

## **E-GOVERNANCE AND INTERNATIONAL RELATIONS: A CONSIDERATION OF NEWLY EMERGING CAPACITIES IN A MULTI-LEVEL WORLD**

Jeffrey Roy  
School of Management, University of Ottawa  
[Roy@management.uottawa.ca](mailto:Roy@management.uottawa.ca)

### **ABSTRACT**

This article explores the contours of international relations in a more digital and interdependent era. In a context driven less by hierarchical control and coercion and more by empowered networks and engagement, new systems of governance are forming or struggling to emerge, particularly globally and at the level of continents. This paper examines how power has evolved beyond and within national systems and asks how e-governance is contributing to this multi-level order, which levels are empowered, and why. Three sets of inter-related processes intertwined within e-governance's evolution are examined within the context of commerce, security and community and by considering the influence of markets, states and civil society in shaping them. The article concludes with less than a definitive response in terms of future developments but with more of a set of grounded expectations and future research directions in order to better understand the evolution of governance in a world shaped increasingly by transnational activity and technological connectivity.

Keywords: Governance, Digital or Electronic Commerce, International Relations, Democracy, Global and Continental Interdependence

### **1. Introduction**

The purpose of this article is to explore the fluid contours of international relations in a more digital and interdependent era no longer shaped by the actions and interests of nation-states. In this emerging era driven less by hierarchical control and coercion and more by empowered networks and engagement, new systems of governance are forming or struggling to emerge. The rise of digital or electronic governance (e-governance) denotes a widening scope of new processes of social, economic or political coordination made possible and at times necessary, by the advent of digital technologies and the Internet in particular. E-governance carries important consequences for not only organizations and individuals, but also for the collective governance mechanisms and forums required to sustain the growth of online activities and align them with more traditional behaviours and decision-making venues.

The methodology underpinning this article blends conceptual and empirical observation. The intent is to offer a set of informed and forward-looking perspectives, based on an inter-disciplinary literature review and the author's own insights, on the future of governance and international relations in a digital, interdependent and multi-level context. These perspectives can serve as a basis for subsequent debate and empirical testing in order to further our collective understanding. Nonetheless, specific lines of inquiry serve to guide the argumentation. Section two examines how power has evolved both beyond and within national systems and then asks how e-governance is contributing to this multi-level order, which levels are empowered, and why. The third section then probes three sets of inter-related processes intertwined within e-governance's evolution. These are examined within the context of commerce, security and community and by considering the influence of markets, states and civil society in shaping them.

Based on this foundation, section four then attempts to generate a more forward-looking sketch of transnational governance trajectories – focusing in particular on the prospects of continental governance emerging as a mediating level between global and national processes. Accordingly, assertions are grounded in the current and ongoing experiences of Europe and North America, two laboratories of multi-level governance offering separate and comparative perspectives. In laying the groundwork for further data collection and empirical testing, the article concludes with less than a definitive response in terms of future developments and more a set of grounded expectations and future research directions in order to better understand the evolution of governance in a world shaped increasingly by transnational activity and technological connectivity.

## 2. New Digital Architectures and Governance Fluidity

Government and governance are concepts that are both separate and inter-related, their meanings strained in light of new economic, technological, political and spatial realities. The former term, government, often denoted interchangeably with the “state” in reference to a set of publicly and democratically accountable institutions, serves as the traditional basis for much of international relations analysis throughout the 20<sup>th</sup> century (while clearly incomplete to equate state and democracy, the focus of this paper is primarily on democratically oriented countries across Europe and North America). The latter, term, governance, may be defined in a general way as the manner and mechanisms by which resources are coordinated in a world where power and knowledge are increasingly distributed (Paquet 1997).

The rise of *electronic governance (e-governance)*, then, refers to new processes of coordination made possible or even necessary by the advent of technology and the spreading of online activities in particular (Allen and al. 2001). Within such a context, e-governance is distinguishable from e-government in that the former comprises a more fundamental sharing and reorganizing of power across all sectors, whereas the latter is more focused on modernizing existing state processes to improve performance with respect to existing services and policies (Peristeras and al. 2002; Riley 2003).

Government and governance are inter-related by virtue of the fact that government operates in an environment increasingly shaped by non-state actors. For example, at the national level, government acts in either unison or friction (or mixes of both) with constantly changing networks of private sector actors and non-governmental organizations (NGO's). In terms of both policy-making and service-delivery processes, governments are increasingly joining up with other sectors, developing various collaborative and contractual relationships to pursue specific objectives in an environment less silo-driven and more networked (Castells 1996; Stoker 1996).

