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From the “Zivilgesellschaft” to eGovernment: the virtualisation of the state.

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The current discussion about the future of politics is limited in its novelty; it concerns – as so often is the case – a revivification of an age-old idea: the reintroduction of the political into politics. The “*Zivilgesellschaft*”, as Gerhard Schröder announces in his article in “*Neue Gesellschaft*”, heralds the “return of politics”. The clarion call of the “enabling state”, which is to concentrate on equality of opportunity rather than redistribution, is “*fördern und fordern*” (sponsor and challenge); citizens are to assume greater responsibility for themselves and their affairs – the return of the local. Taking up this theme, Sigmar Gabriel (president-minister of lower saxon) emphasises that reclaiming politics is a matter for citizens: “the old world of politics is out-dated”. The new must involve greater grass-roots participation in the political planning process. Today we have a new resource at our disposal to realise this aim: the virtualisation of the state. The neoliberal idea of the “lean state” is far too shallow to capture the radical implications of what we are suggesting.

The project “*Zivilgesellschaft*” has already begun: in Mühlheim, the leader of the council, Jens Baganz (CDU), opens discussion of budgetary cutbacks to the public at large. (Indeed, Angela Merkel notes that the SPD has copied the idea of a *Bürgergesellschaft* from the CDU.) The attempt to pluck a new zone of trust from the nettle of a discredited domain of politics characterised above all by indifference has given rise to new democratising initiatives. Blair’s “third way” and Hombach’s “*neue Mitte*” are being superseded as a result of their inadequate localising outcomes. In Florenz, 1999, the political boygroup and media sensation Blair, Clinton, Jospin and Schröder agreed to a “new/progressive governance” as a political model of regulation for society. The next instalment is to follow on 3 June in Berlin, but how? What does “more democracy” mean in the age of the knowledge society and digitalisation?

The *Zivilgesellschaft* is a modern variant of a republic (*republica*) in which the citizens assume control and responsibility for their own affairs. The concept bears a number of national and political stripes: in its liberal countenance, it goes together with relieving the state; that is, citizens take on the tasks of state thus minimising the latter which, in turn, reduces the fiscal burden. In its purest form, one demands of the state only that which one cannot fulfil oneself.

Zivilgesellschaft means delegating responsibility *through* society *to* society – a kind of self-civilising. For us Europeans, this also means venturing onto the territory of relieving the state of its traditional duties. In the American “communitarian” tradition, the question runs in the opposing direction: which duties should we bestow upon the state? Importing this tradition into European politics is not a promising alternative: in Europe, the state stands “above” society; in the US, it is an organ therein, which delegates and redelegates tasks and duties to other bodies in society. The neoliberal version, so far as it is understood in Europe, is primarily seen as a matter, not of politics *qua* self-responsibility, but rather of reducing the tasks of state by delegating them to the economy in the belief that social welfare will thereby increase.

Were one to wage a résumé of the various positions, one would express them in terms of a reflexive monitoring of the elements which constitute the political domain and the tasks which they are to execute, that is, the primacy of politics, the identification and provision of public goods, decision rules for intervention, the delegation of tasks within the organ of the state as

well as between the state and its stakeholders. This “second order” politics allows for a re-accession of “first order” politics. This neither pre-empts nor predetermines *policy*; it does, however, unfold a dimension of *politics* by “unleashing” the state. The observation amongst citizens that the atrophy of national politics is mere hubris, means that the issue of political steering in times of its putative failure is back on the agenda in the form of “new governance”. This is not merely a new term, but also a new form of steering: the citizens steer the state, not *vice versa*. Delegating responsibility to society is not the same as burdening citizens with new tasks: in the US, the citizens of a locale decide what lies in their area of responsibility and what in that of the local authorities. Thus it is not a matter of dumping risk onto citizens, but rather a matter of the continual monitoring of decisions concerning collective goods both within the state’s portfolio and without. Public goods, such as law, infrastructure and in part education, cannot be left to citizens; were this to ensue, it would lead to the exclusivity of “club goods” and new social fissures. In a society orientated to consensus, in which new markets herald new inequalities, public goods must give each equal opportunities of access. Hence, not the production of public goods, but their administration by the state is to be questioned.

