

ОБЩЕСТВЕНИ КОМУНИКАЦИИ И ИНФОРМАЦИОННИ НАУКИ
PUBLIC COMMUNICATIONS AND INFORMATION SCIENCES

**DIGITAL GOVERNANCE AND PUBLIC POLICIES IN TRANSITION ECONOMIES:
THE ROLE OF INFORMATION TECHNOLOGIES IN INSTITUTIONAL EFFICIENCY
AND ECONOMIC GROWTH IN KOSOVO**

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Abstract: *This study examines the role of information technologies in advancing digital governance and assesses their impact on institutional efficiency and economic growth in Kosovo as a transition economy. Employing a mixed-methods research design, the study combines quantitative survey data from 178 respondents with qualitative interviews and document analysis. The findings demonstrate that digital governance significantly enhances institutional efficiency, particularly through improved service delivery, transparency, and operational performance. However, its contribution to economic development is primarily indirect and mediated by improvements in institutional capacity. Structural constraints, including system complexity and limited digital competencies, restrict the transformative potential of digital reforms. The study contributes to the theoretical debate on digital governance in transition economies and offers policy-relevant recommendations for strengthening institutional resilience and sustainable digital transformation.*

Keywords: *digital governance; public policies; information technology; institutional efficiency; economic growth*

INTRODUCTION

Transition economies face structural challenges in transforming political, economic, and institutional systems. Public administration reform remains central to modernization efforts and long-term development strategies. Digital governance has emerged as a strategic response to institutional fragility, aiming to improve administrative efficiency, transparency, and service delivery through information technologies.

Despite the normative discourse supporting digital governance, empirical evidence regarding its measurable impact on institutional efficiency and economic growth in transition contexts remains limited. In many cases, digital reforms are fragmented and technologically driven without corresponding organizational transformation.

Against this background, the study seeks to bridge the gap between normative digital governance discourse and empirical institutional realities in transition contexts. By focusing on Kosovo, the research evaluates whether digital reforms translate into measurable institutional improvements and whether such improvements generate broader economic implications. The analytical emphasis lies not only on technological adoption, but on institutional performance as a mediating mechanism of development.

This study addresses three main research questions. It examines the extent to which digital governance improves institutional efficiency, evaluates how digital governance influences economic development in a transition economy, and analyzes the structural challenges that constrain digital transformation in Kosovo.

The study tests three hypotheses. The first hypothesis (H1) states that digital governance positively affects institutional efficiency. The second hypothesis (H2) proposes that digital governance has a significant positive impact on economic development. The third hypothesis (H3) assumes that institutional efficiency mediates the relationship between digital governance and economic growth.

THEORETICAL FRAMEWORK

The theoretical framework integrates contemporary literature on digital governance, public sector reform, and institutional development in transition economies. Digital governance has evolved from early e-government initiatives toward broader institutional transformation models encompassing decision-making processes, accountability mechanisms, and state–citizen relations.

Heeks (2006) argues that digital governance should not be understood merely as technological adoption but as structural transformation of public authority. Similarly, Digital Era Governance emphasizes reintegration of government functions and strategic use of information technologies for institutional transformation (Dunleavy et al. 2006; Margetts and Dunleavy 2013).

Institutional theory provides the analytical foundation for understanding how governance reforms influence economic development. Effective institutions reduce uncertainty and create favorable conditions for investment and innovation (North 1990; Acemoglu and Robinson 2012). Digital governance enhances institutional efficiency through process optimization and improved transparency.

However, technological reforms do not automatically produce institutional transformation. Their impact depends on organizational culture, leadership capacity, and coordination (Cordella and Tempini 2015).

INSTITUTIONAL AND DIGITAL CONTEXT IN KOSOVO

Kosovo, as a transition economy, has undergone extensive public administration reforms following state-building processes. Institutional consolidation and European integration aspirations have shaped governance reforms.

Strategic government documents emphasize digitalization as a tool for modernization and economic development (Government of Kosovo 2019; World Bank 2017). Nevertheless, structural challenges persist, including system fragmentation and digital skill gaps (OECD 2018; World Bank 2021).