In terms of the evolution of international relations, this more horizontal emphasis on inter-sector collaboration is coupled with a rising importance of governance systems both within and beyond national borders. An emphasis on subnational space, for example, is based on the central role of proximity and geographic concentration that takes place within cities and communities, more readily capturing positive externalities (Saxenian 1994; Scott 1994; Storper 1997; Kotkin 2000; Friedman 2002; Becattini and al. 2003). Some scholars view a new world order as a network of essentially localized entities - city-regions with economic autonomy forming a network of urban concentrations of production, financial and technological resources, constituting an important, new and additional governance constellation linking the local and the global (Wellman 1998; Latham 2002; Sassen 2002). This link between stronger responses locally to international challenges gave rise to the term, *glocalization* (Naisbitt 1994; Courchene 1995) and for a time a world was implied where countries mattered a good deal less.

Yet, the rising international presence of such actors, in a political manner, will continue to be mitigated, limited and / or facilitated by national governance structures (Jouve and Lefevre 2002). For cities in many countries, there is a short-term disconnect from the national government because of a lack of political will, policy autonomy and corresponding base of financial resources necessary to be more assertive in shaping local affairs and development. Any meaningful attempt to rectify this situation will require substantial and significant domestic reforms (Vielba 2001; OECD 2002; Bradford 2004). Thus, there is a digital empowerment of cities economically but not necessarily politically: whether cities can translate this economic clout into stronger political capacities and voices to both shape domestic environment and lead in internationally is an unknown at the present time, albeit a variable that could eventually shape national and transnational governance in important ways.

In sum, a more generalizing point, and a key characteristic of governance today, is that countries operate within a multi-level governance environment, one that can be somewhat simplified as a two dimensional grid of state interests and formations on the one hand (subnational, national and transnational), and sectoral dynamics and types of organizations on the other (private, public, civil or non-profit) (Nye and Donahue 2000). The globalizing and localizing dimensions of governance are arguably re-enforced by the emergence of cyberspace as the creation, production and deployment of a digital infrastructure contributes to both global openness and individual empowerment. In this manner, the following quote is instructive on the relationship between digital information and communications technologies and power:

An implication is that corporate structures are becoming more heterogeneous at exactly the same time as power at the centre – over standards, systems and the like – is growing stronger. The company (organization) is becoming simultaneously more centralized and more diffuse and open. Internet technologies will enable the (organization) of the future to choose the appropriate structure in more flexible ways...Corporate leaders will constantly have to manage the tension between centralization and decentralization (p. 174, Cairncross 2002).

The implications for a single multi-national organization (in this case a private corporation), coping with the simultaneous pressures of both centralization and decentralization, can also be applied from a world systems perspective of how governance is evolving. Specifically, the more the Internet facilitates an open exchange of commerce, knowledge and even experiential activity across borders, the greater the need for global coordination to ensure confidence, trust, functionality, and security (Cogburn 2000). From a technology management perspective, there is an analogy to the design challenges of achieving an enterprise architecture with joining the principles of organizational federalism with inter-operability and multi-level coordination capacities necessary to both empower and coordinate (Tarabanis and Peristeras 2000; Batini and al. 2002; Kral and Zemlicka 2003). Thus, global and local dimensions of governance are potentially reinforced by the Internet's expansion, where the term "local" can refer to any individual, organization or community with access and a capacity to join this global network.

A useful illustration is the emergence of an open source software movement, a community of software design experts linked together by a common intent on sharing what would otherwise be (as is the case with Microsoft's operating system) proprietary knowledge in a near limitless and open fashion). Within this camp, the hope is to form a sort of community of commerce where incremental innovations are encouraged by an open and accessible network of expertise and information sharing that facilitates broad participation and openness, thereby countering monopolistic tendencies of any single and potentially dominant private enterprise (Koch 2003).

Indeed, the movement toward open source software is more profound than merely an alternative technology solution. It denotes a fundamentally different governance philosophy than the proprietary and secretive natures of traditional market processes that have by and large underpinned the expansion of computer systems and online activity. Much has been written about how the open source movement is highly participative and collaborative, on a nearly limitless global scale (providing the digital infrastructure is in place) and in some cases radically opposed to the ultra-competitive and profit-oriented motives of leading proprietary alternatives – notably Microsoft (Gartner 2003). In this sense, open source carries a potential to re-shape models of production and consumption in the marketplace, but it also reflects a move toward more openness in governance. The sorts of collaborative pressures circling the traditional corporate confines of Microsoft and other market entities reflect widening pressures for broader and more participative forms of governance.