The *Zivilgesellschaft* thus requires: 1) an inclination on the part of citizens to determine the quantity, quality, period and provider of public goods; 2) particular procedures over and above those involved in representative or party politics; 3) that the legitimation of public good production be *organisationally open*: no longer is the production of public goods by particular organs to be fixed; instead, there is to be freedom of choice in both the organisational and co-operative form involved.

This catalogue of requirements will sound to the ears of political scientists much like the continuation of Amitai Etzioni’s idea for an “active society”. To economists, on the other hand, it is more like the holy grail of the pre-existing and “oscillodox” culture of network enterprising. The *oscillation* between the *paradoxes* of 1) *prosumerism*, i.e. the integration of consumers (citizens) and producers (state), 2) *co-opetition*, the enforcement of competition within the cooperative networks, and 3) the *zero gravity state*, which optimises its state quota by using virtual production structures and value-adding networks which are far quicker and are unimpeded by friction.

The integration of the citizenry, temporary hierarchical networks and virtual production are alternatives to a superficially plausible “slim-fast” ideal of the lean state, which, as we know from women’s magazines, is accompanied by a yo-yo effect. Our thesis is thus: these three challenges of the *Zivilgesellschaft* can be realised through virtualising the state, that is, through eGovernment. Such a state can halve the size of the state whilst doubling its influence. What the latter means is a matter about which we can have only the merest supposition at the present juncture.

(1 1/2) Integration of the citizenry: prosumerism and G2C/C2G

Customer orientation is already a dead theme; customer integration is a new concept geared to integrating customer knowledge into goods and services. Customers have not hitherto been asked to contribute to problem solving, likewise citizens; the reaction to this is clear: the biggest target group is that of non-buyers; the biggest party the non-voters. Citizens can advise the government in particular cases, thus engendering more effective solutions to problems. Herein lies a paradox of the disappearing state: the greater the progress of globalisation, the more important local politics (*Glocalisation*) becomes. The oppressive size

of the system can only further this need for localisation. This concerns not so much plebiscitary ideas, but rather concrete, local decisions and advice to the state on the part of citizens; not the contingent, unstable self-organisation of citizens' groups, nor Ulrich Beck's idea for a *Tätigkeitsgesellschaft*, but the professional, knowledge-based execution of the state's duties as a service-orientated politics of citizens. High standards of service are a taken for granted part of economic life, to which the state itself must acclimatise because citizens have come to use such standards as yardsticks of state performance. The "active citizen" thus becomes a prosumer. At one time merely represented, she now presents herself not abstractly, but in each and every specific area of performance.

The proximity of the authorities to citizens is yesterday's fantasy: one expects new alternatives and services to be offered by a professionalised state and no mere conformity measures. These new services are to be mass-customised according to biographical status – age situation, etc. –, i.e. they differentiate between person- and problem-related solutions without the use of ubiquitous standards.

eGovernment thus means: government to citizen (G2C) and citizens to government (C2G). Using internet-based communication platforms allows one to realise a new configuration of government services and processes. Included thereunder are: applications for social support, renewal of passports, tax declarations, payment of corporation tax, VAT reimbursements and electronic divorce. New virtual town halls, e.g., in Hamburg, Mannheim and Bremen, are merely incipient pointers to eGovernment. For the same paradox is to be felt here as in internet banking: citizens assume new tasks at a financial cost to themselves; integrating the citizen into political decision processes will likewise be a challenge.

Citizens will not merely elect a government; they will want to evaluate the execution of political tasks with an eye to changing it if necessary. As clients of the state, they will not wait until the next election; they will continually oversee the activities of the state and improve its running. This necessitates direct solutions, answers to complaints and policy revisions: teamwork, co-operation and overcoming the time difference between charging a government with its duties and having to wait until the end of the government's period in office before complaints can be voiced.

In addition, one must remember that political programmes come in packages, without specificity or diversity. In light of this, citizens need a second level of regulation which is concrete, local and specific. This is supplied by the *local political forum of citizens*. The internet, at present merely a new form of technology, will become an *eCommunity for communities*; only through credibility and participation will it become an effective force. Political opinion polls increased in number by 4000% in the 1990s; their effect on politics itself however sank. We thus need an online democracy with direct voting on all local issues. According to internet gurus John Hagel and Arthur G. Armstrong, such community portals ought not to be run by public institutions. This opens up a new field at the crossover of politics and economics, e.g. *politics.ch*, run by a media company in Zürich, or the Pericles network made up of Greek academics currently working on a technically secure medium for electronic decision making by citizens.

