

Making eGovernment happen, and why it doesn't. Exploring four hypotheses

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Abstract: eGovernment studies consistently report a lack of the much hoped-for efficiency gains by reorganization and cross-organizational integration, particularly at local level. As this is seen as one of the main eGovernment opportunities, there is a need to find out why this is still the case after several years of investment. This paper does so by investigating nine Swedish government agencies – local, regional and national – regarding their view of drivers and obstacles. We explore four hypotheses suggested by literature, including (lack of) economic incentives, sense of crisis, user “e-readiness”, and conflicting goals. We find three of the hypotheses worthy of further investigating “Conflicting goals” was found the most important one, whereas there was no support for the “user e-readiness” one. Altogether this means that the officially claimed steady if slow progress towards a politically defined goal should be challenged.

1. Introduction

The eGovernment (eGov) agenda has been ongoing for several years in many countries. After initial rapid progress with putting government agencies online and introducing self-service for basic services [13] the development seems to have come to a halt, especially in local government. For example, The Society of Information Technology Management, monitoring progress in the UK, found that in 2004, while all of the 467 councils in England, Scotland, Wales and Northern Ireland have web sites only some five per cent - 23 councils in all - have 'transactional' services, which is the highest step on the EU benchmarking scale [17]. A lack of cross-organizational integration has been observed, and as this is seen as one of the main potentials of eGovernment, and indeed the main effectivization opportunity, there is a need to find out why this is still the case after several years of expansion of IT use in government, internally as well as for self-service. [16]. This paper studies the European scene, as expressed by Swedish agencies, but the findings should be of interest in any country, as aligning local and central interests – crucial for eGovernment success as integration and standardization is key – is a problem everywhere.

This paper reports an investigation of nine Swedish government agencies – local, regional and national – regarding their progress towards eGovernment. Focus is on how the management views factors driving and inhibiting the organizations, and we

want to find out to what extent these views are aligned with the national eGovernment agenda (which is echoing the EU one). The purpose of this study is to explore the validity of some hypotheses about possible reasons for the slowdown in the development proposed in the literature.

Sweden provides a good case for exploring eGovernment frontier problems as the country has one of the highest rates of Internet connectivity in the world, a generally IT-friendly population, is sparsely populated, and has an ambitious eGovernment agenda ongoing since several years in combination with a centralized government structure and dramatic efficiency pressure on the government agencies. All these factors should contribute to make eGov an interesting alternative both economically and for service improvement purposes, and indeed EU eGov benchmarking reports put Sweden among the top performers in putting services online [2],[1]. The paper proceeds as follows:

Next, we review previous research, outline problems and research question

Section 2 discusses our research method

Section 3 reports our findings in relation to the four hypotheses.

Section 4 discusses the findings and implications for further eGov development.

Problem and Research Question

Looking into the eGov literature for ideas of why eGov, particularly at local level, is not making the rapid progress some have expected or at least hoped for, we found four hypotheses.

The official Swedish eGovernment agenda (though initially differently labelled) dates back to the establishment of the "Top Leaders' Forum" in 1995, including top managers of major national government agencies, by means of which informal but practical cooperation and coordination among the main national government agencies was encouraged. The agenda has gradually become more ambitious and more formalized under the influence of the technical and economic developments, as well as EU regulations and coordinating efforts. Hence the 1999/2000 Government Bill 1999/2000:86, "An Information Society for all" [8], is a close match to the EU initiative "eEurope" [6]. There are also other Bills that have been issued to drive the development, including Bill 1997/98:136, "Public Administration at the Service of the Citizens" [7] and Bill 2001/02:80, "Democracy for the New Millennium" [9]. The 1997/98:136 one started an ambitious implementation effort involving the Swedish Agency for Public Management (SAPM) in developing standards for IT and information transfer and initiating, supporting and monitoring progress among government agencies. There have been various projects, most recently under the label of The 24 Hour Agency, within which SAPM has since then published semiannual reports on the progress (www.statskontoret.se, all in Swedish).

