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Towards Governing in the Digital Age

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INTRODUCTION

“No shriek of mine, it is the earth that thunders”

Attila József

(tr. Zsuzsanna Osváth and Frederick Turner)

If the degrading label “buzzword” once classifies an expression, it gives an excuse not to look at the relations, buoyancies, and symptoms, which originally were the reasons for that expression to come to being.

But when the known institutional environment, the function methods organizing everyday life, the cultural patterns, the set of devices, the time-economy starts to change so rapidly, the only way to identify and distinguish the “new” qualities, to define them on the conceptual level, is through linguistic innovation. The fresh, suggestive expressions gain power-field, they become organized into new systems, and a person with watchful eye and open mind will be able to find relations to help them describe and analyse processes and trends, giving a basis for action and choosing patterns, as part of new problem-environments and contexts, and are more suitable than the former ones.

In the busy e-world (in the digital public places ruled by the internet, cell phones and PC-s) after an earlier “buzzword-cloud”, new expressions have begun to appear with quite a momentum. The world of politics seems to be pleased with the introduction and usage of the expressions **e-government** and **e-democracy**, but towards the turn of the millennium it became quite clear that tacking on the e-preposition is not enough

to understand the nature of the processes already started. We gradually came to recognize that the electronification, the digitalizing of certain processes, the coming in of informatical culture (when talking about the relationship between administration and citizen, A-C, administration and business, A-B, or certain parts of administration, A-A) are **not the essence, but are natural concomitant phenomena, the appearance and variants reflect a much deeper change in organization, which take place in the world of politics and administrative work.**

This change does not stand alone; the self-organizing methods of economy, the way a new value is born, the way the producer and consumer meet, are changing rapidly. Cultural patterns (contents and habits) turn in radical new directions, public life goes through structural reorganizations, and one can learn, create, distribute, and consume knowledge on a whole new level and magnitude.

The public mind, the public life and the political institutions have not yet fully faced this extreme set of changes, although its effects are of determining significance regarding the political elite, the civil service, and citizens alike.

I came into contact with this theoretical and practical problem not as an expert in administration; I was doing my research in the USA in 2006/2007

in the field of informational society. It appeared to me that **the latest debates over this question are not present in Hungarian public thinking; the newly developed productive concepts and practises are practically unknown.** In addition it is extremely important for Hungary to have an appropriate overlook of the tendencies defining the world today, because it has become a follower in the strategic field honouring exclusively innovation and competitiveness.

In this study I aim – with the mention of some inevitable analytic, interpretive and systematizing elements – to describe the dialogue itself, and introduce a whole new group of innovative concepts, with the hope they can work as a good starting-point for professional conversations of real and high significance.¹

As the world is heading into the future, and because in Hungary we are still struggling with shadows of the past, I consider it necessary to review the local features, so at the end we will be able to resume and briefly outline what we can anticipate happening in Hungary.

¹ I'd like to express my gratitude for helping shape the final form of this study to the members of the Magyar Zoltán E-közigazgatástudományi Egyesület, Gábor Kleinheinz, Zsolt Sikolya and Mihály Nyáry. Appreciation for sorting out the best practises goes to Szilárd Molnár and Mihály Csotó. When working on the final form of the text, the countless additions, suggestions and proposals of the researchers of the Demos Hungary have proven to be really helpful.

I. THE ANATOMY OF A SILENT CHANGE-OVER

In 1999 the UK Passport Agency decided that from every 27 pounds spent on passports, one pound would be saved for the taxpayer. They would introduce a new, slightly cheaper solution. The system collapsed in a second. After 35 thousand unopened letters, and 1 million (!) unanswered phone calls, they came to realize that the stable accessibility of the service was a more important goal than the minimal savings they would gain.

Today British citizens pay 51 pounds for their passports being made, and with the uniform identity signs meant to be introduced in 2007, they will become even more expensive. If the lawmakers had used the recent methods of value planning and the new approach – “spend as much on a service as the citizen would pay for it” – they would have easily escaped the trap.² It appears to be an unpleasant consequence of a bad decision. But that series of studies, which investigated the achievements of the British government around the millennium (Dunleavy, 2006) did not stop at the surface, they went deeper into analysing the reasons, and reached basic structural elucidations; they realized it was the **slowly growing disability of an administrative paradigm almost two decades old.**

1.1. The rise and fall of the New Public Management

The movement of *New Public Management* (NPM), begun at the beginning of the 1980's, formed and defined the dialogue and analysing work of the revival of the public sphere in the English-speaking countries (Great-Britain, Australia, and later

especially in New-Zealand)³. At its beginning it aimed **to introduce modern business management methods to administrative work**, mainly with the use of many effective technological devices (Barzelay, 2001, Osborne et al, 2002). The focus on technology became the focus on IT for a short period of time, when it tried to fulfill the requirements of changing the paper-based administratorship into a digital one, and lead the mainframe-system into the PC-era. It was however a short-lived phase, and rather ironic⁴, for when every administrative office started to informatize spontaneously and quickly, the demand became pointless. The focus of the NPM became the **restructuralizing of the administrative organization which had just gone through the digital culture-change.** (And it brought a backset in IT-developments.)

Patrick Dunleavy (Dunleavy et al. 2006) points out three circumstances and characteristics as most important regarding the NPM:

1. Organizing jobs into smaller structural units (disaggregation)

The partitioning of the public sphere's big hierarchies, as following the examples of enterprises changing from the (strongly specialized and centralized, functional) U-form to the (ready to diversify,

² In Hungarian see (Osborne-Hutchinson 2006).

³ Two Hungarian authors undertook to give a detailed and high-standard introduction of NPM, both books are more than suitable for gaining information (Zupkó, 2002 and Jenei, 2005). They drew much from the most quoted piece of international literature (Pollitt-Bouckaert, 2000, 2004).

⁴ And the ill-considered, imprinting developments often brought more trouble than advantage.

⁵ See Armstrong et al (1998), it also describes other forms of organization.

competitive, multi-divisional) M-form⁵. The units made self-sufficient by being co-ordinate, creating more horizontal inner hierarchies. The practice became more flexible in managing functions like affairs of staff, IT, public procurement, and the new information and knowledge management systems, which also began to serve the new structure. The typical solution in reforming the institutional structure was increasing the number of (often quasi-) administrative agencies (agencification)⁶.

2. Competition

Creating order-service situations inside the administration – inducing competition for allocation of resources. Many special pursuits can be included, from inner contracts, through deregulation, to outsourcing.

3. Incentivization

NPM can be thanked for many steps leading to encouragement of achievement; next to measurability, the new ethos of confirming and monitoring of expedience. Also there are many other developments, from the organizing of earnings, through deprivilegization of officials, to PPP (*Public Private Partnership*) – constructions.

The account of the NPM has been positive so far, its achievements are convincing. In the last 10 years Hungary has proven to be a show pupil in adapting many elements of the NPM-paradigm (while many others have not yet affected the Hungarian administration at all.). Enough attention has been paid to informatization. Some management-technologies have indurate a new practice of public procurement has been born together with its background-systems, the agencification has been carried out mostly through public companies.

Slowly the elements of competition have shown up, outsourcings and PPP-solutions have appeared, efforts have begun again to settle the legal status of officials, and to normalize payments. The innovative compulsion, which was strengthened by market and technological pressure, often reformed silently, almost unperceived by the administrative processes and institutions (*Eibel-Spanyi, 2005*).

At the same time Dunleavy does not understate, that the “*NPM is intellectually dead*” and is ready for change. The signs indicating decline are not yet significant, but are alarming, appearing on fields seemingly irrelevant and trivial. (Besides the already mentioned passport-case, he quotes the case of British hospitals with increasing numbers of inner contagions; he finds the reason in the new contracts entered into with cleaning companies.) If change doesn’t happen, the number of these cases will grow, and the inner logic of the NPM will be brought to book; the more successful it gets, **the more it fractionilizes the administrative institutions, increasing the institutional complexity of the political system on an enormous scale, and depriving the citizens of their ability to find solutions to their political problems independently.**

The phenomena resemble the problems generated by the NPM and are becoming more present in the Hungarian political sphere and administration. When workers of a civil organization can delay receiving their post-financial resources only by means of a hunger-strike, more than a year after their expiration, under the tip of the iceberg we find the complete failure of handling of application, and under that, all the dysfunctions of the agencification (This sentence is confusing to an English speaker. Please restate.). Or, while the corrupt pressure on procurements of large

⁶ For detailed introduction and comparative analysis see *Pollitt et al, 2004*. Jones, 2005, describes the book. For the typology of indirect administrative organisations (institutions of shadow government) see *Eger, 2005*.

dimensions cannot be lightened, the over-controlling of smaller procurements disables the members of administration and forces them to wangle. The switch to the new generation systems of measuring and benefiting accomplishments brought dubious results, it is clearly seen that the participation of citizens did not move in the direction of empowerment – the occurrent comfort of online administratorship did not create a more open playingfield for political acts. To put it another way, Hungary faces a double challenge, because **it should adopt the new standard that replaces the NPM, while it hasn't even adopted the NPM yet.** It actually can be an advantage in fields where the NPM didn't prove to be successful, or needs rethinking, but it does increase difficulties when the next step would be to move forward from successful solutions, as there is no basis on which to stand.

The fact that a period (seems to get close to its end what does this mean?) is thought of differently by concerned experts and research-workers. The online debate of the *International Public Management Network* (IPMN) began at the end of January 2007 as an answer to the provocative questions and theories of professor Lawrence Jones ⁷. He stated that the grand era of public sector reform of 1980-2000 is over, and we have started a new period, which we can only describe by the fact that it displaces the most characteristic feature of the NPM; it is post-managerial. We can also see the signs of consolidation and rethinking, but how can we define the new paradigm?

The *International Review of Administrative Sciences*, March of 2007 (Vol.73.No.1.) published in a thematic compilation the lectures of a small symposium, which was organized at the request of one of the most famous researchers of administrative reform, *Jocelyn Bourgon*; he thought it was time to draw up a new public administration theory. Strange as it is, the chosen key words have been known for a long time (decentralization, ability of answer, new conscience of responsibility). And while the theory still visibly struggles with finding its way⁸, **in practice the rethinking of the NPM's agenda and focus, the switch to the new administrative paradigm, had already begun around the turn of the millennium.** To accept Dunleavy's expression: the change into digital era governance has begun.

1.2. The content of the change-over: digital era governance

The “**digital era governance**” submitted the thesis that the **IT is not simply an element of administrative work, but it is its approachal and operative fundament.** Since technology changes behaviours and structures, fast culture-change can be generated, because the very same culture-change is on the way in other parts of society and the economy. The methods of operation and the organizations have to accommodate to the altering social and technological environment.

The “cure” of DEG⁹ consists of exactly two-dozen recipes written for three big areas in need of change, which I will now introduce. Our goal is

⁷ Jones, Lawrence (Larry): Has a “Grand Era” of public sector reform passed and been replaced? IPMNet@aol.com 1/25/2007 7:54:31 AM Pacific Standard Time

⁸ That scholars falling behind in creating new theories does not mean that practising experts, politicians, officials or administrative lawyers could systematize theoretically the changes – they have even followed behind the scholars themselves. According to the sarcastic note of *Amlan Bhushan*, when everyone sees that the king is naked, bureaucrats will still argue for the existing solutions. (See the online dispute of IPMN, *ibid.*)

⁹ The deg.hu domain has been owned by the mayor's office of a small village in Transdanubia since 2004; pity that its web page hasn't been born yet. The name was registered not for analysing civil service, but for very practical reasons; to place the village, Dég, on the network.

simply to show every important angle, we will discuss in detail some sections we consider to be particularly important, and we will help define **the linguistic innovations reviving in common talk**. We would be happy to see a vivid dispute begin about the *raison d'être* of each angle and how they can be adapted to Hungarian circumstances. Now we will settle for short introductions of the three great subject-matters of DEG, and the components belonging to them.

