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# Governance failure and the avatars of the antigovernment phenomena

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"An ideology, a dogma demands certainty, not probability... Ours is really a quest for uncertainty, for that continuing change which is life".

Saul D. Alinsky

#### Introduction

There exists a bizarre presumption in certain circles that social movements are always enlightened, and that thereby democracy is renewed and reformed. The ideals that inspire such movements and the religious zeal that fuels their members are purported to immunize social movements against being ill-inspired. Yet they are often phenomena impregnated by the *pneumopathological* – movements whose unrealistic members "are morally insane, 'living' as it were in a fantasy-land of self-righteousness" (Sibley 2013).

Antigovernment attitudes, as an inspiration of subgroups of social movements, may be enlightened or not. They are a many-dimensional, ill-defined, and only an obliquely and imprecisely measured phenomenona — an echo effect of contextual circumstances, of a complex of motivations, and of a multiplicity of Rorschachian 'inkblot' interpretations of what is really going on. Therefore, adopting an unduly simplified approach that focuses on some limited aspects of this total socio-political magma may generate heated debates — but it is unlikely to produce much light or useful synthetic explanations of the current avatar of this phenomenon.

This paper is presented in three parts – preceded by a statement of our argument in brief, and followed by a short speculative note looking beyond the short term.

Part One sets the stage for an analysis of contemporary anti-government phenomena.

Part Two documents the dual failure in resolving the coordination problems that evolved out of the various economic crises of the 1970s and then of the 1990s in Canada. In the first instance, the crisis of coordination emerged from the chaotic 1970s and the disappointment was ascribable in good part to the unhelpful clinging to a panacea like the New Public Management, to get the market to replace Big G (Government); in the second instance, it was due to the abandonment of efforts to repair the coordination game altogether in the 1990s, and being satisfied by futile attempts to compensate the different groups claiming to be victims of the malefits generated by the dysfunctions of the coordination game.

Part Three examines the way in which this dual failure has opened the door to new avenues toward small g (governance). This has been inspired by a growing interest in alternative methods of social coordination and sharing which have emerged on the margins of the socio-economy, and that are designed to make

the citizens less dependent on government for coordination purposes, and ultimately the government much less indispensable.

# The argument in brief

This paper presents first the anti-government phenomena (AP) as a set of wicked problems that must be analyzed by taking into account the whole spectrum of government activities – the coordination, redistribution and stabilization economic functions à la Musgrave (1959), and the government pedagogical (rhetorical and ideological) function that deals with the mind of citizens in the public forum (communication, representations, etc.).

Second, it exposes the nature of the so-called current 2015 version of AP as being particularly paradoxical by comparison with its much different and simpler 1970s and 1990s version in Canada:

- (1) the 1970s generated a response to the failure of the coordination function resulting from Big G (Government) centralized, hierarchical, and coercive that had evolved in the 1950s and 1960s. The diagnosis was that Big G needed to be replaced with the more decentralized and less coercive small g (governance). This earlier AP fuelled the sermons leading to the failed experiments with New-Public-Management-type response à la Reagan-Thatcher to the coordination problem in the 1980s in Canada, and to the radical subsidiarity-inspired Program Review (that also failed) of the Canadian federal government in the mid-1990s (Paquet 1997, 1999a, 1999b).
- (2) the following period was one marked by disillusionment about government reform and refuge was sought in atonement. The result was a complex dual inter-related process that combined:
  - (a) on the coordination front, a growing explicit but more affective distrust of government actors not because the period was more plagued by toxic unproductivity and dysfunctions (Paquet and Ragan 2012), but because of a great amount of frustration ascribable to the history of continual failures in getting imaginative structural reforms implemented over the decades since; with,
  - (b) on the redistribution front, a growing implicit dependency on redistribution within an ever larger number of groups of government actors (elected officials, political personnel, technocrats) to placate those claiming to be wounded by the dysfunctions of the coordination game, and feeling entitled to compensation in this new entitlement era.

This dual process unfolded under the straining pressure of greater fear that was linked to the systemic instability in our global risk society, and of an ever more resounding rhetoric of egalitarianism of outcomes and entitlements that have blossomed into an ideological discourse of social rights occurring at the tail-end of the welfare-statism movement that originated in the 1940s.

(3) the present situation – after the failure of government in refurbishing the coordination game and the stark recognition of the limits of government's redistributive capacities revealed by the recent fiscal situation of several states and provinces – has already led non-state actors to begin experimenting with new possibilities for engineering small g arrangements of distributed governance that depend much less on the government than in previous eras to provide the needed coordination to reduce antagonistic conflicts and increase social innovation. These experiments, at the fringe of the `traditional` socio-economy, are an echo of a new form of AP,

and have opened our conceptions of governance to arrangements with lower valence for the state -- if not yet to a 'stateless state'. (Paquet, 2013: chpt 1)

As a result, nowadays, we see alongside a veneer of warranted antigovernment malaise on the coordination front (as great if somewhat less strident than at earlier times, but compounded with a sort of resignation – given the difficult task of effecting any significant push from Big G – (Government) to a small g – governance regime, and the little success accomplished in the 1970s-80s) lies a much more vigorous and oppressive propensity to demand ever more redistribution. This generates an ever greater real dependency on government among a growing number of groups for either stabilization or ideological purposes, but it also runs into greater and greater resistance either because of the decreasing capacity to deliver or the perception of fairness. Yet along the way it is also fuelling an emerging appetite for experimentation to achieve 'small g' (governance) by inventing less state-centric means to aid better coordination.

Third, we identify the prime mover in this two-step dynamic from redistribution to 'small g' experimentation as the evolution of *culture governance*<sup>1</sup> in modern Western socio-economies (Bang 2003). Over the last decades, exit-of-government strategies to refurbish the coordination game have begun to displace obsessive redistribution concerns that had earlier displaced coordination concerns<sup>2</sup>.

The relative neglect of the coordination challenges and the propulsive hijacking of the redistribution process by private, social and community-based groups has inevitably led to the generation of excessively protected rigidities and sacralised transfers, to more destructive and toxic rent-seeking conflicts, and to the promotion of envy to the informal status of national virtue in the Canadian socio-economy (Paquet 1996a; Courtney 2014).

<sup>&</sup>lt;sup>1</sup> Even though we will come back to this key concept later, it corresponds to the systems logic, in which organizations and institutions are embedded in a complex and uncertain world, that privileges forms of advocating, facilitating, guiding and moderating, and new forms of empowerment and involvement from below *in an indirect manner*, via a variety of interactive modes of dialogue and collaboration to get the minimal wholeness, coherence, and effectiveness of organizations less by coercion of partners than by getting them freely and willingly to employ their self-governing powers to help the system connect and deliver in an effective manner. In practice, culture governance accomplishes this by partnership with civil society, empowering voluntary organizations and lay people to participate, via systems managers trying to give voice to people's grievances, encouraging them to force their issues of concern on to the formal agenda, etc. Culture governance encompasses much more than the manipulative world of Foucault's governmentality in which people are bamboozled into regarding the objectives of the government as corresponding to the pursuit of their own personal objectives. For our purpose here in dealing with our complex and uncertainty-ridden societies, culture governance embodies a variety of conventions, rules, systems of beliefs that tend to favor (or not) a propensity for the social system to recognize the limitations of coercion and discipline as organizing principles, and to tend to privilege organization through the capacities for self-governance and cogovernance. (Bang 2003: 243-249 *passim*).

<sup>&</sup>lt;sup>2</sup> During the recent decades, redistribution has invaded the forum: from being a sheer convenience tool in dealing with stabilization by increasing public expenditures to compensate for a decline in private sector activities (for instance, in the moments following World War II), I has been ratcheted up to compensate for the so-called growing degree of publicness of certain goods (health, education) because the private spending of the citizenry could be presumed to be socially sub-optimal – (in the next phase of welfare statism), before becoming sought as valuable per se in the name of a progressive philosophy of egalitarianism), fuelled by the imperative of politically-engineered social rights as absolute entitlements (Kekes 2003) – in the more recent past – and running into a brick wall of fiscal impossibility, and opening to way to alternative experimentation to deal with the coordination problem.