Digital governance must therefore be understood as a gradual and context-dependent reform process.

RESEARCH METHODOLOGY

This study employs a mixed-methods research design combining quantitative and qualitative approaches. The quantitative component consists of a structured questionnaire distributed to employees in central and local public institutions using a five-point Likert scale. A total of 178 respondents participated.

The qualitative component includes semi-structured interviews with public officials and analysis of strategic documents. Purposive sampling ensured respondents possessed direct experience with digital governance implementation.

Data were analyzed through descriptive statistics and interpretative synthesis to evaluate the proposed hypotheses.

RESULTS

Descriptive Profile of Respondents

The sample includes 178 respondents representing multiple institutional layers. Administrative employees constitute the majority, followed by managerial, policy-oriented, and technical roles. The dominance of respondents with more than six years of professional experience strengthens the reliability of institutional assessments.

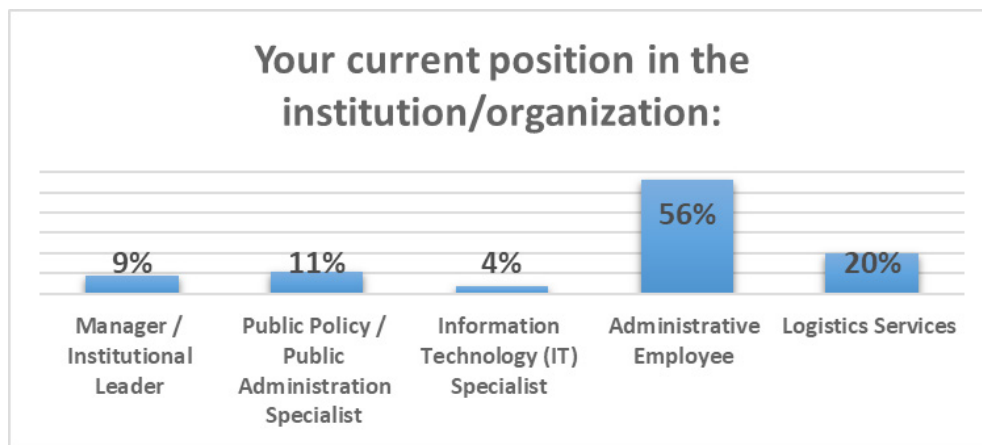


Fig. 1. Distribution of respondents by professional position

The sectoral distribution reflects representation from the public, private, and NGO sectors, allowing cross-sectoral interpretation of digital governance practices.

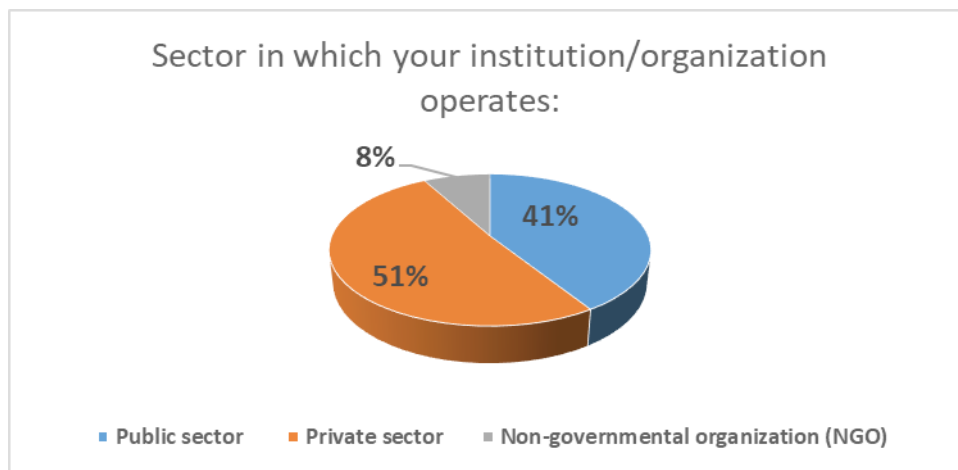


Fig. 2. Sectoral distribution of respondents

The distribution of years of experience further confirms the institutional maturity of the respondent group.



