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Speyer Definition of Electronic Governance

Second, Reduced Edition

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Speyer Definition of Electronic Governance¹

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In discussions and publications on the information society, the term "Electronic Governance" is increasingly appearing alongside "Electronic Government". However, the two approaches are often not clearly distinguished. For this reason, we here add a **definition of "Electronic Governance"** to our definition of "Electronic Government".²

I. Governance

A literal German translation of the English term "Governance" is proving to be extremely difficult. There is no appropriate terminology. We think the word "Rules" would be most suitable. Nevertheless, we prefer the English word "Governance", which in turn goes back to the Latin "Gubernator" and is related to "Cybernetics".³

Governance could be understood as a generic term for rule in the sense of command or state authority. More fundamentally, however, it seems that governance - in general - shapes areas of life. Governance is thus linked to areas of life, but can be distinguished from them. The distinction is based on the fact, that governance has to do with the discussion of the direction that an area of life should take and with the subsequent decisions and evaluations. Governance is about aligning areas of life with values and goals and coordinating the individuals and communities involved. Governance is thus a typical field of action of its own, as well as a meta-area of life.

¹ Second, Reduced Edition by Heinrich Reiner mann and Jörn von Lucke: Speyer Definition Of Electronic Governance, Forschungsinstitut für öffentliche Verwaltung, Irvine and Speyer 2001.

² Compare Jörn von Lucke and Heinrich Reiner mann: Speyer Definition of Electronic Government, Forschungsinstitut für öffentliche Verwaltung, Speyer 2000.

³ We are in good company with this, because even in the natural sciences or medicine it is common practice to promote linguistic precision and international communication skills by using foreign rather than domestic terms.

More or less differentiated, four phases can be distinguished in the shaping of each area of life, which, however, must be perceived in the context of the respective social expectations and needs:

- Strategy development
- Conflict resolution and decision
- Implementation, coordination and moderation of the agreed attitudes and actions
- Evaluation of the results with feedback to the strategy development phase.

Governance in this cybernetic understanding is thus a general phenomenon associated with human activity. Above all, governance (as a function) is by no means limited to the state and public administration (government as an institution), but is found in all three sectors of society: in the first sector (state and administration, i.e. the legislative, executive, judiciary and public companies at all levels of government - the field of "Public Governance"), in the second sector (business, i.e. private companies - the field of "Corporate Governance") and in the third sector (non-governmental sector, i.e. associations, clubs, churches, chambers, trade unions, political parties, citizens' initiatives and many other organizations and volunteers).

One of the characteristics of today's understanding of governance is that the cooperation of state, economy and civil society in a spirit of partnership is seen as one of the essential requirements for effectively and sustainably meeting the challenges of our time, such as the global economy, the transformation from the industrial to the information society, changes in values or distortions in the population pyramid. The state and public administration must modernize their own institutions, but also ensure that business and civil society can make their contribution to the common good. The omnipotent welfare state is being replaced by the activating state, which supports the other two sectors in developing their own strengths.

By **government** we refer to the existing institutions in the First Sector as one of the areas of life in which governance can be a function. It cannot be ruled out that government takes

place without governance, just as, on the other hand, governance, as seen, also takes place outside of government.

II. Electronic Governance

Governance has always been influenced by available information and communication technologies in terms of its subject matter ("what") and procedures ("how"). This is because every sector of society and every phase of governance - strategy formulation, decision-making, moderation and evaluation - sees itself in a new light and must face new challenges. When we speak of "Electronic Governance", the term limits the broad scope of governance by addressing the challenges that governance is currently facing through modern information technology (IT), especially Internet technologies. The topic is thus: Governance in the context of the "Digital Revolution" and the "Information Society". E-Governance - which continues to apply to any area of life - aims to set the right course for this.

A key influencing factor to be considered in E-Governance is the "new accessibility" of people, processes, data and (chip-equipped) objects and the resulting "new designability" of large parts of our lives, as we have described in our "Speyer Definition of E-Government" (see the third chart there). Compared to conventional media, the Internet, with its interactive potential, allows a much more intensive use of this new accessibility. It makes information, communication and transactions possible at any time and from any place. Its use requires relatively little investment in time and money. Anyone with a network-compatible device can be both receiver and sender. Intermediate layers of intermediaries in hierarchies are threatened to become obsolete. At the same time, institutions and their processes are becoming transparent to an unprecedented extent.

