

Inquiry into Electronic Democracy
Scrutiny of Acts and Regulations Committee

Discussion paper



Trinitas Pty Ltd

ACN 083 706 567
ABN 16 143 656 264

© State of Victoria – 2002

This publication is copyright.

This discussion paper was prepared for use by the Scrutiny of Acts and Regulations Committee, Parliament of Victoria, by Trinitas Pty Ltd with the assistance of Multimedia Victoria.

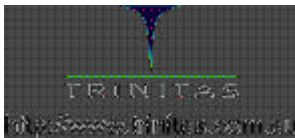


Table of contents

| | |
|--|----|
| Glossary of Terms | i |
| 1 Introduction | 1 |
| 1.1 Inquiry | 1 |
| 1.2 Aim and structure of this Discussion Paper | 1 |
| Context | 1 |
| Impact | 1 |
| Key themes | 1 |
| Implementation Issues | 2 |
| 1.3 Inquiry Timetable | 2 |
| 1.4 Making a Submission | 2 |
| Contact details | 3 |
| 2. Context | 4 |
| 2.1 Democracy | 4 |
| 2.2 Electronic Technology | 7 |
| Centricity | 8 |
| 2.3 Electronic Democracy | 9 |
| citizens – informed and participating | 10 |
| democratic entities – diverse and robust | 11 |
| democratic institutions – leading and responding | 12 |
| 3. Impact Opportunities and challenges | 16 |
| 3.1 Methodology | 16 |
| 3.2 Analysis of impact | 18 |
| 4. Key Themes – Strengthening democratic processes through the use of electronic technology | 20 |
| 4.1 Information | 21 |
| Availability | 21 |
| Tools | 22 |

| | |
|--|----|
| Reliability..... | 22 |
| Intermediaries | 23 |
| 4.2 Interaction | 24 |
| Policy development | 24 |
| Moderation | 26 |
| Assistance | 27 |
| Competition | 28 |
| Activism | 29 |
| Security and privacy | 29 |
| 4.3 Decision making | 31 |
| The politically active | 31 |
| Voting | 32 |
| Direct democracy | 34 |
| Established institutions..... | 35 |
| 5. Implementation Issues..... | 37 |
| 5.1 Access, educational and social issues | 37 |
| Take-up factors | 37 |
| Potential for inequity..... | 38 |
| 5.2 Legal and regulatory issues | 39 |
| The law as essential democratic structure | 40 |
| The law as an inhibitor or accelerator of electronic democracy | 41 |
| 5.3 Infrastructure | 44 |
| Attachment 1 Scrutiny of Acts and Regulations Committee: Terms of Reference for Inquiry into Electronic Democracy | 47 |
| Attachment 2: Analysis of the impact of electronic technology on democratic entities | 48 |
| A2.1 Citizens..... | 48 |
| A2.2 Groups..... | 49 |
| A2.3 Organisations | 50 |
| A2.4 Political parties | 51 |

| | |
|---|----|
| A2.5 Government..... | 53 |
| A2.6 Parliament | 55 |
| Attachment 3 Some e-democracy initiatives in other jurisdictions..... | 57 |
| Attachment 4 Bibliography – further reading | 64 |
| A4.1 Electronic democracy overviews | 64 |
| A4.2 Major Themes | 65 |
| Information | 65 |
| Interaction | 65 |
| Decision Making..... | 66 |
| A4.3 Implementation..... | 67 |
| Access and educational / social factors..... | 67 |
| Implementation - legal and regulatory factors | 67 |
| Implementation - infrastructure..... | 67 |

Glossary of Terms

citizen-centricity

An emphasis on the perspective of the citizen as distinct from the perspective of an institution such as Parliament or the government.

democracy

(A State having) government by all the people, direct or representative; form of society ignoring hereditary class distinctions and tolerating minority views.¹

democratic entities

Entities that participate in the democratic process: groups of citizens, organisations (including businesses), political parties, and networks.

democratic infrastructure

The tangible and procedural infrastructure necessary for democratic processes to operate effectively.

democratic institutions

The three fundamental institutions that make up representative democracy: parliament, executive government, and the judiciary.

democratic processes

The formal and informal mechanisms that underpin democracy – involving activities including: identifying, assessing, promoting, interacting, deciding, implementing, monitoring and evaluating.

electronic democracy

The application of electronic communications and information technology to democratic processes. More narrowly, it is popularly applied to the use of the Internet as an aid to democracy.

electronic technology

Networked, information and communications technology. The network is an essential feature of the information society, based largely around the Internet. It consists of nodes (eg computer terminals) connected by computer and telecommunications infrastructure. It provides the framework for effort and the springboard for innovation arising from the use of electronic technology.