These reports have made it very clear that progress is not found everywhere. The reports also correspond well with findings elsewhere in the world.

So far, there has been reasonably good development of e-services among large national government agencies. The Swedish Labour Market Agency is often quoted as a good example, where productivity has increased dramatically over a 10 year period due to electronic self-services. The social insurance agency and the tax administration

agency are other examples of large central government agencies that also have made considerable investment and savings, if not as dramatic.

However, major progress seems to occur only in large agencies where advantages of scale can be found within the organization itself. There is poor development at the level of local and regional government, as well as in smaller national government agencies. The SAPM [15] found the following problems

1. Investment comes first – payback comes... when? The one-year budget is strongly guiding the behaviour of the agencies.
2. Benefits to one agency may require investment in another.
3. Some investments are too large for individual agencies to bear, hence to make them happen some national support or cooperation is necessary.
4. Costs come at agency level, some payback may come at system level. Investments which yield societal benefits, bring small or no agency benefit, and cannot be financed by fees are not made.
5. Related to points 2, 3 and 4: it is unclear how to share development costs that benefit more agencies.

The SAPM reports point to a problem with the incentive structure. This seems to paint a gloomy picture as making eGovernment happen throughout the administration would require a major system revision including a new incentive structure replacing the current focus on profitability by agency by some system level incentives where not only economic measured but also ones concerned with benefits for citizens and/or society would have to be defined. Alternatively, local governments might cooperate on a basis of sharing costs, but so far this has not happened other than occasionally. The SAPM is not alone in this analysis, examples from other countries include an EU effort to investigate and find models for “Value Creation in eGovernment projects” [4].

Following this discussion, the first hypothesis for our investigation is
(H1) There is a lack of economic incentives, particularly at local level, to invest in eGov

eGov research literature is not very helpful in explaining reasons for lack of progress in implementation. So far, the literature is mostly case studies, or rather case stories, where individual examples of eGov services are presented, sometimes along with, but often without, any measurement of success. A 2004 survey of three major eGov conferences found 53 % of the 170 papers to be descriptive with no attempt of theory testing or creation whereas only 29 % made such attempts [11]. Further, eGov research is typically oriented towards technology and (individual) organizations and does not concern system level efficiency (all government agencies together) or effectiveness (government's contribution to society). System level studies are typically made by political scientists and do not concern eGovernment but rather the political organization. Some studies are critical at a theoretical and principal level, but do not measure implementation [14]. There is thus a lack of integration, and even compatibility or comparability, between different strands of government related research, and hence a need for new research.

This said, some hypotheses are at least discussed if not conclusively tested. Kawalek et al [12] assumed, following the Lewinian approach of Dent [5], that there is not sufficient crisis felt in the agencies supposed to implement eGov. They investigated

one case and found no change, no preparedness, no sense of crisis, and indeed obstruction towards change. Though only a single-case study, the potential implications of this situation being widespread would be far-reaching, so we found it worth following up, hence our second hypothesis is:

(H2) There is no sense of crisis requiring eGovernment investment in the agencies where it is supposed to be implemented

Other traditional explanations have focused on lack of "e-preparedness", less sophisticated users. Though rarely explicitly stated, this hypothesis can be found underlying the official efforts of the EU, and as an effect also among national strategies. Broadband connectivity, user "trust" and education are prioritized as efforts to make the information society happen. Examples include the *eEurope Action Plan* of June 2000 [6] where "A cheaper (for the users) and more secure and trustworthy Internet", "Increased user competence", and "Increased Internet use" are the main points on the agenda. Both the Swedish Bill and the EU action plan mention "trust", also related to users' lack of use, as one of the top priorities to achieve more use.

This line of reasoning seems to expect a steady, while perhaps at times slow, development towards eGov, starting with putting services online, then helping users to use and trust the new technology (incidentally, there is no mentioning of the potential lack of trust in government, which might be expected given the trust debate in the e-commerce literature. This argument rests on studies finding many people still not connected to Internet and many of the existing services little used (e.g. [1])). As this hypothesis underlies large parts of the EU funding scheme, it must be investigated:

(H3) Users – including both "end users" of services, citizens, and service providers within government agencies – are still lacking skills and means to make use of the electronic medium.