Such pressures extend well beyond software design of course. The Internet's potential to facilitate a broader conversation across all stakeholders and the public at large is also an argument for inclusiveness that many optimists and proponents of e-democracy espouse. Conversely, the difficulties in structuring such a conversation, and indeed questions surrounding whether online exchanges can facilitate a meaningful forum for debate, learning and compromise are very real, and they represent critical design issues in terms of system of functioning democracy making use, or partial use of cyberspace (Fountain 2002; Lenihan 2002).

Nationally, democratic legitimacy and the importance of maintaining, recreating and / or strengthening trust between public sector institutions and citizens is a clear and central priority in many countries. This is denoted by the movement of "citizen engagement" which implies a meaningful role for the public in their democratic governance on an ongoing basis, something beyond merely electing representatives to act on their behalf. The Internet is less the direct catalyst here, and more a proxy for a more widely informed and highly educated citizenry disgruntled with largely representational systems of democratic governance (Geiselhart 2004). Yet, such a movement, and its tentative embrace by governments themselves, has been made all the more inevitable by technology since the focus of digital government (or e-government) and online service delivery implies rhetoric of citizen-centric governance not easily limited to the realm of existing services. Some scholars, for example, point to online government as a vehicle for informing citizens and stakeholders and significantly strengthening accountability (Lee 2004).

As such, there is widening experimentation with democratic reform, many of which involve online capacities to varying degrees (Coe 2001; MacIntosh and al. 2002). Much depends on the political culture and the relative balance of representation and participation historically permitted and nurtured. But, a general observation applicable to most all nation states is that the systemic introduction of more digital and participative forms of democracy would constitute a major revolution in the structure and functioning of the public sector apparatus (Fountain 2002). While a wholesale redesign of democratic governance seems unlikely in the short term, ongoing mixes of acceptance, resistance and incremental change are now becoming commonplace (Roy 2005).

In all aspects of online activity, questions surrounding the level of trust and confidence of citizens in the digital technologies themselves are important (Bryant and Colledge 2002). Similar to the online service delivery channels that have been slow to evolve in many jurisdictions (due in no small measure from competition and familiarity with other, competing channels – such as face to face service, electronic kiosks, telephone systems and call centres) it will not be any time soon when online mechanisms for voting, consultation and decision-making replace the current basket of more primitive technologies and traditions that underpin democratic functions today.

Yet, a more intriguing and potentially consequential challenge of e-democracy lies in its reliance on a digital architecture – the Internet, that itself is inherently transnational in scope. Not only is the architecture extended and rooted across a range of jurisdictions, but so too are the range of potential threats and flaws that could dismantle the system or interfere with its reliability. In an online world, local and national democracy would, for the first time become intertwined with a transnational infrastructure. Yet even flawless digital connectivity does not imply or guarantee democracy at any level and at a time when national legitimacy is increasingly contested, more transnational or global forms of democracy are even more uncertain (McGrew 2002).

The application of websites and online forums to existing international, by and large inter-governmental institutions is insufficient in this regard. What is both necessary and difficult is a coupling of national adaptation to a more digital and interdependent world and transnational experimentation to foster new capacities, identities and infrastructures. In essence, a paradox of the Internet age in terms of the deployment of digital technologies is that meaningful efforts at innovation nationally - and locally, must be coupled with, and very much forged on strengthened international measures and forums to ensure to the effective and secure performance of an over-arching digital architecture.

Drawing once again from the open source movement, some theorists view the Internet as a new social infrastructure requiring not the adaptation of existing governance mechanisms (at any level) but rather an entirely new compact of coordinated action, decisions and enforcement. The notion of the “accountable net” (Palfrey 2004) is indicative of this view, arguing that the evolution of digital technology will eventually empower all individuals online with capacities for self-governance, selecting their own relations and interactions. Central to this vision is the fostering of trust and confidence in both the digital infrastructure and social interactions, assisted by authentication and identity tools making it increasingly possible to know more about other parties with whom you are communicating and also more difficult to operate in the shadows (ibid.).

This individual-centric view does not dismiss the need for some form of intervention by states or inter-state authorities, but it aims to build an order of bottom-up accountability consistent with the dispersing and participative capacities brought about by cyberspace:

We have moved past the debate of the late 1990s about whether the Net can or should be governed. We acknowledge at the outset that traditional sovereigns can and should play an important role in regulating many actions and actors that affect the Internet. There are collective action problems that arise...We should start from the premise that the individual ought to have a reliable means of participation in any scheme of governance of the Internet that we deploy or that otherwise emerges. If a governance scheme can drive choice to an individual level and if peers can produce their own system of governance, sovereigns ought to defer to this peer production of governance (ibid. p.2).

