curiosity is that the Unit presents some sweeping and vague proposals without feasible implementation procedures in place. Thus, NEPAD is yet to address the way forward in tackling e-governance challenges.

More specifically, few developing countries such as Kenya [36], South Africa [37], Ethiopia, Uganda, Tanzania, Mozambique (see Coleman, undated), Ghana [28] among others, have demonstrated a level of commitment towards e-governance policy. In fact, Coleman states that Africa appears to have gone beyond the e-governance experiment level.

South Africa appears to have covered some gaps, relative to other African countries. The UN 2008 survey places South Africa ahead of all other African countries, slightly above the global average. In reviewing South Africa's conceptual framework there seem to be clear objectives, a nationally integrated approach in line with national development goals and a comprehensive implementation plan with tracking indicators [37]. In its e-governance policy, South Africa has also covered important concerns such as "...interoperability, duplication of efforts, not achieving economies of scale, and security" [37].

Misnikov, Nath and Pulatov [38] have written about e-governance partnerships between Europe and Asia Pacific. The rest of Asia, inclusive of the Middle East are well versed with e-governance and have set objectives for 2010

[39]. The Asian region appears to have made commendable progress in implementing e-governance. The e-magazine for Asia and Middle East [39] draw attention to highlights, such as, below. India has successfully linked some of its prisons to courts using electronic machineries; it has also introduced e-procurement programs, e-tax deductions, among others. Philippines has developed websites easily accessible by people with disabilities. The Middle East has introduced e-voting systems while the United Arab Emirates boasts of e-immigration services. These are only few of the 'e' initiatives in developing countries. Importantly, these initiatives do link with LED, particularly in its Human Development agenda. People with disabilities are afforded an opportunity to influence policy, e-voting systems enable time saving which could be utilized for economic activities and e-procurement also allow for time saving as well as transparent economic opportunities.

There is therefore little doubt that the concept of good governance has been introduced in developing countries. It is also worth noting that in all the above cases, e-governance has been understood as government's operation. In all probabilities, the powerful stakeholders and the context from which good governance emerged, (see section 2.1 above) have equally determined the way in which e-governance has been entertained in developing countries. This argument will be further elaborated in section 3. For the following section, implementation issues are the focus.

Tracking Implementation issues

A worrying trend is that, according to Heeks [40], 35% of all e-government projects in developing and transitional countries are total failures, 50% partial failures, and only 15% success cases. For Coleman (undated) these failures are attributable to "...lack of mass connectivity to the internet and the existence of post colonial administration cultures dominated by under resourced and unaccountable bureaucracies". Backus [28] adds political instability as an impeding factor.

Mitullah and Waema's work on Kenya seem to support Coleman's inference. They recognize significant gaps in Kenya's case, such as overstated objectives, unrealistic time frames and poor allocation of resources in e-governance. It is also observable that in Kenya's case, progress tracking indicators do not exist, and, attention seems to focus on outputs rather than outcomes. Bangladesh, according to Kabir (undated) introduced e-governance quite aggressively, only to end up in websites which remain static and outdated, in addition to being non interactive -which misinforms the public at best, at worst wastes resources. Kenya and Bangladesh represent problems of e-governance implementation in developing countries. Clearly, these problems demonstrate lack of 'e-preparedness' in terms of skills as well as financial capacity, required for meaningful utilization of e-governance initiatives.

The 'e-unpreparedness' conclusion noted above is not surprising given that, according to the United Nations 2008 e-governance readiness index survey, Africa averaged at 0.3, lower than global average of 0.45% [4]. According to this report, the top 35 countries do not include Africa, Caribbean, Central America, South America and Southern Asian countries. However, caution needs to be exercised in that, in terms of its content, the survey seems to focus on e-government rather than e-governance.⁴ The survey seems to lack adequate depth of e-governance analysis, evidently by devoting considerable attention to narrow indicators such as government's website. All is not bleak though, it does contain some important indicators, such as e-participation, even though they focus exclusively on government-citizen sphere marginalizing the business-citizen sphere.