Fig. 3. Years of professional experience

These characteristics provide a solid empirical basis for evaluating digital governance implementation and institutional performance.

Digital Governance Practices

The findings indicate that digital governance in Kosovo is primarily concentrated on service digitalization and electronic administrative platforms.

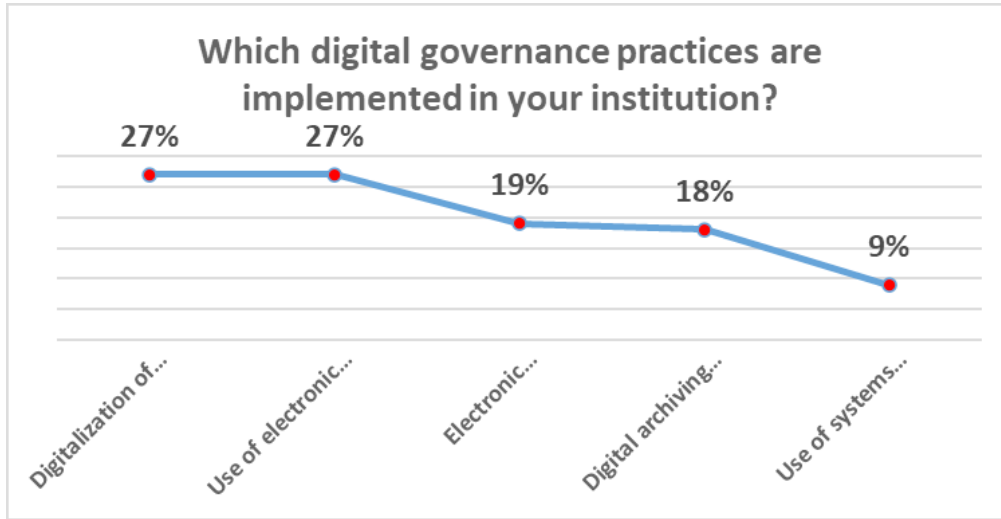


Fig. 4. Types of digital governance practices implemented

These practices represent operational modernization rather than comprehensive institutional integration. Respondents overwhelmingly perceive digital governance as strategically important for institutional success.

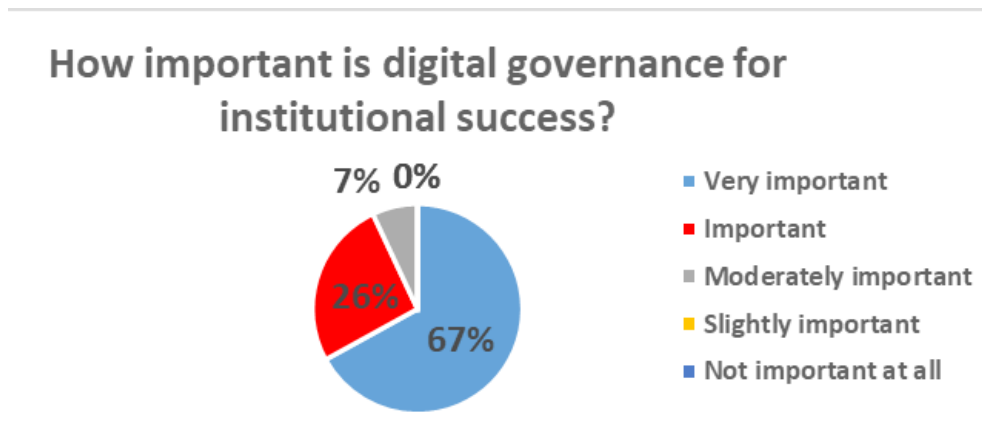


Fig. 5. Perceived importance of digital governance

Information Technologies and Institutional Functioning

Cloud-based platforms and digital collaboration tools are the most widely adopted technologies.