¹ *Concise Oxford Dictionary.*

human capital

The sum of skills, knowledge and experience that people apply to economic, social and political endeavours, including information.

physical capital

The physical infrastructure (including the natural environment) that is necessary for economic, social and political activity.

representative democracy

A form of democracy characterised by:

- the periodic election of Parliamentarians by popular vote to form a Parliament for enacting laws;
- the formation of government by Parliamentarians (usually drawn from the largest political party or group of parties) to develop and implement policy and undertake the executive functions of the State; and
- the rule of law and the recognition of property rights, with an independent judiciary to decide on questions of law.

social capital

The social infrastructure in communities (the foundations for social interaction including democratic infrastructure such as institutions and processes) and the strength of social fabric (the complex web of relationships and interactions that provide the glue that holds communities together).

social compact

The formal and informal understandings between citizens whereby they agree to co-operate for social benefits – exchanging the individual freedom of the state of nature for legal restriction in order to enjoy social benefits.

1 Introduction

1.1 Inquiry

The Scrutiny of Acts and Regulations Committee (“SARC”) has been requested to undertake an inquiry into electronic democracy (e-democracy). This inquiry involves an analysis of the opportunities available through the use of new technologies to improve public access to, and participation in, the processes of Parliament and government.

It is not intended that the Inquiry will examine issues related to service delivery and Government on-line processes, except where they may impact directly on issues of electronic democracy.

1.2 Aim and structure of this Discussion Paper

The aim of this Discussion Paper is to outline key issues relating to electronic democracy to assist interested parties and members of the public to consider its future role in Victoria. Possible questions for consideration are suggested throughout the paper.

Context

The paper provides background contextual information on:

- our system of representative democracy and the vital role that informed public participation plays in maintaining a healthy and vibrant democracy;
- the nature and impact of new and emerging electronic technologies, including their feature of both driving and facilitating citizen-centricity; and
- the character and scope of electronic democracy – the use of electronic technologies in democratic processes.

Impact

An analysis of the actual and potential impacts of electronic technology on the democratic processes identifies a number of opportunities and challenges.

Key themes

Key themes identified from the analysis in the previous Section are discussed:

- information
- interaction

- decision making – including electing.

For each of these themes, a series of questions is identified that can form the starting point for thinking and debate about electronic democracy.

Implementation Issues

The importance of equitable access of all citizens to electronic democracy is discussed. Options for promoting equitable access are outlined, including ways to overcome educational and social barriers to the implementation of electronic democracy.

Issues relating to legal impediments to e-democracy including concerns over privacy and secure electronic transactions are then outlined. Finally, the infrastructure required for electronic democracy is discussed.

As in the previous Section, questions are identified for each of the implementation issues as starting points for thinking and debate.

1.3 Inquiry Timetable

The deadline for submissions is 5.00m PM on Friday 25 October 2002. The Committee is planning to hold public hearings around Victoria. It is anticipated that the Committee will table its report by 31 December 2002.

1.4 Making a Submission

The Committee invites individuals and groups to make written submissions on the terms of reference set out in the Discussion Paper. Those preparing submissions should feel free to include any other issues they consider relevant, whether or not they are mentioned in this Discussion Paper.

Anyone can make a submission or comment. The inquiry raises issues of importance to all Victorians and it would assist the Committee in its deliberations to receive the views of both individual citizens and organisations.

You may wish to provide the Committee with your submission electronically. You can do this by sending your submission in an email, or attached to an email, to:

andrew.monaghan@parliament.vic.gov.au

Hardcopy submissions should be sent to the address or fax number shown below.

There is no set format for a submission. Your contribution can take the form of an email, a letter, a short briefing paper or a longer research document.