Reverting to Heeks report of 15% success cases of e-governance in developing countries, it is important to recognize examples such as India's improvement of public sector efficiency (see Kabir, undated). In this light, Kabir notes that in 2000, introduction of e-governance in India reduced corruption rates in Kolkutta from 51% to 19% and Mumbai from 38% to 18%. India has also successfully utilised electronic information for empowerment of sugar cane farmers in 70 villages (World Bank). Columbia is another case. Through e-governance, it has created an important platform, enabling citizens' access to economically useful public information, such as, government procurement (World Bank). These are laudable initiatives from LED perspective.

Relating the changing role of institutions to developing countries, there appear to be profound cracks in terms of the way in which ICT has interacted with these changes. Further, the changing institutional roles have profoundly changed the traditional way of delivering public services. This leaves major administration and developmental challenges to both the state and non-state development actors. On this account, authors such as Finger [33] seem to suggest that introducing e-governance might rescue the otherwise inefficient service delivery process in developing countries. He observes that, when applied in government's processes, ICT plays a dialectical role, in that it can improve efficiency of governments on one hand, on the other; it requires some measure of government efficiency for its successful implementation. Unfortunately, Finger seems to have marginalized non-state players in this particular case.

Literature seems to suggest that the extent in which e-governance supports or draws from efficient institutions, is still unclear. Thus, the view which argues that introducing e-governance to inefficient and ineffective institutions might not improve performance, should not be dismissed. After all, both ICT and administration are heavily reliant on *people*. Some authors, such as, Thomas, Riley and Sheridan [41] have elaborated on this view, maintaining that e-

governance might require some measure of institutional capacity as a pretext. They have noted that "... building effective e-government facilities follow a supply-chain process: research, analysis, design, planning, deployment, training, operations, feedback and improvement". Along similar vein, Okpaku [34] intimates that:

"... factors, such as, political stability, macro-economic governance, transparency and accountability of national and local administrations, the rule of law, physical infrastructure (for example, clean water and energy), and basic literacy should also be addressed in an explicit manner, and ICTs should not be seen as a substitute". (<http://www.idrc.ca> 31st March 2008).

Building institutional capacity suggests human development, which then touches on LED. However, while efficient institutions remain a critical prerequisite for effective e-governance as argued by Okpaku [34] as well as Thomas, Riley and Sheridan [41] the debate should not end here. More empirical work needs to be done, to establish the kind of relationship that exists between e-governance and efficient institutions and the conditions under which this relationship might thrive.

A point of caution though, it appears that e-governance runs the risk of being *another* western concept with western motives. After all, e-governance relies heavily on technology transfer largely from developed to developing countries. Also, governments and non-government actors in developed countries are relatively stable, well-financed and therefore well-capacitated. So much so, that introducing 'e' to their operations seems likely to improve their performance. This is not the case with developing countries, which need first to build their institutions, private and public, at least to functional level. By addressing this 'preface capacity', before introducing e-governance, they are likely to impact on development in a better way.

This section has presented problem issues surrounding e-governance. The question of changing roles of institutions has been addressed. Attention has been drawn to the need for developing countries to set proper stage for effective use of ICT as a tool for improving institutional efficiency. The section has however looked at e-governance from a broad development framework, often punctuating e-governance initiatives with LED framework. The following section will give greater attention to Local Economic Development, and will interrogate the way in which e-governance has interacted with LED.

⁴ See section 2.2 above for distinction between e-governance and e-government

IV. CHALLENGES FACING THE LINKS BETWEEN LED AND ELECTRONIC GOVERNANCE

A. LED: Scope and Meaning

Local Economic Development (LED) seeks to respond to underdevelopment through advocating for business development, locality development and community development [2], with the aim of maximizing employment [42] and reducing poverty. In essence, it challenges traditional models of development which tended to marginalize involvement of local communities in policy processes.

