E-government chapter

E-Government in Canada

Services Online or Public Service Renewal?

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E-Government in Canada: Services On-Line or Public Service Renewal?

Moving industrial society government onto a digital platform would simply produce a digitized industrial government—a form of governance that would be increasingly out of step with the changing realities of citizens and businesses alike.

INTRODUCTION

This chapter examines the efforts of the Government of Canada to harness information and communication technology (ICT) as an enabling force. Various forms of e-government are now clearly on policy and managerial reform agendas of the public sector. The extent to which these challenges are well understood, however, is the source of much debate. Some managers and politicians remain particularly sceptical in the face of spectacular claims of external commentators that the internet is a revolution in both citizen expectations and service delivery.

Yet, e-government is expanding. As online activity grows across private, public and civil spheres of organizational life, and as governance transformations impact organizations across these sectors, governments are not immune. The more relevant question is whether they can orchestrate change by fostering adaptive capacities, or whether change will be imposed.

This chapter begins from the premise that e-government presents a real transformation in democratic governance, including design, decision-making and service delivery capabilities. Importantly, e-government takes place within a changing governance context where technology itself may only be one driver – as people debate the extent to which it is a tool for improving current systems or a key for redefining them. Whatever the balance here, the struggle is that government must redefine itself for a world of e-governance, even as this world is shaped by a variety of dynamic forces.

As we move forward, section two provides some definitional parameters around governance and government and the relevance of the now omni-present “e”. Section three looks at the centrality of partnerships in this new context. Section four examines the impacts on people – particularly within government. Section five draws from extensive interviews with senior public servants and reports on how they interpret that challenges that lie ahead. Section six builds on this reporting and offers a forward-looking assessment of the likely evolutionary scenarios that lie ahead. Section seven concludes the chapter.
DEFINITIONAL CHALLENGES – GOVERNANCE & GOVERNMENT

As a starting point, governance may be defined as effective coordination in an environment where both knowledge and power are distributed. Every organization is built on governance, whether formal or informal, ineffective or successful.

The rise of e-governance refers to new processes of coordination made possible or even necessary by the advent of technology – and the spreading of online activities in particular. As a result, e-government (a term that we further define below), in the broadest sense refers to an IT-led reconfiguration of public sector governance – and how knowledge, power and purpose are redistributed in light of new technological realities.

In summarizing what has been written about the information age and/or digital world to date, our perspective is that there are three main sets of inter-related forces driving the emergence of e-governance and the search for new organizational models across all sectors:

- **Spatial** - geography and place
- **Digital** - communications and time
- **Cognitive** - education and expectations

Globalization drives new spatial considerations that are changing our notion of place, as economic, and, to some degree, social and political forces for integration create new interdependencies beyond national borders. As a result, identity and community are less bound by geography, with new and far more complex networking patterns emerging [Paquet 1997a].

More instantaneous communicating and changing perceptions of time are related considerations – as the expression “internet time” redefines many organizational activities in the private sector, and in government as well. A digital world implies instantaneous decisions and accessibility, and speed and responsiveness become the hallmarks of performance [Guillaume 1999; Tapscott and Agnew 1999].

Changing cognitive capacities are the third set of final contextual forces driving change – as the rapid expansion of both information and education empowers populations to become less passive and better educated. Organizations struggle to define and retain the right mix of competencies in a knowledge-based workforce increasingly characterized by mobility, diversity and assertiveness [Rifkin 2000; Rosenau 2000].

These simultaneous forces are at the heart of the struggle to adapt to a new governance environment. For governments, however, there are inherent contradictions in each that must be recognized.
New notions of place mean that e-government emerges not within a traditional order of national processes, rather within a more complex picture of both globalizing and localizing pressures. E-government, at the national level, means interfacing with the new global possibilities and pressures, while empowering cities and regions with the tools to act collectively in order to prosper. Governance, in a digital world, is bound to encompass a growing number of multi-level processes, heightening the need for coordination and learning across traditionally separate public sector systems.