Fourth, the self-organizing refocusing on social coordination, and the experimentation with small-g (governance) arrangements, has been somewhat facilitated by a growing distrust of government (fuelled by ineffectiveness and a perceived lack of ethics); the emergence of new technologies of coordination and sharing; a sense of the limits on redistribution as a way of coping; and a new interest on the part of the citizenry to experiment with its new found connectivity and access to knowledge.

In a recent Nanos-IRRP survey (2012), for instance, only 9% of Canadians had confidence that their governments were up to the challenge of working with others.

"Increasingly," as Nik Nanos lamented in *Policy Options*, "fewer Canadians have confidence that our leaders can address the concerns that matter most to them". Commenting on those results Don Lenihan (2012) suggests, "that when they say they have lost confidence in governments, they are really saying that they doubt whether governments are willing and able to develop the plans and build the partnerships needed to solve complex issues."

In addition, the fiscal limitations to redistribution, the growing awareness of state invasiveness and resistance to state constraints, the availability of network governance instruments and the new distributed governance possibilities, etc. – all of these suggest that a different of kind of relationship between the citizen and the state is emerging. The central issue will no longer be the antagonism among a limited number of interest groups for the control of the state to obtain its monopoly of public coercion or for access to its largesse, but the awareness that the state has ceased to be the only way to ensure coherent social-economic coordination among countless and shifting groups of interest. Today, the state is becoming only one instrument among many within a complex distributed governance regime where power, resources and information are widely distributed among many players and actors.

Therefore, efforts to refocus the mind of the citizenry on the coordination game are bound to be met with greater appreciation as they will resonate with a greater appreciation of the limitations of the state and of the opportunity costs associated with not using various alternatives to the state in a fractured coordination game that has become crystallized at many different interfaces at the meso-level (Paquet and Ragan 2012; Naím 2013).

# Government, governance failure, and wicked problem

However illegitimate or defensible these anti-government attitudes may appear to be, they are incontrovertibly symptoms of public discontent at the actions or inactions of government. Still, they may also represent the initial tremblings of some potential failure in the governance system. But how do we discern the difference between short term whimsical dissatisfaction and pending system failure? To begin with one needs to reflect on what government is, and what are the functions of government in our modern time?

### On the four key functions of government

The first function is *coordination stricto sensu* (intervening in the allocation of resources and the coordination of socio-economic activities and actors). Coordination involves reducing conflict among groups or stimulating innovation or responding to market failures: by modifying the price of some goods and services; or regulating their production; or ensuring adequate market information; or ensuring the provision of 'public' goods or services through certain channels only.

These goals may be accomplished through penalties or taxes on deleterious goods and services (drugs or smoking), or subsidies to goods and services that are beneficial but which citizens may under-consume if the market is allowed to work unhindered (eg. health, education). One powerful rationale for such interventions is the degree of the 'publicness' of goods (a gauge of the difference between desired private consumption and what might be regarded, from a collective point of view, as the warranted consumption) that underpins government intervention by taxes or subsidies or regulation, or by constraints on, or modification of, the organizational forms through which the various goods or services are provided (public vs private mode of production or distribution, etc.).

The second function is *stabilization*. It pertains to interventions of government to compensate for the cyclically fluctuating level of activities of the private sector. For example, increasing public sector aggregate demand in times of depressed private demand, and reducing public sector demand at times when private aggregate demand risks overshooting the supply potential. This type of intervention is usually associated with Keynesian thinking, and it has acquired legitimacy in the second half of the 20<sup>th</sup> century.

However, it has taken a new saliency over the last decades as a result of globalization. At times, stabilization has become as much (if not more) a transnational issue than a national issue (Varoufakis 2011). New arguments have been put forward recently about the need for surplus recycling mechanisms that would ensure, as the older automatic national stabilisers, a more stable performance in our turbulent and chaotic globalized world. Internationally, these mechanisms would have the same vocation as the gold standard species flows between surplus and deficit countries in the international regime in force before 1971. Similar mechanisms, like interregional but intra-national equalization payments, have been used within countries for years.

The third function is *redistribution*. It entails a transfer of resources from those citizens supposedly better off to those supposedly less well off, through a variety of techniques (from taxation and subsidies to the provision of public goods), but it has also been used between and among regions, sectors, etc., often according to arcane formulae. This function has taken a new *grandeur* in the Post World War II when this sort transfer of resources – once mainly celebrated as a convenience for stabilization purposes (family allowances to mitigate the decline of military expenditures after 1945) – became fuelled by a *new progressive philosophy* that sanctified such redistributive action as desirable *per se*.

This new philosophy, over time, has fuelled an *entitlement epidemic* (Eberstadt 2012) that has transformed the very rationale of such policies – from *desirable* at times as a convenience, to becoming *necessary* to ensure the meeting of basic needs later, and finally, in more recent times, as *fundamentally required* for honoring some social right of the "underprivileged": the product of transforming preferences into needs, needs into worthy deserts, and deserts into rights. (Paquet 2013: ch. 4).

A fourth governmental function – *pedagogical, ideological* – has always lurked in the background of government activities, but it has become especially important as the idea that redistribution might be meritorious *per se* has become canonical. Of late this function of governments (either for electoral purposes or for the promotion of ideological values) has come to be dominated in the perceptions and representations of most political parties but also in the minds of a significant portion of the intelligentsia and in the media. Together these groups have persuaded citizens that they deserve more than they all are getting, that what they are missing is actually a requirement to meet fundamental and nonnegotiable entitlements that have come to be baptized as absolute human rights (Ignatieff 2001).

This pedagogical-cum-ideological function of governments, either directly through partisan preaching or indirectly through the sermons of the intellectuals in their employ, has played a crucial role in massaging the collective expectations of citizens, and in redefining what citizens consider to be legitimate. These rhetorical government actions aren't necessarily illegitimate or toxic -- but they can be -- just as the utterances of the media and the intelligentsia can be on such matters.

We do not question that any democratic government does have legitimate responsibility in the affairs of the mind (Tussman 1977). Government is an important producer of information; it has responsibility to protect against misrepresentation and deception; and to promote collective cognition. However, such state interventions can tumble into a form of propaganda, and become a source of state-centred, mass manipulation of public opinion<sup>3</sup>, thus requiring constant public vigilance. Today such public vigilance and its ensuing anti-government attitudes have become somewhat lethargic in the rush to cash in on the entitlement banquet.

As a result of this and of the aforementioned abdication of coordination concerns, our existing public sector institutions have become incongruent with modern complex environments filled with wicked problems, where uncertainty and unpredictability are commonplace, and where no one can be considered to be "in charge". We suffer from what Tainter (1990) has described as decreasing returns to complexity because our institutions of coordination and governance have often failed to keep pace with the steady growth of social, economic, environmental and political complexity.

Instead of a perpetuation of the competition between guardian and commercial syndromes (Jacobs 1994), today's anti-government rhetoric is often a reflection of a lack of alignment among government actors with the growth of social complexity in the manner described in Ashby's Law of Requisite Variety (Ashby 1958) due to the outstripping of the capacity of existing institutional mechanisms to provide requisite social coordination.

For instance, while the interplay of perspectives between technocrats and politicians is essential to good policy innovation, fuelling their mutual animosity, as is commonplace today, is not. Indeed, inciting the possibility of more and more anger at elected governments ascribable to the public actions of superbureaucrats (like the Auditor General or the Parliamentary Budget Officer) makes the impartial analysis of anti-government attitudes even more complex.<sup>4</sup>

Antigovernment phenomena as wicked problems

<sup>&</sup>lt;sup>3</sup> For example, the active propagation of the views (a) that mass immigration generates massive economic benefits and is needed to correct the demographic impact of the aging of the Canadian population, and (b) that diversity is an absolute good, and pride in multiculturalism is the reason why Canadians have seemingly not reacted negatively (like the rest of the Western world) to mass immigration in the 1990s – can be regarded as disinformation and propaganda that have been perpetrated by the Canadian government and their intellectual accomplices, and have deliberately been foisted on the citizenry with a view to brainwash it into not resisting this sort of policies (Paquet 2012).