The technical phenomenon of the Internet is closely related to material issues concerning the transition of our contemporary society into an "information, communication or knowledge society". The Internet, with its characteristic features, enables or even encourages the redesign of many areas of life. This also concerns all sectors of society.

In the **first sector** of government and administration, a movement has been underway for roughly a decade from the bureaucratic authoritarian state to more modern forms, described by terms such as lean state,⁴ functional state,⁵ activating state⁶ or new public management.⁷ With differences in detail, such forms of "Public Governance" have in mind more citizen participation and civic responsibility, a clearer client or customer orientation of the authorities, their more strategic and goal-oriented orientation, more responsibility for results and resource awareness as well as a more intensive cooperation of all institutions involved. The first sector was initially also targeted by the "Good Governance" approach, which, starting with the World Bank, was applied to normative forms of governance for the Third World,⁸ but is now used generically. Internet technologies are able to support such developments with additional approaches and new procedures, some of which are drastically different from traditional ones.

In the **second sector**, there are phenomena such as the New Economy or the Information Economy that clearly demonstrate the new possibilities offered by Internet technologies with approaches such as electronic commerce in a globalized economy, virtual enterprises, network formation or groupware. Management by email is developing into a new variant of corporate governance, which is quite different from the way management tasks have been performed up to now.⁹

From the **third sector**, the movement of communitarianism with tendencies towards greater self-responsibility and self-organisation in civil society (Civic Society) should be mentioned.¹⁰ It is also promoted or benefits from the greater transparency of relevant institutions and persons and their accessibility, as suggested by Internet technologies.

⁴ Compare Rupert Scholz und Hans Hofmann: Der Sachverständigenrat Schlanker Staat - Vorschläge und Umsetzungsergebnisse, in: Die Personalvertretung, Volume 41, Issue 6, 1998, pp. 326-335.

⁵ Compare Carl Böhret: Funktionaler Staat - Ein Konzept für die Jahrhundertwende? Beiträge zur Politikwissenschaft. Volume 53, Frankfurt am Main 1993.

⁶ This term can be found in the current programme of the Federal Government Schröder "Modern State - Modern Administration" (<http://www.staat-modern.de>).

⁷ Compare Christoph Reichhard: Umdenken im Rathaus – Neue Steuerungsmodelle in der deutschen Kommunalverwaltung, Berlin 1994 or Heinrich Reinermann, F.F. Ridley and Jean-Claude Thoenig: Neues Politik- und Verwaltungsmanagement in der kommunalen Praxis - ein internationaler Vergleich, Konrad-Adenauer-Stiftung (Eds.), Internet Studie Nr. 158/1998, Sankt Augustin 1998.

⁸ Compare Christian Theobald: Die Weltbank: Good Governance und die neue Institutionenökonomik, in: Verwaltungsarchiv, Volume 89, Issue 3, 1998, pp. 467-504.

⁹ Compare Arnold Picot, Ralf Reichwald and Rolf T. Wiegand: Die grenzenlose Unternehmung: Information, Organisation und Management. Lehrbuch zur Unternehmensführung im Informationszeitalter, 4th Edition, Wiesbaden 2000.

¹⁰ Compare Amitai Etzioni: The Spirit of Community. Rights, Responsibilities, and the Communitarian Agenda, Crown, New York 1993.

What all these developments have in common is that Electronic Governance can be practiced less than ever in isolation in individual sectors, but must take their interdependencies into account and meet current quality criteria. The more win-win solutions are successful, the better are the conditions for accepted, sustainable developments in the various areas of life.

III. Public E-Governance

If E-Governance is the current case of governance addressing the challenges posed by the digital revolution and the information society, we distinguish it from "Public E-Governance" as being limited to the part of the discussion that concerns the first sector. In other words, it is specifically concerned with the tasks of government and administration in the orientation of the social spheres of life to the requirements of the information society (as a metaphor for the challenges of our time). In contrast, Electronic Government is one of these areas of life itself, namely the application of electronic information and communication technologies to business processes in the public sector (see Chart 1).

Two sub-areas of Public E-Governance should be distinguished.