All submissions are treated as public documents unless confidentiality is requested.

Further information on the inquiry can be obtained from the SARC's website at:

www.parliament.vic.gov.au/sarc

Contact details

Enquiries Andrew Monaghan, Senior Policy Officer (03) 9651 3624

Email andrew.monaghan@parliament.vic.gov.au

Submissions can be posted or delivered to:

Ms Mary Gillett MP
Chair
Scrutiny of Acts and Regulations Committee
Level 8, 35 Spring Street
MELBOURNE VIC 3000

Submissions can be faxed to:

(03) 9651 3674

Electronic submissions can be sent to:

andrew.monaghan@parliament.vic.gov.au

2. Context

2.1 Democracy

The Concise Oxford Dictionary defines democracy as:

(A State having) government by all the people, direct or representative; form of society ignoring hereditary class distinctions and tolerating minority views.

The system of Parliament and Government in Victoria is a representative democracy². It is characterised by:

- the periodic election of parliamentarians by popular vote to form a Parliament for enacting laws;
- the formation of Government by parliamentarians (usually drawn from the largest political party or group of parties) to develop and implement policy and undertake the executive functions of the state; and
- the rule of law and the recognition of property rights, with an independent judiciary to decide on questions of law.

In a representative democracy, citizens elect parliamentarians to make decisions on their behalf.

Representative democracy recognises a balance between the right of citizens to elect a government and the need for the day-to-day business of government to be undertaken by people with the capability and information to act on behalf of citizens. This contrasts with direct democracy, which involves direct participation in decision-making by citizens outside the election cycle.

Representative democracy has many variants and tends to be organic rather than mechanistic. The functioning of a representative democracy is complex and democratic processes are not independent of the society in which they occur. The system is also dynamic and constantly developing and evolving in parallel with changes in society brought about by factors including the discovery and application of new knowledge. This evolution is not orderly or planned.

A healthy and vibrant society rests on a balance between three growing stocks of capital that are used to generate wealth and create strong communities, tolerant of diversity yet cohesive. They underpin the consent to

² In this Discussion Paper, general as well as specific references are made to democratic institutions. Where the reference to an institution is generic, lower case is used. Where the reference is to a Victorian institution, upper case is used. So, 'Government' refers to the Victorian Government whereas 'government' refers to any government.

govern that provides the basis for effective government in a representative democracy. They also help define the legitimate role of government in society.

The three forms of capital are:

- physical capital
 - the physical infrastructure (including the natural environment) that is necessary for economic and social activity;
- human capital
 - the sum of skills and knowledge that people apply to economic and social endeavours, including information; and
- social capital
 - the social infrastructure in communities (the foundations for social interaction including democratic infrastructure such as institutions and processes); and
 - the strength of social fabric (the complex web of relationships and interactions that provide the glue that holds communities together).

A well-functioning representative democracy has a healthy balance between the three elements represented in Figure 1:

- active and informed participation by citizens;
- a robust and diverse democratic fabric made up of groups, organisations and networks (e.g. coalitions of interest); and
- responsive democratic institutions that provide effective leadership.

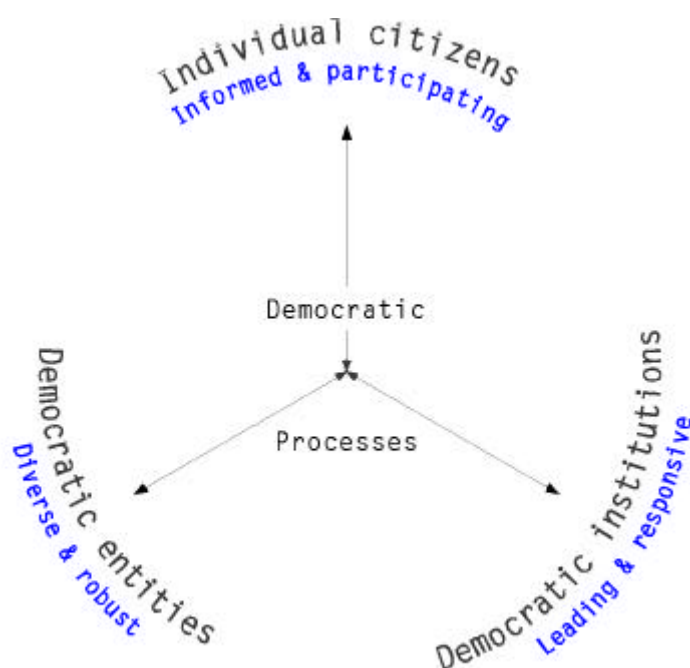


Figure 1

Representative Democracy

In this Discussion Paper, the term 'democratic institutions' is used to cover:

- Parliament;
- Government; and
- the Judiciary.