<sup>&</sup>lt;sup>4</sup> This sort of friction has been encouraged by the recent growth of super-bureaucratic power in Ottawa (Paquet 2014a), and the surge of claims by many senior federal bureaucrats and academic consorts about the danger of senior executives engaging "promiscuously" with elected officials – as one would expect from loyal bureaucrats serving the elected officials (Paquet 2014b).

The term 'wicked problem' is a label used to connote problems that lack a clear definition, that are multicausal, have no single solution, are socially complex, evolve over time and whose resolutions often involve changes in personal and social behaviors that can be difficult to predict.

Wicked problems frequently rest on underlying paradoxes, i.e. self-contradictory perceptions, statements and actions in which different seemingly incompatible propositions may be both contradictory and valid. Traditional rational analysis tries to eliminate such paradoxes. By contrast, in untangling wicked problems, these paradoxes are useful indicators of the heart of the issue. They are at the core of open, critical inquiries (Brown et al 2010: 63), an approach that we have developed further elsewhere in Paquet and Wilson (2011) and Paquet (2013). Rather than adjudicating competing perspectives or selling one over another, the use of *inquiring systems* brings together competing ideas into a more synthetic whole to be a source of social innovation and shared commitment. It would appear to be important to proceed in this manner in dealing with the anti-government phenomena<sup>5</sup>.

Since 1973, there has been a long decline of productivity, accompanied by cyclical downturns, at times caused either by spurts in oil prices or by financial crises. While a variety of explanations have been proposed about this constellation of problems and the issues that emerged as a result, for our purposes, what is of import is the pervasive sense of helplessness that developed in the face of ill-inspired or ineffective government interventions (ascribable to both elected officials and technocrats) that were aimed at such problems.

In the early phase (1971-1995), as we hinted at this earlier, coordination concerns still dominated the public sector psyche (along with the sweeping suggestion that New Public Management should be the required response), but there were also a large number of more circumscribed structural reforms of all sorts (federally or provincially) that were put forward (Paquet 1997; Paquet 2014b, ch. 6).

The results generated some modest restructuring of the production and allocation apparatuses, but they were not always very imaginative and forward looking. Most importantly they lacked a clear understanding of the frameworks, skills and practices of effective collaboration.

More recently (1996-2014), the situation began to evolve in a dramatically different direction. Redistribution had slowly become more and more important during the Post- World War II period, but, since the 1990s, that it came to be regarded as the solution to three daunting public sector challenges:

- the expanded need for mechanisms for recycling of government surpluses;
- the need to factor in the phenomenal ideological drive toward egalitarianism evolving from social preference to absolute right and entitlement; and
- a generalized state of resignation and pessimism on the part of governments having realized
  that they had neither the capacities nor the will to transform their unproductive and outdated
  apparatus of socio-economic coordination coupled with an understanding that they could at
  least retain their legitimacy by compensating the citizenry for the malefits generated by
  governance failures on the coordination front.

<sup>&</sup>lt;sup>5</sup> It should be clear that we are not trying to take refuge in wicked problems to avoid facing the AP problem. It is simply that arguing that paradoxes must be accepted and grappled with entails displacing the problem to a higher level: government here must design new machinery (principles, mechanisms) to deal with the problems, and not hope to resolve them only by traditional forms of incentives or regulation.

#### Culture governance and the coordination-redistribution switch

There is a growing consensus (Hamel 2013, Senge 2008 and Hagel 2009) that modern society has grown so complex, dynamic and differentiated that it cannot be ruled any longer by hierarchies and bureaucracies imposing control over people top down. As the NPM experiment revealed, the sole reliance on the market mechanism, while brilliant at balancing supply and demand issues, is of little help in resolving complex social problems that rely on social interactions and collective innovation for their resolution. Unlike markets or hierarchies, the mechanism of democracy is better suited to help people with highly diverse perspectives to come together to solve complex problems collectively, because it brings them into direct contact with each other, allowing forms of social learning and innovation to occur that are unlikely through either price mechanisms or the hierarchical bureaucracy (Farrell and Shalizi 2013).

Still the cultural underground of beliefs and propensities to act in certain directions is only slowly and cumulatively swayed by the accumulation of experiences, and the evolving underground influences the ways in which individuals and groups, conditioned by these evolving sentiments, react to new circumstances. Consequently, the ethos of the time is recorded by the intelligentsia and the media and tends to reinforce or to counter *l'air du temps*.

For instance, it is neither innocent nor inconsequential that the topic chosen by Janice Stein for her Massey Lectures in 2001 was "the cult of efficiency" (Stein 2001). Her lectures indicting efficiency (i.e. the fight against waste) as a virus captured well the *zeitgeist* of the time in Canada, and they throw some light on the sort of cultural underground of the period that carried the attention of the public from a focus on *value-adding* to a focus on *value-redistributing* concerns. While this new anti-efficiency culture was still poorly articulated when it allowed Canada's Program Review to be derailed in the mid1990s, after the turn of the century it had become the new gospel of *progressivists*.

Such a cultural drift can be the well-spring of an anti-efficiency discourse that raises all sorts of if's, but's, how's and "is-it-more-important-than-X" arguments in public discourse. In the short run, it can also succeed in allowing these other concerns to displace – if not to completely delegitimize – the efficiency argument in the mind of the uninformed public. It is only in the longer run that the culture governance is developing a suspicion about redistribution masquerading as panacea, and has distilled a greater propensity to support self-governance, empowerment, participation, PPPs, and other culturally charged processes like deliberation and involvement (Bang 2003: 243). But this big leap back to a new look at the coordination game was only made possible after a long period of redistributive profligacy *ex post* as a substitute for the quest for efficiency *ex ante* 

#### On culture governance I: from coordination to redistribution

Culture governance builds not only collective propensities, but it also provides the levers to socialize and regulate people's conduct *in an indirect manner* by working on their identities and thereby their values, feelings, attitudes and beliefs via a variety of new interactive modes of dialogue and cooperation. "The aim is to get them freely and willingly to employ their self-governing powers to help the system connect and deliver in an effective manner." (Bang 2003: 247). Some, like Michel Foucault, have stressed exclusively the techniques of discipline, subjection and manipulation, in developing his concept of *governmentality*. But this is both unduly restrictive and undemocratic.

Culture governance, on the other hand, is not limited to such deceptive manipulations. It helps steer the system through the use of embedded propensities that have evolved over time, and that comprise socially accepted mechanisms, conventions, and arrangements that make the highest and best uses of all the intersubjective, interactive and cooperative capabilities in common currency. To put it in another way, "Community is fundamentally an interdependent human system given form by the conversation it holds with itself. The history, buildings, economy, infrastructure and culture are [artifacts] of the conversations and the social fabric of any community" (Block, 2008: 30). Culture governance is a product of those conversations, one that evolves a collective sense of what is possible or not; what is or is not acceptable behaviour: for instance what is an acceptable role or not for government.

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In the 1970s and 1980s, the incapacity of antigovernment attitudes to succeed in triggering transformations in the flawed structures of the *coordination game* – because of well-entrenched social rigidities and state-authorized corporate property right structures of all sorts in all sectors (Olson 1965, 1982) – prevented the dismantling of those rigidities. This led to a decline in the hopes that government could actually generate needed structural reforms, and therefore to a decline in the pressures on government to unshackle the socio-economy from those strictures in our aging, socio-economies (Kindleberger 1978)<sup>6</sup>.