While our experiences from various projects led us to find both H1 and H2 credible, we were reluctant about H3. After all, Sweden can boast some 70 % connectivity in the home, more if job connections are included. Swedes are also the most frequent mobile phone users in the world and generally keen on using technology. An earlier study of the same field that we made in January 2003 based on research findings from other organizations and Internet use surveys [10] suggested that H3 would not be supported. It rather implied that other factors might contribute more substantially, in particular the existence of conflicting goals in many agencies. For example, many municipalities, certainly small rural ones, may see local employment as the most crucial, and problematic, factor. Hence they might hesitate to scrap public sector jobs for achieving a more efficient public sector as the whole municipality would then suffer from increased unemployment. Other examples would include the problem of closing manual services as long as there are people not using the Internet, and hence the risk that e-services would only increase costs. This argument led us to a fourth hypothesis:

(H4) Agencies have conflicting goals, and other ones are sometimes prioritised over investing in eGov to improve government efficiency.

2. Method

We explored the four above mentioned hypotheses qualitatively by interviewing leading officials in government organizations. The reason for the choice of method was that we wanted to find out how management reasoned about electronic services. We wanted to explore the rationalities guiding the daily activities of the operative agencies where eGovernment is to be implemented. As these might be intricate, and as there might be more explanations than the four we hypothesized based on earlier studies. Hence our study was made rather to provide increased understanding for the various explanations offered by hypotheses rather than trying to test them in any quantitative way. To this end we made a sample of agencies based on several criteria designed to find different kinds of organizations. We selected both those who had shown great interest in e-services, and those who so far had not. As discussed above, we had four hypotheses found in literature:

- *(H1) There is a lack of economic incentives, particularly at local level, to invest in eGov*
- *(H2) There is no sense of crisis requiring eGovernment investment in the agencies where it is supposed to be implemented.*
- *(H3) Users – including both “end users” of services, citizens, and service providers within government agencies are still lacking skills to make use of the electronic medium*
- *(H4) Agencies have conflicting goals, and other ones are sometimes prioritised over government efficiency*

We investigated the hypotheses qualitatively by interviewing leading officials representing nine government agencies. The questions asked were designed to consider the fact that eGovernment implementation is in fact compulsory in principle, but only to minor parts detailed (e.g. regarding some aspects of email use). This means everyone will claim they are indeed implementing eGov, no matter how slow progress may seem from outside. Interviews hence have to be made in a positive manner (“What drives your efforts...”) rather than accusing (“why haven’t you....”). The interviews were semistructured guided by the following questions (related hypotheses in brackets):

- *Which are the driving forces for developing e-services? (H1-H4)* Here, we wanted to find out to what extent user demand, internal efficiency crises, national government policy were important factors, and in what ways they influenced activities.
- *What is the knowledge about, and the view on, the national policy documents in the field? (H4)* As the national policy is clearly not implemented straight-forwardly, there must be either lack of knowledge about it, or some other view about what is important, or both.
- *What e-services have been implemented? (H1, H3)* This question intended to complement Q1, as implemented services would indicate the existence of some incentive in that area and unimplemented services would indicate a lack thereof.
- *What are the visions for the future? (H1-H4)* This question intended to find the organization’s own strategic goals, to complement Q1 and 3 which also include environment factors of today.

- *What is the influence of companies on the development of public e-services?* (H1) One idea here was that there might be a supply push from companies developing IT tools or handling services on an outsourcing basis.
- *How are e-services developed?* (H1-H4) The main issue here was to find out if this is done as part of daily business routines or as innovation projects not anchored in the business processes and if, and how, eGov was used to drive reorganization.
- *What organized cross-organizational cooperation is there, and how do the actors view the needs in this respect?* (H4) As this is something many investigations have found lacking, the purpose here was to find out why this is so, and if there are developments underway to change this.
- *What are the main obstacles for further development?* (H1-H4). This question was intended to complement Q1 and Q4 – how operative are the “visions” conceived, and what incentives, or lack thereof, are considered crucial?