Where the contest lies, however, is *how* businesses, communities and localities should be developed. There is increasingly popular view, which suggests that the state would best facilitate the private sector, rather than directly provide services to the public. Another school proposes state intervention. Lootvoet and Freund [43] are concerned that if the state continues to play a significant role in LED, development is likely to be minimized. They therefore suggest deviation from the state led LED model, in favor of public-private relationship LED model. It is common therefore to consistently come across pro-poor and pro-market rhetoric in development literature [24]. Both models have worked in different countries. Instead of adopting a divisive bipolarization, it might be innovative to mix the two approaches depending on the context. This would then allow for context specific e-governance, which seeks to support context specific LED. But e-governance in itself harbors its own problems, as already noted. As already indicated, there are also problems associated to the way in which e-governance theoretical model has linked with LED. The following section seeks to shed more light in the links – problems and opportunities that will need to be addressed for greater impact on underdevelopment.

B. Theoretical Local Economic Development problems generated by e-governance

Pro-Government biases of e-governance

The tendency of e-governance to prop up government roles might suggest expanding role of the state, while Local Economic Development suggests thorough-going partnership between government, communities and businesses in delivery of development services. By doing so, it fails to recognize that the grand institutions which have asserted their influence in the policy environment, deliberately from the state or market standpoints have yielded mediocre if not poor development results. Some of the pro-market transnational institutions include: World Trade Organization (WTO), The United Nations (UN), the World Bank (WB), the International Monetary Fund (IMF) as well as South-South cooperation bodies in

Africa and elsewhere, such as, South African Development Community (SADC), East African Community (EAC), Economic Cooperation of West African States (ECOWAS), Brazil, Russia, India and China (BRICS) cooperation among others.

While different sorts of development initiatives have been tried in developing countries and targets set, still, over half of the world's poor live in these countries. The new idea now seems to be strengthening of the state (at least as far as e-governance is concerned), anticipating that this will most likely yield greater benefits from open market policies. Finger's argument [33] of a kind of tripartite approach to e-governance (government, citizens and businesses) need to be accounted for in implementing e-governance for meaningful LED.

By operating within the state versus market play grounds, Africa has been the prime loser in many development initiatives. It has remained behind the Millennium Development Goals (MDG's) –although these goals retain major questions around their feasibility. For example, they ignore issues such as immigration and cultural contexts which strongly influence poverty levels. The MDG's also do not differentiate between rural and urban poverty, except vaguely through the water and sanitation goal [44]. The 2015 time frame is simply a thumb suck, without any data or trend foundations. This paper will however leave the MDG's discussion for a separate project.

The World Bank continues to advocate for grand privatization of public services and, the WTO has consistently remained in a deadlock as far as developing countries are concerned. In the absence of proper caution, e-governance is likely to become another tool through which international organizations will exert influence on policy in developing countries. This is because developing countries largely lack the capacity for e-governance implementation, and therefore supra national institutions are offering to 'assist'. This paper does not suggest that supra national institutions deliberately seek to impose their own interests in policy, rather, it argues that their involvement carries with it potential biases which might not be intended. These biases often thrive under the disguise of well-meaning concepts such as good governance and e-governance.

Even more subtle, professionals within developing countries are likely to take over e-governance processes due to the 'technicalities' associated with it. This will be potentially harmful to LED, which seeks to mainline *locals* in all processes.

Pro-Business biases of e-governance

ICT in general has given considerable attention to businesses. For instance, Stammer, [5], Batchelor et al, [6], Grieco, [7],

among others seems to understand ICT from exclusively business standpoint. In his paper, Cluff [45] upholds the 'business process', almost exclusively, in describing the use of e-governance. Stammer [5] follows suit by consistently pointing to 'company's, competitiveness and productivity' as central themes in technology use. These trends reveal pro-business biases in regards to ICT as a whole and e-governance in particular.