The term 'democratic entities' is used to cover:

- groups of citizens;
- organisations (including businesses);
- political parties; and
- networks.

Democratic processes occur within as well as between the three elements. For instance, groups of citizens may come together to resolve an issue at a community level – strengthening the fabric of the community, of society as a whole and of democracy.

Without a balance between these elements, the legitimacy and effectiveness of democratic government is weakened.

Representative democracy has proven to be a robust and sustainable form of government in Victoria, Australia and internationally. But it should never be taken for granted.

An informed, actively participating, robust and diverse polity is a fundamental building block of our democracy. It underpins the legitimacy of Government and provides the broad consent to govern that is a key strength of our representative democracy. It also provides a critical check and balance, and helps guard against a 'tyranny of the majority'.

Consent to govern is given both explicitly and implicitly.

Voting at elections is an obvious example of explicit consent. However, other activities also generate explicit consent including:

- involvement by citizens in decision making that affects them;
- accessing public information and scrutinizing government;
- active involvement in political parties; and
- active participation in groupings of citizens formed to represent particular view-points.

Implicit consent comes from the strength of the social fabric in society and involves general acceptance of modes of behaviour including:

- acting within the law in the interests of society and in the absence of coercion;
- tolerance of diversity of interest and viewpoints;

- acceptance of a common good as well as personal interests; and
- an understanding and acceptance that there are duties as well as rights of citizens.

Informed participation by citizens is necessary for both explicit and implicit consent and therefore is a foundation of democracy.

2.2 Electronic Technology

Rapid developments in networked, information and communications technology (electronic technology) are radically changing the way people, businesses and other organisations operate in their day-to-day activities. This development has been called the 'information society' because it involves:

- a huge increase in affordable and practical access by individuals and organisations to information – in breadth, depth and timeliness; and
- a major change in the way people and organisations can cost-effectively engage in interactive communication in a way that largely overcomes distance and time-constraints

The network is an essential feature of the information society. It consists of nodes (eg computer terminals) connected by computer and telecommunications infrastructure. It provides the framework for effort and the springboard for innovation arising from the use of electronic technology.

The network is continually growing, based largely around the Internet. Each time a new node is added, new interactions become possible.

The changes associated with the information society will be at least as far-reaching as any of the major technological innovations of the past, such as the introduction of railways, cars, electricity and the telephone. Those changes all had the same broad characteristics:

- they were transformative, significantly disrupting established economic and social activities;
- they became ubiquitous;
- they became commoditised and costs fell steadily;
- innovation exploded, leading to both new products and services that were directly connected to the change and also in areas which had no direct connection with it;
- the full ramifications were consistently under-estimated, reaching far beyond the initial impact to change the way people viewed the world and, ultimately, to change society itself; and
- they brought high external benefits to communities and society.

The Internet is already changing the means which people use to do their business. It is providing new channels for customers to access existing products, services and information. As well, it is also enabling new products, services and information to be made available.

In business the changes are even more dramatic. The Internet has quickly developed as a major means of communication between businesses and organisations. It is increasingly becoming the method that organisations use to conduct transactions with other organisations and individuals.

The changes brought about by the use of the Internet will be significant. In particular, it will cause significant changes in intermediary roles. Some will become obsolete and disappear altogether while others will need to adapt to survive. Many democratic entities fill intermediary roles.

Centricity

Another key feature of electronic technology is that it both drives and facilitates the centricity of individuals as consumers or citizens.

The technology makes it affordable and practical for individuals to have a central role in influencing the way organisations, businesses and governments provide information, products and services that are important to them. Individuals will increasingly be able to uniquely assemble or customise packages of information, products and services to meet their particular needs. This contrasts with the situation in the past where individuals have usually had to accept packages designed for the 'average person'.