Several questions related to more than one hypothesis, and one guiding principle was to make the respondents speak rather freely so as to not suggest to them what we consider important and what not. The hypotheses were not mentioned.

The interviews were made by telephone by two PhD students. Interviews lasted 45-60 minutes and were semi-structured based on the questions listed above. The interviews were analysed by the interviewers and one senior researcher independently. From the answers, as stated by the respondents, we extracted statements that expressed the respondents view in four categories according to a SWOT scheme: Perceived organizational ability (Strengths), perceived organizational disability (Weaknesses), perceived environmental enablers (Opportunities), and perceived environmental obstacles (Threats). This enabled us to distinguish between what people saw as possible to achieve relying on their own capabilities (S and W), and what depended on the whole system characteristics (O and T). We then excluded duplicates and “normalized” answers by integrating similar answers into a common phrasing when this could be done without risk of changing the content of the answers. Finally, we applied the answers to our hypotheses. Each hypothesis then was assigned a number of Ss, Ws, Os, and Ts (possibly 0).

Selection of cases and Respondents

Even though the sample of nine organizations is not statistically representative, in practise the views here expressed can be considered credible as representing typical views among leading government practitioners – the agencies together cover about 20 % of the Swedish population including the second largest city, the second largest region, and two of the largest national government agencies. The sample also includes six of the smallest towns and one rural region. Also, the views presented are founded in a long history of IT development and several years of eGovernment (including previous labels) efforts on part of the interviewees.

The sample sought to identify different aspects of e-service provision which are known or hypothesized to make a difference. Factors selected were large-small (differences in resources, differences in scale advantage), rural-urban (differences in culture, broadband connection, user socioeconomics, expertise availability), north-middle-south Sweden (different cultures, socioeconomics, population density), and

cooperation among governments. The sample included three regional governments (including one “extended” region integrating two former regions), three local governments (one of which is a cooperation among six municipalities), two national level government agencies, and one national level support services, a “portal to the public sector”. The organizations investigated were:

Regions

Region 1: large, several large cities, southern. 1 135 000 inhabitants in 33 municipalities, including Sweden's 3rd largest city.

Region 2: Small, rural, northern. 254 000 inhabitants in 15 municipalities.

Region 3: Small, part of central Sweden region. 273 000 inhabitants in 12 municipalities

Municipalities

City 1: 500 000 inhabitants in 21 districts.

City 2: A cooperative effort involving 6 independent municipalities, each with a population ranging from 4 000 to 10 000 people.

City 3: 50 000 inhabitants, in the Stockholm region

Central government agencies

Agency 1: Taxation authority

Agency 2: Social insurance agency

Agency 3: Small agency providing a value-added electronic directory service

3. Findings

From the interviews we extracted statements that expressed the respondents' views in four categories according to a SWOT scheme. We found a total of 7 strengths, 14 weaknesses, 8 opportunities, and 14 threats. While the numbers themselves are not important – other than indicating a situation including many factors – the proportion seems to indicate a problematic situation. Further, the nature of the respective factor may worry. While many strengths are quite general and “soft” as drivers (e.g. unspecified “user demand”), many weaknesses and threats are quite specific and “hard” as obstacles (e.g. “lack of standards”). We then related each S, W, O and T to the hypotheses. In the following we consider each hypothesis in turn giving examples from the answers.

(H1) There is a lack of economic incentives, particularly at local level, to invest in eGov.

This hypothesis received 4 strengths, 7 weaknesses, 3 opportunities, and 6 threats. The number reveals a problematic area with several positive and negative factors. Unfortunately, as we shall see, the pluses and the minuses come in different proportions to different organizations, local government receiving the most minuses. At central government level, incentives abound, and they always come from advantages of scale that can be achieved within a single organization. For example, Agency 2's automated voice service saves 88 % of the cost per call, hence the 84 million calls received in 2002 meant a saving of 84 MSEK (about 11MUSD). The estimate at Agency 2 is 700 MSEK savings in the next two years from using e-services, which would mean investment is paid back in two years.

