

Governing the network society: Should we look for meta-rules?*

‘N appeltje voor den Dorst’

Most of us may not understand Dutch, but we probably will understand this poster, which was made in the early fifties in the Netherlands.

Poster De Staat





You see an elderly man with cheeks like apples looking to an apple with the letters V.O.V. as inscription. V.O.V. stands for the special Dutch institution for Social Security. The state will help you in every crisis, the state will guarantee for everything says the poster. Nearly the best of this poster is this sentence 'N Appeltje voor den Dorst'. In my ears and probably in the ears of English native speakers too this sentence sounds pleasant, cozy, optimistic and as positive as a thing could be.

Some ten years later the idea of this poster is history and can only be seen in the recent history book of the famous Dutch historian Wim Blockmann. What has changed is not only the surface, is not only the lower expectation towards the state and its possibilities. What has really and deeply changed is our sense for the situation and the emotions we look to the state. More theoretically spoken a majority of people out of the western countries has developed new attitudes and new values, whilst on the other hand the nation states compete with new actors on a supranational and international level.

Thus on the threshold of the millennium the frame of reference for understanding our societies is completely different from the stable circumstances of the early fifties. Usually we name the core causes for this change with

- **Globalization**, that is a dramatic shift in worldwide economy;
- **Informatization**, that is a dramatic shift in the technology for communication;
and
- The **collapse of the iron curtain**.

I assume another reason as preeminent: We have to learn that a completely new medium has changed our behavior: The Internet. I can be wrong but I follow the thesis that technology shapes culture.

The new geography of power

Many books and pamphlets were written on this change. Academics as well as politicians tried to conceptualize this change and give this concepts a name. I remind you on Daniel Bells *Postindustrial society*, Brzezinski's *Technetronic Era*, Marc Porat's *Information Economy* or the mostly, specially within the institutions of the European Union used term *Information Society*. In the last years at least academics and of course this very congress favor another concept, the concept of *Knowledge Society*. Just recently the Californian Social Scientist Manuel Castells proposed the term *Network Society*.

All these names have the attempt in common to name the vast change of our societies. Each of this characteristics may be legitimate, may have its pros and cons. As we all know its useless to have disputes on terms, we should analyze the underlying structure of these connotations.

In the following chart I emphasize the connection between the use of media, power, cultural values and some social problems. I will try to elaborate some core positions from academics as well as politicians.

Chart: The new Geography of Power

THE NEW GEOGRAPHY OF POWER	
1960 to 1970	Looking for analogies
Marshall McLuhan	global village
Z. Brzezinski	global city
1980 to 1990	Exploring the vulnerability
Ministry of Defence	Sweden
1990 to 1999	Searching for empirical evidence
Brandt/Brundtland/Nyerere	global governance
Saskia Sassen	global city

1960 to 1970: Looking for analogies

Let me start with the sixties.

Such different authors likes Marshall Mc Luhan, the Canadian scientist for media, and Mr. Brzezinski, adviser of President Carter and political scientist from Harvard would agree on the basic influence of the media. Brzezinski as a politician far away from being crazy writes this:

But while our immediate reality is being fragmented, global reality increasingly absorbs the individual, involves him, and even occasionally overwhelms him. Communications are the obvious already discussed, immediate cause. The changes wrought by communications and computers make for an extraordinarily interwoven society whose members are in continuous and close audio-visual contact — constantly interacting, instantly sharing the most intense social experiences, and promoted to increased personal involvement in even the most distant problems. The new generation no longer defines the world on the basis of reading ...; it also experiences and senses it vicariously through audio-visual communications. (p 18)

In 1964 the year when McLuhan wrote his *Understanding Media*, he of course hasn't any idea of the Internet and all the networks which are in practice today. He uses the term *Electric Society* for a concept which is rather speculative than down to, earth. His core thesis *<All media are an extension of our bodies and senses>* (1994, p 182) sounds a bit esoteric. This may be the reason that McLuhan hasn't got too much influence at least in the German discussion, critics of his point of view are in the majority.

