

*Title:* Enhancing the Quality of Governments: Does Digitalization Play a Role?

*Author:* Pedro Fontes Machado

*Master's in Economics*

*Abstract:*

In the late 20th century, after the sharp post-World War II increases in government intervention, governments began their shift towards digitalization, transforming operations and relationships with citizens and businesses. This study examines whether e-government has improved the Quality of Government (QoG) or merely altered processes without tangible advances. Using worldwide country data from 2003 to 2022, through regular and quantile fixed-effects regressions, as well as 3SLS and GMM 2SLS estimations, findings suggest e-government positively (yet, modestly) impacts the QoG, particularly driven by developing economies. However, this effect is influenced by contextual factors like income, public spending, democracy, corruption, and initial QoG. Better governments are also achieved through broader efforts, including other policy considerations. Additionally, the study finds that the QoG itself strongly drives e-government development, highlighting a bi-directional relationship.