In the face of this perceived incapacity to deal with the coordination problem *ex ante*, of having to live with the social and personal costs of an arterio-sclerotic socio-economy, and at a time when the entitlement mentality was becoming ever more legitimate for groups feeling maligned or marginalized, the culture governance appears to have shifted to embrace the arguments in favour of redistribution schemes to correct both real and imaginary malefits inflicted by an imperfectly coordinated socio-economy.

This increased the propensity of groups on all sides to shift their attention away from the daunting and frustrating efforts to transform the coordination game, towards making the highest and best use of the state in the *redistribution game* – to ensure both protection from anything that could be declared a malefit (and claim requisite compensation when this could not be done), and the maximum capture of all possible entitlements, rents, and privileges (whether morally defensible or not). This has redirected the bulk of the artillery of citizen criticisms away from pressing the government to reform the coordination terrain (or vacate it in a fundamental way), towards pressing government to become ever more involved in fuelling the redistribution of tangible and symbolic benefits to compensate for real or imaginary disadvantages.

The popular appeal of this sort of argument does not mean that the argument needs to have any force. This is illustrated by the most disingenuous lies about the struggling middle class in Canada that are being uttered in 2015 by all political parties to defend arguments in favour of taxing the wealthy, or ignoring the chronically disadvantaged, or compensating the middle class for invisible fiscal wounds and their supposedly increasingly disadvantaged position (Coyne 2015). Indeed, it would appear that, in this new era, all claims for compensation for any inegalitarian outcomes – symbolic or real – would appear to be considered legitimate, automatically promoting everyone to the status of a member of some "disadvantaged group" or other – a label created by the Charter of Rights that connotes anything one might wish it to mean (Gwyn 1995: Part III; Paquet 2012: 56).

<sup>&</sup>lt;sup>6</sup> This does not deny the possibility of these coordination issues being mentioned, for instance at key elections time. However, we would argue that it is mostly distributive issues (real or imaginary) that dominate all political action and voting in recent times in our Western democracies.

As a consequence, redistribution has slowly come to be more and more important in the national discourse since the Post- World War II period, but, by the 1990s, there was a change in kind as redistribution became somewhat sacralised:

- being regarded as the only viable tool available to government in an era of increasing complexity to correct (after the fact) the impacts of governance malefits that could not be prevented beforehand, and
- being able to build on the general acceptance of redistributive and entitlement mechanisms, in a deeply-rooted 'no-fault' culture, that permitted the forgiveness of governments for their lack of *ex ante* interventions as long as 'appropriate' compensation was provided (with 'appropriate' being negotiable).

Most governments remained blithely unconscious and oblivious to the social rigidities and mental prisons that such a perspective might generate. In particular, they failed to grasp that redistributive property rights, once granted, could not easily be withdrawn later. In the end, this ethos was sufficiently powerful and popular to mollify efforts to get the coordination house in order.

# 1990s: on the failed transition to the strategic state

That said, before the long drift into the swamp of unlimited redistribution fully unfolded, there was a moment of truth in the mid-90s in Canada, when the possibility existed to redefine the texture of government through a significant redesign and refurbishment of the way in which the socio-economy was governed. This came after some ominous warnings by the IMF (Paquet 1993) that the federal government budgeting was out of whack. At the time, a burgeoning literature about governance had just begun to surface in Canada, and a new vocabulary surrounding the reinvention of governance around the notion of subsidiarity had begun to circulate (Paquet 1994). Yet, effective work of this sort had to be more than conceptual. It required new frameworks and the development of new ensembles of working principles, skills and mechanisms, and the paucity of these tools in the federal government toolbox made this a doomed experiment.

### (a) Principles and mechanisms

If 'Big G' (Government) is unlikely to provide effective coordination in a world where power, resources and information are widely distributed, then the call for 'small g' (governance) is warranted -- but it cannot only be a call. One has to spell out the sort of assemblage of principles, conventions and mechanisms that are likely to provide the equivalent of what in common parlance one would refer to as the 'right mix' of transparency, sermon, carrot, and stick. Over the years, experience in many places has shown what principles and mechanisms might be most useful here. The sample below is drawn from a recent encyclopedia (Paquet 2014c).

# Principles and mechanisms for the construction of a governance regime

Principles Mechanisms

Maximum participationInclusive forumTrue prices and costsMoral contractsSubsidiaritySocial learning and reframingCompetitionLinks between beliefs and actions

Multistability Fail-safe mechanism

#### Relational linkages

Trust

Since power, resources and information are widely distributed, and no one is fully in charge on any major issue of the day, the coordination challenge is best met by being inclusive, by sticking as much as possible to true prices and costs, and forging moral contracts or conventions to handle the more qualitative dimensions. Subsidiarity would call for delegating decisions to the most local level possible, and designing social learning mechanisms capable of acquiring experience as times goes by. Insisting on competition as a discovery mechanism when one does not know the best solution *ex* ante is important, but so is being conscious of mental prisons (cognitive dissonance) that prevent accurate representations and that block effective collective action. Recognizing system interdependence, taking advantage of the opportunity to partition systems into more or less insulated portions (multistability) to avoid global instability has proved most useful a principle, but recognizing that system failure is also to be expected entails the creation of 'fail-safe' mechanisms that are essential in avoiding collaborative disasters. Finally, investing in relationships, especially among those not like you, and learning to use conflict as a tool for innovation (not trying to avoid it) become all important in constructing system trust.

This sample of principles and mechanisms is not an exhaustive one, but it may serve as a provisional set of guideposts in designing effective modes of governance. The creation of an effective assemblage of principles and mechanisms puts design at the core of governance and management (Boland and Collopy 2004; Martin and Christensen 2013). Yet any effective design must be equipped with a social learning apparatus capable of constantly adapting the assemblage to an ever evolving environment, with a capacity for stewardship to navigate creatively the dual handicaps of mental prisons and system failures.

Change in public governance may thus be seen as an exercise of redesign or remixing or recombination of the principles and mechanisms for collective action, but outcomes are never certain, because there are always slippages or hijackings of these processes by one or other of the major parties involved. So, in fact, most experiments struggle in the tension between imaginative redesigns and the administrative pathologies that stand in their way.

(b) Program Review: on the failed transition to the strategic state<sup>7</sup>

In Canada, the public finance crisis of the early 1990s was an occasion to critically analyze the existing federal governing apparatus. This was done in the early period of the newly elected Liberal government under the general label of Program Review.

Each federal program was to be subjected to six tests:

- Does this program continue to serve the public interest?
- Is there a legitimate/necessary role for government in it?
- Is the current role of the federal government appropriate? Should it be shared with lower order governments?
- Should the program be transferred in whole or in part to the private or voluntary sectors?
- Could its efficiency be improved?

<sup>&</sup>lt;sup>7</sup> The notion of strategic state (Paquet 1992; 1996-7) was the subsidiarity-based, small–g (governance) template that one of us had succeeded in bringing to the front of the stage in the period leading to the 1993 federal election. It was most certainly well received in certain circles of the Liberal Party of Canada in the stimulating debates before the election, and even in the immediate aftermath. It is only later in the decade that financial woes completely displaced this subsidiary agenda, and later only again that the centralizing phalanx of the Chretien government and the senior federal bureaucracy buried it.

#### Can we afford it?

If the entire federal enterprise had been seriously subjected to this battery of tests, quite clearly the whole governing apparatus of the country would have been significantly overhauled and refurbished. Unfortunately, it was not.

This is not the place to develop a full critical historical analysis of Program Review. Suffice it to say that this most interesting Cartesian exercise in revamping government (and therefore the governance of the country), through a philosophy of subsidiarity, was hijacked by the centralizing phalanx of the Chretien cabinet and the upper federal bureaucracy.

As a result, what was planned as a redesign of government into a *strategic state*, became, through sleight of hand, an exercise of federal budget reduction (which was achieved mainly on the back of the unsuspecting provinces through unannounced cuts in federal provincial transfers), and therefore it was a bit of an *imposture* (Paquet 1996b; Paquet and Shepherd 1996)<sup>8</sup>.