New notions of time also result in contradictory pressures for government. While “internet time” stimulates service delivery and the desire to be more customer-oriented, public interest considerations and more citizen-oriented government often heighten complexity and time requirements. Using technology to engage citizens in more deliberative forms of democracy may well require more time - and more patience.

Similarly, demographic trends signal new challenges as an emerging knowledge society takes shape. Driven by the so-called internet generation, the citizenry is becoming less homogenous, less passive and accepting of traditional forms of authority and representation, and more contradictory in its demands [Thornton 1998]. Government will be challenged to not only respond, but to also redefine the social contract of the new millennium - meaning both the rights and responsibilities of a connected citizenry.

The struggle to define a vision of e-government reflects our search for better ways to adapt in order to meet new spatial, digital and demographic realities. As the initial quote above implies, e-government cannot simply be derived from the imposition of new technology on existing organizational models. As the public sector adapts itself to a new environment, it must also serve as a catalyst for guiding all stakeholders toward a common path. E-government is intertwined with the broader governance transformations reshaping and joining our economy, our society, and our polity.

Within such parameters there is a struggle with terminology. We suggest that the term, digital government, reflects a partial re-configuration of the public sector through new information and communication technologies (ICTs). As such, digital government is quite close to Government On-Line (GOL). The critical mission is to improve service-delivery capacities through the potential of a new digital platform.

This new digital architecture is a crucial component of the e-government challenge – but it is also incomplete. It is crucial since the investments made into ICTs will lay a foundation for less a hierarchical and more flexible organization.
However, it is incomplete since hardware and software alone cannot ensure better performance and ongoing learning. New social technologies are also required, meaning the new skill sets, mindsets and approaches to leadership. A definition of e-government that encapsulates a broader agenda of renewal and multi-dimensional technological change may prove more helpful:

*E-Government is a public sector better enabled to harness new information, communication and social technologies in order to empower the public service of tomorrow. Effective change is premised on the necessary leadership of people, and the collective intelligence of all stakeholders in meeting the potential of a more interdependent world.*

This definition suggests that any transformation of government must take place in a context of growing interdependence – both internally and externally. We continue the conceptual investigation of e-government by further probing what we believe to be two of the most critical dimensions of this path: *partnerships and people.*

**PARTNERSHIPS**

E-governance creates pressures and opportunities for new partnerships - internally and externally. Within government, ICT fosters new horizontal opportunities by shifting away from traditional bureaucratic structures toward alternative delivery arrangements. The growing possibilities for consultations with both stakeholders and the citizenry are also expanded with new technologies. Moreover, on-line delivery implies integrative channels within government, linking external users across sources and systems internally.

These trends mean ICT forces are both dispersing and centralizing – fostering a need for integrative action. Put another way, these forces create tensions between vertical governance of traditional government and the horizontal governance implied by digital government. The emergence of digital government will therefore require actions and strategies at the level of individual departments and agencies: but such efforts must be orchestrated within the parameters of government-wide leadership and coordination.

Accountability is a key element of such a balance. The manner by which accountability is perceived and exercised by government leaders will determine the degree to which it embraces more collaborative models of governance. Traditionalists invoke the underlying principle of Ministerial Accountability based on a clear and rigid view of vertical control and risk-minimization in order to serve and protect the interests of the publicly accountable political leader.

The rise of e-governance, with its pressures for a variety of initiatives introducing alternative models of decision-making and service delivery, implies a sharing of accountability. The need for collaboration, partnerships and joint ventures grows within government, and often between private and public organizations.
There are also important debates around the issue of whether accountability is at risk when external partners become involved in the governing and shared delivery of government programs and services. According to some, new governance arrangements threaten to undermine key institutions and practices of democratic accountability [Globerman and Vining 1996].

This camp believes that any change to the existing system of ministerial accountability will damage the integrity of the system. There is some question as to whether the ad hoc nature of the ever-increasing number of partnership arrangements between sectors challenges accountability mechanisms or can be absorbed in traditional models of decision making with adaptations to risk mitigating strategies.