At local level, on the contrary, many mention a lack of economic incentives. Currently economic incentives are designed on a per-agency basis and do not favor cross-border cooperation. This means only large organizations can easily find incentives. Cooperation among small ones, such as small cities, is happening occasionally but is hampered by legislation, competition among cities, and traditions. We found only two examples of (stated) increased efficiency in local government. One example (City 3) concerns the annual choice of schools (parents may choose school for their children) in a city where the respondents claim they saved 3-4 months of work and were able to make resources available for other work. However, this estimate is contested, and only days after our interviews there was a public debate growing about just how this calculation was made. The other example (City 2) concerns co-use of technical resources, such as sharing systems and hence saving on software licenses among small municipalities, quite a minor saving compared to the hopes for eGov, and the only reorganization efforts included shared switchboard operation and web administration. Although these examples are rare birds, at least they show that progress is possible. However, they also point to a low level of competence in measuring effects of e-service use in local government and very limited savings/efficiency gains so far.

As for weaknesses – perceived internal disabilities – it appears people have a defensive attitude. Generally, people perceive user demands for more and better services. Many mention this, nobody speaks against it. Some organizations report receiving suggestions from citizens frequently (Region 3, Agency 2). But the outer pressures such as user demands, benchmarking results and policy documents are outweighed by financing problems and difficulties to find economic rationality in services at local level. Large-scale services include considerable investment and the development is today typically not politically driven but seen as a lower-level administrative issue. All respondents mention lack of political leadership. This is a problem as it makes the planning horizon too short: E-services create more work in a short-term perspective as they also require reorganization. As departments are evaluated by annual economic assessment, political support is necessary for being able to make investments calculating future gains but resulting in budget deficits initially. A strict one-year planning horizon means costs have to be budgeted but future gains can not. Put differently, to make sense in small organizations e-services must be measured in other terms than direct economic savings, for example user gains. Examples mentioned in our investigation included the possibility to better utilize resources, but also a strive to achieve a more “modern” image which is supposed to make the city more attractive both for citizens and skilled employees (both are scarce resources in many cities).

All respondents directly require national directives in many issues, but some go so far as to requiring a national work division, regulation regarding what services should be developed locally and what should be the work of other actors (Region 3), as this would clarify what societal gains should count as important. It would also clarify a work distribution across government levels, and provide a yet lacking clear operationalization of the national eGovernment goals.

A problem further making investment difficult is the fact that municipal law forbids municipalities to sell innovations. Hence return on investment cannot be achieved by “exporting” products developed to other cities.

The respondents claim the national government currently focuses too much on technology. Instead, they should reward organizational change and interorganizational cooperation (City 3, Region 3, Region 2, Agency 2). Some claim that also internally the focus on technology is a problem – business departments too often leave issues to the IT department (City 1) and hence avoid issues of business process integration. But cooperation, too, has its problems. One respondent mentioned is that it is hard to make shared investment as it is hard to calculate how costs should be shared (Agency 2). Some mention that cities want to maintain their own profile, both as a competitive advantage and as a response to local requirements, and similar services across cities would make this more difficult (City 1).

One risk mentioned is that good e-services would trigger demands for better services – “informed citizens demand more” and this might eat up calculated efficiency gains. This is one of the important contradictions of the eGov efforts. On the one hand, citizen engagement is officially hailed as an important potential, on the other hand, among those who are supposed to implement it, it is not. Citizen engagement is a democratic gain, but one that comes at societal level, not necessarily at the municipal planning office, where it is a cost. Although many mention positive effects of citizen demand, e.g. creating a pressure for reorganization, only one of the municipalities in our investigation has systematically worked for implementation of this.

