
Does E-government improve public sector capability? Evidence from tax administration and public procurement

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Abstract

Using a novel cross-country dataset on e-government implementation dates, we analyze whether e-filing and e-procurement adoption stimulates public sector efficiency through the reduction of tax compliance costs and improvement of public procurement competitiveness. We find that the number of tax payments, time to prepare and pay taxes, likelihood to be visited by a tax official and the number of such visits reduce with e-filing and e-payment system implementation. We also find that the probability of securing or attempt to secure a government contract increase with e-procurement implementation but only in countries with higher economic development. We, however, fail to establish any systematic relationship between e-government and bureaucratic corruption.

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