Central to local
digital transformation and central government:
the case of the Netherlands

Steven Luitjens
Starting point: “Little fires everywhere”

“We are surrounded by plenty. Humanity has never been richer as technologies of production have improved steadily over the last two hundred fifty years”.

• Yet worldwide societies squeak and creak incessantly.
• Covid-19 may be a spectacular accelerator, but is by no means the only factor.
• People are increasingly afraid and uncertain about the future.
• The turnover of many companies shows a free fall.
• With one exception: Big Tech.
Digital magic: the world of wonders and disruption

From an everyday life perspective

• Digital technology allows people to live comfortably in their own bubble, which is an effective strategy to deal with fears and uncertainties.

• In the COVID-19 era, digital technology is THE key enabler to keep society going at all.

From a systemic perspective

• Digitization is systemically disrupting socio-economic structures, revenue models and the power balance in societies worldwide.

• With increasingly serious consequences for the distribution of wealth, for feeding inequalities, for undermining solidarity, for the future of work and for exercising our fundamental human rights.

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A data tsunami: the rise of data monopolists

Especially since the start of the datafication phase and the emergence of the Internet of Things, we are confronted with hyper-complexity and hyper-connectivity.

The main feature of the current situation is, that a small number of platforms own unbelievable amounts of data on almost everyone and everything, anytime and anywhere.

The three dominant strategies in datafication are at the moment, each dreadful in itself:

1) to maximize financial profits: datafication as the easiest way in history for privately owned platforms to make unprecedented amounts of money - the dominant paradigm in the US;

2) to maximize political control: datafication as the easiest way in history for government controlled platforms to gain unprecedented state power over society - the dominant paradigm in China;

3) to maximize confusion: datafication as the easiest way in history for everybody who has an interest to create massive insecurity, uncertainty, distrust and outright chaos and to destabilize society wherever and whenever they like - the dominant paradigm for all sorts of individuals and groups, including state actors.


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Proactive government: the missing link

“And what, if any, is the role of government in all of this?“

• Strangely enough, there is hardly any fundamental, high-level political debate on the datafication of society, including in the EU. And as far as there is a debate, the everyday life perspective completely dominates the systemic perspective: it is more about the datafication of politics than about the politics of datafication.

• To date, governments play an accommodating role instead of a conditioning role in datafication. In general, they lack the overview and insight into what is happening. And they show a remarkable learned helplessness and shyness to really act.

• A solid European way is badly needed.
Making European governments fit for purpose

• Get to the quadrant important and urgent.
• Shift all attention radically from improving public administration to the systemic changes in society.
• Act on what’s going to happen instead of analyzing what has happened.
• Put public value creation first: the EU as incubator to fuel both open economic and social innovations at the same time.
• Understand that Big Tech firms will not change of their own accord because their game is far too profitable, and that the community will not initiate a buyer's strike or force the market to change in any other way.
• Focus on organizing conscious trade-offs between business models and human rights, probability and legal equality, user-friendliness and safety & security, etc.
Agenda for upgrading the governance landscape

1. A shared government vision, embracing all viewpoints (economic, social, legal, ethical);
2. Reformed and empowered supervision;
3. A widely supported ‘digital contract’ between all public and private partners, including agreement on responsibilities, rights and obligations, and values;
4. A national and transnational dialogue on what we do and do not want to achieve;
5. Periodic political debates on societal and ethical impacts and the way to govern them.

https://www.rathenau.nl/en/digitale-samenleving/urgent-upgrade
https://www.rathenau.nl/en/digitale-samenleving/directed-digitalisation
The Dutch struggle with digital transformation

• Many challenges:
  ➢ A decentralized model with 3 autonomous layers and various sturdy silos;
  ➢ A serious gap between public and private;
  ➢ A fragmented and incident-driven way of muddling through;
  ➢ Our fair share of failed projects;
  ➢ The four year election cycle.

• A conscious choice not to have 1 minister for digital transformation, but an even higher escalation mode:
  ➢ To face competition between departments and ultimately also between rationalities.

• Constants:
  ➢ A heavily standardized digital infrastructure;
  ➢ A clear understanding of what should best be done on EU level and local level.

• Changes:
  ➢ A growing political realization that it is high time to take the system disruptions seriously.
  ➢ A growing willingness to condition an open ecosystem approach.

• Nevertheless:
  ➢ .... We still see the tortoise chasing Achilles.
  ➢ ..... And the system fights back!

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Future directions

• Seeing both opportunities and threats: the Janus face of digital technology.
• Identifying real game changers.
• Making practical sense of ethics and trust.
• Investing in trustworthy technology: wise instead of smart.
• Implementing an integral and coherent industry policy.
• Implementing an integral and coherent supervision and law enforcement.
• Implementing compliance with values and principles instead of detailed regulations that always lag behind current events.

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Lessons learned

• Hierarchies are dead; it’s public-private networks that make things happen that really matter.

• Public and private institutions form two sides of the same coin; each with its own logic and regularities. The same goes for policymaking and policy execution.

• We must stop putting away public interests like respect for human rights or concepts like cooperatives and room for situational variation as old-fashioned relics.

• Total fragmentation, micromanagement and the sample of 1 remain key problems.

• We should not look away from inconvenient truths or hide in concealing language, e.g.
  ➢ it is our choice to accept the fact that the winners take all;
  ➢ it is our choice to let computers say no;
  ➢ it is our choice to use algorithms that even the experts who made them fail to understand;
  ➢ it is our choice to let Big Tech systemically violate the GDPR and other legally binding regulations;
  ➢ it is our choice to let Big Tech take a free ride on the results of publicly funded basic research and on the basic infrastructure governments provide with taxpayers’ money.
Bridging the gaps between various perspectives
Take-home messages

1. It’s not about embracing or rejecting digitization and datafication.
2. It’s about governments that fully understand the dynamics of what is happening and know which buttons to turn.
3. It’s about regaining sovereignty: being the master or the slave of digital transformation.
4. It’s about safeguarding a resilient and inclusive society.
5. And it’s urgent to stop discussing and start acting!