Maybe that the critics missed the point:

McLuhan developed in his early books the idea of a new era, caused by a new type of technology, which will alter society on the whole. His arguments are mostly without empirical proof and more literary than scientific. He looked for a name for this new reality and called it *global village* — an analogy to what most people could yet understand. Likewise Brzezinski's arguments lack empirical proof, therefore he had to look for an analogy:

A more appropriate analogy is that of the global city — a nervous, agitated, tense, and fragmented web of independent relations. That independence, however, is better characterized by interaction than by intimacy — like in McLuhan's analogy. Instant communications are already creating something akin to a global nervous system...

Brzezinski also speculated on the order of this new era:

It has generally been assumed that the modern world... will become more homogenous in its outlook. This may be so, but it could be the homogeneity of insecurity, of uncertainty, and of intellectual anarchy.

Let me sum up:

Since the early sixties we have concepts which describe a dramatic change in our societies. In the absence of empirical evidence these concepts must look for analogies — to give the change a name. These concepts state some

decisive elements. I have translated the arguments into modern language:

- Interwoven society
<Network society>
- Web of independent relations
<Internet>
- Growing interaction of people worldwide
<instant communications>
- Defining the world on the basis of <audio-visual communications, not longer on the basis of reading
<written versus pictures society>
- Stable environment versus intellectual anarchy
<Information warfare>

1980 to 1990: Exploring the Vulnerability of our societies

I will deal with this time only shortly, although the organizers of our conference wanted me talk about vulnerability in context with the *Knowledge Society*.

The big concepts fall into oblivion. Interesting enough in my memory it was the Swedish Ministry of Defense who published first an report on the <*Vulnerability of the computerized Society*>. This report from 1979 exists only in Swedish language and an unpublished translation made by the German Ministry of Defense. Of course the Swedish Ministry was most interested in the influence of modern information technology on military stability. The Swedish Ministry defines vulnerability as "counteracting risks in connection with military preparedness and war ...and other situations involving threat and pressure."

This word of vulnerability became than a popular metaphor at least among the discussions of the Europeans. The top priority in the public arena at least in the German discussions was the risks of this technology for society.

Looking back this kind of discussions on the vulnerability of our western societies was just a dead end.

1990 to 1999: Searching for empirical evidence

Thus the public and the people who worked on this problems like the European data protection commissioners didn't noticed the slightly shift in the perspective — away from military problems towards society as a whole: In the beginning

nineties it became clear that the rapid change within the market driven economies of the world created a new type of society with distinctive political, economic and technological features, as such:

- Globalization usually implies decentralization (S.Sassen)
This decentralization causes most of the political problems, which we discuss in these days.
- The leading market model is twisted around: Abundance, and not longer Scarcity defines the value of a good. The *Follow the free strategy* is one result of this dramatic change within our economy which some academics call an *Attention Economy*. Sometimes the best strategy for success on the market is to give a good away. A good example for this strategy is Netscape's market strategy for its Browser.
- The political structure differs a lot from what we have before. The traditional nation state has lost the most abilities to govern the processes inside his territory. We have a completely new international structure out of nation states, supranational bodies, private enterprises and Non-governmental organizations that act on an international level. To give you an example: An organization like Greenpeace with its Grand Spar activities is a phenomenon of the nineties.
- All these could only happen on the basis of a new technology: the Internet. The United States' Supreme Court rightly names it a completely new medium for communication.

All these together economic globalization, altering of the market model, a new global political structure, which is not state-controlled, and a new technical medium must be described to understand, what is going on in our societies.

In the meantime we know a lot about the features of this change. That makes the difference to the sixties mentioned before. We have now a lot of empirical facts that can prove the patterns of the change. Among the numerous authors, academics as well as politicians, who wrote on this subject, I like to mention Saskia Sassen, Professor for Urban Planning at Chicago University. She works mainly on the new patterns of centrum and periphery within the world, the new international economy and the global financial centers of London and New York, than Frankfurt and, on the end of the chain, Singapore and Tokyo. She describes this various economic networks between the main cities as *<New Geography of Power>*.