In the context of these biases close analysis demonstrate that public participation is a marginal issue. Thus, we have e-government and e-business as two overwhelming waves, with community participation, almost invisible, sandwiched between the two. This is an apparently poor treatment of LED. The tripartite LED focus (businesses, community and locality development) ensures that hard infrastructure (the built environment) is well conditioned to accommodate development of the soft infrastructure (human development). Both hard and soft infrastructure developments in turn promote businesses development through use of skilled personnel as well as supporting hard infrastructure. Countries such as Kenya with relatively developed soft infrastructure matched with poor hard infrastructure, at best, results to exploitation of the labor force, and at worst, high levels of brain drain. Focusing on only one aspect of LED, such as, businesses, is likely to impact negatively on development.

This section has interrogated the prevailing nature of the relationship between e-governance and Local Economic Development. It has highlighted some of the loose links between the two enterprises. While the paper recognizes that converging the processes and objectives of each of these enterprises is likely to be a difficult task, the prospects for better development outcomes provide enough reasons for stronger partnership. These are issues that need to be first pioneered on a conceptual level. The following section will now move away from the 'problems' to recommendations, for a meaningful link between e-governance and LED.

V. CONCLUSIONS

This paper has tackled important issues of e-governance. It has sought to address the question of how e-governance has been understood and implemented in developing countries. Within this framework, section one has interrogated the concept of good governance, how it has evolved, its contradictions as well as its biases. It has treated the problems of good governance as important in that these have been influential in determining the understanding of e-governance. Section two sought to understand e-governance, giving attention to conceptual issues. Problems in implementation in all likelihood flow from problems in conceptualization. The paper found fundamental cracks in the way e-governance has been conceptualized. Western biases are easily observable. Section three attempted to

forge a dialogue between LED and e-governance. There are major creases that need to be ironed out from both discourses before they can meaningfully and jointly address the problem of underdevelopment. Section four has followed with proposals on how joint efforts between LED and e-governance can be fashioned. All in all, there is yet much work to be done on the conceptual and implementation levels before e-governance is utilized for maximum impact on development. Linking it with LED seems a reasonably promising beginning.

VI. RECOMMENDATIONS

A. Towards Pro-economic e-governance

As already noted, e-governance *needs* to absorb a stronger economic culture. The prevailing trend seems over-indulgent on public participation which is traditionally viewed as a social rather than economic factor. Some balancing in this regard is required. Depending on geographical contexts, e-governance could be more useful by providing LED related information such as agricultural farming, opportunities for small businesses, market predictions, etc. The idea here is to ensure that market information is availed to citizens as, much as, citizens are allowed to provide their views and ideas around policy issues. Some examples, such as, India have made commendable progress in this regard. This model of e-governance, however, could be pursued more aggressively in developing countries. In this way e-governance is likely to enhance LED.

B. Addressing the 'e-readiness' question

Developing countries appear desperate, to the extent that they seek to adopt almost every 'new' tool that makes way to the development enterprise, without prior readiness. E-governance should be seen as building on cultures and traditions of existing institutions. This is because it has the potential to either enhance the ills of bureaucracies or enhance development within a democratic framework. Thus, developing countries need to first foster traditions of transparency and public participation in all private and public institutions, and only then is e-governance likely to play a fundamental role in enhancing these traditions. The idea of viewing e-governance as an end in itself is misleading. Instead, viewing it as a bridging tool seems more reasonable and practical.

As a practical way forward, practitioners will need to enhance the culture of community participation as a pretext to e-governance. Public participation can be curtailed even in cases where the rate of access to internet services is high. There are many positive yields of community participation, two of which warrant mentioning here. First, community participation potentially improves literacy, as citizens benefit from both formally acquired knowledge as well as tacit

knowledge through interaction. This knowledge is likely to improve citizens' capacity to interact with Information and Communication Technologies meaningfully. Second, using grassroots institutions such as Non -Governmental Organizations (NGOs) in implementing e-governance is likely to yield positive economic results. The reason being that in addition to being community-based and owned institutions, organizations, such as, NGOs are often involved in community development projects, in which case using them as e-governance platforms will potentially improve the performance of these projects.