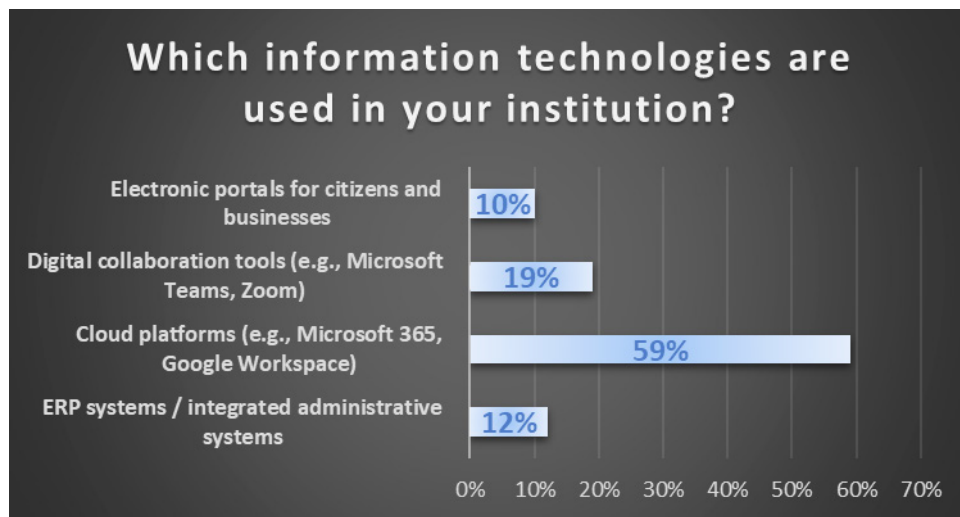


Fig. 6. Types of information technologies used

Respondents evaluate implemented technologies as highly effective in improving institutional functioning.

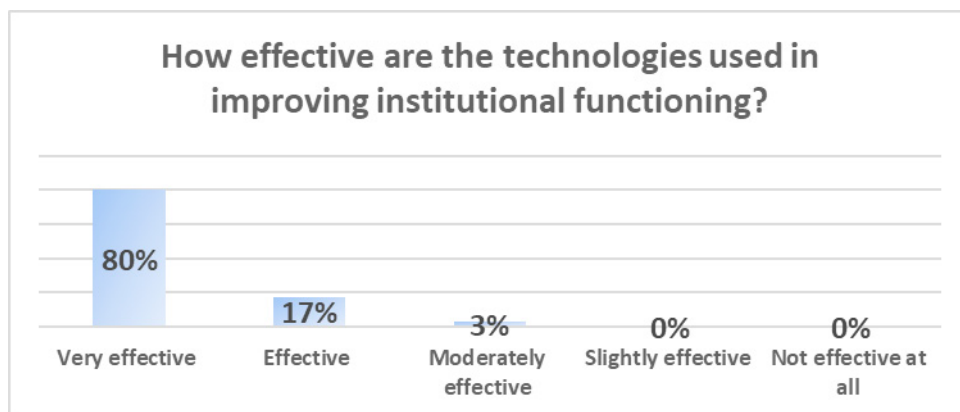


Fig. 7. Perceived effectiveness of digital technologies

The strong consensus regarding effectiveness provides empirical support for H1.

Digital Governance and Institutional Performance

Digital governance contributes most significantly to improved service delivery and enhanced transparency.

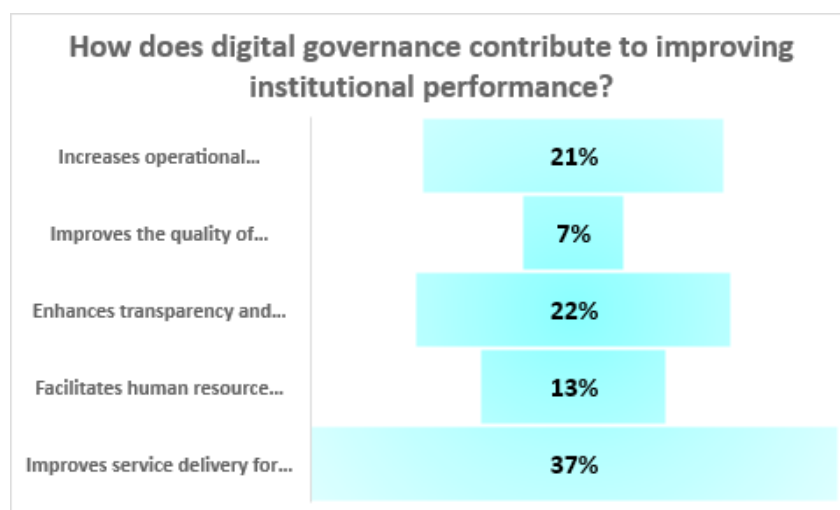


Fig. 8. Areas of institutional improvement

Gains in operational efficiency are evident, while improvements in decision-making quality are comparatively limited.