Although realists may reject this notion as utopian (in light of the aggressive state actions of many countries to control Internet access and usage on the one hand, and the dominant market and political power of key corporate and state actors on the other), there is a consistent and strengthening thread across all sectors that governance in a more digital and interdependent environment cannot rely on the containment of power and coercive capacities of traditional actors, notably nation-states. Consumer choice, civic activism and public engagement are also indicative of this altering environment, albeit in a manner that may well lack cohesion due to both the differing behaviour of new governance processes and the resistance fostered by traditional ones.

### **3. Commerce, Security and Community: Diverging or Converging Forces?**

Within the parameters of new governance pressures stemming from technologists and activists alike, institutional and policy responses are and will be shaped by specific issues, events and agendas. The list of potential variables is long, but within the context of the Internet and e-governance there are three major areas that must be considered in order to adequately assess the current struggles between new governance movements and demands on the one hand and traditional actors and approaches on the other. They are: i) commerce (meaning the primarily market-driven activities and private actors making use of digital technology and online spaces); ii) security (dissected below into the reliability of an online infrastructure on the one hand and newly emerging and organizing threats on the other); and iii) community (in reference to the expanded ties of civil society interests and their influences on governance generally and democracy more specifically). These relational dimensions of online activity are not mutually exclusive, as both their unique and collective impacts are likely to shape governance systems.

The rise of e-commerce marks a major step forward in global interconnectedness, at least in terms of market structure, organization and behaviour (Ronchi 2003). Consumers are empowered to transcend physical space and

shop across jurisdictions, while supply chains and production chains are also increasingly mobile and dispersed (ibid.) Along with producers and consumers, a growing class of workers represent the first makings of a more cosmopolitan citizenry whose aspirations and identities in economic terms transcend national borders. Indeed, more than movements from one place to another, the flows and synergies between communities and countries are regarded as important sources of economic stimulation for high-technology locales in a network of inter-connected nodes (Saxenian 2002), as well as a basis for transnational identities, socially and politically (Norris 2001).

Along with these competitive pressures for products and services comes a broader need for a more global architecture capable of sustaining, and expanding e-commerce. Given that the scope of online commerce is inherently transnational (open to all with access), there is a corresponding need to ensure that common structural rules and cultural standards are in place to facilitate the effective working of this expanded market place. With the private sector leading the push to expand the reach and acceptance of these new technologies it is not surprising to find industry as a leading advocate and a key stakeholder in many of the new governance forums emerging to play such a role.

Some prominent examples include the body responsible for the governance of the Internet itself, the Internet Corporation for Assigned Names and Numbers (ICANN) and the Global Digital Divide Initiative (GDDI). This latter initiative, an offshoot of the World Economic Forum, is partly an impetus for the responsibilities of global corporations in a global sphere, as underscored by the “CEO Charter for Digital Development”, a “private sector commitment to transparently allocate human, in-kind or financial resources to reduce poverty in developing countries and disadvantaged communities through the use of information and communications technologies” (p. 19, Hansen and Salskov-Iversen 2003).

What is perhaps more revealing in terms of the formation and execution of these initiatives is the equally important role of various actors from within the private sector and civil society – surpassing the contribution and control of any single national government. ICANN is particularly unique, as a new form of transnational governance body: “Neither a government nor a for-profit corporation, ICANN is a hybrid that interacts with both and with individuals as well” (p. 334, Geiselhart 2004). This entity has even experimented with direct and digital forms of democracy in electing members to the Board overseeing its operations, although the “ambiguities of legitimacy and lapses of transparency and accountability that have characterized ICANN are typical of other attempts at global governance” (ibid.). Other scholars argue that ICANN’s selection also reveals an explicit strategy to bypass traditional inter-governmental bodies (such as the International Telecommunications Union) in favour of a new organizational structure and style (Drezner 2002).

Rather than uniformity or centralization, the preceding examples are but a small sample of the fragmented manner by which commerce is being governed – as the governance of cyberspace, although inclusive of states will increasingly be shaped by a multitude of networks and partnerships with shared accountabilities that may or may not be well understood by all stakeholders and citizens. This latter point is clouded by a national focus on adapting to these new realities by updating and modernizing existing organizational and institutional arrangements to effectively bring e-commerce into the service delivery realm of the state (Fountain 2001; Marche and McNiven 2003; Pavlichev and Garson 2004). Such a view is in keeping with the commerce-based view of online activity where private and public sector organizations are increasingly pressured to better serve their clients and often compared to one another in their ability to do so (Cairncross 2002).

The emergence of security as a multi-faceted concept and challenge also carries important impacts on governance at all levels. Although there are many dimensions to security, we invoke the term here with respect to two distinct (yet somewhat related) areas of activity: on the one hand, cyber-security and online reliability represent important foundational platforms necessary to underpin the sustained expansion of e-commerce and all forms of online activity; and on the other hand, homeland security refers to the strategies of nation-states, led by governments responding to criminal and terrorist threats whose capacities to act are enhanced through the deployment of digital technologies to plan, coordinate and conduct action. Of course, September 11<sup>th</sup>, 2001 is a critical date and turning point in terms of the relative importance and inter-relations of these forms of security before and after the terrorist attack.