The three main points of interference, the three big subjects, are the **reintegration of services, the demand-based holistical approach, and the extensive digitalisation of administrative operations**.

The reintegration of services does not mean simple centralization or re-centralization. Rather it covers the antithesis of NPM, and its ideology can be understood from the point of effectiveness, not of power. Like the bulky monograph of *Klitgaard and Paul (2005)* says: big achievements need strict concentration. (Hungary is in an advantageous position to start reintegration; the disruption caused by the NPM is smaller, but on the other hand, saving of expenses is a very strong requirement.) That is why the Singaporean strategy, which has been building up the service aspect of the government for a long time, already uses the i-preposition instead of the e- when considering the future; it doesn't find the key point in the electronization or informatization, but in the integration.

Holistical approach has many related meanings. Holistical element is when a citizen handling a case doesn't meet an officer of lower grade, but meets

the unitary (complete) administrative apparatus itself, and doesn't perceive what inner division of labour brought his case to solution. The terminus is also the stage of transaction. This output-centred view is the other characteristic of holism: the net of responsibilities and interests don't anchor the processes to one organization unit; the whole structure rises to give a quick answer to the challenge (the processes accelerate considerably)¹⁰. Finally, another holistic feature is to consider the viewpoints of future generations without enforcing of political interests in decision making¹¹ – it fulfills in that sustainable development becomes more important, and includes disputes about the growing responsibility of the public sphere.

Digitalization is not simply the extension of informatical developments either. The "extensive digitalisation of administrative operations" and their complete introduction into the online world don't mean the supplement of traditional channels and surfaces with digital solutions, but mean the **network will become the stage of all administrative activities** – the agency becomes its website. In a low Internet-penetrated country like Hungary the question is how you make the fully digitalized medium usable for the digitally illiterate by the means of hybrid solutions. (A good example is the unified service-package of the local council of Hull, England, which was first introduced in three constituencies where the percent of the underprivileged is the highest. The STREAM-program helps social and digital initiation by providing access for those who haven't had the equipment or knowledge to make use of the services – transactions now can be done on PC-s, and also through cell phones and televisions.)

¹⁰ The „one-window administration” (behind which we find the existing cooperation of the Central Office of Statistics and the Hungarian tax office, as early as 1998) can be regarded as such a result.

¹¹ An archetype of this is the Israeli parliament with the ombudsman chosen by the Knesset for "representing the interests of future generations".

1 . TABLE : The key elements and components of digital era governance

Subject (Key element)	Components
Reintegration	Reverse of agencification and disruption (with ceasings and mergers)
	Joined-up governance (JUG) – horizontal action-organizations
	Re-governmentation – taking back public tasks from the private sphere
	Strengthen up and revival of central processes
	Large-scale decrease of expenses of production
	Re-planning of „back-office” functions, re-engineering
	Concentration and specialization of procurements
	Shared services on base of a mixed economy
	Network-simplification, creating “small worlds”
Demand-based holism	Interactive information-giving and searching
	Restructuring on the ground of demand or client
	Administration in one step, ask-once processes
	Data warehousing
	End-to-end service re-engineering
	Agile administrative processes
	Sustainability
Digitalization	Providing electronic services and e-administration
	Utility computing
	New form of automated processes (zero touch, RFID)
	Radical disintermediation
	Channel streaming and client segmentation
	Directed and mandated decrease of transactional channels
	Facilitating isocratic administration
	Open-book government

SOURCE : Dunleavy, 2006: 229

To supplement earlier commentaries, we have to specify two expressions not yet known in Hungarian scientific literature.

The concept of the Joined-up Government, JUG is only a couple of years old (*Bogdanor, 2005*). Its essence states that the nature and complexity of the questions demanding quick and proper reaction are needing treatment on the macro-level, because the departments are separated, and the administrations are specialized in micro-management. The real problems cut through the existing structures, and the related, complementary competencies and constitutional resources have to be assigned next to each other. Formerly this requirement was named, after *Walker (2006)*, the **“imperatives of horizontal governance”**. Besides structural innovations, another solution can be **creating “small worlds”**¹². The results of

network-searches can be applied to governance; some effective “long-distance connenctions” are enough to integrate local communities of practice to more comprehensive organizations of work.

We owe a definition of the adjective “isocratic”, which is rarely used in Hungarian. The “equivalency, equality of rights” in maintaining power means, as opposed to the passive nature of “equal rights”, the active rights of participating in administrative processes. This is more than self-determination, it is some kind of a co-administration, where the citizen and the official stand no more in a client – administrator relation, but they handle the processes as equal, real partners. In Hungary, where we are hardly over the “from subject to client” phase, and the confidential indexes are very low, it seems to be a big step to talk about isocratic administration. However there are many fields,

¹² The „small world” is a key category in network research. It implies that phenomenon where by putting in some well chosen hubs (central personages), very distant participants will be able to get connected by just a few steps.

from selective gathering of waste, through environmental protection issues, and health care to taxation (!), where the best practices can be formed rapidly, also from co-producing services to different types of quasi-voluntary activities.

1.3. Government 2.0.

Almost all statements valid for the DEG-paradigm are in line with those theoretical endeavors describing the newest ways of strategic development with the **metaphore Government 2.0**, following the example of Web 2.0.

In the publication of the pioneer, William Eggers' (*Eggers, 2005*), he has shown that Government 2.0 is more than a simple analogy or ingenious expression; it is a coherent collective of tendencies and expectations, which apply the "new network-architecture" of communal value-producing, the "wisdom of the crowds" to administration. Eggers thinks that if the "2.0"-wave doesn't stop at the door of offices, then we don't have to prepare for simple fiscal payoff, but for governments that are more effective, more democratic, and easier to survey. In the vision of Sherwood (*Sherwood, 2007*) we see administrations, which "support or help to support online forums where groups of big numbers can join forces – sometimes with their own government – to solve policy issues. Citizens are not passive clients or 'consumers of service' but they have influence in forming policy as creators, designers, and participants. Some of these groups can be imagined as 'virtual nonprofit' organizations enjoying the support of government."

Government 2.0 is especially popular in North America. Patrick Cormier's *Government 2.0 Think Tank* works in Canada as well¹³. James K. Scott, professor at the University of Missouri-Columbia follows the new outcomes on his blog¹⁴. The company, *Government Futures*, was formed in April 2007, with the center in Washington D.C, to help build the Government 2.0 as a professional community of experts, advisers, and organizers¹⁵. In Europe, the German administration seems to be the first to react, it has prepared itself for the next period with its own Government 2.0 program. The 2.0 paradigm is however so complex, that to understand its essence, we have to examine many of its components.

¹³ <http://gov20.info/>

¹⁴ <http://government20.blogspot.com/>

¹⁵ <http://www.governmentfutures.com/>

II. THE GOVERNMENT 2.0 FROM THE CLOSE-UP

Anywhere we look in administration work, 2.0 could be used in almost every traditional section, or scope of duties. Still we will not speak of Education 2.0, or Policy of Science 2.0 for now, mainly because the changes maturing in these sections have not yet been described, – but sooner or later the new paradigm will penetrate the whole world of politics. Now we will study only the centers of interest, in short sub-divisions.

2.1. Public services 2.0

Experts of the British Demos, Charles Leadbeater and Hilary Cottam (Leadbeater-Cottam, 2007) introduced the notion of Public Services 2.0. Their main thesis is that in the former disputes and models of reform of the civil sphere, the service given to citizens always appeared as some kind of package brought to consumers by mail-order companies. But the more complex the world of “common goods” is, and the more differing are the life-situations, then the less the “supply-side model” works. The logic of 2.0 leads towards the co-creation of constructions. Consumer is turned into participant; passive user becomes a partner who is able to shape relations. The mass and living content created by them points directly to the vision of user-generated state. This self-organizing and participative world is not far at all from what the youngest citizens have become used to during their everyday, online activities. So the public sphere of 2.0 might soon be described by

the cumulative changes noticeable in individual behaviour. This participation is something completely different from what we have formerly found in political vocabulary. Its starting point is the individual need that wishes to take to the public sphere to create solutions for which individuals are ready to take responsibility. If they can find a way, they help by choosing the best output with their own contribution and efforts. The best remedy for subordinate relations distorting connection space is to employ self-benefice and individual problem-management instead of institutional solutions and services. It cannot work without self-appreciation, which can be the basis for defining the aim for us. It can work best in those fields where citizens are the most involved (health care, education, taxation, environment, public security). Leadbeater and Cottam give thesis-like summary of the aforesaid relations.

- 1. The citizen is not a consumer or a user, but a participant.**
- 2. Rethinking and re-organizing financial and budget funds, one must keep in mind the increasing percent of participation.**
3. In the participative system the part of professionals change also: getting rid of the obligations of bureaucracy and responsibility, they can do real and creative work as **advisors, navigators, solution-finders, immediate service suppliers, risk analysers, and auditors of self-confident citizens.**
- 4. A much wider market of services can be formed** through the practice of flexibility, personality, integration, bigger diversity, and increased innovation.
- 5. New theories and methods of estimating services can appear.** Instead of macro-level valuation based on columns of figures or wrong viewpoints, person-centered, individual solutions

come to the spotlight. The direct valuation methods created through users' bigger freedoms of choice, or the "personal budgets" instead of services, meet the culture of immediate and direct feedback (rating) quite common on commercial Web pages. Why would it be unthinkable for an administrative office to measure the satisfaction of clients on its Web page through these channels?

The most active participant in E-government 2.0, the Government Futures, in its debut presentation, introduces on the groundlevel, the very same approach, of a new notion in addition to the mentioned ones, the notion of **mission support services**, with which they mean to define the level of services above the infrastructure and application. (This is what we consider to be the "sixth principle" completing the other five.) American experts mean by this idea, that **part of**

administrative activity, which can be "opened" for "outsiders", and can be supported or used by participants (mostly citizens and their organizations affected by the given activity) whose presence might mean fiscal payoff, stuff reduction, effectiveness, quickness, democratisation, and comprehension.

What really gives importance to this area is that **the number of its types of processes and cases will rapidly grow** in the next period – within a couple of years it will become the most important sector, so we should be ready for the change.

2 . TABLE : Growing importance of mission support services	
Today	In 2010
Mission Support	Mission Support
Application Support	Application Support
Infrastructure Support	Infrastructure Support

SOURCE: McConnell (2007)

2.2. Budget 2.0

Behind the meaning of "support" we can see the shadow of the budgetary equivalent of Governance 2.0. In the middle of a crisis, fiscal rigidity is perhaps the only operable method for balancing. If the aspects and orientations of fiscal planning displace the strategy- and priority-constituting, then lots of factors are going to be left out in

shaping the future. This situation remains essentially the same if a financial department is broad-minded, up-to-date, and initiates answers to the challenges of the informational age and initiates steps of interposition on the administrative level (as the government of Denmark did in the mid-nineties). In Hungary the domination of the

fiscal department has kept all the departments of strategic importance (education, science, culture) in a budgetary lee-way for a long time. Heterogeneous and incoherent priority-changes do not help them either.