(2 1/2) Co-opetition and policy networks

In our democracies, the production of public goods is automatically seen as a task of state; in a *Zivilgesellschaft*, it can, for instance, be a task of private enterprise or citizens themselves (in yet to be founded organisations). Indeed, competition between alternative providers should emerge. The transcending of the distinctions: state/non-profit sector and state/private sector gives rise to a new field of co-opetition. Co-operation and competition will exist alongside one another in the *Zivilgesellschaft*. The *Zivilgesellschaft* is organisationally open and can induce competition for the provision of state services. The invariance of the “Hausvaterregel”, ascertained by Adam Smith and according to which the father of the family should be responsible for that (and only that) which nobody else can deal with better, is as valid for the state as it is for the family. That means that the self-organised *Tätigkeitsgesellschaft* or *Bürgergesellschaft*, in which new co-operative forms of work aimed at the common good arise, is not necessarily connected to the *Zivilgesellschaft*. To say that the state executes its tasks poorly is not to say that one should therefore execute such tasks oneself; it only implies that these tasks should be executed better. By substituting the state’s with their own initiatives, citizens are likely to be disappointed with the results of their efforts: we must rescue society from voluntary work, which is no substitute for a professional state.

We have no qualm with delegating tasks to citizens so long as there exist appropriate organisations therefor. The classical citizens’ institution, the “social movement”, is normally an unstable affair, the idealistic resources of which dissipate all too quickly. In their early phases, they are interesting points of contact; but there are few examples of more stable and viable forms of co-operation in this area. That does not imply that such resources should not be formed, developed and supported; only that we cannot assume that citizens used to state handouts are in a position to cultivate the necessary organisational competence, the lack of which on the side of the state being precisely that which they bemoan.

The Max Planck Institute in Cologne has developed an approach to *policy networks*. In such networks, procedures for voting and co-ordination are created between potential recipients of state support, who, of course, see each other as competitors. These negotiating networks are an indication of the weak state with a high degree of awareness of the increased complexity involved in political direction. According to Fritz Scharpf, there are two types of co-ordination involved: mutual control of chaos-producing potential (negative co-ordination) and developing strategies for common surplus value from state and non-state agencies (positive co-ordination). eGovernment can usher in a new form of politics by encompassing more groups through its broad organisation: homepages of government departments and local councils, which present arguments and policies with utmost transparency, will lead to more effective monitoring and participation of citizens. This will make the political arena – the political marketplace in Athens – attractive once again: an **agora** in the digital age – **eGora**.

Integrating all possible interest groups is presumably the only way in which politics can influence the marauding networks in the economy. The *Zivilgesellschaft* subjects not only the provision of services, but also decision making procedures to competition. Only in this way can sustainable co-operation in a policy network be established professionally. Only thus will the desires and possibly dangers come to light, and the citizen protected from unprofessional interventions by the state. These digital policy networks create transparency and new democratic incentives to politics. The paradoxical mixture of self-direction and responsibility and the primacy of politics can be realised in an eGovernment.

(3 1/2) Zero gravity state: B2G as virtual production of public goods

The paradox of the years ahead lies in the fact that the biggest market in the future will be the state. Consultant services have in increasing numbers ascertained that their future lies not with enterprise in the classical sense. With a state quota of over 50%, it is obvious that exploiting this sector in system competition holds out ever greater prospects. It is here that the first concrete strategies of eGovernment can be described. Bill Clinton initiated the digital government adoption in 1997, focussed at Government Services Administration's online purchasing service. This primarily concerns commercial services and leads to substantial administrative cost reductions *vis-à-vis* suppliers: business to government (B2G). This, the fourth internet revolution, will be difficult to transfer to Germany without government support. eGovernment thus receives an economic dimension because the previously integrated value creation chains can be converted into a virtual best-of-everything network with the best co-operation partners from state, research and economy. Another strategy would be to establish market prices for all services on offer. We pass here from optimising procuring activities to a take over of services and processes to construction of complete system goods. This intelligent outsourcing does not necessarily imply privatisation.