Prior to these events, security could arguably have been presented as primarily an extension of e-commerce and e-government in terms of technological expansion and customer relations. Security has always been an important foundational precursor to sustained online growth of commerce, trade and service delivery online. Thus, companies and governments both devote considerable attention to encryption, information management and related issues. Firms design systems to both bolster confidence among Internet users and spoil the intentions of would-be criminals and hackers (Joshi and al. 2002; Nugent and Raisinghani 2002; Clifford 2004). Such efforts had remained partially closed from widespread public discussion and political debate, with periodic exceptions arising related to matters of privacy, reliability and breaches of security. Increasingly, such issues are becoming more central and

strategic, leading to calls for engagement and awareness of leaders in all sectors, as well as stronger forms of public and private sector collaboration (Dutta and McCrohan 2002).

Since September 2001, the politics of security have shifted dramatically, altering the focus and mindset of much of the e-government architecture in many countries, most notably the United States. Service delivery is now arguably less important than surveillance, and public views towards privacy issues have also altered in important ways, reflecting a corresponding rise in public support for state action to improve the security of citizens. Such tensions reflect an important new face of e-government in the United States<sup>1</sup>. At the same time the U.S. government is now engaged in arguably its most ambitious overhaul ever: the creation of a Department of Homeland Security, an unprecedented organizational fusion across more than 20 previously autonomous organizations (indeed, while Homeland Security vaults in importance, the former Head of IT and E-Government left the federal government in late 2003, possibly a reflection of disgruntled progress stemming from inadequate resources and political support).

These activities and investments constitute an important dimension of e-government since much of the organizational innovations tied to transcending bureaucratic boundaries, sharing information, and greater interoperability of technical hardware and software configurations are being recast with the aim of citizen-friendly service and extension into the security-focused efforts such as surveillance, identification and authentication, and the like<sup>2</sup>. Similarly, the almost exclusively national domain of immigration and residency policies is a barrier to wider mobility and movement of individuals and any deepening of transnational communities that may result (Bos 2002).

Strong central government is once again deemed critical with national security being important to managing threats. Moreover, the initial focus on technology and commerce during the 1990s, at the beginning of the Internet expansion and dot.com economy galvanized national governments to invest in their own technology portfolios and enter the e-commerce realm, initially in terms of public service delivery. While e-government garnered interest and significant resources, homeland security (with an important cyber dimension) focused acute political interest and further investments. The result is a new nexus of technology capacities that includes the management and preservation of domestic security in a way that corresponds to a bolstered and more assertive presence by national state actors in shaping governance at all levels.

Moreover, this inward focus on homeland security may well be associated with rising tensions that characterize international and transnational relations with efforts to develop stronger capacities for collective action. Over the past few years, since the beginning of the “war on terror”, the world has witnessed new divisions and tensions across a variety of core international institutions, including the United Nations, the WTO and the Kyoto Accord. Similarly, the European Union (examined more specifically below) is facing renewed strains in its quest to simultaneously expand its borders and deepen commitments and common decision-making mechanisms within them.

In short, economic and technological integration, personified by the symbolism of the Internet as a unifying force for democracy and capitalism the world over, is being at least partially overshadowed by a realignment of pure politics and the shifting priorities and antics of countries. At one level, this can be viewed as a partial retreat to a Westphalian model of international relations, shaped by competing (and collaborating) nation-states, some more dominant than others (Drezner 2002). Yet, such a retreat can only be partial in the face of rising human mobility, shifting identities and preferences. The growing presence of global movements and issues means that a retreat to a nation-state-centric order of governance is neither feasible nor desirable. A transition to something new and transnational is under way, although the institutional design of this new order remains uncertain, contested and fluid (Coglianese 2000).

Indeed, while security from a homeland and nation-state-centric perspective has temporarily served to partially reduce the pace of global integration, the offsetting reality is the clear need, in both commercial and anti-criminal realms, for transnational mechanisms and an infrastructure of interdependence to facilitate exchange and security. The Internet is but a decade old in mainstream access and use. Its explosive, if uneven, growth continues to facilitate patterns of production, consumption, communication and mobilization that render counter-productive any notion of a single country, however powerful, able to perceive itself as independent and capable of acting effectively in a unilateral manner (Barber 2003).