To move towards Budget 2.0 the principals building corner numbers have to get into a discursive environment, and the budgets and re-arrangements have to gain complete publicity (these cases are currently at issue). The reforming of budget into a more simple, purified, priority- and program-based form, would admittedly be a big help (Sebeők, 2006). The connection between “Citizen 2.0” and the taxational discipline will be completely different when the participant takes part in defining the key-points of the fiscal system and how to employ each heading, and acts individually in his own micro-world of taxation.

The best illustration of the use of resources in 2.0 – style is perhaps the British example of social supply, the In-Control initiation (Leadbeater–Parker–Duffy, 2007).

Wigan habitants Caroline Tomlinson and her disabled son, Joe, couldn’t lobby that the teenager could go to school with the school bus. According to regulations, two social workers should have escorted him every time, so he could not hurt himself or others during travel. Also, the contract between the social service and the cab-company generated considerable charges the family was unable to afford. So they were happy with the new program of the Ministry of Health, which strove to improve the living conditions of disabled youth, and students with learning difficulties, through the work of a social enterprise. Those who become involved with the program, In Control, get the

sources previously allocated through social services directly, in the form of a “personal annual budget”, and they can decide how, when, and with whom they are going to use the money. The family’s problem got solved instantly with the help of two medics, and they took over the risk of travel from the state who created the regulations. “Give me 10 pounds” – resumed Caroline regarding the result of the program, – “and I will prove that I can spend it more effectively for Joe than any local authorities.”

On the same ideal and practical ground, years ago the idea of a voucher appeared, which would make the financing of generative pedagogic help possible (Lukács and Semjén, 1988). Gábor Kertesi expects (Kertesi, 2002) the voucher to create competition between educational institutions in bigger settlements, to increase supply, to enhance the quality of educational services. The positions of unlettered(illiterate?) families could progress as opposed to the school(?). They could turn from **objects of education, to coequal partners**, whose needs could not be eliminated. The voucher-system could create a way of getting **the parents involved in the helping pedagogical process**, and could work as the most effective remedy for intents of partition (segregation)¹⁶.

The story of Caroline and Joe and the idea of a voucher do not only show quite remarkably that the money spent by “individual budget” avails more, but it also makes clear that a seemingly small, 2.0 – type of a change starting from the field of budget can result in many accessory positive outcomes. It removes some of the burden from the “providing state”, mobilizes the know-how of the participants, and brings them into some kind of an innovational spiral. The resources of the families and those of the concerned become part of the solutions, showing how effective this model can be on fields where the modern state must face the biggest problems: health-care services, nursing of elders, provision of the handicapped and social care.

16 „The affected families themselves would be able to baffle the occurrent segregational aims they find damaging by calling off their vouchers. In most of the cases the mere possibility of this would be enough to forestall segregational aims” (Kertesi, 2002).

2.3. Public health 2.0

Leadbeater and Cottam (2007) and the *Government Futures* (2007) concurrently state that the most characteristic part, the first adaption of Governance 2.0 can be health care. This is understandable: the number of the concerned and the mass of relevant information show the greatest numbers here.

It seems that public health has started to move toward the new paradigm long ago, even before emergence of the 2.0 thought. Path-breaking developments began around the millennium at the maintenance of the British National Health Service (NHS) and the Department of Health (NHS Direct informational line, NHS-net test for passing on the results, collating dates and online consulting – *Haines and Dunn, 2003*). A model project of German E-Government 2.0 places an aliment-quality program on the Internet with the participation of 30 different institutions; its purpose is to avert the circulation of tainted meat, and later a system can be built up which will be able to follow the articles important from the point of view of public health, from the producer through the merchandizer, to the consumer with minimal need of living labour.

But these are only external, unessential developments, which hold 2.0 only in their names. As

Leadbeater and Cottam (2007) put it: **instead of a health-care system organized around the doctors and hospitals with high fixed expenses, Public Health 2.0 would organize the provision around the people, their families, homes and communities, and doctors and hospitals would give the professional support and service.** The collective of doctors and the “public health establishment” behave exactly the same way; to protect privileges originated back in the industrial age, as every politician or office-holder would do. With their paternalist reflexes they see clients in their patients, and not cooperative, co-creative partners. A 2.0 public health system is much more divided, decentralized than the present one with the hospitals in

the center, and pushes the emphasis from hospital towards home. It heightens the importance of prevention and therefore holds the citizens responsible for their own health to a much greater extent than earlier. If they share the information about their health and typical problems, if they cooperate with other members of society, they can take into their own hands much more than anyone would think.

Processes have started, but for now we see more rhetoric around 2.0 than actual progress, because the weight of the present structure is huge. The institutional and decision-making structures, which are under constant social and public political pressure, should restore the ideal starting-points, by which we describe the patterns of patient, disease, participation, cooperation. The work is Sisyphean, and that is why it is very important to know how it should be planned, carried out, and how we could open a dialogue about all of it¹⁷.

2.4. Codification 2.0

The credit for the more typical and one of the most interesting 2.0 – projects goes to New Zealand, notably to Hamis McCradle, chief constable.

The parliament – with the intent not to leave the codification solely in the hands of experts, jurists and politicians – decided that when rewriting the overgone Police Act which was almost a half century old (it was ratified in 1958), they would get those citizens involved through a proper channel (on a Web 2.0 wiki-page) who were willing to share their personal opinion and knowledge to improve the text of the law¹⁸. So besides the Review Team making the revision, the circle of the concerned also appear, because their task is to

¹⁷ The research project of the British Demos and the In Control (*Participant, personal-centered social care*), which started in March 2007, wishes to do exactly that, and there is great expectancy in 2.0 circles for the results (Leadbeater, Parker and Duffy, 2007).

¹⁸ <http://wiki.policeact.govt.nz/pmwiki.php/Main/HomePage>

regularize such questions as to how the policemen should behave, why, when, and how they should resort to force, and what they should do to protect citizens etc.

But the New Zealanders who wanted to take democracy to a higher level knew that they needed all good thoughts, so not only citizens could draw up the law's text, but so could **everyone** in the world. He can be a jurist, lawmaker or journalist, academic, or simple Internet user; if he suggests a valuable aspect or solution on the wiki-page, it can happen that the law will include it. And although the parliamentary opening which reminds one of direct democracy is not complete, since the results of the wiki will be examined together with the official draft, it can both activate the citizens who can voice their opinions before the ratification, and work as a pilot, pre-study for planning other juridical tasks in the future. If this experiment works well, why shouldn't the opening be wider, and more complete?

It would be quite easy to think about how many parts there are in codification where citizens could be mobilized according to the same logic, and immediately we could recognize that many legal relations could be more effective than the unilateral, authoritarian practice disdaining the experiences and dignity of citizens, if regularized by the dialogue of the seemingly opposite parties.

In Hungary, a perfect example for this is seen in one blemish of the constitutionality after the change-over. The retroactive, legal campaign of the two parking associations of Budapest against those drivers whose legal behavior had become such as it was because of the associations' wrong technology

and arrogant practice. So a practice quite commonplace which occurs again and again in everyday life and could be treated easily enough has become criminalized with the assistance of most courts by the associations which are private companies. Nevertheless they have acted and put pressure on, as they have been representatives of public law and authority. They did not consider for a second to see clients as partners and try to find a solution through cooperation. In a 2.0-world, a businesslike and many-sided dialogue between the interested parties could have easily redressed all the problems. The legal garbage piling up because of negotiations not occurring should not have been poured onto the already overburdened courts¹⁹. In a 2.0 environment the regulation of childbirth at home that now struggles in the web of opposite opinions could have happened in a completely different way²⁰.

If we recognize all this and next consider the example of New-Zealand, we will see one of the biggest promises of Codification 2.0 taking shape: **the discursivity and participation, in contrast with law of following, reforms** the necessary steps **into preventive ones** (as we have seen at the case of public health). What we have earlier called "mediation", meaning a harmonizing process with the help of an outside expert (mediator, conflict-manager), now we can expect to spread as a process without mediators, thanks to channels and forms of connections which allow mass cooperation of the affected ones. If suitable practices take shape, a radical decrease can be expected in civil law cases of a certain type to get into court, and the cooperation of police and citizens (or their communities) will be able to lower the number of qualified criminal cases in certain fields of public order and security.

¹⁹ It is typical that the 2006 correction partly ending the insupportable conditions (mainly the order of posting the prompt within 60 days) was not the result of a wide negotiation, but of a codifying interference.

²⁰ At the same time it is very difficult to imagine a debate about, for example, the death penalty in a 2.0 space because of the extreme scatter of opinions.

2.5. Social politics 2.0²¹

The “supplier” approach, when considering budget, supposed automatically that the amounts spent on mitigation of social disadvantage, and restoring, keeping or maintaining social integration, belong to the unproductive part of the circulation of money and goods. If we see the budget of social politics as an investment, its profits are the social peace, the stopping of further degradation, and for certain groups, being aware of carrying out some kind of a civilizational mission, some humanitarian duty. Even if the alternative approach of taking the creation of opportunities (as *prevention*, not as *subsequent correction!*) into importance has appeared in different stages of professional public thinking, and even if in some cases it could become integrated into the present mechanisms through political mechanisms as a real program, or institutional, operative novelty, it has not been able to break out from the circle of unproductivity. To paraphrase Marx: when searching for the positive side, it was not the surplus value, which appeared among the possible points of alignment, but rather the *decrease of the measure of “value-loss”*. In other words: even the prevention was held to be some kind of a “*defensive prevention*”. Besides it failed to count with (if it did counting operations at all) the most important variable of economics, the missing profit, which was embodied in the social groups excluded from producing new values.

In the industrial age it had structural, not theoretical reasons: it was difficult to integrate the socially disadvantaged strata into the institutional forms of knowledge-gaining, and they were inevitably absent from the employment system; it could only give way to aspects of correction, and interference from the suppliers. The new

informational era could change these segments most spectacularly. With traditional methods of function, intellectual work becomes more important, and with the explosion of technology of information and knowledge, which penetrate all levels of value-producing, the empire of gaining knowledge and employment will open up even for those who have been hopelessly locked out of this world.

For example, with adequate informational solutions the physically and visually challenged can do “symbol-manipulative” activities of full value, and this – in principle – can be perfectly integrated into different organizations of work, but only if they have access at the right time and in the right pedagogical environment, and can learn the methods and special activities they can perform with them.

With the informational age the period of “*offensive prevention*” has arrived: giving possibilities to the socially disadvantaged is not a humanitarian but an *economically and financially rational act*; such an investment will result in surplus value, and so makes a lot of traditional forms of provision unnecessary. It becomes (with the tipology of György Csepeli) a *solution of problems* instead of a *keeper* of them, and the main relation becomes *contractual* instead of being *based on social benefits*.

The appearance of knowledge management has not only reshaped the structure of companies and functional processes, but it has brought about a change in manpower-management, in selection and training – it has given an importance to capital meant by clients and organization, and to competence, and has begun to consider these as part of the company’s assets.