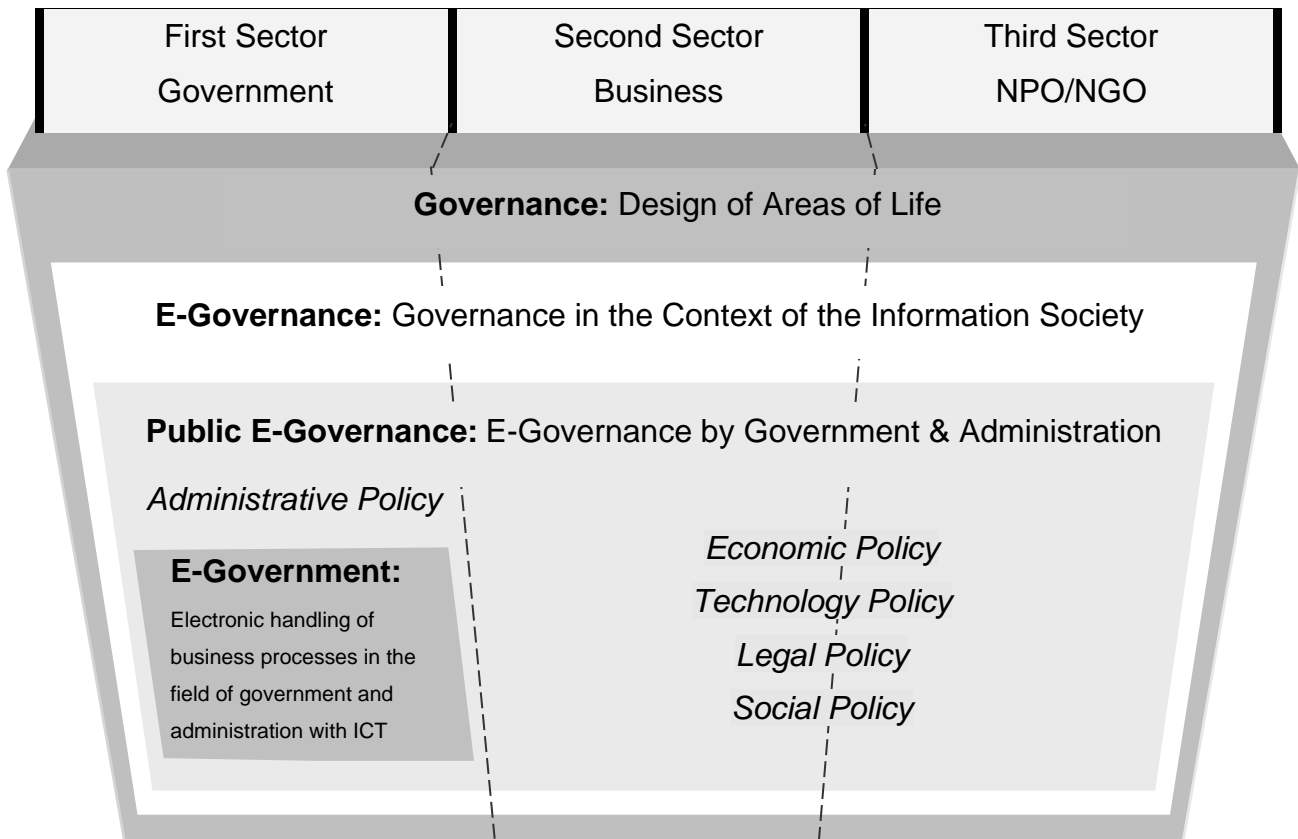


Chart 1: Governance, E-Governance, Public E-Governance and E-Government

1. Redistribution of tasks in the society as subject of Public E-Governance

On the one hand, it is a matter of observing, analyzing and possibly influencing new ways of life and business models in the wake of the IT now available, as already observed in all areas of society. The customary division of tasks nationally between social sectors and internationally between states is beginning to falter in the wake of the "new accessibility" of people, programs, data and objects. In the medium to long term, this is likely to lead to the dissolution of parts of the given order where these no longer prove capable. Chart 2 is intended to illustrate this.