The technology also supports interactive dealings where dynamic feedback is provided about the changing needs and attitudes of individuals.

This shift in centricity will have a significant effect on the economy and society. It changes the balance of influence between suppliers of information, products and services, and individuals.

This is very important. Democracy is rooted in the popular consent of citizens, yet the perspective of democratic institutions rather than that of citizens usually dominates the processes of democracy outside the election cycle. Indeed, some argue that this domination has eroded informed participation by citizens.

The citizen-centricity facilitated by electronic technology provides an important opportunity to correct this imbalance.

A citizen-centric approach has three key advantages:

- it delivers information and services that citizens want, not what democratic institutions determine. It does not force citizens to navigate the structure of democratic institutions to assemble the information or services they need;

- it recognises and responds to people as individuals with unique needs and desires. It does not impose a lowest common denominator on the interaction between a citizen and democratic institutions. It allows the services or information provided and the quality of the service experience to suit the specific needs of the citizen; and
- it captures feed-back from citizens about their changing needs and opinions.

As electronic technology hastens citizen-centricity, the drive for electronic democracy services and information will increasingly come from the citizen rather than from democratic institutions, as represented in Figure 2.

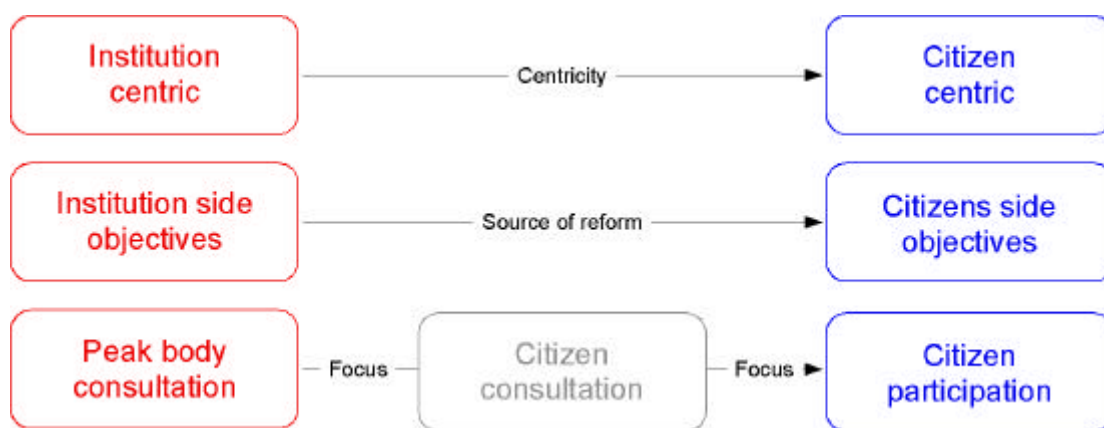


Figure 2 Citizen centrality and e-democracy

It must be recognised that the citizen-centricity facilitated by electronic technology can represent both an opportunity and an apparent threat to democratic institutions. The main opportunity is to strengthen informed participation. However, it also puts increased power and capability in the hands of citizens with significant implications for the operation of democratic institutions as will be discussed further below.

2.3 Electronic Democracy

Electronic democracy refers to the application of electronic technology to democratic processes. More narrowly, it is popularly applied to the use of the Internet as an aid to democracy.

An essential feature of electronic democracy is the use of electronic technology to:

- better inform citizens and facilitate improved participation;

- strengthen diverse and robust democratic entities; and
- improve the responsiveness of democratic institutions and their ability to provide leadership.

A citizen-centric approach to electronic democracy allows for genuine interaction between the citizen, entities and democratic institutions because the technology supports mechanisms for:

- citizens to better express their wishes about the services and information they need and the way in which they want them to be packaged;
- democratic entities to better articulate and represent the views of different coalitions of interest; and
- democratic institutions to better interact with citizens and entities, and respond to their needs in an affordable way.

However, it is very important to recognise that the technology can also generate effects that weaken the operation of representative democracy. The technology is transformative and potentially disruptive. It provides significant challenges as well as opportunities.