The technologies and procedures that were born and developed in the company environment have begun to filter into the world of great organizations and public institutions, such as administrative

²¹ For more details see Z. Karvalics (2006a).

work, higher education, and great civil organizations. Now we can not only regard the company worker as a holder of knowledge (embodiment of capital of knowledge) but, as part of a state-level strategic planning. *Every given citizen can be regarded as some kind of an asset, a resource able to enlarge and make use of the common goods and common knowledge.* From this point of view – as we have seen – those who are driven out from the stages of value-producing mean missing profit, and it becomes extremely important how we deal with those who could take their part in the extended reproduction of knowledge and goods.

The expression being born in the new wave of the literature of knowledge management, knowledge asset management, KAM, seems to answer this challenge precisely. Originally it was created to unite the discipline that had been torn in two, to the (communication-principled) process centered, and to the (document-principled) product centered approaches, but it is absolutely suitable for interpreting and organizing as central categories, every speculative and practical aspect of a solution in connection with human resources both in a national and a strategic field. If we handle every deficit of social and economic policy, and every possible breaking point, from this point of view, then we will be able to explain, as **knowledge asset management**, every professional task connected to knowledge-operations, and questions of development, which have formerly been dealt with only on the departmental level.

Knowledge asset management as a starting point will rewrite in every affected social group the possibilities and imperatives of interference. Without intending to be exhausting, let's look at the cases of the elderly, mothers with young children, the disadvantaged, the Roma, the financially and intellectually left behind, and the people in care!

In the case of the *elderly* (retirees, inactive ones, ageing employees), if we can use their knowledge in the value generating processes, it can lessen the loss caused by their knowledge becoming passive. It also creates employment, decreases the burdens of the accommodation system, and improves quality of life. Since work positioned on higher levels of the value-chain can be done at an older age (intellectually creative work, professional work based on foreign language skills, expert activity, pedagogical assistance etc.), the strategical goal is obvious: we slowly have to reform the structure of employment according to the aforesaid. We have to create systems of surfaces, forms, and supportive institutions which will utilize this unexploited population.

A very important target group is *young mothers'*, among whom we find many *freshly graduated, highly qualified professionals*, whose knowledge will become obsolete relatively quickly for lack of the required system of institutions and professional interactions. For them the best solution can be proper institutional systems (trained teachers watch over their children while they learn and practice use of the Internet, do distance work, educate themselves or embark on a business). In Hungary, the growing net of the *young mothers' reintegration centers* could help a lot. If it doesn't succeed, it would increase the net loss of knowledge asset²². In the case of the *disabled*, who are in the focus of the UN, and especially in certain groups, the change of approach considering competitiveness is the most spectacular. Many "best practices" prove that the visually or physically challenged who become available for employment with the right IKT background support, increase the knowledge asset, and as employees, can leave behind the accommodation system. As long as mass employment of the disabled is not reached, the employment – aimed support can take the role of traditional care. The innovations helping their integration into the information and communication stream appear as aims of research and development. In the case of the *Roma*, the question

²² It is typical that the Knowledge Assessment Methodology regards women as an exposed target group, and uses gender indicators with the same multipliers as the education indicators.

would be if they have any culturally coded elements of knowledge assets worth investing in. As we find much of this (from music culture, to the fine arts, which are rich in colour and form) the communal and educational forms present themselves almost spontaneously. This would place the needed channelling and developing on a widening spiral course.

In the group containing almost a quarter of society, and including *the low educated, the people of low income, the unemployed, and the dropped behind*, the disadvantages become multiplied. Ways of breaking out lead through the education system, which can be regarded as a bottle-neck. We can only hope that education will shore up the new generations with skills and basic knowledge interoperable with the needs of labour market, and will provide some knowledge asset minimum. Instead of the present despair, it would be enough of a basis to gain further, specialized knowledge. When there appear present and usable elements of knowledge, the next step will lead through forms of employment, remedial programs, and talent care – everywhere it is needed, in the suitable informatical environment.

Considering the needs of children in care, and of the deficits that have been accumulating for decades, the state could provide the proper pedagogical-didactical and infrastructural border conditions as the best environment for these children (there are some ten thousands of them). Besides correcting the mental traumas, it could work as a high level “knowledge-factory”, and could raise the children to the highest possible points of value producing. Instead, in the circle of remanence policy and counterselection, the system produces a market of dependents; the successful postgraduation, and the possibility of complete life is still an exception. It is strange that today – just like in many other countries of the world – there is an all-around program in Hungary for grounding the education of the imprisoned, but it has not even considered that there could be a strategic program for meeting

the needs of the children in care. With the information revolution based on computers and the Internet, and with a relatively small investment (but with radical turn of aspect), the state could create some kind of an elite training program, instead of creating new generations who are destined to be left behind.

In the network society and economy, the network life becomes the initial border condition of creating opportunities. In traditional social politics, it demands the immediate and deep integration of information connected to informatization on every level: from the praxis of the supporter institutes to higher education. Even more determinant is that the stage of social politics has to change: from the present maintenance on the departmental level (or in some sections of departments), knowledge asset management needs to become a cabinet question in the informational society.

III. ESSENTIAL FEATURES OF THE NEW ADMINISTRATIVE MODEL

We can call digital era governance, or Governance 2.0, the new quality being born right in front of our eyes, It is true that it needs the concurren presence of several attributes – if any of those listed below is missing, we cannot talk about Governance 2.0.

3 . TABLE : Seven bases of Governance 2.0

Networking
Information and knowledge management
Principal of the “best mixture”
Growing socialization of partital functions (Empowerment)
Getting closer the service ends to the society
Horizontal administrative solutions
New characters in the world of politics

We will now explore these one by one.

3.1. Networking

Networking obviously stands in the spotlight. Not as a surface representing administrative contents, or a utility making connections with the citizens, but as a principle determining the design, architecture, and processes of the working organization. In the case of networking, the technology itself is banal, but the structural switch is far from being automatic, and there are many problems encountered along the way when trying to adapt the existing solutions to the world of administration (*Eggers-Goldsmith, 2004*). The idea of governance becoming Net-centered (Net-centrism) can best be understood using a military analogy; on the battlefield it has become more and more important that the same information be available for everybody, from general to soldier at the same time (*total information awarness, TLA*), for the sake of making the right decisions and

giving the right reactions. The government can become vulnerable, which selectively releases information to its own colleagues in an out-of-date fashion.

But **networking as a platform chiefly attains its value as the “stage of the interaction of the smart masses”**. By accumulating and systematizing individual experiences and opinions, an amazingly rich and diversified knowledge becomes a resource, and on many points blurs the border between the former *front office* (governmental customer service) and *back office* (organizing background operations). In the way of specialists reminding us of Web 2.0 (moderators, animators),

appears a new actor, a new type of participant in the administration. This person integrates two functions imitating the much bigger process of integration and emancipation. Again it brings closer the state apparatus alienated from citizens, to those in favour of whom, organize its work. Thanks merely to the logic of networks, a purity can be derived from this process. It obviously preserves the structures of institutional detachment where it is evidently needed (in disaster recovery, epidemic cases, public order, the public safety, protection of the environment, emergency etc.), but opens up all the 2.0 – ready vicesystems for the “smart masses”. If the program of “electronic democracy” has ever had some kind of content, than this is it: to make the **democracy immediate** everywhere it is possible, while getting rid of intermediaries.

Examining the present network surfaces, the online pages, and client portals creating interactions between government and citizen, it is easy to determine whether only the digitalisation of former back-office functions have happened, or there really has opened up a new independent field of possibilities. It will be feasible to step from the fluctuant, accidental, isolated initiations, through more expanded, established cooperational solutions, towards the mass participation of citizens.

Di Maio (2007) squarely states that the equivalent of “uniting governance” on Web surfaces is the logic of mashed up service: while the government focuses on the most important, substantive tasks, services and processes – like the portal of the government – all the rest can be maintained in cooperation with third parties.

The real challenge is therefore not to take the elections and voting to computers and the net, not the e-election, but the **moving of the public**

affairs’ administration to the network; this is the real essence of the formerly mentioned trend of the bureaux or agencies slowly becoming their own Web-pages. There will be no **traditional institutional, professional, or power aspects that would give dissevered institutional tasks to them besides maintaining network intersections.**

In line with this we see an alternative topology of network organization taking place. In the communications there are specially built up systems with narrowed functions and competence (so called *mesh networks*) where it is unnecessary to devise and site basic systems (like broadcasters or backbone network) for network engagement and consumption, because the devices which accept and transmit the messages are the resources themselves keeping the network moving. The client and the provider don’t dissever, and this network architecture matches the spirit of 2.0 most, in the long run.

3.2. Information and knowledge management

When talking about networking it is rarely mentioned that the “network” is not a technological category; it means, the information stored and transmitted in it, and the maintenance of users’ knowledge processes connected by it. In other words, the network capacity is worth nothing if it is not **optimized to functional information and knowledge processes**. Even this does not guarantee proper operation; each information and knowledge process has to be planned, replanned, maintained, be custom-tailored, watched and measured; in any administrative paradigm we talk about, there has to be **professional information and knowledge management belonging to it**. When recognizing this, the E-Government Unit (formerly the British e-Envoy office) built up the first *Knowledge Network* (KN) of the world. It was meant to be an all-governmental knowledge sharing communication and transaction instrument. The Australian government was very conscious when founding its office, of introducing the most up-to-date solutions

and adaptations on the field of information and knowledge management (*Australian Government Information Management Office, AGIMO*)²³. There are many good solutions for handling administrative data assets, but to view the **exploitation of knowledge assets of administrative participants, and the high level maintenance of knowledge processes, as central and exposed tasks**, is not yet common in the administrative circle. Governance 2.0 partly offers a solution for **supplementing needed (or missing) knowledge** – and with that it **widens the tasks of information and knowledge management to an even larger community**.

It reminds us of that because the questions of **strategy planning and strategy management** have to be reconsidered and regulated. *Raynor (2007)*, while examining the losers of the business world, found that these companies had more or less the correct view of the future and they had tried to elaborate their strategy according to that. Not goals wrongly chosen, and not the unreadiness, but small, seemingly insignificant aspects determined who would become a “loser” (bad timing, unpredictable changes in the problem-environments, the differing awareness, and interests of the higher command). This leads to the classifying and redefinition of management, and the knowledge and methods which support their decisions. There is a “high returns, small risks” course both in business and politics, but to find those the key decision makers have to be very well qualified **not in daily operations but in long term strategies**. More precisely: they have to be comfortable in the repertory of strategical possibilities. As a participant in many administrative strategy projects, I can state that the leading Hungarian politicians of the uneven NPM-era were almost all equally characterized by the intent to refrain from attending every strategy planning meeting. They regarded it as some necessary evil, and tried

to delegate every possible part of the process. Likewise I have known a few politicians who, in the struggle of survival, would have had the ethos of learning, the wish to systematically learn the newest developments and information in their own field. (If the only change brought by Governance 2.0 presented itself in this, it would result in a huge professional and cultural leap.)

Hervé Fischer (*Fischer, 2006*) talks even more daringly: he thinks it equivalent with the new regulation models to make the administrative work a bit more scientific and a bit more artistic. It would give the leaders and bureaucrats the challenge of imagination, so becoming more creative. Could the workers of the public sphere possibly get anymore support to do that than the rich, authentic, and fertile background radiation of the “smart masses”?