		<i>G = Government</i>	<i>B = Business</i>	<i>N = NPO/NGO</i>
From \ To		First Sector Government	Second Sector Business	Third Sector NPO/NGO
First Sector Government		G>G	G>B	G>N
Second Sector Business		B>G	B>B	B>N
Third Sector NPO/NGO		N>G	N>B	N>N

Chart 2: New Distribution of Tasks in Society as a Challenge of Public E-Governance

In principle, each sector can give or receive tasks to or from any other sector. The diagonal corresponds to redistributions within the respective sectors. Of the nine fields of the matrix, only a few will be addressed here, where the influence of Internet technologies is already clearly visible. Peer-to-peer exchange of digital products such as software or music,¹¹ software piracy,¹² the shift of parts of the software market via open source products into civil society or the increasing natural exchange, sometimes using artificial currencies,¹³ show how the economy (revenues) and the state (tax revenues, expenditures, law enforcement) are affected.

In addition, the third sector has so far been able to fulfill some public tasks on a communitarian basis in self-organization. Growing international cooperation is leading to a shift of tasks between states. Enterprises see themselves exposed to a global, "borderless" competition. Some areas of life are being shifted to "cyberspace" with independent control systems. The protection of personal data is endangered. A "digital divide" of society into information rich and poor cannot be guaranteed. But what of such emerging developments should be accepted, what should be promoted, what should be slowed down? Answering such questions has always been a function of government. In the context of the information society, it requires E-Governance as a current use case for ensuring the common good. It is a matter of setting an appropriate framework for the transformation to the information society in all three sectors.

¹¹ In this context, Napster: <http://www.napster.com> and Gnutella: <http://gnutella.wego.com> should be mentioned above all.

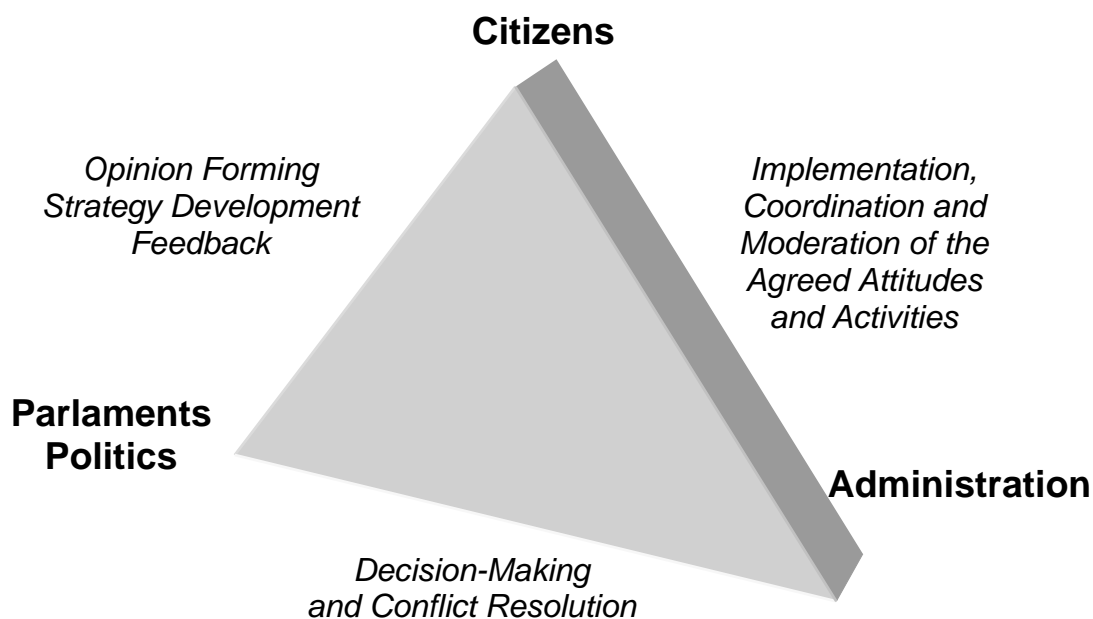
¹² Astalavista: <http://www.astalavista.com> can serve as an entry portal to this topic.

¹³ Examples are Bigvine: <http://www.bigvine.com> and Lassobucks: <http://www.lassobucks.com>.