In terms of actors and actions beyond the realms of the market and the state, there exists today, at least a partial basis for globalizing communities, albeit one with uneven and precarious foundations. Here the centrality of the

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<sup>1</sup> For example, the U.S. federal government now spends approximately \$60 billion a year on information technology goods, services and management, including a set of pilot initiatives of a service delivery sort offered within the realm of e-government. Nonetheless, such activity pales in comparison to a defence budget expected to surpass US\$500 billion for the 2004-2005 fiscal year.

<sup>2</sup> In the United States, the Electronic Frontier Foundation offers a highly critical analysis of The PATRIOT Act’s expanded realms that relate to online activities (available at [www.eff.org](http://www.eff.org)).

Internet is real, underpinning the mobilization of new social movements, the sharing of information and knowledge, and the empowerment of civil society mechanisms and voices that are inherently transnational, often disconnected from any particular domestic system of governance (Preyer and Bos 2002). While often lacking the resources of private sectors, the growing strength and presence of civil society actors in the transnational realm is a major force in terms of transnational power relations and transnational decision-making (Rosenau 2002). Yet, questions arise: is such group representative, and of whom, and do they possess legitimacy to instil a degree of democratic accountability on governance arrangements beyond national borders?

Evidence to date is mixed. Some evidence points to a limited but growing sense of global identity that could, in fact, serve as a foundation for some form of community, formed loosely by common beliefs and a shared sense of belonging and interdependence (Norris 2000). Perhaps due to the declining confidence in most developed nations across the private and public realms, there is also a de facto higher degree of confidence expressed in transnational NGO's and international institutions, relative to domestic actors (ibid.), although many serious questions exist in terms of the structures and legitimacy of civil society actors and their impacts on transnational spheres of governance (Aarte Scholte 2002).

The emergence of a discourse focused on e-democracy is a good illustration of these uneven processes of transnational movement and mobilization. While national governments remain primarily concerned with efficiency and service delivery aspects of online applications, the push for some alternative form of democracy, more online and participative, is much more rooted in civil society through various knowledge organizations and advocate movements. Although opposition to technology's entry into the democratic realm also exists within this sector, such a perspective is overshadowed by the substantial interest and investments being made in pro-technology concepts and prescriptions for democratic reform.

Invariably, such an interest has carried such views into the international realm where the open and globalizing scope of the Internet may be viewed as a social and political infrastructure for more transnational forms of mobilization and associational activity often giving rise to calls for greater openness and democratization (Geiselhart 2004). While struggling to adapt its own structures and practises, the private sector typically champions such directions for governments, often advocating their vested interests. In turn, in light of these strengthening forces, national governments are reluctant to voice opposition, but the varying degrees of change and innovation are also tempered by the risk adversity of their existing democratic processes, and the corresponding and immediate challenges of governing.

As such, e-governance, digital democracy and transnational governance may well become inter-related and complementary forces in pushing efforts at community building and political action extending beyond traditional state boundaries. With the notable exception of homeland security refocusing attention on many aspects of national infrastructure and governance (while still exposing the interconnectedness of all societies), a commonality of commerce and community is a likely extension of multi-layered governance. To what extent governance across these levels can be aligned within specific geographic zones, particularly continental regions, is the focus of the subsequent section.

#### **4. Looking Ahead – Transnational and Continental Governance Trajectories**

Despite more than half a billion people around the globe with Internet access today, a significant gap in transnational governance exists in the public space for dialogue and learning, both within existing inter-governmental organizations and across the member states participating within them. This challenge accentuates the declining legitimacy of national states when facing struggles of openness and participation in their own processes and citizenries (Giddens 2002). The Internet may offer a platform for fostering such a public space. However, if the emergence of digital democracy is fraught with danger and uncertainty at national levels, even more so, at the global level (where the existence of both the "digital" and "democratic" varies tremendously).

Along with this participative challenge are the equally serious problem of resources, more specifically, the absence of a sufficient financial base between states to ensure the necessarily technological refurbishment of existing international organizations to govern more effectively. What will eventually be required is some form of autonomous and meaningful revenue stream, globally based (and perhaps even administered) to finance action and strategies at this level. Some form of digital and global system of taxation has been envisioned in past (Rifkin 1994), although the absence of political legitimacy and infeasibility prevent enactment. This resource challenge will become increasingly more acute over time, as the technology treadmill quickens and national governments become more focused on ensuring their own technological capabilities than on improving inter-governmental systems.

As a result, private actors are becoming important stakeholders in the governance building processes internationally and in those areas where there is an overlap of public and private interests. The immediate challenge globally is to foster a more effective and integrative transnational governance scheme capable of facilitating a

positive reinforcement of commerce, security and community activities. It will require a forum or body to begin orchestrating the makings of an integrative global agenda. Rather than any form of centralized world government, such movement calls for more of a quilted approach, where greater coordination is sought and wider public engagement is a vehicle for gradually deepening the legitimacy of a global perspective (*ibid.*).