Digital Governance and Economic Development

Perceptions of the economic impact of digital governance are predominantly moderate to significant.

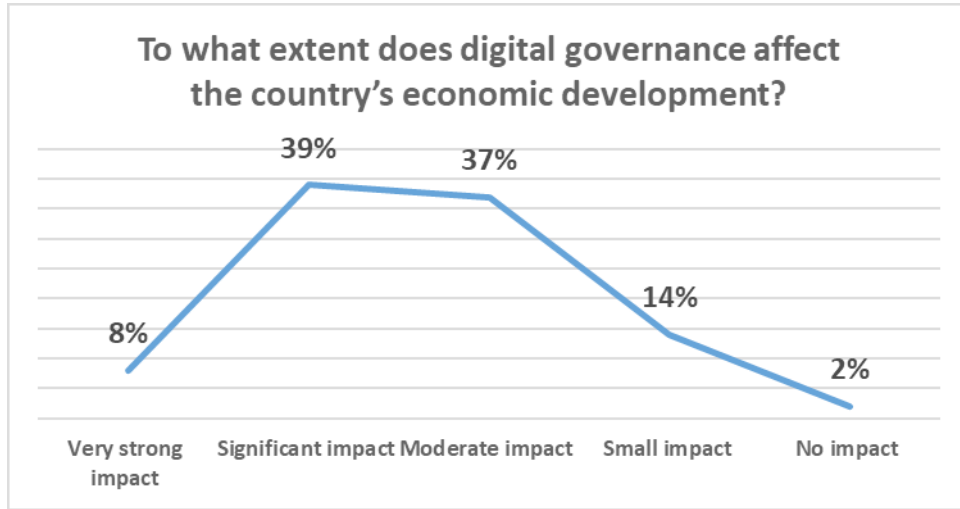


Fig. 9. Perceived economic impact of digital governance

The findings indicate that digital governance contributes indirectly to economic development, providing partial support for H2.

Implementation Challenges

The primary obstacles identified include system complexity and limited digital skills.

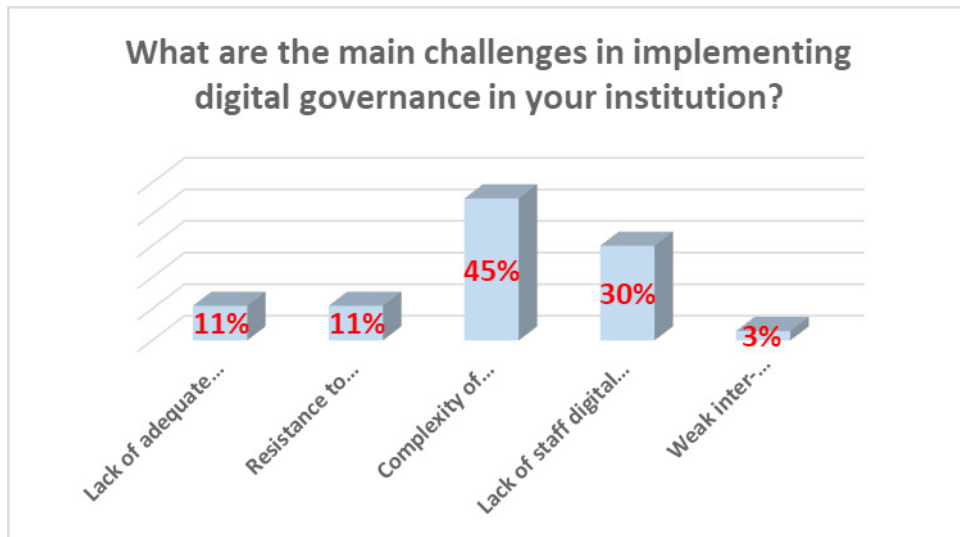


Fig. 10. Main challenges in digital governance implementation

Investment in new technologies and staff training are identified as the most necessary improvements.

