# Addressing Contextual Influences During ICT Innovation for Public Sector Reform: The Case of TAXIS

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#### **ABSTRACT**

In recent years, ICT innovation is explicitly linked to deep structural reforms in public administrations. In this chapter, I examine the role of context, during the establishment of a minimal and accountable government apparatus, using the concept of negotiation space as my theoretical lens. The process of imbricating ICT innovation within the local context is viewed as a clash between local institutions and the ones carried by new Information Technologies. This clash is empirically examined in the case of TAXIS, the flagship Information Technology project of the Greek government in the mid 1990s. TAXIS's implementation has been strongly supported by both the political system and Greek society. Nevertheless, ICT innovation did not trigger radical changes in taxation. Instead, it was infused by strongly engrained political practices which resulted in the implementation of an Information System functional yet unable to support radical tax reform.

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#### INTRODUCTION

ICT innovation<sup>1</sup> has been heralded, by both politicians and citizens, as the principal means to trigger changes in the institutional fabric of public administrations (Dunleavy, 2007). Nevertheless, results have been rather limited. The idiosyncrasies of the local hosting contexts cause various deviations from predicted outcomes (Noir & Walsham, 2007), despite the diligent implementation of standard methodologies, acceptable techniques and state-of-the-art technological solutions.

Most research accounts (e.g. Layne & Lee, 2001; Wyld, 2004), adopting a deterministic point of view, trace such failures to the inability of the government apparatus, in the hosting countries, to properly implement and sustain ICT innovation (Bekkers & Homburg, 2007). By identifying the phenomenon as a problem of implementation such research efforts view existing failed attempts as temporary setbacks attributed to the lack of a comprehensive digital environment (Cordella, 2007). Therefore the suggested solution to problematic implementations is further automation of administrative processes in order to oblige public administrations to redesign and simplify their operational activities (Ciborra, 2005).

In this chapter, ICT innovation is addressed as a socio-technical phenomenon unravelling in tandem with its context (Pettigrew, 1985). Such an approach is in line with a growing literature (e.g. Avgerou, 2002; Noir & Walsham, 2007) challenging mechanistic and a-contextual understandings of ICT innovation in public administration. It is the interplay of new information and communication technologies (ICT) with long-standing material practices and imageries on proper administration (Unger, 2004), inherent in the hosting public sector, which shapes the potential of ICT innovation as a vehicle for state reform.

For such a contextualized reading of ICT innovation, research is situated in the Greek public sector during the period of implementation (1996-1999) of the Greek taxation information system (TAXIS). TAXIS is the first electronic government project in Greece aiming at reforming one of the most critical operations of the public sector, the tax system. TAXIS' implementation is analyzed in tandem with core practices of the Greek public sector and the political circumstances of the period (i.e. the rise of modernization as a political ideology).

In the following section (2), the importance of context in the study of ICT innovation in public administration is discussed. Moreover, negotiation space as the core concept guiding analysis is presented. Section 3 presents the methods followed during empirical work and subsequent analysis. Then, an overview of the Taxation Information System (TAXIS) in tandem with some core issues is presented in section 4. The way ICT innovation has been imbricated to existing practices on the Greek political system and its repercussions are analysed in section 5. The following section (6) associates these themes with theory in order to further analyze how these two phenomena coevolved. The chapter concludes with observations on this interaction and areas for further research.

# CONTEXTUALISING ICT INNOVATION: OVERVIEW OF THE LITERATURE

Context constitutes an inseparable component in the study of ICT innovation. As Avgerou (2001) observes, the very nature of the object of study, information technology as a changing entity within its environment, essentially turns every study into a contextual one. The imbroglio of institutional arrangements and cognitive imageries on the desirable forms of human association (Unger, 2004), which constitutes context as an analytical entity, lifts focus from technology as such in order to incorporate societal factors which adequately explain what seems paradoxical in the interaction of the new technology with its environment.

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