Saskia Sassen is near by Brzezinski's arguments and uses the term "global city" but she uses it as a type made out of facts not as analogy. Global city is the term for a new international concentration, for example the concentration of financial markets: *By the end of 1997, 25 cities controlled 83 percent of the world's equities under institutional management and accounted for roughly half of global market capitalization. Six or seven cities head this lead; London, New York, and Tokyo combined hold a third of the world's institutionally managed*

equities and account for 58 percent of the global foreign exchange market.
(1999, p 77)

We might be frightened by the coldness of her analytical view to modern society. In my view it's better to be realistic than to disguise the facts with analogies: "Analogies can be effective *to communicate* strategies, but they are very dangerous *to analyze* strategies." (Shapiro/Varian 1999, p 18)

Thus we have to continue the way of analyzing and making strategies out of it.

This fact leads us to four crucial questions:

- Which set of values do we want to be protected in this new type of society?
- Which sort of instruments will work best?
- Who — which person, which institution, which whatever body —should guarantee for this protection?
- Who is in charge for the enforcement?

The answer seems to be easy: We, the States, the enterprises, the bodies and of course the people should start to govern their own things.

But do we know the values we have to follow?

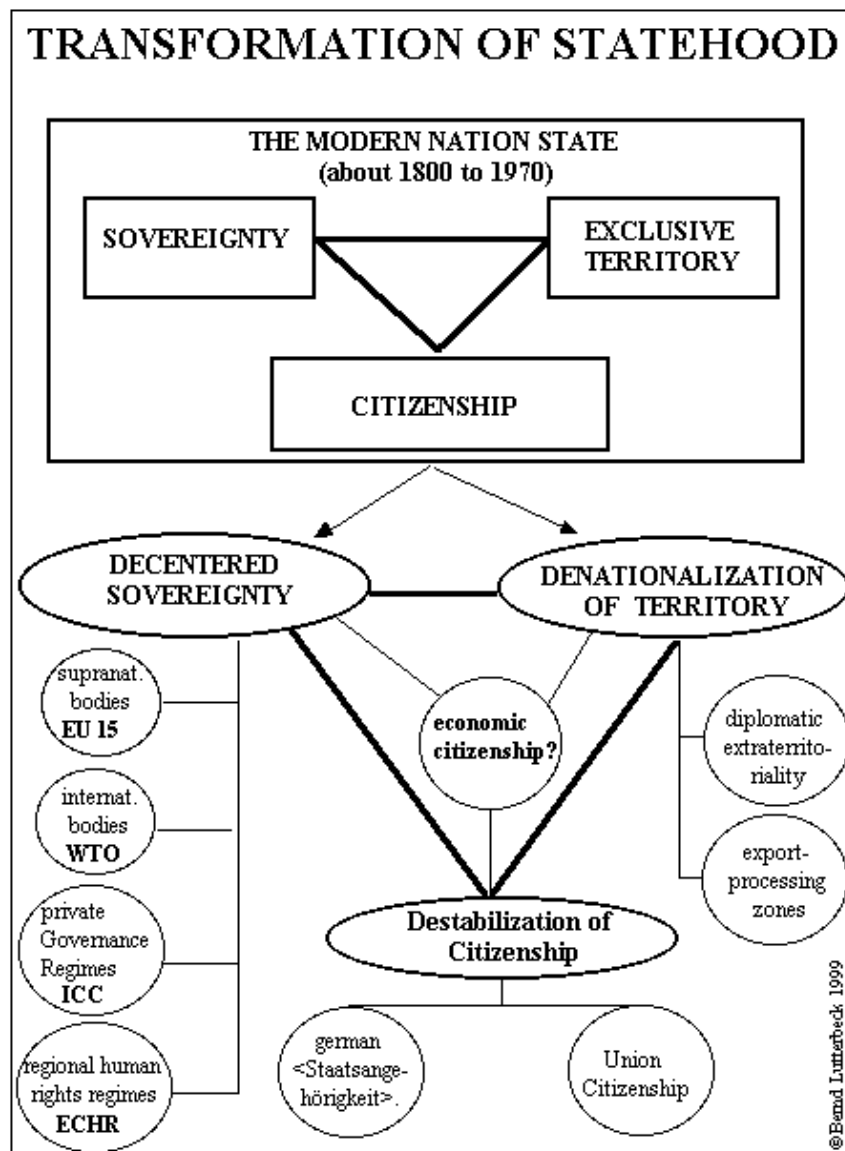
Outlines of Global Governance

My main interest is to understand the relations between changing values and order on a level beyond the nation states. Which values, rules statutes, customs and so on will govern the processes?