3.3. The principle of the “best mixture”

A metaphor for the new administrative paradigm is of **geologic layers being layered onto each other**, making place for the new, but within a dynamic balance of the preserved old. The individual institutional, technological circumstances and angles are blended into each other in time and space. The agencification didn’t start with the NPM, but began in 1857, with the British *Mersey Docks and Harbor Act*²⁴. Even after the possible relieving of NPM it can remain as a competent and effective solution in many fields. The recognition that the administration has to import effective actions and techniques from the business world was already there in the middle of the 1920’s, but the high level administering of up-to-date and authentic management functions remained essential after the lurch of the NPM-paradigm (*Ingraham et al., 2003*).

²³ <http://www.agimo.gov.au>

²⁴ The quasi-governmental organizations offered administrative services from that point (see Eger 2005: 1). Willoughby explained and analyzed their function and action 80 years ago (Willoughby, 1927).

The Hill-Lynn pair think the same way when they talk about the seemingly exclusive paradigms of hierarchical and horizontal administrations; the ineluctable appearance of horizontal forms give a gradual addition to the former solutions which necessarily remain hierarchical where it is essentially justified (*Hill-Lynn, 2005*).

So Dunleavy has to be corrected: **not the NPM as dead, but the NPM as a universal frame of approach**. When the physics of Einstein displaced Newton's, it didn't displace its building blocks, but preserved them almost completely, organized into a new structure. The new frame of approach needs to sort out as many antagonisms and open questions from the system as possible so the cardinal consistencies appear more clearly.

The administrative paradigms cannot be played against each other; we cannot let the process of change be directed by theoretics²⁵. The best starting point is the **usage of the most successful elements of the paradigms; a mixture which contains the right solutions at the right place and time**. The conceptions need to be handled as frames of aspect, so they can direct the planning and thinking, but in real cases of solving real problems, those methods have to be chosen from the possible approaches which seem to be the most adequate²⁶.

The principle of "best mixture" is naturally adaptable to the more active side of the citizenry because of the philosophy of the 2.0. Citizens don't always want to be participants, or active doers – warn Leadbeater and Cottam (2007a). Although many times they call for their own action, and they share the responsibility, in other cases they still need the classic cheap, quick, professional services. Governance 2.0 can become discredited if its principles are misunderstood, and so it tries to generate citizen activity in fields where it is not needed, while it leaves the hierarchical, paternal patterns unchanged until the time arrives to really integrate the citizens.

3.4. Empowerment

Milton Friedman, the world famous economist noted when lecturing last year in Hungary: "the mortification, the absence of dignity is the most devalued factor in public life" (*Széky, 2006*). The service administration is not **communicational, but is a pivotal matter of principle**: the incidental ease or kindness of administratorship can not be a substitute for citizens **being involved in planning their own work, and making the decisions which affect them**.

The proper autonomy of citizens therefore is not secured by well functioning administratorship but by the sense of being involved. The change of governance in this direction is called in international literature, empowerment (*Blanchard et. al, 2000*). In different Hungarian translations (since there is not yet an accepted counterpart) we often find the expressions "sharing of competence" and "cooperation", signifying that the ultimate purpose of empowerment is to **let the citizens contribute to the operation of administration, thereby maximizing their own capacities**.

An excellent example is the Norwegian MyPage "self-serving" civil portal, where the users can **resort to custom made services** and can maintain the personal data that the authorities have about them²⁷. The portal now has more than 200 services; it started in December 2006 and had more than 200,000 registered users in the first four months. The page's distant goal is to make available every service of the government through MyPage for 2009.

²⁵ Or, what's worse, let a reference to an effectual theoretical position hide the interests that often work against the necessary changes.

²⁶ And of course there are model-free principles of criteria, proficiency, motivatedness and publicity etc. that need to be considered in every model.

²⁷ <http://www.epractice.eu/cases/mypage>

The structural, crew, and financial decisions can theoretically be objects of empowerment, but there is no chance to change in the foreseeable future. The most promising targets of empowerment can be those activities where the creation, transaction and publicity of information and knowledge flowing in the administration can become partly controlled by the people. At the same time the informational and intellectual assets of atomic individuals can be taken into administrative operations (*information empowerment*). It of course gives value to those initiatives backed by measure, but hardly by practice, which are connected with freedom of information (FOI), or publicity of public domain information. Instead of the assumed “social negotiation” which works as a screen, the knowledge, information and wisdom of the authorized citizens could gain ground in the planning phase – and this is the real resource of the world of Web 2.0.

This also means a new kind of culture and practice of sharing responsibility. As Ferenc Hammer showed in a 2005 booklet of the Demos Foundation: the absence of sharing responsibility is one of the biggest reasons behind the reservations citizens have towards the state, and the sense of being afar and excluded; refusal and disdain are just a small step further (*Hammer, 2005*). But society cannot point fingers at politics; when it defines its behaviour as opposed to something, and following the example of wild capitalism behaves as “wild citizen”. In the new era of responsibility, it has to cover as big a distance in self-restraint, and keeping rules as much as the institutional system of administration has to do in sharing the tasks and responsibilities.

A final goal of empowerment is to take it to such levels that governments will no longer assign tasks, but the **functions which can be objects of empowerment will leave the administrative sphere. They will cease to have administrative duties and responsibilities.**

It may seem strange, but this is the end of empowerment, so the term *disempowerment* doesn't mean the turning back (or the capability of being turned back) of the process but of its consummation.

3.5. Getting service terminuses closer to society²⁸

Accessibility to the e-government services is a social need. But the administration of the digital age can only be accomplished along with the improvement of the comfort and availability of the fee services. Currently there are 1000 or so townships without any offices or possibilities of personal administratorship. Electronization must not mean the exclusion of masses from the network administrative services. A solution can be **communal admittance**, which in Hungary is organized and functions thanks mainly to the civil society. It seems up-to-date and obvious that the **communal admittance** created and expanded as a civil network **should work as an administrative network of public relations under social control.**

The basic function of such socially controlled public relations is to make present every emergent public service available on the network, and – to those without computer, Internet-connection and efficiency – to give every necessary help, and to support the local, small regional, and national tasks of administration and public service.

The continued social cooperation and control assure that the administration will become electronized, be moved to the Net, and be able to answer the

²⁸ This chapter was made after the manuscripts of Mátyás Gáspár and András Gáspár.

requirements of the service state. New tasks need specially trained workers – distance worker adjoints, IT mentors, communal IT experts – who are contracted, and work with quality assured backgrounds and processes. The recipient communal admittance point can offer other public services as well, for instance, it can adopt the duties of small post offices. The function already works immaturely in the practise of tele-houses, but without any institutional background or support. Another way of progress is if we make the small townships' local counsel offices able to maintain such causes locally, through electronic connection, which would otherwise be arranged in distant regional centers. In this case the problem of authentication ceases because it happens right on the spot, and the information flow can be assured on a protected channel. This solution is of accentuated importance also in securing equal opportunities.

The network administrative public relations are going to be successful, if:

- more townships and small communities (or their neighbourhoods) are going to have assistant service;
- more public services are going to be found in the electronic network system, and
- people are not going to need to travel to handle their case
- more governmental, regional and small regional administrative, and public service
- organizations are going to get involved in the uniform public relations system;
- the number of properly trained administrators, assistants, IT mentors and communal IT experts are going to increase continuously;
- the professionals serving townships are going to appear in more disadvantaged districts and townships.

Singapour is ahead in this field with its best practices: in the last years, some achievements in strengthening the society are the REACH-program (*Reaching Everyone for Active Citizenry @ Home*), the 28 *CitizenConnect* centres and the wider use of cell phones. Currently 150 services are available on cell phone, and the goal is to double that number to 2008.

In Hungary, the great question of the coming period is whether the way to a uniform national network displacing the present parallelisms will lead us through normative support resources and institutionalised professional training (the so called mentor program), or through the TSR-model (Polytargeted Intersectional System, PIS). PIS wishes to use the market's buoyancy and measure efficiency. This would provide every citizen with alternative, interactive channels of customer service, marketing and communication. They could do their administrative, public service, and commercial businesses, and also meet their cultural and entertainment demands.

3.6. Horizontal administrative solutions

Google announced in June 2006 that it developed a new search program to handle the American federal documents for interested citizens and administrative officials who find the service useful. It is worth considering that **some governments must contend with citizens whose background knowledge and training are far beyond the levels of experience othat officials previously had.**

Even more important is the fact that the need generated inside the administration, and the solution arriving from outside reveal many dysfunctions of the state bureaucracy.

Robert S. Walker, in the conference called “The Meaning of the 21st Century” held by the 21st Century Trust in Washington, kept an exposition on the 28th of October, 2006, and he evoked the Hoover-commission set up by president Truman after World War II, which proposed in eighteen independent reports made between 1947 and 1949 the large-scale modification of administrative processes and institutions; most of them worked out within a couple of years. In 1953–1955 president Eisenhower again asked Truman to rethink the necessary reorganization. The political institutional system of the 19th century became capable of handling the challenges typical of the second half of the 20th century. Today the United States (and many other countries of the world) stand at the same crossroad: but now it is exigencies of the 21st century the administration should meet, with radical modification and revival of processes and institutions.

Walker says the most important characteristic of the new paradigm is the horizontal aspect. Private companies have been facing this challenge for quite a while, and many effective solutions have been worked out to end the increasingly obvious disadvantages of the so-called “*divisional*” (torn into departments) structural system. The most familiar solution is the so-called *matrix-organization*, which refreshes the vertical structure with horizontal elements. So while inside the structure many have gained multiple identities, they belong to different sections simultaneously.

Now the time has come for administrations to give similar answers to similar types of pressures (as they have always imported their own solutions from structural innovations of companies). The nature and complexity of questions in demand of quick and professional answers await handling on the macro-level in more fields, while administrations are to date specialized only in micromanagement. The structural partedness pushes the participants towards rivalry and the common good always loses out.

Walker recommends the setting up of a new Hoover-commission; it means every given government should immediately start to assemble their own Hoover-commission. The *searching for new structural solutions which are able to handle the complexity, has to become a principle grounding the aspect of the e-government programs in the next few years*. Interim these operations would start, Walker has a conception of what temporary steps would provide answers to challenges in the present administrative structure. He proposes to create five *super-secretaries*, which are not bureaucratic institutions, but centers of professionals, advisers, and knowledge, which would give great freedom of decision and command to their leaders. Per the super-secretaries, the administrative apparatus could be tutored from above on the basis of fresh knowledge supplies, and intense system approaches, and could be directed towards more effective operations.

The horizontal structures map the “uniting” and “re-integration” elements of Governance 2.0 in an organizational way. The secretaries imagined by Walker already work in some countries; in Finland, the department merged for handling economic and employment affairs is called “super-ministry” (formerly it was two and a half departments). The characteristic solution of Southeast-Asia is the pairing of information and communication with science and technology, or – lately – arts, into one department unit. The thought of a “super-secretary” – if we can believe news unconfirmed – emerged during the 2002 coalition negotiations (the education, the informatics, innovation and science would have been merged into one department) but was quickly dropped for party-politics and parity reasons. Today we see (and we could have seen then, if there had been an open dialogue) that such an integration would

have gone far in dealing with many administrative deficits, absences of attention, fragmentations of resources, lacks of capacity and competence. It would have offered a chance to survey, develop and integrate all information and knowledge processes of key importance. It cannot be supported better than by the metaphor of the “**triangle of knowledge**” (education, R+D, innovation) taking shape in the UN’s Lissabon strategy.