The literature on electronic democracy generally concentrates on the opportunities rather than the challenges. This focus is also represented in the Terms of Reference for the Inquiry. While emphasis is given to opportunities in this Discussion Paper, reference is also made to important challenges when these are identified in the analysis.

citizens – informed and participating

A key challenge for electronic democracy is to maximise the potential that electronic technology provides to better inform citizens and increase their participation in democratic processes.

There are strong reasons to act to improve access to information by citizens:

- the cost of information discovery is high and it is hard to become informed;
- people lack confidence in many secondary sources of information;
- the information gatekeepers between a political issue and the citizen, including the traditional media and interest groups, exercise tight control over the passage of information which is difficult for a citizen to overcome;
- people have different information needs, and want new ways to gain information that meet their specific circumstances and interests – they are subject to high levels of ‘information noise’; and
- traditional broadcast and narrowcast techniques are not very effective ways to meet the different needs of individuals.

Electronic technology provides the potential for citizens to have much broader, deeper and more-timely access to relevant information about political issues and the operation of democratic institutions and processes. Even now, in the very early days of electronic democracy, citizens can access information about democratic processes to an extent inconceivable a few years ago, provided they have access to the Internet. The problem is now much less the availability of information but the capability and time necessary to utilise it.

Citizens also need ways to more effectively participate in democratic processes.

There are several dimensions to participation:

- dealings between individual citizens and democratic institutions or democratic entities; and
- interaction between citizens and between democratic entities.

As stressed above, democracy cannot be taken for granted and there should always be a focus on improving informed participation. Reasons to act to improve participation include:

- an increased lack of trust in, and understanding of, democratic institutions and processes;
- the balance of debate in consultation processes undertaken by democratic institutions is usually skewed against individual citizens; and
- opportunities for effective two-way interaction are limited.

Electronic technology provides potential to improve participation by citizens. For instance, it provides additional ways to facilitate discourse with, and involvement by, citizens on policy issues. This is likely to increase the confidence citizens have in democratic institutions and strengthen the consent given to them.

democratic entities – diverse and robust

Electronic democracy also has an important role in strengthening democratic entities.

The functioning of democracy is constrained when democratic entities face:

- high information costs;
- high costs of association and communication;
- difficulties in forming networks;
- difficulties with maintaining relevance; and
- barriers to participation in discourse.

Electronic technology can be used to assist entities to overcome some of these barriers. In particular, it:

- makes it much easier for citizens and organisations to form together into democratic entities;
- allows the formation of networks of entities to share experiences and pursue common objectives;
- offers new tools for entities to obtain, analyse and disseminate information in pursuit of their goals; and
- provides increased resilience to shocks such as the dislocation accompanying structural adjustment in the economy through improved marshalling of resources.

The diversity and robustness of our democratic entities is extremely valuable to our democracy and this can be enhanced by electronic technology.

However, as with the impact of the technology on participation by citizens, the characteristics of the technology can also generate unintended or adverse consequences for entities:

- existing democratic entities will face greatly increased competition as new entities take advantage of the lower costs of formation and operation facilitated by electronic technology;
- organisations that have operated as information gatekeepers such as the media and established interest groups will find their intermediary roles challenged or bypassed;
- coalitions of interest will form and reform rapidly making it more difficult to identify a common or dominant voice; and
- the smoothing effect on change arising from the stability of existing entities and institutions will diminish.

Of course, long-term changes to the nature, structure and influence of democratic entities have always been occurring. The influence of electronic technology only accentuates this change process.

democratic institutions – leading and responding

Electronic democracy provides an opportunity to support the ongoing processes of development, reform and renewal of key institutions that are essential to a robust democracy.

Electronic technology offers new opportunities to improve the effectiveness, relevance and standing of our democratic institutions. It can help to:

- reduce the level of residual inequity in access to the information and services provided by institutions that citizens require to fully participate in democratic processes, and to be part of strong and tolerant communities;

- provide new channels for the flow of information between citizens, democratic entities and democratic institutions, and increase the level of interaction embedded in those flows;
- generate new opportunities for democratic institutions to explain the changes that are happening in the economy and society in order to generate the necessary consent for the decisions and actions that are required to secure Victoria's position relative to competing societies;
- create new opportunities for discourse and participation in the policy process;
- secure personal communication and information with appropriate privacy safeguards while opening up the enormous information assets held by democratic institutions for economic and social development;
- manage the diversity of issues of concern to citizens, from those affecting the economy and society as a whole through to those of interest to a local community, a family or an individual; and
- improve the efficiency of institutions in service delivery and back office functions.