An alternative view is that collaborative arrangements can make government more accountable [Armstrong and Ford 1999]. The proponents of collaborative arrangements insist that involving external stakeholders strengthens accountability to citizens by virtue of the addition of partners. In particular, private and civic sector partners bring additional pressure for accountability to customers or clients. Notwithstanding legitimate concerns about new ways of doing things, it is difficult to conclude from these debates that the virtues of traditional accountability, namely their clarity and simplicity, can serve as justifications for their extension into an e-governance era.

These tensions shape ties governments and the vendors of ICT systems and solutions. ICT solutions, however, are more pervasive in demanding closer collaboration between private vendors and public sector clients [Mornan 1998]. The complexity and sophistication of such solutions produce many strategic choices for governments about how to deploy ICT both in and across public sector operations. Yet, a critical distinction across business and government remains, namely the relative emphasis on results in the former case, and the relative importance of process in the latter sphere.

**Contracts versus partnerships** - Any move toward ICT outsourcing, meaning a reliance on external service providers, most often found in the private sector, is likely to be both controversial and consequential for government, particularly from a human resources perspective. The advantages of outsourcing ICT and its management to external parties are derived from the opportunity to leverage the competencies of specialists. The disadvantages are rooted in concerns about control and performance measurement, while underlying questions of cost often become the resulting sources of friction.

The main challenge is relational: *new collaborative capacities are required*. Partnerships require shared purposes and agendas, as well as trust and an integrative mind set. The implication here is that the skill sets of the individuals involved and the mechanisms guiding their relational activities must both be conducive to such an effort. The main challenge facing all parties engaged in today’s increasingly complex forms of ICT partnerships is that despite a recognition of the need to work together in new ways, most organizational processes and most people reside within the realm of contracting, with an emphasis on both cost and control. Although common to all sectors, this point is
particularly prevalent in the public sector, as the extra burden of transparency and fairness, the basis of traditional assurances of public accountability, loom large.

Current examples of outsourcing are a case in point, as any such decision by a government department is bound to be strategic and controversial. The transfer of assets, including people, is a process with potentially huge consequences on government’s capacity to act in the public interest. In a world of markets and contracts, the outsourcing path is fraught with risks and uncertainty: the response is often a quagmire of control efforts and validation. Moreover, even if such agreements are forged operationally, public sector approval requires additional scrutiny and explanations to public chambers - and it should come as no surprise that many deals are unable to withstand such pressures.

Recently, the state of Connecticut in The United States spent millions of dollars and over three years negotiating one of the most ambitious outsourcing deals of a government ever, only to see the deal collapse before completion. Both parties (the government and the primary vendor) provide amicable, though contrasting, explanations for the deal’s demise. While no single factor is evident, it is fair to conclude that the requisite mix of political acceptability and profitability could not be achieved in an adequate fashion due, in part, to a tremendous emphasis on contracting specifications, objectives, terms and conditions - a process fundamentally at odds with the trust and collaboration required to partner on such a massive scale. A federal public servant in Canada commented privately that in his mind, profit always wins out over partnership in such cases.

Nonetheless, perhaps due to the strengthening pressures of e-governance, the trend toward outsourcing-type arrangements grows unabated. Tying itself directly to the experiences of Connecticut, the San Diego County government is now six months into the largest municipal outsourcing experience. While these experiences are unique in scope, they present elements common to all governments, at all levels, as IT becomes a strategic imperative for effective governance. Such tensions have led to growing calls for partnerships in place of contracts. The differences may be subtle in terms of words, but the consequences of this contrast are far reaching. Poupart and Austin compare two modes of relationships:

*Partners respond to a need in a changing world by sharing control in the context of an assertive relationship to offer a future that facilitates innovation in a world of possibilities. Contractors respond to a request in a procurement world by giving up control in the context of a collaborative relationship to provide help, assistance, pairs of hands that facilitate project management in a world of deliverables [Jelich & al. 2000, p.52].*

Our premise is that the realization of e-government remains at odds with a traditional public sector apparatus firmly rooted in hierarchical traditions. The resulting challenge of shifting from incremental procurement reform to genuine collaboration lies in the need to rebalance purchasing safeguards with partnering opportunities. Equally important are the new skill sets of public managers and leadership requirements that result.
PEOPLE

The need for e-governance rises hand in hand with the knowledge workforce. Conceptually, Rifkin envisions growing ranks of knowledge workers who will forge new communities of interest, only some of which are likely to resemble traditional employee-employer relationships of the past. He argues that “people of the twenty-first century are as likely to perceive themselves as nodes embedded in networks of shared interests as they are to perceive themselves as autonomous agents in a Darwinian world of competitive survival” [Rifkin 2000, p.12].