The antitypes of “super-secretaries” were created in the early phase of planning the informational society. The traditional department-structure was unable to handle the complex development tasks of informational society and economy, so before the proper system of institutions were shaped, “directing bodies” or *steering committees* commanded the planning and operating work²⁹. These combined, typically under the leadership of the prime minister, the heads of the four or five key departments (education, culture, economy, communication). The amenable decision-makers of institutions played a key part in information flow (national library, office of statistics, leading offices of technology and innovation).³⁰ They would have a professional and decision-making center with direction over departments to handle outreaching departments so they would be able to direct the necessary reconstruction.

At about the same time, the horizontal approach appeared in the planning and application practice of the UN as a principle. Today a project has bigger chances that can prove that it has positive effects concerning environment, equal opportunities and gender issues. This type of making priorities unfortunately is – in spite of its partial results – repeatedly counterproductive. It usually doesn’t result in organic connections between different dimensions of projects. In many cases it appears as *compulsory topics* where the absence of real content is hidden behind verbal virtuosity. In the meantime the real political weight of these three areas become devalued, and the illusion grows stronger that we have managed to create some kind of a “structural guarantee” to treat them properly. But it is clearly seen that without a modern structural representation these horizontal issues will always be of lower rank than the big vertical structures – more than the economic policy, whose own power and interest structure easily overwrites aspects of environment or equal opportunities.

3.7. New characters in the world of politics

The seventh principle is simply the **awareness, sense of responsibility, new way of thinking** and learning of the political decision-makers. This covers everything from being ready to learn, through recognizing the need of change, to being brave enough to do that. The problem environment changes rapidly together with technology; without openness and responsiveness to the new, the needed processes cannot be directed. *Eggers* (2005:2) puts it more radically: with innovations of technology we could only make the bureaucratic mechanism built up in the industrial age work better. The administrative control of the information age has to be based on completely different ideas.

29 In Hungary, after the forming of NIS (National Informatics Strategy) by a civil initiation in 1995 efforts appeared to create such an organization. The question of informatizing the administrative work permanently created some integrational levels throughout the departments, but with the informatics infrastructure to become „everyday”, with its seemingly successful implementation, the pressure ceased. The National Newscast and Informatics Council created by the 1030/1996. (IV. 12.) resolution is nowhere close to a *steering committee*: its members are not administrative decision makers but experts, and its competence expands only to proposal, it has no voice in decision making or execution.

30 In some cases – in the name of empowerment – journalists, people in the academic and university circles, and well-known participants in public life received invitations. The steering committees became standard structural solutions in the upsurging countries of Southeast-Asia (we see them in Western Europe in the second half of the 90’s). On the American side of the ocean, the ad hoc committees, in the UN an independent directory (DG-XIII.) takes the task –, with wide competence and great directing ability.

Suddenly it turns out that the earlier **e-democracy** slogan gains its real meaning, for it is no more a simple watchword, or an umpteenth point in a rich plan of action, but it is the new model itself. There is a huge possibility waiting for the Politicians 2.0: they can be the champions of an enormous social innovation, which goes way beyond any administrative paradigms.

In an earlier political essay (Z. Karvalics, 2006b), I called the politicians of the industrial age “X”-s, and the new leaders of the information age, who are socialized in completely new conditions, “Y”-s, to make their features and differences in aspects and preparedness well separable and easy to recognize.

The Ys mostly think in the long term. Looking to the future they are not waiting by idly. They want to shape it. The achievements of their governments are built on each other, and they share future goals together, regardless of party affiliation.

A Y politician stakes his whole career on the program he represents. His name is attached to programs and he is not shy to convince even when he's afraid. He's afraid that in the rapidly changing economy and technological environment his country will lose its place and position, so he pays attention to every sign indicating danger, and tries to find immediate ways to correct the downward tendencies. A Y is performance minded, and in contrast to the Xs, who always know why something is “not working”, they constantly think about “how it could be improved”.

A Y does not only preach about lifelong learning, he sets a good example. He doesn't read one-page leader memos and tabloids, like the Xs, but is keen on following the changes in the world, hungers for the new, and searches for the “best practices” in other parts of the world. The Y politician fights for

his programs to receive proper support within the government. He regularly furthers his education, endeavours to learn English, and where he doesn't feel himself to be experienced enough, delegates responsibility to experienced individuals. He knows his own boundaries; he not only listens to the advice of experts but takes it whenever possible.

The Y-approach knows that the most important resource of the country is what is inside its citizens' heads. So he thinks in up-to-date knowledge asset management; he works constantly for improvement of the education system, stimulates the sciences, and is committed to professional information services. He doesn't care for the disadvantaged, the disabled, and elderly, because a politician is supposed to, but because he knows that every citizen not integrated into the value producing processes means wasted capital.

He naturally sees the people as partners, mature and wise decision makers. He tries to convince them not by the means of marketing stunts but with his achievements, the real results of his work.

The Y lives in the future. Everything he does, he does with the aim of (in the nice expression of Ferenc Kozma) “grabbing destiny by the throat”. His mission is to shape the future, the strategic thinking and the realization of that strategy. The list of information society-politicians in Hungary is short. They built the moulds of the 21st century at the dawn of the industrial age. They – József Eötvös, Mór Kármán, Ágoston Trefort, Sándor Wekerle, Kunó Klebelsberg and Zoltán Magyar – are the ones to thank for those advances in competition, which provide opportunities worth building on. These opportunities are ones the Xs have been gambling with for many governmental terms.

If we look to the future of Hungary, the question of the Know-All University, which preserved for prosperity respect of knowledge from the heyday of popular science, is more important than whether some wind-blown small party will form an individual parliamentary group or not. Can we help those by doing away with segregation in schools, and with concentrated provisions to step into the information age that are otherwise unable to do it on their own (this is one quarter of the population) There is no question today which would be more important. Not only would a Y's stomach turn when he sees that Hungary is lowest amongst the UN states in the knowledge of English, it also lags behind in the wide-spreadness of information culture. Science needs to pick up speed, but in X-Hungary there is no science policy since the changeover. It is substituted with empty rhetoric. The question is not whether there will be a department for informatics again, but whether Hungary will have politicians and governments, which would bring Hungary a small step closer to an Y-world. From Ahtisaari, president of the republic of Finland, through the current Estonian prime ministers, to Singaporean and Malaysian expert politicians, there is a long list of Ys who have shown how the change in guard is possible, worthwhile, and much needed.

Of course this is not only about politicians. We have discussed earlier, that for the experts of administration, the Governance 2.0 offers the hope of a completely different professional space, and more emancipated trade free of formal and powerfull deadweight. So when they keep their eyes on their short-term interests and prevent the 2.0 structures from taking shape in defence of their alleged or actual privileges, they actually work against their own long-term interests. The same can be said about the teachers, school leaders, and physicians who provide public service; recognizing the gap between their own interest structures and the ideas and trends of the digital era governance is a serious lesson for all of them. It gives a real task to all Y politicians; the change of style and approach cannot be traditionally power- and bureaucracy-centered, but strictly 2.0, keeping in mind the ideas of persuasion, participation, and sharing of responsibility. Only an integrative, discursive leadership and communication style based on the wisdom of the masses can be successful. A political career and training in these ways promises the possibility of a profession with much more perspective than the old training, which prepares for the stifling environment of parliamentary and party political intrigues.

3.8. Some dangers of Governance 2.0

2.0 is not a cure-all and is not valid universally. Where the problem space is not discursive, but needs immediate decisions or intervention, there the efficiency of segregated organizations and specialists will remain, regardless of the administrative paradigm. It is enough to think about epidemics, catastrophes, fires, emergencies, or the threatening of public and traffic safety. All other realms of problems, which need well-localized individual expertise, will resist the pressure to change to 2.0.

In those fields where there is a possibility of dialogue, and sharing experience, the chance is there that the considerations of **privileged groups** will warp the communication structures and they will use the new spaces of discussion for

gaining advantages. The publicity of processes and that they can be seen through is an important counterbalancing mechanism, In the mid-term, the gradual, controlled transition, and in the long-term, the information bases' and abilities' for equalization, can be the only solution in achieving real balance. In the phase of transition it is of serious consideration that the new **cooperative spaces will become prearranged** and the former elite will make the seemingly 2.0 discussions publicity handling Potemkin-villages. (In Hungary, the shadows of quasi events, well known from the time of soft socialism and the changeover, the show-like "social debates", the "prime minister meets the representatives of science"-these acts of protocol are still haunting.)

It is clear that the **feedback and supervision functions**, these two important elements of planning, executing, and operativity are still searching for their place, and it is not made clear how the responsibility could be shared in a political culture moved by the citizens' voluntarism in the weakening place of power. (Assuming that the "principle of compulsory attitude" known from the antique democracies will not appear again.)

All these reservations serve the **completeness of previous preparations**; we don't get closer to digital age governance with theoretical achievements, but with living projects. It naturally does not mean that to completely understand the begun processes, we wouldn't need the most theoretical references.

IV. DIGITAL ERA GOVERNANCE'S WIDEST INTERPRETATION LIMITS

4.1. The “common multiple”: the wisdom of the masses

The masses (“became wise” as the title of Howard Rheingold’s book puts it, **Rheingold, 2002**) are not only capable of anything the “chosen few” could do, but their performances often surpass what experts thought to be the most professional. This is described in detail in the book of James Surowiecki, already available in Hungarian thanks to the Demos and the Napvilág Publishing House (*Surowiecki, 2007*). The topic is further discussed in the recent bestseller of Scott E. Page, which shines a light on the fact that behind the efficiency and surprising abilities of the masses, there is only that difference which a mass bears, and this difference can also be thanked for modernity and proper choices (*Page, 2007*).

The revolution of the “smart masses” is clearly seen in some typical environments; whole branches of productions turn into “prosumer” worlds, with the vanishing of the border separating the consumer from the producer. The footprints of Internet activities of the many show patterns of connecting interests and fields of knowledge better, more precisely and in a higher resolution than anything else. A growing part of scientific problem solving is being introduced in this space (the best examples are the pages of *NineSigma* which gathers together more than half a million experts, or the *Innocentive* with its 200.000 specialists). In the institutional forms of broadcasting, millions of self-motivated reporters come with their cell phones and cameras that often surpass the professional media’s equipment. This is the power of the “smart masses”.

While in the fields of economy, science, or information, the exciting 2.0 focus shift has visibly begun; in the political – governmental sphere we don’t see much sign of it. But why would the masses be less educated in politics, than in the economy or information services? How long will the citizens be degraded into voting machines, when in the issues of taxation, health care, law, or public safety they are far more competent than formerly they were thought to be?

4.2. Crowdsourcing and open source

The notion of *crowdsourcing* was created by Jeff Howe in the June 2006 issue of *Wired*, to describe those situations in which the task done by a traditional employee or a contractual partner is taken over by the voluntary performance of a group of people of an unknown number. They typically undertake technological or data processing tasks according to the task administrator.

This solution has not yet been used to do administrative tasks, but as empowerment increases, the governmental crowdsourcing probably will liven up. By then there will be communication channels well worked out and surfaces processing contributions of individuals (tasks that can be better done by voluntary masses than payed officials) amply found in the public sphere.

It is typical that the Canadian government, looking ahead and thinking responsibly, wants to make the administrative career look attractive because of the accelerating aging of the public sphere. For example by providing the most up-to-date technological environment for its “knowledge-workers”. This is a typical 1.0 thought, even if it seems logical in the transition period; a real solution can be crowdsourcing in the long run.