With existing mechanisms for transnational governance under strain it may be useful to turn to the continental level. Situated between the national and the global, this level presents an opportunity to gauge the efforts of some nation-states to pool sovereignty and create new mechanisms of transnational governance that might, in turn, serve as a model for broader and more globalizing efforts. The point of reference for much of the world in this regard is the European Union (EU), much as it has been in Canada with the U.S. of late (Canadian Council of Chief Executives 2003).

The EU is the single most unique and closely followed laboratory for transnational governance, given its evolution over half a century from a modest set of free-trade agreements into a system of quasi-governmental public bodies encompassing a Parliament, a Court, a Commission (i.e. quasi-executive agencies) and most recently, a single currency (reinforced by an autonomous European central bank). Indeed, the EU represents an important development in terms of the emergence of a transnational polity that extends beyond the confines of the nation-state:

The appearance of both an EU polity and a 'global polity' is suggestive of change from established patterns of a world order. It conveys a sense that world politics is becoming more organized, and therefore, less anarchic. In terms of order this takes us away from the system of anarchy that formed the basis of the classic Westphalian system...In terms of processes, it suggests that world politics is as much about transnational, trans-societal, and post-territorial relations as it is about international or inter-governmental forms of interaction (p. 205, Jorgensen and Rosamond).

Yet, the degree to which this ambitious, pan-European vision for a common governance system is widely shared and supported by the public is a contested issue at the heart of Europe's common development. To put it another way, whether there is, in fact, a meaningful European community, in terms of both civil society and democratic space, is a much more challenged notion (Jorgensen and Rosamond 2002). Increasingly so, in an era when the EU is attempting to adapt itself from a set of one fifteen countries to one encompassing some twenty five members (and more aspirants in waiting).

Moreover, the emergence of continental systems such as the EU may hinder stronger efforts being made to deepen global governance. First, the tribulations of the EU are indicative of the difficulties of strengthening transnational systems and as such, the European challenges are likely to remain the primary source of attention and focus for some time to come. While acting globally and serving as an important polar, it is a key objective of the EU to apply the energies and resources required to achieve some form of unity and cohesion economically, politically and civically. As a result, the EU may divert attention away from any global-building agendas resting on EU participation; however they will also influence similar continental developments in other parts of the world.

Although the precise nature of these transnational and post-territorial relations within Europe is contested, the digital architecture of the Internet represents an important new dimension of European governance building. Specifically, the emergence of the European Information Society building upon national governance with digital technologies is an integral part in mapping a post-national cultural space. Information and Communication Technologies (ICT's) are a gateway to the representation of a new European cultural metanarrative" (p. 119, Axford 2002). At the same time, this linking of the virtual and cultural governance structures transnationally is also complemented by a recognition of the need to deploy these same technologies in highly localized manners, preserving and strengthening subnational identities and cultures (*ibid.*; Loughlin 2001).

The evolution of e-government is an important mediating variable across different levels. Recent surveys of electronic government, in fact, suggest a relatively low importance tied to European unity in terms of the investments, strategies and priorities of national governments. Nevertheless, they are quickly adapting their national processes to a digital world in ambitious and innovative ways (eGovernment Observatory 2002). Such seemingly diverging perspectives underscore the multi-level existence of the EU, where its uneven legitimacy across member states is hardly surprising in terms of its brief history relative to member countries. If the EU is to continue to both expand and deepen in function, purpose and identity, an important challenges will be digital in nature as well as social, economic and political reforms of inter-operability. Europe's online capacities are likely to be particularly consequential for younger generations more comfortable in cyberspace and seeking newer notions of a common Europe than the post-war frame of the late twentieth century (Gronlund 2002).

Within North America, a continentalist perspective is less firmly rooted. However, while European style continental governance may not be feasible for some time, pressures derived from the forces of commerce and



security are already signalling the need for new governance mechanisms, the scope and shape of which will likely be a key source of political debate for Canadians and Americans in the years ahead<sup>3</sup>. The views of the United States are central to any such discussion and subsequent action. Much like American influence in the second half the previous century was enormously influential in the fostering of a global agenda for free trade, whether there is likely to be an appetite for expanded transnational governance is a significant source of uncertainty.

The European experience suggests that the continental level is a more likely venue for progress for the world (though some may argue the two can be complementary). As in Europe, a discussion of common defence systems is under way. Homeland security and border management are becoming important source of bilateral dialogue. Improving integration is an economic priority for Canada and technologically, private sector and civil society groups are increasingly continental in their outlook and scope.