It seems to me relatively easy to analyze what is going on. But it is not at all obvious what should be done from a practical point of view. How should we act upon?

Look at the following chart:

Chart: Transformations of Statehood



As a result of this transformation of statehood we have to distinguish between three types of government:

- Governance by government
- Governance with government
- Governance without government

For English native speakers: The term Governance is not translatable into German.

Governance by Government

This type reflects the traditional way to govern: The traditional nation

state, that is a hierarchical higher body, governs with the help of statutes.

This type has formative influence on the juridical and political thinking of our times.

Governance with Government

This type also assumes the nation state as a hierarchical actor. But unlike the former type in this kind of governance the government acts with coordination and consensus with the social actors, not with decrees.

Statutes of the old type function as a threat or a intimidation in the background.

Governance without Government

At least on an international level one can observe governance beyond the nation state. This type of governance leads to results even without ordinary statutes.

The ordinary, the main type of governing is governance without government. Governance by government is just a special case. [Source: Zürn 1998, p 169]

Is it the law which rules this kind of new governance regimes?

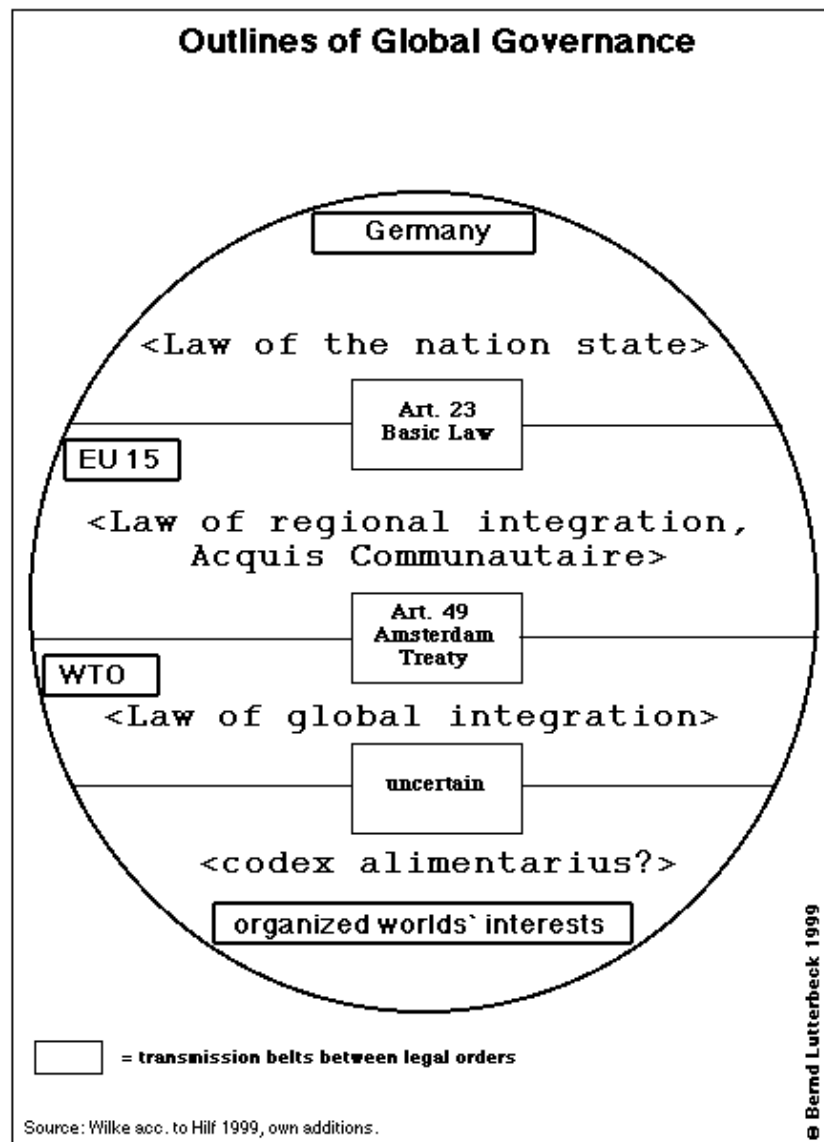
A new type of international law with primacy over the nation state?