As it turns out, however, this was to be the last 'serious' effort to deal with the coordination failures of the Canadian system as a whole. Even the faint hearted Social Union Agreement proposed by the federal government later in the 1990s – a promise not to meddle unexpectedly with the finances in provincial jurisdictions without serious consultations – proved entirely disingenuous (Paquet 1999a). Neither the Chretien government nor the Himelfarb-style senior bureaucracy had any honest interest in seriously pursuing a subsidiarity agenda, whatever superficial gestures they might have been willing to make in this direction in the aftermath of the traumatic, existential Quebec referendum in 1995.

Without that interest, it was inevitable that the 'new' federalism was bound to count on redistribution gestures to bribe or soften partners, rather than providing better coordination to improve the effectiveness of their partnership in the federation.

Perils of egalitarianism and unbounded redistribution

Not only were the 1990s the last hope of the strategic state in Canada, but the period around the year 2000 was also the last one when the perils of egalitarianism of outcomes and irresponsible redistribution – as articulated so well by Tocqueville (1940/1961) – were heard in our democracies (Laurent et Paquet 1991; Kekes 2003). Since then, egalitarianism and redistribution, like social rights, have become idolatrized icons.

Yet Tocqueville had astutely shown that the passion for equality («plus insatiable à mesure que l'égalité est plus grande» (Tocqueville vol II 144,189) would eventually turn toxic. In a world where the greater the equality, the more insatiable the thirst for even greater equality becomes, this passion for equality and the dogma of egalitarianism can only become the source of widespread envy (Foster 1972).

After the derailing of Program Review in all but name in the late 1990s, the closing of the intellectual mind to the development of the strategic state, and the unbounded celebration of redistribution and egalitarianism as *progressive*, the foundation for a new era in government was established: the replacement of *Type*  $\alpha$  anti-government pressure – expressions of discontent vis-à-vis government with a view to force government to repair flawed governing processes that are dysfunctional and wasteful very

<sup>&</sup>lt;sup>8</sup> This should not be interpreted as a statement that the original subsidiarity-inspired Program Review left no trace. This inspired program was hijacked by Treasury Board away from the Privy Council Office, but one cannot ascertain what it might have been by what it accomplished despite the hijacking (Paquet 1999a)

much along the line of what Program Review was all about – with  $Type\ \theta$  pressure on government – pressure to effect redistribution in order to assuage  $ex\ post$  malefits generated by a flawed structures of governance and power – structures that became thereby at least partly immune to reform efforts.

For instance, the disgruntlement about flawed production and governance structures in health and education – inefficiencies and ineffectiveness that are well known, have been widely discussed in earlier decades, and their undue weight on the public purse is threatening to bankrupt the state within decades (Levert 2013) – have remained largely unchallenged, mainly because these services have been provided free or at relatively highly subsidized prices.

Despite a flow of *ad hoc* entitlements and redistribution claims that were created, their net long term effects remained somewhat occluded within a complex system. Most actors remained unconscious of the social rigidities and mental prisons that such initiatives generated, appearing to be satisfied and resigned to collect on compensation claims because the cultural governance underground upheld their legitimacy (Paquet 2004).

For instance, convenient arrangements like no-fault car insurance get adopted because they dramatically reduce transaction costs in the short run, even though, in the longer run, they also reduce the mindfulness and responsibility of drivers. So it is that when entitlements acquire the status of a right, they constitute an additional blockage to the modification and evolution of collective behavior – additional to those that were already in existence in the flawed production and governance apparatus.

# From unbounded redistribution to dissipative structures

Given the pathologies of the modern state described above, and the impotence of today's antigovernment movement to press for significant coordination and governance realignments, it is hard not to be cynical. A call to refocus attention among government actors, stakeholders and the public away from the toxic distractions of redistribution and back to the important value-adding issues of social coordination will not be easy.

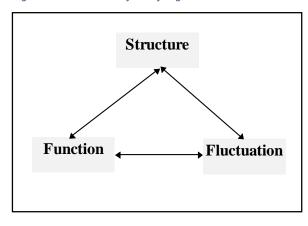
And yet the frustration generated by the coordination failures and the impotence of governments in effecting the needed repairs can not be denied. As a result of this state failure, non-state actors are led to grope for alternative ways to deal with the pathologies.

This frustration with the state can be channelled into more effective inquiries and explorations only once it becomes clear that socio-political-economic systems are open, *dissipative systems* that are constantly changing. The term 'dissipative system' is drawn from *thermodynamics*, and it refers to a system that is constantly exchanging with its environment. Indeed it maintains itself as a non-equilibrium structure that exports disorder and imports order to continuously renew itself. It is "non-equilibrium that brings order out of chaos" (Prigogine and Stengers 1984: 287).

Non-equilibrium structures, such as living systems and governments, involve many sub-processes which when combined create temporary states of stability that represent states of order that use minimum energy. However, it is the fluctuations among these sub-processes which cause the system to change and evolve. When these occur far enough away from equilibrium, they may self-organize to produce a new more efficient state of temporary stability. Self-organization emerges from dissipative structures due to the fundamental interdependence of structure and function and the transfer of information and energy from the environment which is one of the most profound laws of physics (Jantsch 1980: 40).

"These same conditions ... underlie the possibility of internal self-amplification of fluctuations and their ultimate breakthrough {into a new state of order}. Without such internal self-amplification there is no true self-organization. The possible consequence is the evolution of the system through an indefinite sequence of instabilities each of which leads to the spontaneous formation of a new autopoietic structure" (44).

Figure 1: Three Criteria for Self-organization



System change is therefore a process of selforganization that is the result of a three-fold process involving *structure*, *function*, *and fluctuation*, which together can be thought of a one giant fluctuation. Both chance and necessity move the system to a higher level of organization -- chance through the contributions of individual fluctuations, and necessity arising from the coupling of sub-processes. Since internal sub-processes also combine to dampen 'innovation' in a system, the point where those fluctuations overcome these barriers, instability is the greatest, and the need for a new stable structure is significant. During transitions, entropy production increases markedly, as the system spares no expense

to move to the more stable, lower energy state.

"It is not adaptation [learning to dominate] to a given environment that signals a unified overall evolution, but the co-evolution of system and environment at all levels, the co-evolution of micro- and macro-cosmos" (75).

This new dynamic is so profoundly engraved in our practice that we cannot look at the local newspaper this morning of May 25<sup>th</sup> 2015 – as we put the final touch to a penultimate draft of our paper – without finding a report that documents change on the fringe of our socio-economy and that calls for "policy from the bottom up" (Jackson 2015), illuminating the fact that while hundreds of bottom up collaborations are in the process of generating policy change in this country they remain essentially a *terra incognita*.

On culture governance II: from redistribution to diffraction

Over the last two decades, our culture governance has evolved dramatically as a result of the diffraction of power (Naim 2013). Some have stylized his process in three waves:

- first, there was an attack on the citadel of the state in response to the challenges posed by the failure-prone of the top-down hierarchical bureaucratic governing but in Canada there was a strong state-centric pushback denouncing the hollowing out of the state when alternative service deliveries started encroaching the traditional notion of state;
- second, the traditional state apparatus sprung back: it realized that it might be able to maintain
  its dominium by exercising its power in a more subtle and indirect ways this meant that the
  pushback by the traditional state became less vibrant, and morphed into forms of seduction,
  inviting the citizen to welcome a sort of voluntary submission to the will of the state as the best a
  way to be self-realized;
- third, an erosion of the notion of the state associated to robust 'Big G' structure into somewhat of a liquefied notion of contingent, cultural practice to the point that some were ready to

announce the emergence of a stateless state, something that was not to be feared and was meant to extinguish thereby the anti-government phenomenon altogether (Bevir and Rhodes 2010).