The lack of technical and semantic standards is mentioned as an inhibiting factor, as it often makes it impossible for small organizations to develop services at all. It also prohibits information exchange among organizations and hence restricts cooperation. Even though some large organizations develop their own standards (Agency 2), the lack of national standards may mean a development towards technical diversity which will at a later stage prohibit integration even if individual (large) organization may come some way developing their own services.

Political decisions at national level regarding cooperation and standards are lacking, and are requested by all actors.

Finally, it must be mentioned that e-services appear to largely not yet be an integrated part of daily business operations. In both the regional organizations, for instance, they are handled by a project organization.

(H2) There is no sense of crisis requiring eGovernment investment in the agencies where it is supposed to be implemented.

This hypothesis received 1 strength, 3 weaknesses, and 2 threats, indicating a weak area. That is, there is little support for the idea of eGovernment being necessary, and hence there is support for the hypothesis.

All respondents report that e-service development is not politically driven, neither locally nor centrally. They requested leadership and standards from central government, but also locally issues are often delegated to lower level administration which means it happens within existing organization as “normal business” not as a crisis requiring major change. The exception in our study was City 3, which incidentally also was the only local government where reorganization was high on the agenda and economic benefits had been estimated. When asked for incentives, many local and regional respondents mention “better service”, “modernization”, etc., i.e. general issues of improvement that are not urgent.

There is indeed mentioning of crises, but these usually have to do with budget deficits and lack of staff, and eGovernment is not seen as a solution. Hence this crisis

awareness rather support hypothesis 4 – cities believe they have more urgent things on the agenda.

It should also be mentioned that our respondents do not look to research for assistance. Noone mention reading research reports or consulting researchers other than sporadically, and hence research findings apparently go unnoticed. This underlines the impression that eGovernment is seen as a straight-forward implementation issue, not a strategic – and hence political – one requiring looking around for new strategies.

While among leaders in the private sector today organization is seen more important than technology itself (Carr, 2003), in Sweden, eGov projects are still seen as technical and often driven by the IT department, which means re-organization is not often an issue (City 3, City 1). Although there is often a special organization for dealing with services on the web, this appears to be more of a project on top of the ordinary business than a change driver.

Many claim that central government goals should be accompanied by economic incentives for reorganization and/or cross-border cooperation (Region 2, Region 3, Agency 2). Currently policy requirement stop at technical details of services, such as “interactivity” (meaning user input). This policy echoes the benchmarking assessments that are regularly done at the EU level.

eGov driven cross-organizational integration is rare. We found one minor example of this among 6 small towns, apparently driven by economic problems in small municipalities. There is indeed sharing of ideas through conferences and competitions, the problems appear to be more in the field of implementing novel ideas than being aware of their existence.

(H3) Users – including both “end users” of services, citizens, and service providers within government agencies are still lacking skills and means to make use of the electronic medium.

This hypothesis received 1 strength, 3 weaknesses, 6 opportunities, and 2 threats, indicating an area with good hopes yet not fulfilled.

Citizen trust in government e-services is generally perceived as high, both as concerns the content and the security (City 3). Some respondents feel security issues is sometimes overrated for fear of being slack, and this may hamper ease of use and unnecessarily caution users (Region 1).

High citizen interest in developing new services is reported. Most respondents have a feeling that e-service supply is too limited, citizens want more. Some receive spontaneous suggestions for improvement (Region 3, Agency 2, Agency 1). Further, noone reports major problems with using services. Some report that one reason for not moving as quickly towards more services as they feel users would wish is a fear of them becoming so popular that they would require a lot of work on part of the service provider, something they feel they can not afford.

