

# How Business Changes Government in the Information Age

**Jurgen van der Heijden**

*University of Amsterdam, The Netherlands*

## INTRODUCTION

EzGov is a leading company providing online solutions for governments. Ed Trimble, EzGov CEO, states, “He’s doing something that’s changing government, that’s changing the world, that’s really making a difference” (Diana, 2004). This article is about changing government. Considered as the main agent to change government are politics. Mainstream studies of public administration also consider government itself, judges and citizens as change agents. This fits with the classical, liberal vision on the public domain, wherein these parties are the only known subjects (see Howlett & Ramesh, 1995, pp. 52-59; Stone, 1997, pp. 351-372). In this vision companies are considered to be citizens. Problem then is to see clearly the profound influence business has on governmental change.

With increasing velocity information technology products appear on the market that are especially designed to change government. Also with other products the government buys its own change, for instance with management consultancy. In the study of public administration a good view lacks on the importance business has here in changing government. That’s the focus of this article, what’s its purpose? First purpose is to give an explanation of the way business changes government with the products it sells. Second purpose is to come up with ideas on how to deliberately accept change of government by way of business products. How to do that in a way that both government and business will function better and present society with legitimate solutions for physical and social problems?

## BACKGROUND

The market is acknowledged as an instrument that changes the physical and social environment (Howlett & Ramesh, 1995, p. 86). Often the market is placed in a system of three factors that change the environment, the two others being government and civil society. In order to function at their best government, market and civil society each needs to solve those problems it can solve best, and leave other problems to one of the other two (Stone, 1997, pp. 66-79).

For instance fighting crime is a task for government, making cars is what the market does, and organizing a soccer match is something of civil society. However, certain soccer matches do concern both the market and government, so the division of tasks is not sharp.

Scholars of public administration have only distinguished three factors (Stone, 1997, pp. 259-262), but there is one more factor that changes the physical and social environment, design (Howlett & Ramesh, 1995, p. 160; Lessig, 2004, pp. 139-173; Murray & Scott, 2002). Think of cars and how they have changed the lives of people, both physical and social. The design of cars is an example of a social and physical co-evolution (Nelson & Nelson, 2002; Nelson, Bhaven, & Sampat, 2001). For instance, safety measures are a physical reaction to the physical and social damage that car accidents can bring. It’s this very co-evolution that brings to the fore how the relations change between government, market, civil society, and also design. Cars can give prove of that: the market supplies them, the government regulates that, civil society is important to give voice to the interests being harmed by cars, like health and nature, and design is used to give answers to new regulation and the pressure from civil society.

This picture of the interference between these four factors explains how the market is one factor that changes government. Therefore, parties that change the market do change government. Those can be parties like business, consumers, courts, special interest groups, and even the government that changes the market and thus itself. Theory of public administration takes account of the influence these parties have on the market, and the market has on government. What lacks is a good view on the influence that products and their design have. In this view business as the main supplier of products is a major change agent of the government.

## BUSINESS AS CHANGE AGENT OF GOVERNMENT

Domotica stands for home automation. The market supplies most domotica products, for instance remote control

of heating, lighting, curtains, and even doors. The government can make it obligatory that all domotica products comply with technical standards, but often that's something the market can organize itself. An important group of Dutch domotica companies not only discuss technical standards amongst themselves, but also involve civil society. They have an open eye for especially patient groups that are important in the process of defining products and their technical standards. In fact, the organization of these companies can also be considered as a phenomenon that belongs to civil society. Together with other representatives of civil society, patient groups, it regulates both the market, and defines design. This is a task the government could execute, and it will want to control how these parties perform. Reason to do so is that domotica takes out of the hands of the government important parts of health care, when it results in patients living in their homes longer.

The replacement of care to homes diminishes the demand for care in hospitals, that in many countries is financed by the government. This also has consequences for civil society. Elderly and sick people living in communities longer demand citizens to organize care amongst each other more. All this proves how the information technology, that domotica consists of, changes the relations between government, market, civil society, and design. This is a socio-physical co-evolution wherein innovations in technological design of domotica both change government, market, and civil society, and change themselves under the influence of these three. Part of this picture of changing relations is the relation between business and government. As an important supplier of technological products, business incites many changes in the relations between government, market, civil society, and design. Business is therefore a change agent of the government. How to take control of that?

## **PRACTICAL IDEAS ON HOW TO CHANGE GOVERNMENT BY WAY OF BUSINESS**

In the Netherlands, roads are the responsibility of municipalities, water boards, provinces and the state government. In the region of The Hague, a process has started in 2003 wherein these parties handed over their responsibility to a regional mobility manager. This would never have happened without preceding technological innovations enabling to really manage traffic on a regional basis: especially video monitoring, computer programs for the analysis of traffic and the possibility to send one to one text messages to mobile phones of traffic users. At the moment mobility managers are looking for ways to coop-

erate with commuters and the managers of sites where many work. Therefore they're in need of new technologies and have asked the industry to come up with custom made designs to manage traffic in cooperation with commuters and these managers.

What becomes apparent is a co-evolution of governmental organization and technology (Van Est, 1999, pp. 283-284, 337, 341-342): first technology enables municipalities, water boards, provinces and the state government to hand over responsibility, and now new cooperative practices are in need of further technological innovations. What also becomes apparent is how the government has an instrument in asking the industry for new products (Hajer & Kesselring, 1999, pp. 17-25). How to make use of this instrument to take control over the way these products will change government? If indeed business is an important change agent of the government, then purchasing and giving assignments is the way for the government to influence its own change. It can do so for instance by getting involved in the process of designing the products it will buy. In that dialogue government can challenge designers to come up with an assessment of what the products they make will mean for government and the way it functions. At the same time, the designers can challenge the government to order that very technological innovation it dares to take responsibility for. Thesis here is that government can respond to business as a change agent by looking at the way it buys and gives assignments, for instance by way of organizing this dialogue with its suppliers.

An instrument the government can work with is public procurement. This is certainly not unknown, but not acknowledged as an instrument that should fit in somewhere with well known governmental instruments like legislation, communication, finance and governance. It should however fit in because with the help of public procurement the government initiates very large projects like building roads, city renewal and the installation of information technology. On the one hand, this is often done with scrutiny, meaning that the government takes good care to select the best supplier and not to pay too much. On the other hand it's not standing practice to assess what chain of events will follow from for instance building a road. The causes and effects following from that can have a huge impact on the physical and social environment, and also on the government itself. Trying to influence those causes and effects is only now getting to governments as something they should do. An example is green public procurement (European Commission, 2004). There it can become an important instrument to protect the environment.

What change of itself does a government buy? It should demand from companies to make it aware of all the causes and effects that can be expected from a product

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