These waves not only dampened considerably the anti-government hostility by declawing the state, but undermined the 'Big G' vista by attacking its very foundations.

The notion of governance not only triggered the emergence of a putative notion of a declawed state, but it also questioned some basic assumptions upon which the Big G (Government) approach was built. In our new complex and uncertain world, it was argued that there existed no shared values and that no one is in charge. Stakeholders defend different interests, and that power, resources and information are so widely distributed in so many different hands that the very notion of leadership becomes senseless. How can such a diversity of interests and values be coordinated in pursuit of collective innovation? What best captures the sort of required wayfinding one observes is some form of stewardship (Paquet 2013: ch. 2 - "Governance as Mythbuster").

These developments may not have captured newspaper headlines, but they are modifying the culture governance together with the propensities built in the culture nonetheless. The foibles of perfect computation by the state or of perfect competition on the market led most analysts to abandon their lofty ideals of perfect coordination. Increasingly it is recognized that imperfect and temporarily viable coordination would have to be constructed through processes of learning while doing and by dealing with the fractured socio-economies *par morceaux*.

There is probably no better illustration of a working multiplex improvised governance on the margin becoming a substitute for the Big G (Government) of the traditional state than that of Belgium. It holds the world record for a democracy going without an elected governing executive -- 589 days in 2010 and 2011 -- because opposing Flemish and Walloon parties were unable to agree on how to form a governing coalition following an election that resulted in several minority parties. During that 20-month period, the six million Flemish and five million Francophones (despite no one being in charge) exhibited largely indifference to the political impasse, even taking pleasure when the country broke the European record for coalition talks in January 2011.

In the short run, neither group was punished by the electorate for their inability to produce a working government. Eventually, a government was formed in December 2011. And then, obviously unchastened by that experience, Belgians went again to the polls in May of 2014, once again electing a divided Parliament that formed a new government only in October 2014 after a five-month interregnum. Belgians clearly don't see a functioning, elected government as being all that critical.

The Belgian experience clearly puts a lie to the hyperbolic claims that without someone in charge of government, all will be chaos and lost. So if this fundamental assumption can be relaxed, then are there others that can also be? <sup>9</sup>

<sup>&</sup>lt;sup>9</sup> Another distinctive urban myth is that government alone is capable of setting policy, of having a public mandate embodied in its elected members and a range of expertise in its technocrats. Yet the Canadian Partnership Against Cancer Corporation (CPAC) is a not-for-profit organization that is a partnership among federal, provincial and territorial government health authorities. It also includes several voluntary sector organizations, like the Canadian Cancer Society, as part of its decision making board (Foster & Wilson 2014). When it comes to establishing cancer fighting strategies, it has policy authority and the financial resources to develop new approaches and policies that are subsequently implemented by the public agencies. CPAC is unique in this way in Canada. As a result of the Federal Cabinet decision, CPAC may be the first non-profit organization that has been delegated *de facto* policy authority to

On distributed governance: strategic state redux?

The most important transformation of the last 20 years has been a mutation of the governance culture into: a subtle, invisible and most powerful Quantum cosmology taking a grip on the citizenry – recognizing that we are not in a Newtonian world-order any longer, that it is difficult or impossible to determine cause and effect except in probabilistic terms, and that, in our diffracted world, it is only by experimentation, collaboration and social learning *par morceaux* that our inquiring and wayfinding systems can hope to tackle these diffracted problems.

Governments are fundamentally mechanisms of social coordination. That said, telecommunications, the Internet, and social media have wrestled a significant amount of coordination legitimacy away from traditional, centralized governments. As a consequence, we can observe a growing number of alternatives to government that are being created -- often by citizens themselves who are now able to connect to each other, exchange ideas, and collaborate in a manner that our traditional institutions could never predict.

#### (a) Three examples of efficiency initiatives

Three examples of efficiency initiatives that have gained ground slowly over the last two decades and that have focused on coordination include *private-public partnerships* (or P3s), *community based initiatives*, and *whole of government* approaches.

P3s have been used for many purposes: to build bridges (eg. The Confederation Bridge linking PEI to the mainland), highways (such as Toronto's Highway 407), and hospitals (such as the Royal Ottawa Hospital) as well as service delivery to citizens (such as BC's health card). These partnerships between governments and business have had varying degrees of success (Hubbard and Paquet 2007) depending on the attention to partnership dynamics and the participants' willingness to step beyond the traditional client-vendor relationships in government.

Community-based initiatives (Wilson 2007, 2008), such as the Vancouver Agreement that was in place between 2000 and 2010, brought together local businesses and agencies along with federal, provincial and municipal authorities, to tackle health, economic and social problems that appeared intractable to any party working alone. Community based initiatives were often led and driven by local stakeholders with various governments and their departments aligning their respective mandates to achieve locally defined goals. In the end the Vancouver Agreement was terminated because governments could not fully lay claim to any successes nor could they fully distance themselves from any collaborative shortcomings.

Similar to community-based initiatives were whole of government approaches, such as the UK's Local Strategic Partnerships initiative. In the face of the inability of siloed governments to make progress on complex problems, initiatives such as the LSP created *de facto* unified local government entities

implement a national strategy. "CPAC represents", according to Claude Rocan, "an attempt to establish a different type of relationship. This may well be unprecedented in modern times in the health sector" (Rocan 2011). All three major political parties supported the Canadian Strategy for Cancer Control in the 2006 election campaign, suggesting a consensus that the CPAC approach allowed a degree of operational flexibility and an opportunity for relationship building that was more difficult in the existing government apparatus, where any government's claim to be 'in charge' would be universally challenged.

independent of existing bodies to address the needs and priorities of specific communities. These independent bodies would refine central policies and distribute locally targeted funding on the basis of those local priorities.

According to Levesque, one of the reasons for the lack of integration in regards to these sorts of coordination experiences was that they have created a sense of loss of control within the political cadres. This arose from a rift created by the NPM model between the political (steering) and the administrative (rowing) functions in government that were generated by their increased mutual autonomy, and a disintegration of cohesive departmental bureaucracies in favour of more independent and specialized units (Lévesque 2012). Thus the decentralization encouraged by NPM only added further to the complexity of public institutions (Christensen and Laegreid 2004). This fragmentation helped erode the notion of who's "in charge"; fostered a competition between the steering and rowing elements of government; and contributed to a further lessening of public confidence in government.

These isolated attempts at reform by inventing alternative coordination mechanisms notwithstanding, public confidence in government globally has continued to decline. Global trust in government has declined from its high in the 1970s, and according to Edelman's 2015 Trust Barometer, it now stands at 48 percent. At 63 percent, NGOs remain the world's most trusted institutions. While businesses are generally perceived as being more trustworthy than government at 57 percent, the least trusted employee groups were CEOs and government officials at 43 and 38 percent respectively.

### (b) Blockchain and cryptocurrencies

Some of the most interesting *government alternatives* that are emerging involve *blockchain* applications which, for instance, support cryptocurrencies (like Bitcoin) and which can be used, like canaries in a coal mine, to assess the public's attitude to government and its appetite for alternatives.

Until very recently, our national economies were absolutely underpinned by the concept of 'money'—coins or paper that were controlled by the authority of the government and the central banks. When we exchanged something of value, that exchange was mediated by a dollar bill or credit card that was backstopped by a bank and the reputation and power of a national government. These central authorities were trusted (not that we had much choice) to work on our behalf to develop monetary and fiscal policies, as well as regulatory, security and enforcement policies that would maintain public confidence in the stability and predictability of the value of 'money' as a store of value and as an intermediary of exchange. Consequently, the management of the economy and of the money supply has long been considered as a core function of government. In order to maintain public trust in the economy governments used significant layers of oversight and regulation to ostensibly prevent abuse or corruption among those few in the centre and to offset market failures of one sort or another.

Enter cryptocurrencies in 2008. Cryptocurrencies like Bitcoin, and over 500 others like it, operate using a public record of digital transactions called the *blockchain*.