A law which is binding for the various nation states?

Or are their various customs who regulate behavior?

I do understand law here as a cultural expression on how and to which extend a specific culture wants to live under a specific set of rules and values.

One answer might be what is explained on the next chart.



This model needs of course meta-rules, rules beyond rules. Which rules and who is going to set them? Are the problems solved if we regulate the future economic and social conflicts within the world by means of a world law?

My decisive answer on these questions is no. Let me demonstrate my answer with the two following charts:

Chart 1: Law in the Caribbean

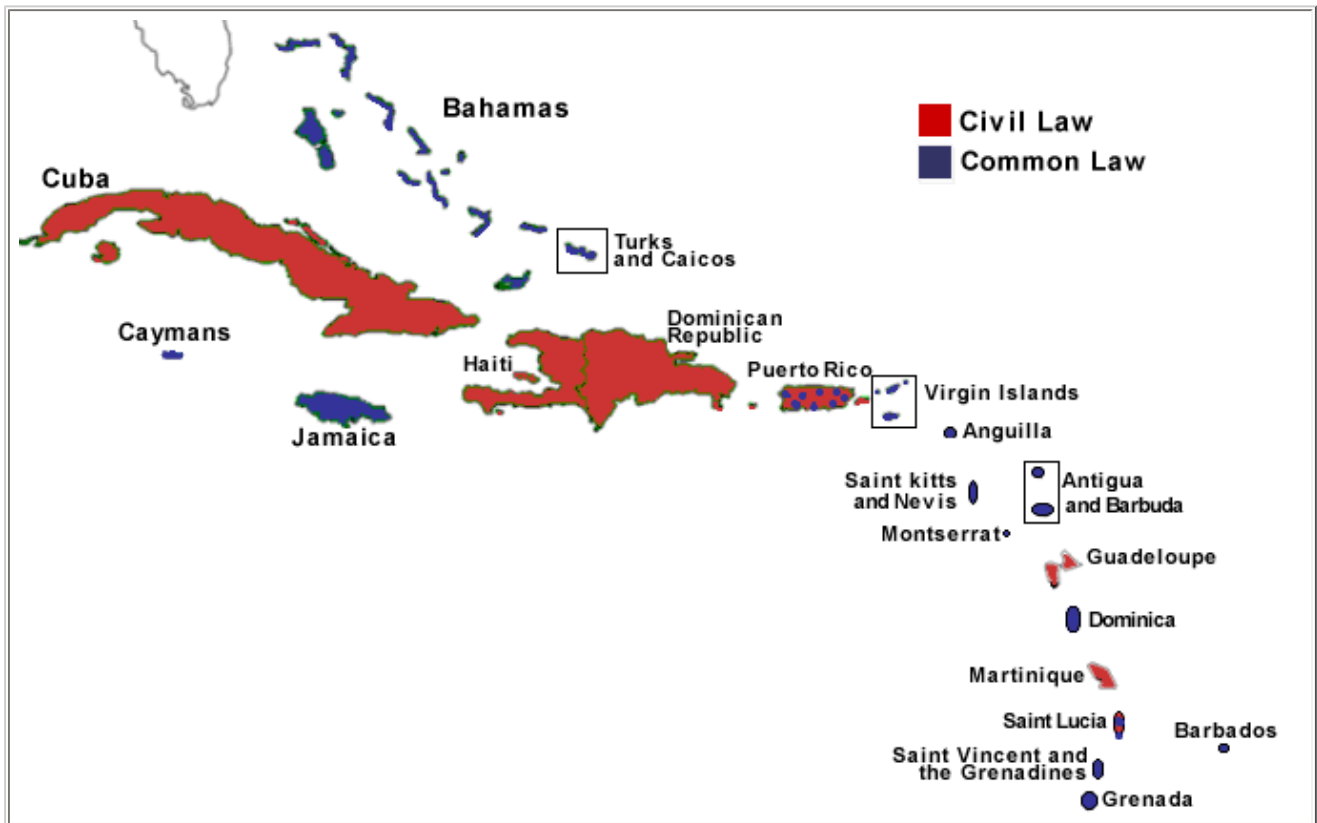
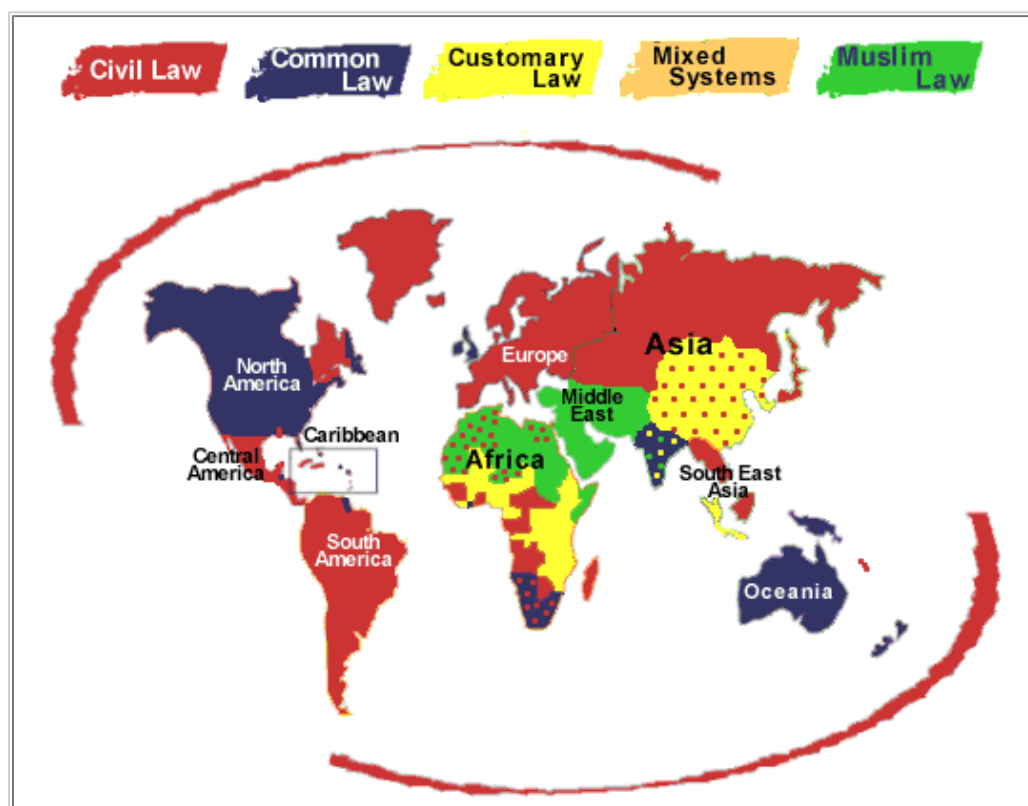