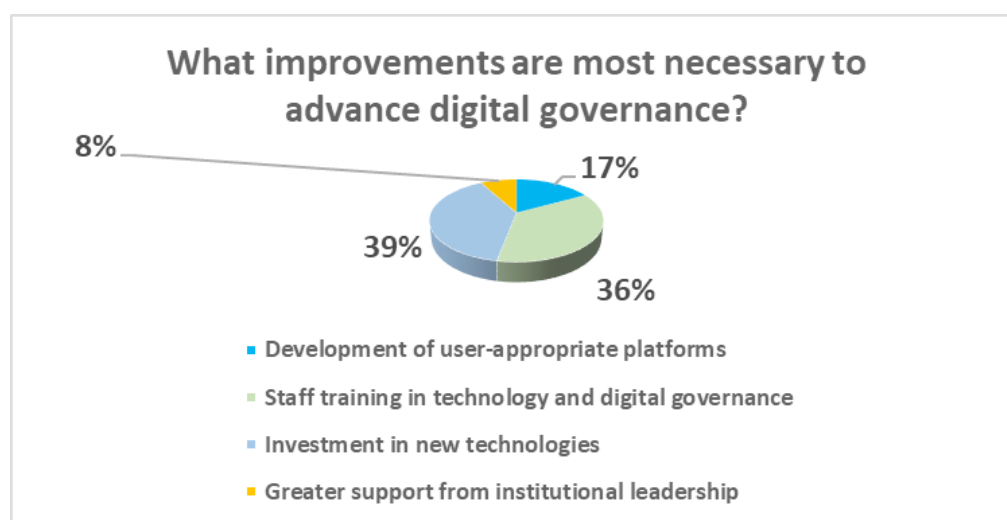


Fig. 11. Priority areas for improvement

The evidence confirms that institutional efficiency functions as a mediating variable between digital governance and economic development, supporting H3.

DISCUSSION

The findings confirm that digital governance in Kosovo has generated measurable operational benefits. However, transformation remains predominantly functional rather than systemic. The confirmation of H1 aligns with governance literature emphasizing performance gains through modernization (Hood 1991; Dunleavy et al. 2006). Partial support for H2 reflects institutional theories highlighting broader structural determinants of growth (North 1990; Acemoglu and Robinson 2012). The confirmation of H3 demonstrates that institutional efficiency mediates the relationship between digital governance and economic development.

Kosovo remains in an intermediate phase of digital governance transformation, requiring deeper integration and strategic coordination.

CONCLUSION

Digital governance in Kosovo contributes meaningfully to institutional efficiency and indirectly to economic development. Institutional efficiency emerges as the key mediating variable linking digital transformation to development outcomes. Sustainable reform requires integrated strategies, technological investment, and long-term institutional capacity-building.

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**ДИГИТАЛНО УПРАВЛЕНИЕ И ПУБЛИЧНИ ПОЛИТИКИ
В ПРЕХОДНИ ИКОНОМИКИ: РОЛЯТА НА ИНФОРМАЦИОННИТЕ
ТЕХНОЛОГИИ ЗА ИНСТИТУЦИОНАЛНАТА ЕФЕКТИВНОСТ
И ИКОНОМИЧЕСКИЯ РАСТЕЖ В КОСОВО**

***Резюме:** Настоящото изследване анализира ролята на информационните технологии за развитието на дигиталното управление и тяхното въздействие върху институционалната ефективност и икономическия растеж в Косово като преходна икономика. Използван е смесен методологичен подход, включващ анкетно проучване, интервюта и анализ на документи. Резултатите показват, че дигиталното управление подобрява институционалната ефективност, особено чрез по-добро обслужване на гражданите и повишена прозрачност. Въздействието върху икономическия растеж е индиректно и се осъществява чрез подобряване на институционалната среда. Изследването предлага препоръки за устойчиво развитие на дигиталното управление.*

***Ключови думи:** дигитално управление; публични политики; информационни технологии; институционална ефективност; икономически растеж*

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