The *blockchain* is essentially a distributed database – a sort of public online ledger that records digital exchanges between people without the need to resort to trusting some central authority like a bank or government clearinghouse. The entries in the *blockchain* ledger are listed in chronological order, and may be added to by network members, for instance, those running Bitcoin software. Transactions between two parties are broadcast to this member network, who then can validate them, add them to their own copy of the ledger, and then rebroadcast these additions to others.

Bitcoin is not 'money' (Ramasastry 2014) in the traditional sense as it is not issued by a sovereign state, and it does not rely on the user to trust in some central authority.

Since each network member stores their own copy of the *blockchain*, any and all bitcoin transactions can be independently verified along the entire chain of ownership.

In a network environment that lacks central oversight, it is this combination of a frequent exchange of data entries and a shared public history that is used to validate each transaction and to prevent *double spending*, that is, spending the same amount more than once. "The security model of block chain currencies is decentralized. There is no center to the network; no central authority; no concentration of power; and no actor in whom complete trust must be vested. Instead the core security functions are put in the hands of the end users of the system." (Antonopoulous 2014)

Since exchanges between parties can occur without the direct or indirect involvement of a central authority, there is no need for government to manage a supply of money or provide regulation around its use. With cryptocurrencies the 'money' supply can be predicted decades in advance and therefore economic policies that in the past were used to manipulate it (often to the benefit of incumbent governments) are completely unnecessary. The *blockchain* provides this without compromising a user's privacy or identity, or relinquishing transactional security or system trust.

While Bitcoin advocates, such as Andreas Antonopoulos, are clearly optimistic that cryptocurrencies can help reduce the growing public concerns regarding the safety of online transactions, privacy and identity theft, these digital currencies clearly lessen the risks associated with rich database targets of centralized private information that have been amassed by the work of central authorities in every country.

Furthermore, citizens no longer have to pretend that these authorities will always work in in their best interests even when there is long standing evidence that suggests otherwise. Antonopoulos argues that, "we cannot protect consumers by removing their ability to control their own privacy and then asking them to entrust it in the same intermediaries who failed them so many times before.

In addition, according to Tapscott (2015), the *blockchain's* digital ledger "can be programmed to record not just financial transactions but virtually everything of value and importance to humankind: birth and death certificates, marriage licenses, deeds and titles of ownership, educational degrees, financial accounts, medical procedures, insurance claims, votes, transactions between smart objects, and anything else that can be expressed in code. This ledger represents the 'truth' because mass collaboration constantly reconciles it."

Fundamentally the *blockchain* is all about replacing the power of central authorities with distributed knowledge, computing power and data storage that is available to all of us through networks. "Every network", says Rosenberg, "requires what programmers call a "single source of truth" — the authority that says, "this is real," "this user is who she claims to be," "this transaction occurred."" (Rosenberg 2015) Until now that "single source of truth" has been provided by centralized authorities usually in governments and in ways that differ only slightly from feudal times. On the other hand, "the *blockchain* turns the entire network into its [own] source of truth. It's a mechanism for us to collectively confer legitimacy on one another. That's why it appeals to the same people who fell in love with the Internet and the Web 20 years ago: no individual or company owns it, and anyone can participate in it."

#### (c) Other initiatives

In many small ways, citizens have already begun to participate in activities and functions that have long been associated with governments. Here are just a few well-known illustrations:

- Education eg. Kahn Academy, Scolaris.ca, the Student Room, Gooru Learning and MOOCS
- Health -- eg. MumsNet; PatientsLikeMe; We Are.Us; MedHelp or SickWeather
- Public transportation eg Zipcar, Uber, FixMyStreet, and a Better Place
- Garbage collection eg. Let's Do It Estonia and SeeClickFix
- **City planning** eg. The City 2.0
- **Oversight** -- eg. citizen journalists via Twitter or Youtube
- Disaster relief -- eg. Ushahidi-Haiti; and Virtual Alabama
- Space exploration eg. Galaxy Zoo and the X-Prize

Certainly there is growing evidence that when citizens can use Internet enabling tools, they do cooperate more. Bring your own solution, the new BYOS, is increasingly the hallmark of social coordination. As a result, citizens are developing not only collaborative solutions for specific issues but also collaborative solutions for government's traditional turf of social coordination.

Here are some interesting examples:

- **OpenParliament.ca** when the Canadian Parliament wouldn't provide parliamentary data to citizens in an accessible, easy to read format, citizens did it themselves;
- **TheyWorkforYou.com,** a UK initiative trying to bridge the democratic disconnect through greater transparency and public engagement;
- **Loomio.org,** an open source web application for making group decisions that was originally created during the Occupy Wall Street period;
- iCitizen Corp. helps people to stay up to date on issues and legislation; helps them rate and connect with elected officials; as well as participate in issue polls, the results of which are then sent to elected officials;
- **Citizen-attache.github.io** -- a citizen hackathon to generate insights and analysis for Canada's international aid community;
- RandomHacksOfKindness a network of events to build solutions that address challenges faced by non-profits, humanitarian and community organizations by making use of public data from all levels of government;
- Laboratório Ráquer, or "Hacker Lab", inside the Brazilian Chamber of Deputies that is open for access and use by any citizen so they can utilize public data in a collaborative fashion for actions that enhance citizenship; and
- **DemocracyOS** an open-source platform created in Argentina that is both web- and smartphone-based and that can be used for voting and political debate that political parties and governments can download, install, and repurpose in a manner similar to WordPress blogging software.

Consequently, it is not unreasonable to expect that if citizens continue to participate in social coordination in these and other ways, they will eventually demand a larger share of societal governance as real partners-with-government, instead of being just passive recipients of government paternalism.

With the proliferation of online tools to connect, communicate and cooperate, it is likely that we may see a development of a further round of anti-government attitudes, *although one based more on the failures of social coordination* rather than the current one based on self-interested claims for redistribution.

Those who are most engaged in the development and use of these new alternatives modes of communication and coordination have come to regard traditional government as somewhat of an encumbrance – too slow, too corrupt, too lacking in innovation, and benefitting too few. But their response, as a consequence, is much less anti-government (in the hopes of reforming government) than it is dissociative anti-government (in the way of failing to see its value adding contribution).

### On secession from government

The movement against the "Stop Online Piracy Act" or SOPA of 2012 is an illustration of this shift in mindset. SOPA was solidly supported by American business leaders and key representatives of the US government. But rallied against it was a combination of rag tag, grass roots individuals and a who's who of Internet companies including: Craigslist, Flickr, Google, Mozilla, Reddit, Tumblr, Twitter, Wikipedia, and Wordpress. On 18 January 2012, 115,000 websites went offline in protest of SOPA, most notably Wikipedia, in the largest protest action in human history, involving millions of people worldwide, including over 10 million US voters. Said one protester, "The Internet has injected itself into the very fabric of society, [and] it feels like you're fighting the future if you're trying to regulate the Internet like this." (Seattle Times 2012).

According to Yochai Benkler at Harvard University, "the blackout was a very strong public demonstration to suggest that what historically was seen as a technical system of rules that only influences [intellectual property regulation in] the content industry, has become something more," adding, "You've got millions of citizens who care enough to act. That's not trivial".

Overnight US Senators went from 80 for SOPA and 31 against to 65 for and 101 against, and SOPA was essentially dead. That's millions of people with the means to connect and have their voices heard, enough to override the wishes of their elected representatives.

This new anti-government voice can also be heard among internet and social media leaders who have begun to challenge the existing 'power elites' of government.

Some of these leaders, such as Balaji Srinivasan, the co-founder of Counsyl, Inc. a Silicon Valley DNA testing corporation, have suggested (Leonard 2013) that those citizens dissatisfied with the status quo of government are in effect *seceding* from the 'paper belt' of US power centres (Boston, New York, Washington and LA) through such online innovations like MOOCs, Kickstarter, Uber, Bitcoin, YouTube, and Blogger. As online innovations continue unabated, virtual secession, he argued, is a natural evolution. In the past, people seeking better lives 'exited' their broken countries, and emigrated to countries like the USA and Canada. Today their descendants can emigrate again, except that now they don't need to go anywhere physically -- just into the cloud.