In the area of procurement procedures, internet auctions and complex advertising platforms between localities and the private sector are being tried out. Software firms like B2G.com, gtsi.com or market suppliers for the internet-based running of interaction between citizens and the economy with the state, e.g., FedCenter.com, TylerTechnologies.com or govWorks.com represent the beginnings of eGovernment: payments of all kinds (tax, fines, local bills, etc.), tendering state procurement, job advertisements, advisory services, etc. In Germany this concept is still in its beginnings; at Witten/Herdecke University, an enterprise team is establishing and testing such a model. The potential market demand from the state has hitherto been hardly used. In the case of the *Bundeswehr*, a reconsideration is underway, but behind such attempts lurks the illusion of leanness. In the US, the government and local authorities delegate more and more tasks to professional internet intermediaries, and this for two reasons: first, procurement costs are substantially reduced at no extra risk. This is a signal that the state is beginning to reform itself – it optimises the use of fiscal revenues; second, eGovernment allows one to eliminate all illegitimate and half-legitimate alliances between enterprise and authorities. Citizens' worry about corruption in procurement practices can be assuaged through the auctioning system, which makes such practices transparent via (hopefully accessible) internet pages of an intermediary. Over and above this, the suppliers can reveal their procurement cost savings to the public, thus bestowing confidence in the administration of fiscal revenue. The savings of suppliers on back-handers and lobbying (corruption) can be used for the purpose of price reductions. The transparency of the political process, something which was vehemently sued for in the recent CDU party scandal, can be established through eGovernment.

We are dealing with that rare bird, a win-win situation: nobody loses, the state (at all levels of administration) and all citizens win. Politics would be wise to implement these measures, which are amenable to consensual acceptance. The measures have positive effects both internally and externally, they are citizen friendly, expenditure-reducing, thus a relief to the budget, and they would represent a successful initiative which would re-establish confidence and trust in government. An eCommunity for communities is a central instrument for rediscovering the state. Opposition to such a move is highly questionable because it falls foul of the suspicion of affirming current levels and practices of corruption and backroom deals. The money saved can be channelled back to the governmental departments, thanks to which those savings came about in the first place, a big incentive in itself. Furthermore, the money

can be directly allocated according to the results of online opinion polls: citizens choose the projects which they hold to be most urgent. Politics thereby gains a new openness and a new degree of attention and activity. Local authorities compete with one another for the best policy. Through eGovernment, the *Zivilgesellschaft* can prove itself to be a qualitative move toward politicisation.

“Technology is politically naive; politics is technologically naive”. With this motto, the two central challenges in the virtualisation of the state come to the fore, if, that is, we are to believe Robert Cailliau, co-inventor of the world wide web. This essay contains only the first sketches of an eGovernment which can be developed into an online democracy. *Pace* the liberal misunderstanding, the *Zivilgesellschaft* does not plead for *less* state, but for a state which is more professional and effective. The liberal dream of a minimal state would bring in its wake a substantial worsening in the availability of public goods – politically a high risk. When the effectiveness of the state is translated into efficiency (via cost reduction), we will have attained something previously held to be impossible: the enabling state which demands more of its citizens simultaneously demands more of itself. The state will become morally effective, because more credible: citizen empowerment through institutional innovation as a bolster to the state. Therewith we reach the credibility and trust dimension, which Claus Offe described as a demand for institutionalisation in *Die Zeit*, 1999.

By venturing into the realm of “more politics”, citizens will acquire more self-confidence. Without institutional platforms, the programme remains rooted in virtues of citizens and is thus contingent on co-operation. Political knowledge management will become central in eGovernment: the state exchanges policy transparency for the expertise of citizens. The administration works together with citizens in order to bring about a more effective implementation. Projects are to be communicated, not political opinion.

eGovernment is part of *progressive governance*, as established in Florenz and in Berlin discussed under the label “modern governance”. But only when citizens can not only follow these policies in all their internet transparency, but also take part in the decisions themselves, will the *Zivilgesellschaft*, of which the Chancellor has spoken, have been reached. So that the *Zivilgesellschaft* does not merely remain in the request of citizens, the state is called upon to create institutional arrangements and support private sector initiatives in which the new game can take place: reintroducing the political into politics.