Thus, by enhancing public participation through working with NGOs, e-governance practitioners will potentially provide functional space for economically-oriented e-governance.

C. Tilting the institutional balance on good governance

Review of prevailing literature has suggested that the concept of good governance has retained biases largely resulting from its context of emergence. International institutions seem to be the prime managers of the concept as well as its implementation. This leaves little space for local institutions to exert influence on good governance policy. The logical conclusion is that, international institutions dictate development in developing countries by dictating the terms of good governance. Similar concerns emerge given the fact that e-governance has become closely associated to good governance. By this token, the forces and biases that navigate in the good governance discourse inevitably navigate within e-governance.

It is therefore important that the prevailing institutional imbalance be tilted, in favor of local institutions. This issue is not isolated from the above mentioned proposals (Sub section 5.1 and 5.2). Preparing communities for e-governance is a necessary initiative if this institutional balance is to be tilted. For example, India's Warana cooperatives, seeking to improve sugar cane yields through information dissemination was started by the Prime Minister's Office, therefore, promoting poor local participation (The World Bank). Practitioners will need to work towards local friendly softwares as well as provide mechanisms where implementation of e-governance is a deliberately shared process between local communities and 'professionals'. This will in turn align with LED quest for greater policy influence by local institutions. In this way, many local development challenges, inclusive of the human development question on local level, are likely to be better addressed.

D. Human Development Approach to e-business

Business biases are easily detectable within e-governance. This seems to be a continuation of the market versus state

discourses. It is also observable that, where businesses are 'e-governed', the central theme is productivity in 'output' terms. This approach promotes selective human development. By doing so it fails to understand public participation as treated by LED, that is, as an outcome based tool. The underlying notion seems to be that citizen participation is likely to be non-profitable, and some kind of charity. In the end, this bias crowds out the poor and unskilled section of the public from business operations.

On the above account, it is important that e-governance policies take on qualitative economic indicators, and not quantitative only. Advocating for a mix of output-based and outcome-based e-governance performance measures is a task practitioners will need to grapple with. Admittedly, correcting the 'pro-output' bias might not be a win-win game for businesses in the short run. However, bearing in mind that public participation is a necessary *outcome* of development, as understood by LED, businesses stand to benefit from a large pool of skilled and 'acquainted' labor force in the long run. This in turn will improve productivity. By treating public participation as a long term investment through their 'e-identity', businesses are likely to yield better returns in the medium to long term. Governments might need incentives initially to motivate businesses. This too is an objective that e-governance practitioners need to advance.

E. Towards a more integrated approach to e-governance

As already observed, literature seems to suggest government biases whenever e-governance is referred. In all likelihood, this appears contrary to the increasing pressure on governments to 'privatize'. What seems contradictory is that the pro-market advocates appear to inflate the role of the state through overwhelming governments with 'e' responsibilities. Additionally, there seems to be a kind of fragmentation of service delivery, rather than integration. We are therefore treated with e-democracy, e-business, e-schools, e-government, and other sorts of 'e's. This conceptualization might be potentially misleading and should not be left fragmented if development is to be maximized. The implications are noted below.

First, the most likely result of e-overloaded governments is fatigue, which in turn is likely to erode the vigor required for implementation of good governance. Second, fragmenting service delivery might not be the best option as far as development is concerned. The fragmented approach runs the risk of handing over noble themes to independent interpretations, and thus deviates from the original intentions. It also raises the question of priority or sequencing. It is difficult to prioritize when each 'e' seems to operate independently, with independent objectives.

Some form of thorough going trans-sectoral coordination mechanism might be a feasible practice, towards integration

of service delivery. Development practitioners should be within the mainstream stakeholders in debates as well as policy processes of e-governance. Local communities also tend to adopt a strong economic bias, with intentions of benefiting economically from e-initiatives. Therefore, engaging them does not only 'empower' them, it also empowers e-governance by providing a 'development' perspective to e-governance. In this way we are likely to forge joint efforts and as a result promote development more meaningfully.

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