How will public sector organizations deal with what Rifkin sees as a new human archetype where people are more autonomous, better educated, more mobile, and less rooted by traditions of place (either geographically or organizationally)? These conceptual issues intimately link the workforce challenges of digital government with those of cultural reform (in an organizational sense). Whereas Westminster systems continue to emphasize vertical accountability, government on-line is (correctly) being pursued in a horizontal fashion.

An international study by Essex and Kusy [1999] underlines the views of executives from both government and industry, for whom an increasing reliance on the external workforce is a significant trend. They report that from 1997-2002, leaders are expecting an increase from 10 per cent to 25 per cent in non-core (meaning non-traditional full-time, or external) workers. This crescendo of the external workforce may well accelerate with the technology-induced pressures for organizational innovation and flexibility. The result is a complex mix of agendas and incentives that explains the growing emphasis on interpersonal skills such as negotiation, facilitation, and consultation.

These skills are forming the basis of “new public servant”, one who is much more collaborative and comfortable with technology, and the consequences of these shifts for human resource in management in government will be profound [Moritz and Roy 2000]. Thus, government is becoming both more fluid internally and more networked externally, as distributed governance models drive the move toward a flexible and modular workforce.

As a result, the role of the public servant must adapt; governments must effectively couple new forms of community-wide strategies that are both horizontal and potentially centralizing, with recent trends toward empowerment and flexibility - and the decentralizing nature of such pressures (i.e. agencies seeking greater autonomy). Governments must learn to benefit from heightened worker mobility – viewing such trends as strategic imperatives for public service innovation.
In doing so, a challenge for many governments lies in more direct competition with industry. In the Canadian government, for example, the Computer Systems (CS) Community is based heavily in and around Ottawa-Hull, the National Capital Region (NCR). In 1999, 67% of all CS employees were located in the NCR, compared to 34% for the entire PS [ibid.]. As CS employment increases, more workers are located in the NCR which give rise to new managerial challenges – namely, an intensifying labour market that also serves as a common pool of competencies for both industry and the government.

Consequently, a major challenge of digital government lies in this competition for human capital, a dynamic particularly acute in national capitals such as Washington D.C. and Ottawa, which seem to couple growing professional mobility and inter-sectoral proximity.

The governance implications of such trends are perhaps contradictory: a paradoxical impact of IT may be that, while it enables more organizational flexibility and decentralization across the public sector, particularly with respect to service delivery, leadership patterns also have centralizing tendencies. This factor could impact both the presence and effectiveness of national governments operating across their country, and their ability to recruit specialized workers in limited urban centres (particularly national capitals) where labour markets are most competitive.

In a world of e-governance, an appropriate response by government in meeting this dynamic must be based on the understanding of both the complexity and contradictions at work. On the one hand, the move toward greater usage of PPP’s suggests that labour mobility and geographic proximity could complement one another, and create a common environment more conducive to trust and collaboration. On the other hand, the very real danger is that the most entrepreneurial employees will leave the public service, seeking either higher compensation or more flexible work environments than government is able to accord to them.

As important as the technology itself, government must address the people and performance challenges of digital government in the next few years. Adapting the role and profile of the public servant is critical to realising the needed administrative cultural shift associated with horizontal governance and collaborative partnerships.

**E-GOVERNMENT IN CANADA – REHETORIC & REALITY**

In Canada, the foundation for the e-government movement has been established by three key policy documents put forward by the Management Board of the Government (Treasury Board of Canada Secretariat):

2. Strategic Directions for Information Management and Information Technology: Enabling 21st Century Services to Canadians (April 2000)

This movement was inspired and prioritized by the October 12th, Speech from the Throne in which the federal government vowed that by 2004, it would be known around the world as the government most connected to its citizens. This e-government initiative has been labelled “Government Online” (GOL) in Canada - although online service delivery is just one of the many components of GOL. A high level committee of senior public sector executives was subsequently created to act as the senior advisory and oversight committee (“champion”) for GOL.