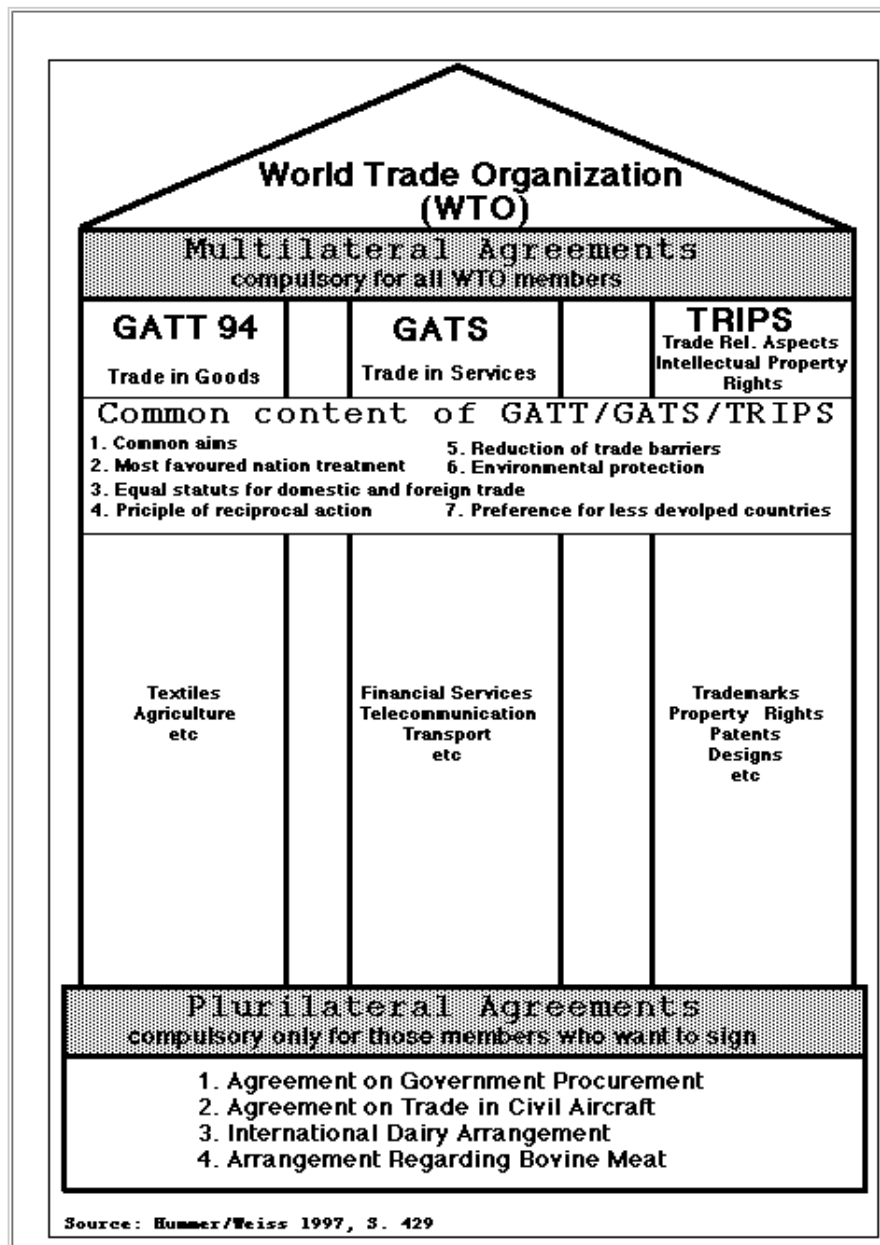
Chart 2: Law systems



These different law systems have a specific approach to reality. For example the Muslime culture doesn't know a difference between law and religion, in Asian culture family ties are of eminent importance. The