"Exit," according to Srinivasan, "means giving people the tools to reduce the influence of bad policies over their lives without getting involved in politics ... It basically means building an opt-in society, run by technology, outside government. It's no longer clear," he said, "that [government] can ban something it wants to ban anymore" and without that coercive power and with value generation shifting online, the voices of the established 'paper' powers are becoming less credible in society. "This is how Silicon Valley sees itself now — not just as the delivery vehicle of innovation, but as the avant-garde of a new society unburdened by broken government."

For those benefitting from established institutions such talk amounts to arrogance and hubris, but for the current and future generations grounded in these online tools, and in a concomitant culture of

collaboration, the legitimacy of centralized government to exert control over their lives is continually being undermined.

Srinivasan says the 'exit' to virtual business and political worlds is in part a populist protest move, one that supports the voices of all those who may see the need for change, but who can be effectively ignored in the existing government context by leaders who continue to profit from the status quo. "We want to show what a society run by [technology] would look like, without affecting anyone who still believes the 'paper belt' is actually good. That means building an opt-in society run by technology". In effect, what he's describing is the creation of a "proof of concept" for an online society that operates separate from but parallel to the existing one. In it no one person, no central agency is directing it and social coordination is a self-emergent property that evolves on the basis of many individual contributions.

Is this anti-government? Or is it government by other means, means which take into account the fundamental contextual shift that has taken place in terms of universal education, connectivity and access to information.

Today anti-government rhetoric may not be simply a demonstration of public dissatisfaction with the status quo of unresponsive, bureaucratic institutions but a consequence of the promise afforded by an availability of new tools for social coordination. This is quite unlike 'anti-government' voices of the 1990's, and possibly a portent of traditional government's slow spiral into irrelevance.

#### Quo vadis?

In a Quantum-like world (Becker 1991), it would be dishonest to suggest that we know exactly how the next move toward the strategic state will unfold. It may emerge from a crystallisation of a new temporary equilibrium as a result of the ensemble of forces evoked above that are occurring on society's fringe. It may also be the result of an unanticipated shock in the global scene that might shake culture governance in the Western democracies out of their redistributive rut. Or it may emerge out of new conventions that will emerge as a consequence of the possibilities opened by the new coordination technologies within the light of the current crises.

The fact that one cannot predict the way such a transition may unfold does not mean that one cannot anticipate its inevitability, given the growing dysfunctions of our socio-economies, and the approaching limits to our redistribution schemes and their social acceptability.

There is a sense that the present may be a time in the life of government when the fundamentals are about to change -- a *strategic inflection point* – as Andrew Grove, one of the founders of Intel, might have put it. And at such times, "when not everything is known and when all the data aren't in yet ... you're caught in the turbulence ... and the sad fact is that instinct and judgement are all you've got to guide you through." (Grove 1996: 35).

Recent electoral outcomes, be they in Greece or in Alberta Canada, show signs that the legitimate frustration among citizens is giving rise to a surprising new appetite for change. But it may take some time for that anger to find a way to express itself wisely. Inevitably though, after much erratic probing, usually bad ideas and their defenders are set aside. But "even if any strategic action changes the trajectory on which the [organization] moves by only a few degrees, if those actions are consistent with the image of what the [organization] should look like when it gets to the other side of the inflection point, every one of them will reinforce every other." (Grove 1996:147)

Our intent in this paper (very much like in the work at the Centre on Governance over the last 15 years) has not been to show a mechanical way out of the most recent crisis but to establish the basic conditions in the process of trying to find their way to carry us beyond the present situation. These conditions pertain to the *context* (showing the ground in motion), to the *representations* we have of the context (more or less crippled by the mental prisons inherited from the past), and to the *culture governance* or *socio-cultural underground* (defining the propensities of our socio-economies to adopt certain types of arrangements or reject them, and to adapt in certain directions rather than others).

On the first front, the governance literature has already established beyond reasonable doubt that the context is indeed best approximated as a world where the ground is in motion (Paquet 2005) where:

- a) there is an irreversible move from Big G (Government) toward small g (governance);
- b) an ever greater distributed governance generating more turbulence and instability;
- c) no one in charge, and no shared values; and
- d) where quantum politics generates order from chaos.

On the second front, current debates are beginning to expose the *crippling epistemologies* at the source of the most toxic mental prisons threatening to generate the perpetuation of governance failures (Paquet 2009ab) by preventing:

- e) the displacement of leadership by stewardship
- f) the overcoming of conservatorship by governance
- g) social learning from taking us beyond technical rationality
- h) progress away from resilience to antifragility.

On the third front, we are only beginning to explore the culture governance underground in which our socio-economies are anchored, and which shapes to a great extent the sort of propensities likely to be encouraged by the culture and the arrangements likely to be most easily adopted. This is still very much terra incognita, and a world of filled with taboo topics like, among others,

- i) the unbearable lightness of citizenship (Paquet 2008);
- j) the bizarre uncritical deference to some forms of authority like the Supreme Court or superbureaucrats;
- k) the paradoxical national character (Ross 1954); and
- l) the peculiar illogicality of the Canadian *habitus* (Paquet 2014b, ch. 5)

These elements constitute a challenging program of research, but they also acknowledge the state of the Canadian socio-economy as akin to the phenomenon of supercooling in physics – a phenomenon that points to the extreme volatility of a liquid below its freezing point, and to the fact that minor changes may trigger an instant transformation from liquid to solid at this juncture<sup>10</sup>. The Canadian society may be said

<sup>&</sup>lt;sup>10</sup> The physicist Hubert Reeves (1986) has used the example of the horses of Ladoga Lake as an illustration of this principle. In 1942, forest fires causes by bombardments in Russia forced about 1000 horses to jump into Ladoga Lake to save their lives. Even though it had been very cold over the area in recent days, the water was still liquid. But while he horses were swimming to the other side of the lake, the lake froze suddenly. The day after, the horses were ice monuments in the middle of the frozen lake. The explanation of this phenomenon is that when the drop in temperature is too rapid, water does not have time to congeal into ice, and remains liquid at a temperature below zero. But this water is in a quite unstable state: it might take very little to trigger a process of ice crystallization, instantly.

to be in such an unstable state. Minor shocks to the system may well trigger major reframing, restructuring and retooling effects – in a very short span of time (Paquet 1993: 280).

#### Conclusion

This paper has taken the view that we find ourselves at a strategic inflection point where what has served us well in the past no longer does so. That in itself has an element of anti-government in it. What we need is a public conversation (1) on the importance of redirecting anti-government critical thinking toward the convergence of coordination and collaboration challenges in the inquiring manner we have probed recently (Paquet & Wilson 2015) – and (2) away from divergent and divisive redistribution issues – which are unlikely to bring forth effectiveness, resilience and antifragility (Taleb 2012).

We have also provided evidence that, on the margin of our socio-economies, new promising non-state mechanisms are emerging that might help to bring back coordination and collaboration to the centre of the public administration stage.

The challenge now is to build on an old idea introduced in public discussion by Albert Hirschman in 1971 – the idea of *possibilism* (Hirschman 1971) – which one of us tried to revive in the middle of the 1990s, although unsuccessfully. "It consists in a deliberate investment in the discovery of paths, however narrow, leading to an outcome that appears to be foreclosed on the basis of probabilistic reasoning alone, in an approach built on the possibility of increasing the number of ways in which the occurrence of change can be visualized" (Paquet 1993b: 280).

At this inflection point, after decades of governance failures, it is our view that we have learned enough from past mistakes to be tempted to turn those daring experiments at the fringe of the socio-economy into an asset and a spur.

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