In terms of implementation, the leadership or oversight role was given to the Chief Information Officer Branch (CIOB) in the Treasury Board Secretariat. Within this Branch, an Office for Government Online was established to coordinate GOL efforts across the federal government. The office determined three key areas of implementation: technology, people, and business processes.

The backbone of the technology component is the Strategic IM/IT Infrastructure Initiative (SII) aimed at developing a federated architecture for the federal government. Other technology projects include the GoC Public Key Infrastructure (PKI) and the Secure Channel Project (SC) aimed at providing a secure electronic environment for GOL. In addition, a Shared Systems Initiative (SII) was initiated to provide common departmental internal systems. Lastly, the development of a new government-wide portal is underway to provide an eventual basis for seamless, single-window service delivery to Canadians over the Internet.

In speaking with a cross-section of senior public servants across both operational departments and central agencies, we probed them on their views about the likely opportunities and challenges ahead with respect to e-government. Specifically, this dialogue was guided by three broad directions: i) capacities – the overall vision and approach requires; ii) culture – the adaptive challenges, the new decision-making approaches, and the changing leadership requirements; and iii) competencies – the necessary skill sets and human resource considerations for managing people.

Capacities:

The short-term vision for the federal government is to ensure that all government services are on-line by the year 2004. According to government leaders, this vision must be viewed as the realization of an environment where citizens have a choice of delivery channels. And if they are using the electronic channel, services must be organized in such a way that on-line engagements are meaningful and accessible through a single-window.
For many senior managers, the rapid acceleration of technological innovation is challenging government's capacity to adapt in an unparalleled manner. For instance, the government put in place major telephone call centres roughly 25 years ago, and even today issues arise as to their effective utilization. In a digital world, planning for the next three years will be a challenge, to say nothing of achieving a coherent forecast of the world in ten years time.

Another emerging challenge for e-government lies in the balance between corporate direction and departmental flexibility. Federal executives accept that flexibility is crucial in order to facilitate innovation at the department level. At the same time, they believe that new capacities are required on a government-wide basis, as departments need to have a shared approach to common objectives, much like integrative Y2K efforts.

One result is that on-line government means taking a government-wide approach to agenda setting. Infrastructure is key to enabling such inter-connectivity and responsiveness at a government-wide level. The notion of a federated architecture model is meant to be sensitive to the difficult balancing act at play by achieving government-wide coordination in a fashion that equally respects departmental flexibility and front-line innovation.

Industry is also a critical reference point for the emergence of e-government, and business may have multiple roles to play. The extent to which the private sector is a competitor, a model, or a partner of government is an issue of strategic importance.

Executives believe that the constant pressure to respond to a changing marketplace also forces government to become more innovative itself. The main reason lies in public expectations, shaped by a variety of service delivery experiences that create points of comparison between private and public models. Thus, innovation being spurred by electronic commerce translates into higher public expectations toward government.

In terms of contrasts, however, others suggest that adopting a business case approach with the sort of return on investment tests prevalent in the marketplace may not be the most appropriate route for government. In the short run, much of the effort in fostering a digital architecture may not carry such returns, and what is required is a business case accounting for this form of strategic investment. In this sense, government's mission is partly distinct from business in serving broader questions of the public good, such as infrastructure, in a digital era.

The shared view across executives is that complementarity is more important than commonality. There was broad agreement that there is much to be gained from bringing private sector people into government—adding that creativity, rather than conformity, should be encouraged. The uncertainty so prevalent in a digital environment also challenges relations between business and government. If the public sector possessed a clear blueprint of what it wanted to achieve, with few unknowns, then it would be relatively easy for industry to be able to promise to help reach specified targets. The absence of any such certainty makes collaboration a challenge.
In terms of realizing new forms of private-public partnerships, some respondents point out that the public sector carries unique attributes that may augment the complexity of forging such arrangements. The greater role of public scrutiny, for example, may make it difficult to foster a culture conducive to risk. As a result, there is a need for collective education—including all stakeholders and the public in order to learn to better acknowledge when a certain amount of failure must be tolerated.