Existing e-services providing user value or enforced by organizational design are much used (Agency 2, Agency 1, City 3). Respondents also quote general features of the development, such as that the coming IT-generations are expected to demand more e-services, and that other businesses, such as the banks, are seen as role models. New communication channels such as SMS are also considered attractive among users and some services are developed, however mainly as additions to already

implemented e-services in the central government agencies. For example, Agency 2 claims SMS responses would reduce the load of phone calls by 3-4 million per year. Even if many services are much used, some are not. This is attributed to lack of information – users are not aware of the existence of services. There are also examples of services that have not yet found their place. As an example, a value-adding directory service covering the whole public sector has been running for several years, but is largely not used. Instead, five large central government agencies have jointly developed another one, simpler and less comprehensive but integrated with the underlying systems and hence more effective. This is another example of the problems of aligning economic incentives and policies and simultaneously creating value for individual organizations and for the sector as a whole.

One apparent potential obstacle is that slow development and uneven distribution of the broadband infrastructure excludes many users. Our respondents blame central government for this. It should be noted here that there is central government subsidy to cities for investing in broadband infrastructure, but there is a debate as to the appropriateness of this subsidy. Also there is a “market policy”, a hope in commercial development, such as DSL connections over the telephone network, something that so far has contributed to a lower penetration in rural areas.

It is also claimed that government’s lack of care for privacy aspects may reduce users’ willingness to use services, and there are also surveys that suggest this. There is great uncertainty about security issues. As an example one regional government (Region 2) use the disclaimer “We cannot assume responsibility for security on the Internet” also for trivial information pages. This appears overly cautious, as the information is not personal and no decisions are made based on it alone.

(H4) Agencies have conflicting goals, and other ones are sometimes prioritized over government efficiency

This hypothesis received no strengths, 3 weaknesses, 1 opportunity, and 3 threats. This indicates a very weak area with no reliance on own drivers (which would have been a strength) and only one opportunity.

Internal driving forces mentioned include providing better services, utilizing resources better, and attracting staff by being a more modern organization. These factors can to considerable degree be dealt with within each organization and are treated in this way. Cross-border cooperation is only rarely happening, and several respondents require the national government to either make some services compulsory or provide incentives for this to at all happen. It appears no one wants to make a risky investment, risk involving not only customer value and use but also some national policy later making local services obsolete.

It is unclear how services provided correspond to citizen needs, as structured investigations of needs/requirements are not made. This appears to indicate that eGovernment is either not considered that important or a self-evident development. Judging from the answers related to hypothesis 3, the latter appears to be the case, but the slow development at local level rather point to the former. One hypothesis that might be created from this is that the general passiveness stated by many is related to the uncertainty of national policy implementation that many mention, and hence currently at a turf war stage, along the lines of Simmons [23], where everybody maneuvers cautiously so as to let investment be made by someone else.

Many respondents claim the current situation with heavy (defensive, reactive) rationalization for the purpose of meeting budget constraints has meant there is not enough strength left for (proactive) reorganization for efficient e-services. There is, for example, an urgent need for more staff at the hospitals, and eGovernment is not seen as a solution to that. Hence, it appears local governments have more urgent things on the agenda. The sense of crisis needed for things to happen – as claimed by hypothesis 2 – is indeed around, but it does not appreciate eGovernment a solution. As eGovernment issues are typically delegated – not at the political strategic agenda – eGovernment is not considered in a larger perspective, e.g. in terms of automating some activities to free resources for other, e.g. the hospitals. eGovernment is a competing cost. City 3 is the exception here, they clearly express the intention to use e-services to be able to relocate resources.

There is a lack of tradition of cooperation, both among municipalities and between municipalities and companies (City 3). Both are attributed to cultural differences, the latter sometimes to government mistrust in companies (City 3). A further potential cooperation problem is that research results are not used.

Further, cooperation is by some seen as a threat to local innovation, adaptation to local conditions, and – for small municipalities in particular – local independence (City 1).

The public sector lacks procedures and experience in commercializing innovations. As mentioned above, this is also prohibited by Municipal Law.

4. Conclusions and Discussion

We started with four hypotheses regarding the incentives for further development of e-services. The findings indicate that Hypotheses 1, 2 and 4 (lack of economic incentives, no sense of crisis, and conflicting goals on part of government agencies) appear valid, while there are good reasons to consider hypothesis 3 including (lack of user “e-readiness”) less important. While some users may not yet be “ready”, the fundamental problems for further eGovernment development lie elsewhere.