Prior to September 2001, the major topics of discussion for greater North American integration were the feasibility and desirability of a common currency (inspired by the widespread introduction of the Euro), and to a lesser degree a focus on trade, investment and competition rules. E-government, in this context was mainly viewed as a domestic priority focused on serving the domestic citizenry via online channels. Over the past three years, the heightened focus on security has brought to the forefront both political and technological inter-operability. For example, a new Canadian passport is rumoured to be under development featuring biometric forms of personal identification with standards, specifications and policies forged at a North American level. Such movements suggest that over time, e-government could evolve from a solely domestic project to one intertwined with continental governance.

A digital architecture makes such directions much more feasible, although political will is a separate matter. Sensing an opportunity to shift the public mood, the leading private sector lobbying body in Canada has recently put forth an ambitious and far reaching set of proposals for deeper North American alignment. While any notion of a North American Union, along the lines of the EU, remains years away (should it come to pass), the binding and deepening of governance within continental realms in both continents signals a project more tangible and visible in terms of structural and systemic change than anything comparable at the global level.

## **5. Conclusion - Toward a Global Federated Architecture?**

Discussions of e-governance often invoke the vision and challenges of a federated architecture for large organizations, particularly multinational ones. The scope of such a vision is multi-dimensional: technically, it permits decision-making systems within a variety of organizational subunits to join together; and strategically and politically, it allows for both action and authority to be facilitated, shared and coordinated across a multitude of levels and activities (Koch 2002).

The current context of power and governance relationships for the world in the 21<sup>st</sup> century resembles many aspects of what it means to develop a federated architecture. Governance at multiple levels (global, continental, national, subnational) is becoming increasingly interdependent; while action and legitimacy are required at each level, the collective alignment and functioning of these levels also matters greatly. A central challenge, however, in terms of the role of technology is that within large organizations, management and designs are usually centrally controlled. The design issues focus on coordination and leadership from above, while facilitating some necessary and desirable degree of decentralized action and autonomy across a range of functional and geographic units from below.

For systems of transnational governance, such architectures do not currently exist, particularly at the centre (global). Such systems are being crafted in a near chaotic environment of power structures and relational processes with little agreement as to what the underlying purpose, objectives and directions are or should be. As a result, digital connectivity and cyber-activity could facilitate closer collaboration and harmonization of purpose, or they may well heighten dissent and instability.

The latter scenario suggests a fragmented world of competing cities and countries on the one hand, and loosely inter-connected continental systems on the other; ongoing and widening deviations in both economic and technological progress would result. In order to orchestrate and align the creation of transnational governance more holistically, shared leadership, significant resources and broad participation and engagement are required. State actors (at the national level) can either inhibit or facilitate this transition, and in choosing the latter the central challenge is coupling existing inter-governmental architectures internationally with alternative governance forums and mechanisms of a sort more inclusive of private sector and civil society interests.

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<sup>3</sup> For Mexico such debates are also central. In a recent interview with Business Week Magazine taking stock of his country's first decade under NAFTA, Mexican President Fox criticized the trade-oriented patterns of North American relations, calling for a more European approach to continental growth and governance.

With meaningful investments and effective strategies, e-governance can be a positive enabler in contributing to greater visibility, transparency and trust. The case for transnational optimism may well rely on Europe's evolution in this new century. Although the Internet alone cannot ensure deepening collective governance, at the very least it represents an important and unique venue for mobilizing energies and actions both democratically and transnationally. A key variable in the future strength and scope of the EU may well prove to be whether e-governance is viewed primarily as either a national or transnational project, particularly from the perspective of the financial resources and political investments required to create the infrastructure for online presence and engagement. Much as the EU has already begun to shape debate across other continents, we can expect continental experimentation to both outpace and precede similar dynamics globally.

In terms of a crucial nexus, e-governance and international relations require more inter-disciplinary research with both relevance and influence to examine the many interfaces between technological, social, economic and political perspectives. Specific research questions include: how will the European Union evolve in cyberspace both uniquely and in concert with member nation-states and in what manner will the private sector and civil society exert influence at both of these levels; to what extent will North America and other continents seek to foster closer political ties that may drive, or be driven by digital technologies and more online patterns of commerce and community; and how will consumer and citizen behaviour the world over evolve in a multi-level environment, shaping the relative legitimacy and strength of different forms of transnational governance struggling to take hold?

As markets and civil society expand and deepen beyond the traditional confines of nation-states, increasingly facilitated by cyberspace and digital connectivity, pressures for global coordination and collective action can be expected to strengthen. Whether, and when, such pressures facilitate or collectively force national state actors into bold change is the major unknown for international relations and transnational governance in a digital era.

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