*Culture:*

Many respondents stressed that in a world of greater electronic connectivity, aligning leadership is a critical challenge. The key is to provide leadership that ensures an integrative strategy of technology, people and performance. Providing a culture that unleashes creativity and focuses on outcomes must be a key priority of public sector leadership today.

In terms of the new type of leadership required for e-government, not everything is new however. Clear direction and sound judgement remain critical success factors, although the systems within which they are being applied are rapidly changing. A unique challenge in government is the lack of clear equivalent to the CEO and Board of Directors of a private sector company, which means that the politicians and the public are key stakeholders.

Government’s complex agenda, along with the uncertainty of how to couple bottom line considerations with what is in the public interest may well increase the risk associated with IT investments. A holistic assessment of government requirements is necessary, both to provide adequate funding for the digital foundation of e-government and to better guide decision-making as layers are built upon this base.

A major leadership challenge will be to find ways to create momentum for such innovation and creativity, and to guide this momentum in a coherent direction. An additional role for an e-government leader is to ensure that all components of the organization (corporately or at the department level) understand the ramifications of new technology for every aspect of decision-making, policy formulation, and service delivery. Building this understanding requires a culture of learning. This need for multiple forms of direction and accountability creates a particular challenge for senior public sector managers at the Deputy and Ministerial level. Leadership means blending specific targets and mandates with horizontal agendas, and IT is a critical driver in this regard.

New forms of trust will be required across government, and this type of connectivity, often much more horizontal than in the past, cannot be easily rooted in hierarchy. One government executive estimates that on a scale of organizational complexity, Y2K may be viewed as perhaps a 4 out of 10. Subsequent phases of on-line government and digital governance, in contrast, should be viewed as more akin to an 8 of 10. Y2K was largely remedial; these next steps are about process realignment and designing something entirely new.
In terms of information flows and transparency, many of the executives agree that the explosion of information is altering government decision-making in far reaching ways. As one example, much of the legislative framework adopted for an industrial era, designed to protect and control information flows, may no longer be appropriate in an era of information sharing and knowledge management.

However, many see this shift, at least, in a potentially positive way. As information becomes more readily available, there is greater transparency across government, and the public will not only demand more, they will also know more. The result will be that people will feel a higher sense of value for their investments in government, and if the value is not there, a more informed public means greater accountability.

Practically, the growth of information also carries enormous consequences for workflows within government. Responding to electronic mail, maintaining adequate records, and learning to separate data that is largely noise from strategic information, are all organizational challenges of an unprecedented magnitude in a digital era.

For the time being, these challenges may raise more questions than answers. Government managers must ask themselves—how much do you negotiate and how much do you dictate, when do you devolve, and when is centralization necessary?

This central – flexible balance is a crucial theme. Some individuals point to a careful, but strategic role for central agencies to assist in this transition, although it must be one of facilitation rather than dictation. Central agencies may be best positioned to provide a neutral forum for cross-departmental learning and sharing strategic advice.

Yet, central agencies must prepare for this role by becoming a focal point of relational knowledge as to how government interacts with other stakeholders—citizens, businesses and social groups, and other levels of government. Here again, a new federated approach to governance requires a balance of autonomy and coordination.

How are these changes sustained? According to several executives, there must be an organizational culture that empowers ownership to those taking decisions. In turn, accountabilities are multiplied, and the central management challenge is to link individual and collective performance. The latter must also be a part of people’s accountabilities, and it must be measured.

Some respondents foresee a more networked model of government where technology both empowers public servants with more information and connects them to their clients in a much more direct fashion. This shift entails a much greater need for partnering within government, as well as between government departments and their external agents in the network.
Competencies:

Executives link the renewal of leadership with a focus on people: they also point to the need to start with the most senior managers across government. One individual underlined that since the background of a significant proportion of Deputy Ministers is in policy, their sensitivity to the impact of a digital transformation may be limited.