A qualitative study with a small sample we can only show the existence of other explanations, not quantitatively test the hypotheses. We believe, however, that these findings give some insight into the various kinds of obstacles eGov is facing, and indeed that the officially claimed “lack of readiness”, implying steady if slow progress towards a politically defined goal (hypothesis 3 in this study) should be challenged.

One particularly important point of concern in eGov is the potential for cross-organizational integration paving the way for increased efficiency. Our respondents almost unanimously claim central government is responsible for achieving this, by policy as well as incentives. However, there is an argument about the feasibility of top-down and bottom-up methods respectively to achieve integration and system level benefits. While elements of standardization both at technical level and service level are necessary to achieve advantages of scale among small units, simplifying for users of services from different providers, and facilitating interoperability among agencies, there is a question of how much standardization is optimal, and how to best achieve

this. There is a Swedish tradition of independent authorities, which has been both questioned and celebrated with respect to e-service development. This independence is currently reinforced by budget constraints which make each organization reluctant to investment in the first place, and certainly less eager to work for general societal goals when these bring monetary costs to the own organization and gains somewhere else or in intangible form. Our results indicate that lack of technical standards and shared resources, such as digital signature scheme and broadband connectivity particularly in more rural areas, is currently an obstacle, and that central government must somehow contribute to providing this. This is a result of a policy developed what appears a very different time – during the IT boom in the late 1990s, there was hope in central government that market players would take care of this. Our study indicates that this “market model” has not worked for reorganization across borders because individual authorities have different goals – conflicting or simply considered more urgent – or cannot make the necessary investment, or gains appear elsewhere than where the investment has to be made. Hence there is a need for some force at whole system level. While this does not necessarily mean strict centralization, it is clear that the central government’s policy – based on EU directives – has not been operationalized in any clear way. There are not sufficient incentives at local level to make it happen. This said, it appears caution is commendable as to the methods for achieving this. While leadership is needed and lacking, local innovation and creative service models cannot be enforced.

We believe this is a lesson that should be considered in eGov efforts everywhere. eGovernment in any country will have to be developed along the traditions in that country – but not only. There has also to be innovation. Traditions will have to be changed at some point, and this investigation points at such a point in Sweden having been reached but not taken care of. It appears that when development within the tradition – decentralization and economic performance per department as the only measure of success – reached a point where small units were unable to continue, the lack of a true, operationalized, central or common vision for eServices became apparent, and so there was nothing there to support next step. Examples from other countries, such as Korea, indicates that the situation may be very different. There, a strong central government provided the necessary technical infrastructure, including broadband and electronic signatures very quickly. Still, there is more to electronic services than building them, and each country may encounter difficulties of different kinds at different stages in the development. The long list of factors discussed here – drivers as well as inhibitors – indicate that eGovernment development is indeed complex and involves a number of challenges. There is no one straight-forward way towards the electronic government, and what is positive at one stage may prove an obstacle at the next (e.g. the Swedish “market model”).

More fundamental issues regarding societal organization are at stake. In our investigation, cities claim their independence and profile would be threatened if all used the same services. This is something different than organizational efficiency by cooperation. It is apparently felt that in the strong competition among cities (for businesses and inhabitants), electronic services are still seen as a competitive advantage. This view should probably be changed. Electronic services will be, or are perhaps already a standard feature, and most cities will in the future probably have similar standard services, just like roads look much the same in any city. It appears a

good advice to go for the cheapest and most functional solution following both technical and service standards best possible, and use local creativity to make amendments and adaptations to best fit local interests. This may appear a bit dull, and probably it is advisable to for some time yet keep up the image of "creative IT projects" to attract some extra funding. There are indeed areas where much is not yet done, but for most municipal services, most cities should be happy with copying others concerning the technical tools, and create their "profile" baser on something else. Amount of use, accessibility, reorganization for efficiency... there are many things where excellence is still rare.

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