The understanding of the extent of state intervention required in this transformation varies considerably in different parts of the world. National strategies are always flanked by social, economic, technological and legal measures of Public E-Governance, which are essential requirements for the acceptance of electronic media by the population. Sociopolitical measures include a "social dialogue" on the opportunities and risks of E-Government, the concerns and fears of the population and the necessary actions by the government and administration. At the same time, areas of application for pilot projects are to be selected, through which broad sections of the population can be convinced by personal benefits. Media competence programs and the development of a nationwide infrastructure of accesses should prevent a digital divide of the society. Targeted economic policy measures can help to build a cluster of companies that can ensure an efficient and inexpensive range of hardware, software and complementary services. These include the promotion of research and development, start-up initiatives, tax policy measures, training and qualification initiatives. This leads to a close interlocking with technology policy measures to build up competitive suppliers for computer systems, computer networks, security structures, applications and content. Targeted legal policy measures consisting of laws, regulations and other rules to create an adequate legal framework are also necessary. A successful transformation and planning reliability for potential providers requires confidence in the legal reliability of administrative relationships via the Internet as well as the protection of consumer interests and privacy.

2. New forms of Governance as an Object of Public E-Governance

On the other hand, with the "digital revolution", the governance phases, from strategy development to evaluation, also face unusual challenges and potentials in government and administration (see Chart 3).



**Chart 3: Challenges to Public Electronic Governance
Through New Forms of Governance**

Between **citizens** and **politics**, new forms of participation have become possible and in some cases can already be observed: Citizens' politicians,¹⁴ prosumers,¹⁵ transparency in the public sector, digital petitions, electronic hearings, virtual party conferences and online voting are keywords that at least pose challenges for today's representative democracy. This concerns questions of institutionalizing power and dealing with conflicts. A globally interconnected society will lead to changes in the way democratic institutions operate. This will change the relationship between the state and its citizens as well as the nation state. Citizens can now participate more intensively and actively involved in decision-making processes.

Between **politics** and **administration**, better information bases can be observed, which the Internet enables for decision preparation, implementation, moderation and evaluation. They are particularly useful in view of the increasing formation of networks for the joint fulfilment of tasks by institutions from all sectors. In this way, power losses can be compensated for, such as those caused by globalization (externally) and devolution

¹⁴ Citizens' politicians are those citizens who, thanks to the new media and new administrative transparency, are better able to intervene in politics and act as politicians.

(internally). This also applies to the weakening of the nation state as a result of the threat of digital migration to states with more favorable conditions or to the "cyberspace": eroding power to enforce one's own ideas must be compensated by informing, negotiating, convincing and moderating among peers. Finally, the potential for better information comes at the right time with a view to faster reactions of politics and legislation to new challenges, as required by the shorter innovation cycles in the information society. This should provide a better overall information basis for ensuring that those responsible for an area of life, such as a government, take care of the tasks that those who are affected consider important, and that the existing characteristics of the area of life are continually fed back into strategy and decision-making. This is an important requirement for the identification of those affected with their representatives (and thus for their legitimacy).

Between **administration** and **citizens** (understood in the broad sense as client and customer, both in terms of personnel and institutions, including companies and third sector institutions), more efficient and effective forms of production and distribution of goods and services are at stake. Due to the possibilities of rationalization in logistics and communication, increasing productivity and decreasing costs can be expected. In addition to initial approaches such as teleshopping and teleadministration, new potentials are offered by an increase in the number of contact points to providers (front office) while concentration movements with improved feedback paths take place in the background (back office). Approaches to virtual administrations and organizations help to overcome structural deficits in disadvantaged regions. E-Governance could have different effects in the public and private sectors: While many economic activities lend themselves to tele-relationships (such as e-shopping and e-banking), in public affairs (such as homeland security or social services) local presence is often crucial.

As in the previous paragraph, Public E-Governance means setting the course for the use of new information technology potentials and for the prevention of undesirable developments in a timely manner when designing forms of governance.

¹⁵ Prosumers are consumers who are much more involved in the production of the goods and services they order than what was previously possible.

IV. Electronic Government

We call the handling of business processes in the overall context of government and administration with the help of information and communication technologies via electronic media "E-Government". This is the subject of our "Definition of Electronic Government", to which we refer here.¹⁶ It concerns the institutions found in the first sector, i.e. regulations, devices, networks, programs and data, as they have been consciously shaped by Public E-Government in the best case.

In each case, E-Government must be seen in the context of Public E-Governance. As far as Public E-Governance develops new administrative policy-based requirements for the electronic processing of business processes in government and administration, the respective form of E-Government should change. Evaluation of the results of the measures taken as well as feedback to the strategy phase are to be regarded as part of Public E-Governance.

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¹⁶ Compare Jörn von Lucke and Heinrich Reiner mann: Speyer Definition of Electronic Government, Forschungsinstitut für öffentliche Verwaltung, Speyer 2000.