Government must invest more in training, and think about systemic ways to reward those who promote innovation and risk in a manner that recognizes government’s uniqueness, rather than being captured by it. A new balance between performance and process is required, and e-champions must be nurtured to lead the way. Once again, others are equally insistent on the responsibility of senior management, suggesting that there should be a basic IT proficiency test for potential EX candidates.

The risks and rewards associated with IT and e-governance are also important factors in managing staff. One leader comments that IT failures are often more visible than those in policy or program areas, and there must be attention accorded to this point. Similarly, traditional governmental processes may not support the same types of rewards for success in a highly charged IT environment than those found in industry.

The result is that government must pay closer attention to its human resources efforts, and in particular, to its capacities to train and retain highly skilled workers. The public sector, according to many, has much to offer in terms of interesting work and flexible work styles.

Fostering a dynamic and supportive work environment is as much a part of the foundation for digital government as technology itself. The digital transformation is all encompassing; it is therefore necessary that the process of reform be as open as possible. While communications tools are one component, the process must also involve consultation, listening and dialogue.

The challenge extends to all layers of the public sector. For example, program managers in government have not traditionally thought about electronic service delivery and its various dimensions, such as the need for horizontal governance. These types of issues are indicative of the ongoing challenge facing public servants.
PROSPECTS

Overall, four main drivers emerge from discussions with executives, and while their order may be arguable each is important. The first and most recent policy driver is the 1999 Speech from The Throne and its pledge to ensure that all government services will be on-line by 2004. This type of political support creates somewhat of a *burning platform* to make things happen.

The second key driver is the government wide-priority of improving service delivery to citizens and businesses, electronically or otherwise. The strategic challenge here involves embracing a citizen centric model based on a single window, enhanced accessibility and efficiency, reliability and security. This logic sees clients shaping governments, and the expectation is a growing client base moving on-line.

The third driver is part of the overall strategy to modernize government—a process in which technology is now recognized as a key factor. Fourthly, the federal executives suggest that a successful evolution toward e-government will yield synergies with the private sector, increasing their competitiveness internationally. There is broad agreement that the 21st century context of globalization and digitization accelerates the importance of each of these points.

In terms of inhibitors, a key consideration is cost. In fact, there are huge amounts of resources required to create a digital infrastructure. Yet, cost may also be perceived incorrectly if bottom line considerations are not weighted properly against a complete picture of government’s agenda. Since strategic investments into digital government play an important public interest role, carrying many spin-off benefits for industry and communities alike, there can be no simplistic return on investment calculations.

Another challenge of moving to e-government is the issues of acceptance and accessibility. Several executives pointed out that, on average, connected Canadians are probably better off citizens, and the danger of a growing digital bias is an issue not only for government, but rather for all stakeholders in our society.

Thus, certain segments of our population will require special efforts in order to develop the skills necessary to benefit from the promises of a digital world. At the same time, a service provider government must be prepared to offer the necessary advice and support for aspiring users of on-line channels.

Although all executives concur with the dangers of a digital divide, some also perceive a strategic opportunity for government. Electronic channels, and innovative approaches to deploy them may allow governments to become more creative in reaching out to these same Canadians, demonstrating a commitment to both connectivity and cohesion.
The path ahead:

The effectiveness of any government in responding to its digital agenda is clearly multifaceted and highly strategic and central to the public sector’s relevance in the millennium. We summarize our observations into three rather intuitive scenarios for the road ahead for any government, and then provide a set of key variables likely to determine the relative likelihood of each path emerging.

The three scenarios include: Resistance or regressive deployment; Status quo or incremental action; and Radical adaptation for a digital world.

In the first instance, the most dangerous possibility does not lie in traditional public servants and politicians rejecting IT as a significant force (as it is practically impossible to do so). Rather, more subtle forms of regressive behaviour would emerge if IT is viewed as largely a mechanism of control and automation, rather than enabling. This form of control can be pursued either at the operational level of government, by managers over subordinates, or politically by leaders who, by reflex, look to IT to centralize and control both power and information. Such attempts will likely prove futile, further weakening the public sector - as its credibility and performance steadily erode.