The **world of open source and free software**, existing long before the challenge of Governance 2.0 appeared, can be **regarded as the first form of crowdsourcing**. From the communal aimed developments of voluntary software experts, whole groups of products were developed, which became more serious competition in the rival markets.

Developing software means enormous costs – that’s why the most affected countries and local councils turned without any problems towards free software, in many cases not only utilizing the knowledge and low costs of the open platform, but improving the present systems into versions better suited to persons or communities. The civil sphere saves huge amounts of money by deployment and usage of open source software both on servers and PCs. In Great Britain, open source software developed by the government are available free of charge for every local council without limitations – both on back-office and front-office line.

The Spanish province, Extremadura, provided households with an open source program for handling the family budget as part of a conscious information program package to develop Internet literacy. Many countries (more intensively, Mexico)

switched over to open source operation systems on thousands of computers in education and in the public sphere. There is an informational competition blossoming out between the great metropolises of the world; who will be the first to state that it switched over to free software entirely?

In Hungary, the local council and customer service system of the city of Szeged is based on free software. It is of high standard and works excellently, but we still have to wait for the real software developing crowdsourcing; it needs an **application or utilizing field where the inside or contractual developments could be replaced by the smart “coding” of masses’ voluntary activity**.

4.3. E-democracy versus paternalism: the changing of cultural codes

The wisdom of the masses (or as Attila József beautifully writes: “the smart assembly of the adept working people”) inevitably raises and brings to light the discussion about the revival of **modern democracies’ representative feature**, and about the timeliness of **direct democracy as a normative ideal**. If an isocratic governance is actually almost a direct democracy, but the logic of present administration is basically characterized by the paternalist, providing notion, than we will mainly meet the makeshift conditions between the two states in the next decade. Paternalism will survive as a cultural code, but in this basic structure, the autonomy, information and self-determination and typical 2.0 solutions, will encounter increasing problems.

At the same time we must not forget that paternalism as a code is vivid not only on the side of power, but also in society, in one’s mind, in individual choices of values and decisions. So when we talk about the pulling back effect of the old paradigm, then it is not merely the criticism of political elite and bureaucracy, but rather that

of co-evolution, in which the status quo could have been maintained in a complicated tangle of games between the state and its citizens. Even if the responsibility of the political elite is bigger because of its greater possibility to interfere, the criticism of the citizens' side is a pivotal part of the system criticism of the 1.0 governance. Particularly, we should "chew our hundred problems over" by "forming a smart mass", but we are prevented from doing so by retrograde patterns of thinking, and the inability of many to participate.

Besides admittance to informatical sources we also need *digital literacy*, where everyone is able to do operations in the online space and to control the different types of data-worlds (this is the *information literacy*). But the closer we get to the "*participative literacy*" – which is the common name for abilities and expertise expected from any member of the smart masses – the more the left behind will become excluded from common administratorship and cooperative activities³¹. So providing "digital equal opportunities" today can be reached only by the **mass creation of abilities**, especially in a Hungary unable to improve the position of one quarter of its society. If the popular adjective "deliberative" will remain to have any meaning in the 2.0 environments, than this could be it.

Meanwhile it is interesting to notice that 2.0 is able to show its power even in those countries where cultural resistance is typically strong and the political system is authoritarian (like in Islamic countries). The Libyan vaccination program for instance, proved that even in these regions outstanding achievements could be reached with e-governance methods. In this particular case they used the **social networks as secondary mediators to spread information about the vaccination**. The message was sent in texts, and using the social system, the information reached those addressees who didn't even have a cell phone³².

4.4. The deep structure of change: transition to the digital age control structures

Earlier we have seen from many sides that the compulsion of administrative paradigm change is part of a wider transformation: these challenges are surface signs of the changes in the basic structure, the huge transformation of economy, society, culture – , of civilization and evolution. The "digital era" expression is quite appropriate, for the linguistic form integrates the thinking about the governance of the future into this structure. On this level the innovation arsenal of NPM is, unexplainable without analyzing the type of capitalism from the end of the century, which is interpreted as a free market innovation machine (*Baumol, 2002, Rolland, 2005*). The 2.0 metaphor has a similarly strong message because it indicates that the public sphere is reached through new challenges and exactly those logics, changing effects and powers that were there at the transformation of business (*Tapscott-Williams, 2006*), (or of the production and consummation of cultural goods. Not sure what your saying here.)

With the onset of the digital age many outside challenges effect governments in ways we haven't had to face before. The new values of **interconnectivity**, mutual connection, and **interoperability**, and the mutual ability to do operations, come from the fact that the **physical or logical nature of questions has to be**

³¹ The expression was created and introduced in 1980 by Julia Van Dyken (Van Dyken, 1980), but it became a buzzword only after a long pause of more than a quarter century.

³² From the conference account of Gábor László about the 2007 outing of the ICEG. <http://konferencia-tudasbank.hu/reports/view/58>

answered by national governments reaching far beyond borders. The pressure does not come mainly from political integration movements (like the widening and reinforcing of the UN), but from the Internet as a platform, and the wisdom of masses as buoyancy. It becomes clear that from the theoretical-symbolic phase of global cooperation (embodied by the traditional world organizations created in the pre-information society), we have to move forward as soon as possible to effective forms of coordination and integration, increasing the ability to influence, coming from local solutions to global problems.

We are talking about nothing else than the **beginning** of the clearly unavoidable **definitive change** of the **control structures formed in the industrial age** (directing, supervising, regulating, coordinating mechanisms providing the functioning of the system). In the first phase of the information society the technological development helped (among others) the structures of the industrial age revive successfully, preserving them since they were more effective in carrying out their functions. But stability maintained this way proves unsteady, for as we have seen, reality itself changes with enormous speed. We are now witnessing **the last days of the bureaucratic control of the end of the 19th century, which was more than successful for longer than a hundred years.**

Leadbeater and Cottam (2007) see this the same way, and rediscover for the digital age government the relentless critic of bureaucratic control, the apostle of regaining for society separated public institutions, Ivan Illich.

Illich published in the mid- 70's the series of his effective works, which fully established in detail all the significant basic thoughts of social philosophy of the 2.0 ages. He wrote about being *demand based* (Illich, 1978), the *competency deficit* of experts segregated professionally from society which can be cured only with proper empowerment (Illich, 1977a), balancing of economy and social conditions (Illich 1974, 1975), and methods the *consciousness of society can be awakened* with, to revive the hogtying of industrial age institutions (Illich, 1976b).

He devoted his two most important works to the radical restructuring of health care and education (Illich 1976a, 1977b). His books' final message is that those institutions which were given tasks, authorization and resources to maintain the most important stages of everyday life, in the name of professionalism and common good, actually became counterproductive a long time ago, and turned out to be the greatest enemies of cases they were meant to represent. As schools suppress the creativity of children, as degree and institution management become more important goals than anything that would give meaning to education, so public affairs become paralyzed by public institutions, and so will the official financially defenceless, having patterns of action inherited from the past, become the enemy of progression.

In spite of all of his contradictions we can see Illich as the most significant theoretical forerunner of digital age governance. Nothing proves better his modernity and timelessness than the fact he cannot be monopolized by "right" or "left" – for these notions themselves are staggering slowly towards being uninterpretable. If we seriously consider the

wisdom of the masses: how could a two or three sided political category system picture the pattern of interests, life situations, opinions, and approaches, which are enormously complicated but are representative of digital age government, of the 2.0 paradigm?

Soon the time will come when the **most developed bureoucratic mechanism will prove to be of lower efficiency and value than the least developed new control mechanism**. Many characteristics and consequences are already known, for the Governance 2.0 reshapes the target functions, the logic, and the value structure of the institutional operation, proving more new control mechanisms to be viable.

The biggest question of social innovation is, with what speed and at what price will it evolve? But the shock will be smaller than many analyzers now think, mainly because **the new control mechanisms will be borne by the old institutions**, so they take shape right in front of our eyes, according to the DEG and the 2.0 paradigms³³. We are looking forward to very exciting years.

33 Check the 1. Table, the summary of Dunleavy's DEG-paradigm, from this point of view.

V. EPILOGUE: FOUR SCRIPTS ABOUT THE FUTURE OF HUNGARIAN E-GOVERNANCE

Because in Hungary the professional dialogue has not yet begun about Governance 2.0, it wouldn't be wise to talk immediately about the minor details of transition, the tasks, and the possibilities. It seems more useful to examine the **environment** in which the discussion will hopefully begin. What help will the processes just begun for planning and reforming the administrative work give to a 2.0 thought? After taking into account the inside and outside conditions, what general development courses will be considered?

5.1. Sinister shadows, moving away possibilities

The institutional shift towards digital age governance is made burdensome by more things in Hungary than in the Euro-Atlantic region or among the Asian small tigers³⁴. The restraining effect of the *anachronistic interest conditions* is intensified by *extreme political party divisiveness*, and the *serious mismanagement of the Hungarian public sphere*. The *complete extinction of long time planning patterns from political culture* does not favour approach changes growing in initiative either.

The new characters don't seem to appear, there is little chance for empowerment of administrative work during times of restrictions, and the successors of the positive 2005 electronic governmental strategical texts containing many digital era elements are top-heavy towards technology without exception. The horizontal principle seems to become discredited by the two spectacular structural failures of the last period: the divisional ordeal of the UN's integrational efforts, and of the programs connected to information society (two classic horizontal areas) inside the administration. The "organization recollection" of the administration recalls unpleasant memories about cases roaming in the interdepartment space, taking different temporary organization shapes, moving in unclarified and undeserving areas of responsibility, competency, and budget. It is not a coincidence that these anomalies appeared during the strategical, program creating, and conceptual background works of the National Development Plan, simplifying the development and identity considerations of the information sector to a struggle for "operative program".

Still there are some characteristics, which could provide a good base for moving toward the horizontal structures of digital age government. The governance reform within the service

34 Whoever wants to learn in detail about the European and Hungarian, central and local, civil and institutional sides, will find big help in the periodical Információs Társadalom (Information Society), 2007/1. The BME-Unesco ITTK has published the Elektronikus Közigazgatás Éves Jelentései (Annual Reports of Electronic Administration) since 2005 (Molnár et al, 2005, 2006).

administration offers a possibility for the question to appear at least on the *level of narratives*. Maybe it will be able to consider, and debate the imperative of creating a flexible, adequate, administrative structure, modern in every inch, which is not limited to cutting back departments, reducing, and rationalizing. It would not consist only of quasi-discussions about “a smaller but more effective state” and the sometimes comical circles of government offices being opened, closed, and rearranged.

It is a paradox, but the building up of the *administrative district* seems to be an important opportunity. Before the first plans would be ready, there could be a chance to give the consciously planned “flows”, the organization, and the functions, a “physical home”, instead of framing the ad hoc clerkly solutions into architectonic unified solutions. The *building up of the administrative district has to be antedated by the designers imagining, dreaming up, and planning the administrative structure of the decades to come*. Considering aspects of operation, technology, management, and human relations; these will essentially define the expectations about the constructions to be created. Everything has to be integrated into the aspects of construction and preparation that the so called “intelligent offices” know; in paper-free administration, in what the world has already achieved in flexible work organizing, in placing out and concentration of service, and in the field of building and data safety³⁵. The professional management of functions serving the administrative units has to go hand in hand with the *organizing of basic functions into horizontal structures, which are aligned to the new*

political environment. The administrative district in plan has to be suitable for the 2.0 era with adequate starting points of spatial organization and infrastructure. Will the office empires of decision makers remain to be separated as a sanctuary from the world and their own colleagues? What structural solutions, what forming of space will emphasize the information symmetry strengthening the efficiency of the organization? Will the spaces be able to accept citizens ready for cooperation, or is the administrative space only for the apparatus, the secessive professionals? What flexibility will allow for the organization, the functions, and the participants?