history of the United Nations since 1946 illustrates the difficulties to build a single set of rules upon these different cultures. On the other hand a short look into the history of the World Trade Organization since 1995 shows new elements on how the nations of the world handle trade conflicts: The WTO members have only some, only some, values in common. A Dispute Settlement Body will decide on conflicts. These binding decisions stand in the tradition of the Anglo-Saxon case law — coming from the bottom, not from the heaven of Utopia.

Chart: WTO



Thus there is no need of a world law, which all nations have in common. The best way to govern is not build Teutonic pyramids but to develop procedures for bottom-up governance.

May be you feel a bit tired on my abstract arguments.

May be ask yourself what the hell does all this stuff have to do with the social norms of the *Knowledge Society* which is on the heading of this session. I must take this long way round to bring inside the very political and economic logic of the *Knowledge Society*.

Foreign Affairs is probably one of the most important journals on international economics and politics. In the issue for February 99 Saskia Sassen writes an essay on *Global Financial Centers*.

Please allow me quoting her a bit longer. What she addresses is in my opinion the political and economic core of the *Knowledge Society*: (p 84)

Even as digitalization, decentralization, and denationalization radically change the way business is done, one still needs a central base, not just an address, to run financial operations. Both markets and firms need massive resources and highly concentrated advanced technology to function — two factors that favor a geographical center. The complex nature of information requires highly educated personnel to analyze data and make the data available to other market players. In turn, those participants can gauge information and understand risk better when they have immediate contact with one another. For these reasons, cities rather than computers will still coordinate business and finance, and the two world leaders, New York and London will continue to tower above the rest.

You know the answer why London and New York will tower even now after the installment of the Eurozone?

It is the supremacy of the common law systems. They are more flexible than the codified systems of continental Europe. Bottom up Governance is easier to be done with these flexible systems.

Technology shapes culture

My main message is not at all exited — at least for countries, which are within a common law tradition: The message is twofold:

- To characterize our societies with the features of vulnerability will not lead to sufficient results — besides some military questions.

- The one who looks for meta-rules probably looks for a world order that is running after the idea of the medieval *deus geometra*. That is the idea of a god who creates the world with compasses out of the chaos — with measure, number and weight.

I propose on the other hand a pragmatic approach: There is a need to establish a worldwide system of Governance without government.

Jürgen Habermas in his recent book *The postnational constellation* is not too far away from my position he pleads for a *Weltinnenpolitik ohne Weltregierung*, something like *world domestic politics without world government*.

(Habermas 1998, p 165)

So far I haven't analyzed the question of the media. Ask yourself: How could it happen that a crazy academic like Marshall McLuhan and a down-to-earth person like the politician Brzezinski could forecast as precisely as they did. I believe what they have in common is their view to all modern technologies. They share the view, which is in my heading:

Technology shapes culture.

Some 35 years later we could describe even better the shadows of this new kind of society, where knowledge plays such a role. What we know by sure is that we can observe a cultural shift that each individual has more power than he or she ever had. In the end of the third volume of his sensational book on the *Network Society* the Spanish-American author Manuel Castells writes:

*The promise of the Information age is the unleashing of unprecedented capacity by the power of mind.
I think, therefore I produce.*

Do not make this mistake: That individuals have a lot more of power than in the past does not necessarily mean that they do not need protection against power from the state or private enterprises. In former times the individuals had the State with its clear and often false answers. In the deregulated world of the market driven economies individuals have more power but often they have to look for themselves.

Coming to an end: My point is the changing role of each individual in the kind of society we could name Knowledge Society. One could argue that we live in interesting times when completely a new order is build.

I have learned that some cultures may look at this challenge different:

The Chinese use to curse in a different way:

Should thou live in interesting times!

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