In the second scenario, some change is accepted but incremental strategies are formulated to achieve it. The potential for this scenario lies with traditionalists, whose cautionary claims may be partially legitimized by making a case that government is not private enterprise; as such, e-governance, and promises of Internet speed may not be fully appropriate for serving the public interest.

The resulting caution in IT planning and an emphasis on contracting over partnerships in outsourcing arrangements are likely to limit government’s capacity, with arguments for the preservation of clear public accountability used to justify inaction. The media may also contribute to the traditionalist’s cause, as the British government discovered recently when it was (somewhat unfairly) profiled in CIO Magazine (cio.com) for alleged failures in its IT initiatives.

An important lesson of the digital age is the interdependence of these first two scenarios: the more defensive, cautionary or manipulative a government appears, the more hostile the media reaction is likely to be, creating a vicious circle of paranoia and defensiveness.

The third scenario is perhaps uncomfortable, given that it carries risks. Yet, those public managers and political leaders who have it right are those who claim that the risk of inaction is greater than moving forward boldly. The key to this scenario is a fundamental renewal of administrative culture in order to better learn how to share accountability, to better coordinate activities in more flexible and more effective way, and to better empower public servants and their partners, allowing new solutions for come forward in a dispersed and open matter.
This latter point may well be the secret to the digital transformation – that is to say, nobody can claim to have a clear road map of public sector renewal in this scenario. Acceptance of this point, publicly as well as privately, will mark members of those espousing such change.

Our two sets of explanatory factors will be central in terms of how governments respond. First, partnerships, and the emergence of new collaborative dialogues within government, between governments, and across sectors are a critical dimension. The second, and quite related variable lies in the necessary leadership of people – new skill sets, and new leaders will be required to both empower knowledge workers and defend experimental action.

This new leadership must also be political in order to engage the public in this new journey, challenging them to be constructive and raising the collective intelligence of all stakeholders, including the citizenry. The real danger of subsequent experiments in digital government becomes enhanced. Costly mistakes, created and magnified by the built in inertia of traditional governance systems, could re-enforce the position and power of those resisting change.

CONCLUSION

What are the lessons to be drawn? First, realizing the promise of e-government is perhaps best viewed as an evolving process of learning and adaptation. As digital connectivity grows, a mix of technical and social forces will transform the shape of our public institutions over time.

Yet, precisely how this transformation will occur depends greatly on the citizen, and the manner by which public expectations are shaped by collective education and experiential learning. This evolution will likely be neither predictable nor common across all segments of the population. Consequently, digital governance must meet many needs via multiple challenges simultaneously.

For this reason, the federal executives understand the need to move beyond the somewhat simplistic comparisons of the old and the new model of governing. The holistic challenge is to seek innovation while recognizing that redesigning governance requires buy-in and ongoing support, as much from public servants working in government as from clients of the services they provide.

A related and quite important message emerging from both the literature and our respondents is that governments will operate with heightened interdependence. Partnerships are now central to public management, and it must be a priority for all governments to foster and strengthen capacities for collaborative action.
In a digital world, relationship management will become a core competency of the new public servant. The digital infrastructure must be complemented by human ingenuity, and trust among all partners becomes an essential ingredient in order to navigate an environment of heightened change and uncertainty.

In sum, there is a need for expanding, deepening and sustaining dialogue—across all stakeholders and the citizenry. E-government must be an engaged and constructive partner in shaping the new governance patterns that will otherwise render it rudderless.

These governance patterns must bridge traditional administrative and political-cultural frameworks to the adaptive and collaborative requirements of a connected and interdependent world – a world that requires a new culture in government, one open and enabled to take advantage of the enormous potential of the digital and information age.
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ii The primary set of interviews took place over the winter of 2000, during the adoption phase of the GoL agenda. Follow-up interviews also took place in the fall of 2000.

iii The Government of Canada has recently launched a renewed portal which features three “clusters” or streams of services, integrated across functions for separate clients groups (citizens, businesses, and non-Canadians). For many observers, such a step marks the tentative beginning of reorganizing government internally to better orient information, services and functionality externally.