To our knowledge, similar questions have not arisen in the process of preparation. But without these, the administrative district will not be a question of modernization but will be a property project directed without competence and careful preparation. It will rob the structural revival, which is dealing with thousands of obstacles, of the possibility to rest upon the created environment.

If we want to talk about Governance 2.0 in Hungary, than it is clearly seen that the error is not in the citizens' devices. The **adult population is interested in the e-services on an acceptable level even if when compared with international statistics**. 51 percent see the e-services as inviting possibilities; but the majority of these possibilities mean only inquiry and online downloading, while the **shift towards real, personalized, interactive, proactive 2.0 services** from the side of administration has not yet happened. *“In spite of the relatively good infrastructural and measure background we still cannot see from the participants of administration and politics a culture change of clean-cut orientation, or the resolute advocacy of the new challenges”* (Molnár et al., 2007).

The planning and organizing of a real information age administrative factory however doesn't belong to the world of illusions; it is a very real and actual task, which has to be embarked upon as

³⁵ Unfortunately it already seems to be too late to survey, analyze, and value the experiences of the recent projects, from the Malaysian Putrajaya to the enormously ambitious, small Arabian states of the Gulf region, in building new governance districts.

soon as possible. With the words of Árpád Rab: the Hungarian administration is already over the easier, feasible, homework-like tasks. Now comes the hard part. But if it's going to be successful, we could witness perhaps the most important *social innovation* of the post-change-over Hungary, This will happen only if the stakeholders don't settle for the traditional practice of patchery and retouch, but aim high and build the road to 21st century governance, following indicators clearly seen.

5.2. Four scenarios of e-governance

Scenario making is the collective name for different techniques of thought experiments, which help us to survey the countless, expectable, possible developments in strict order.

According to the methodics of scenarios, we have divided a half dozen determinants of the wider environment of Hungarian electronic administration developments whose changes will essentially determine the permanent conditions ³⁶. Arranging three-three components next to each other we get two functions: the axis of inner (political) conditions and outer (economic-technological) changes, which divide the problem space into four parts when divided one into another.

Three components of inner (political) conditions:

- the increasing party divisiveness in the political arena, sharpening oppositions, coercive conflicts, the criminalization of political public life, *or* a more cooperative, European collaboration of rival forces;
- slow, difficult administrative modernization with constant restraining effects of the adverse party, and with stagnating (or worsening) corrupt backgrounds, *or* dynamic and successful modernization which gradually strengthens the patterns of professional administration with increasing 2.0 elements;

- uneasy, slow UN-integration with lost chances, resentments, political penalties, *or* effective adaptation, ready receiving side, successful and innovative adaptation.

The three components refer to and strengthen each other, either in a positive or a negative way – the opposing movement of the components can hardly happen.

The apices of axis are: Political Depression or Promising Evolvement. Reality is positioned between these two extremes, but probably closer to either of them (in 5–10 years a movement to the opposite direction can be possible). In *long-term* the advance of all the three elements can be forecast because of social-cultural reasons, but in the next 2–3 years the direction of the change is absolutely open.

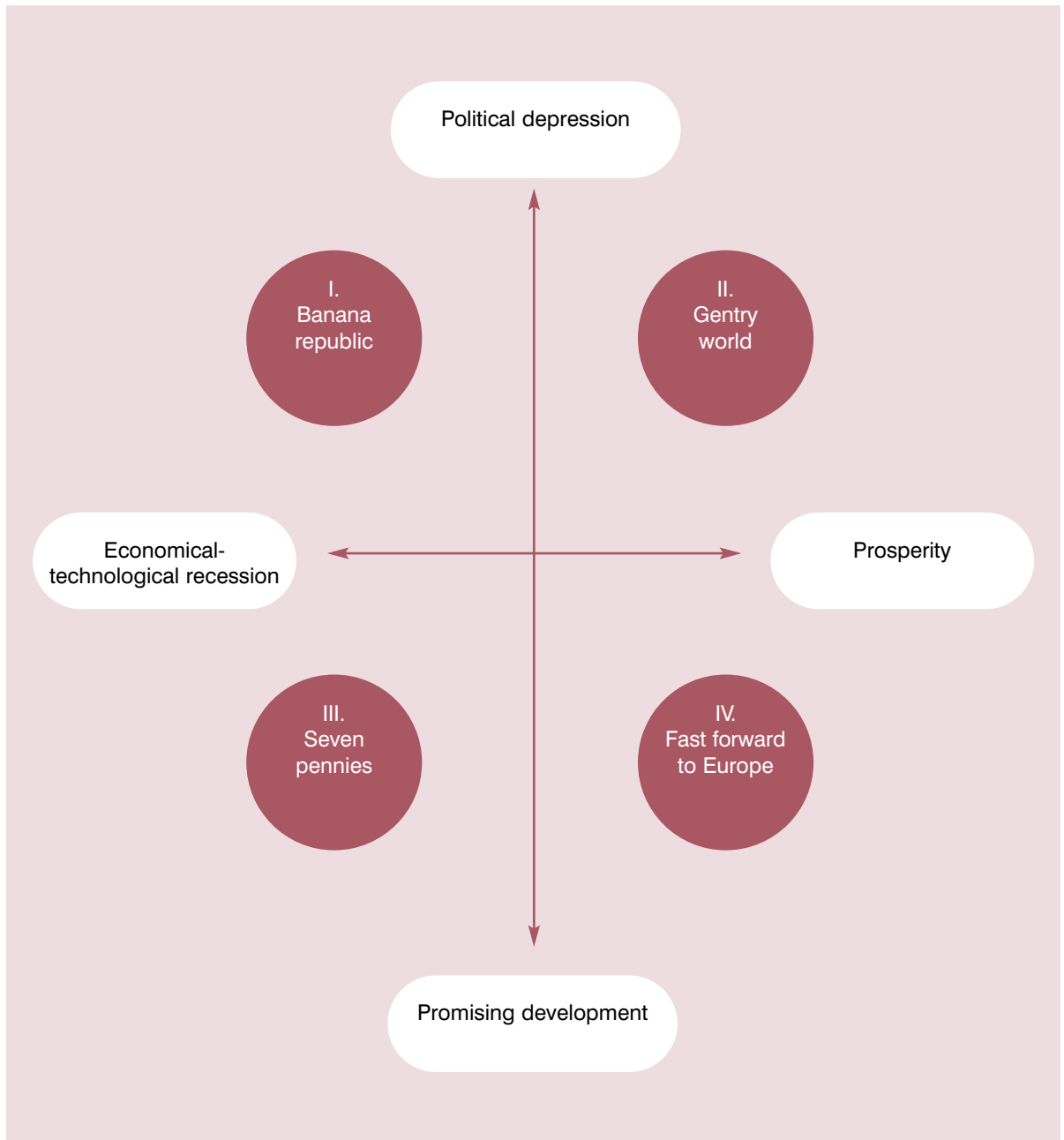
Three components of outer (economical-technological) changes:

- economy recession *or* economy prosperity (in the world and in Europe – we don't examine what happens if the trend locally is not up to pattern);
- the resources expendable on e-governance decrease, the resilience of improvement lowers, *or* the resources increase;
- the technology (mainly because of the cost structure and the compulsion to renew) makes the development or preservation difficult from the side of finance and human resources, *or* the change of technology gradually eases the replanning of processes and the implementation with less expensive, and well-learned systems.

The apices of axis are: Economy-technology Recession and Prosperity.

We made scenarios for the four cells created by the two axis (Inner and Outer), and we examined what could happen if they had met in the given combinations.

³⁶ The first version of this scenario was made in 2005, as part of e-governance strategy planning, but eventually it was not among the accepted documents.



1. Banana republic

The economic recession coupled with political depression intensifies the atavistic reflexes of political decision making and the operation of state administration. The self-moving of politics rolls back the already formed benchmarks of civil control, positions of publicity decline, new developments are not initiated, already begun ones stall, the introduced systems don't get the needed support and supply, and in some cases the administration reverts to pre-digital methods. Politicians and bureaucrats cut experts out of the processes. The service ethos degrades into empty rhetorics, the concentration of power increases, the jurisdiction becomes paralyzed, distrust

deepens, society gradually becomes unstable. Instead of digital age governance, the industrial age reflexes and methods of work gathers ground. Bureaucracy increases and social support falls away.

2. Gentry world

Insofar as the political components move towards depression but in the background is the strengthening prosperity of economy and technology, the number of distributable sources proves to be enough to finance the maintenance and solid development of working systems, in spite of increasing corruption and inefficient supervision. The current government apparatuses with a smaller chance to do substantive modernization will be interested in preserving the operability, but they don't undertake developments of greater importance. The world of Mikszáth might return, with growing nepotism, decreasing proficiency, jovially liberal handling of public funds, and solid criminalization of administration. Two-tier talk gets acclimatized, the politicians watching public opinion, but acting uninhibitedly, narrow the borders of publicity, even compared to the Banana republic-scenario (the importance of hiding information is greater because the amount circulating in the system is increased). But citizens are democratically mature, so the country gradually staggers towards administrative inability to operate, with frequent changes of cabinet, elections, and scandals.

3. Seven pennies

It is surprising, but economic recession can positively correlate with improvement of political culture; when the number of distributable sources is low, but the distribution itself happens increasingly on the grounds of professional considerations, supporting the patterns of workmanship instead of political quarrels, then the absence of money to burn helps birth good decisions about how to use it. The interest of emancipating participants of politics is to create the widest available publicity so it could be seen how they handle the narrow resources. On the grounds of economic considerations, in the name of

rationalization and cheaper states, many developments commence, and the administration places out services more easily, the PPP (Public Private Partnership) rises. The mood is good in spite of the small purse just like in Móricz's short story. Even if we do not laugh too much, we will witness fortunate changes in the public sphere, together with the growing of trust. What's more, good basis evolve for a cycle of prosperity: if the moulds of rational and up-to-date processes get stronger in the lean years, then the system will be able to handle resources beginning to increase, and will not revert to its stage of political depression.

4. Fast forward to Europe

The promising development of politics meets the economic prosperity in a contradictory way. The increasing of distributive sources strengthens the depression patterns again and again; great attention and strict control-supportive public life are needed to prevent the fallbacks. But if it is done, then a prepared political and professional elite will start the necessary developments with a good efficacy (with endurable losses, taking the risks of experiments), and they will rapidly reach European averages in the determining indicators. Moreover, in some areas they will arrive at innovative, citizen friendly solutions even on the UN level. State and citizen will become closer to each other; some corruption scandals brought to light will diminish assets of trust slower than the rate the prestige of the service state grows at. The planning perspectives widen, and developments can reach through cycles of governments. Many elements of the evolving e-governance know-how can be competitive products even in markets outside Europe. The state moves towards rationalization defining the whole system of distribution, which push the country through decreases of common public charges, and administration of a smaller population towards a more lively economy and cumulation, supporting prosperity and professionalism. It is clear that the **fulfilment of this scenario may be the only chance that a political and cultural change symbolized by the 2.0 can take place in Hungary.**

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