The impact of the technology will also challenge democratic institutions. They will need to cope with:

- competition for political space as new entities contest with established institutions as the preferred venue for community and democratic processes, in the same way as the pattern of entities itself is becoming more disorderly;
- difficulty in developing broad consensus on issues as increased levels of information allow the debate to be diverted to the minutiae rather than the overall direction;
- the loss of a clear voice on issues from a small number of relatively stable interest groups as entities come and go;
- an environment where misinformation can be transmitted broadly and quickly, and in advance of the checks and processes required of institutions – a consequence of a weakening of the editorial functions provided by existing information intermediaries;
- information noise making it more difficult to pass clear messages through to citizens and the community;
- perverse effects such as reduced participation by citizens in the face of information overload; and
- pressure to invest in communication channels to cope with the volume and pace of information flows at the expense of other more valuable initiatives.

There isn't a clear division between opportunities and challenges. From an institution-centric perspective, an aspect of electronic technology may be a

problem to be ameliorated in the move toward electronic democracy. But from a citizen–centric viewpoint, the same issue may be a benefit to be promoted.

This is not just an issue of semantics. It will profoundly affect the pattern of investment that democratic institutions make in electronic democracy. For example, what should be the balance between establishing discussion forums to improve consultation on policy issues and investing in infrastructure such as software agents to assist citizens in managing their information needs?

Democratic institutions should act to inform, encourage and make possible democratic processes using electronic technology, even where they are not direct participants. They have the responsibility to invest in public infrastructure, including the infrastructure for democracy.

In doing this, institutions should recognise the central position of the citizen. They should not limit the use of the infrastructure to issues and approaches they prescribe.

Of course, democratic institutions face many challenges due to changes in society and from other pressures. Electronic technology is not a general panacea.

Electronic democracy requires that democratic institutions take a leading role in establishing the infrastructure and tools necessary for:

- equitable access;
- secure communication with appropriate privacy safeguards;
- improved information channels; and
- new opportunities for discourse and participation.

Democratic institutions should act to inform, encourage, make possible and, where appropriate, participate. However, in general they should recognise the importance of citizen-centricity and not prescribe issues and approaches.

Electronic technology can also significantly improve the efficient functioning of democratic institutions.

As an example, the structured use of electronic technology to pursue the traditional goals of government is called e-government. This is about the transformation of the services, operation and effectiveness of Government. It describes a way of operating rather than a deliverable in itself and therefore has real potential to deliver benefits across the major macro-policy goals of the Victorian Government other than Restoring Democracy (which is addressed in part by electronic democracy):

Better Services

- provide the capability to identify and deliver services that meet a customer’s individual needs – real customer-centricity; and

- enable the provision of packaged services that meet an individual's needs and are provided through 'joining up' the efforts of different Government Departments.

Financial Responsibility

- enable greater agility in responding to new policy issues and improve the capacity to meet emerging needs by providing a way to 'join-up' parts of Government activity without having to restructure Government or duplicate services; and
- provide significant scope for greater efficiency through reforms that remove unnecessary duplication of activity and reduce the cost of service provision (i.e. the 'back-office' of Government).

Growing Victoria

- strengthen Victoria's leadership position in the knowledge economy and foster new economic activity;
- provide continued impetus for Victoria to secure the benefits flowing from e-commerce and other online activity; and
- enable new approaches to respond more effectively to emerging demands.

The Discussion Paper only deals with issues related to service delivery and government on-line processes where they may impact directly on issues of electronic democracy.

3. Impact

Opportunities and challenges

3.1 Methodology

Democracy operates in a complex, dynamic and organic manner. It is not an easy process to codify and explain. However, utility can be gained by simply setting out some of the key activities and relationships as a means of analysing how electronic technology is, and will impact on the democratic process. This is not designed to be a fully comprehensive and detailed analysis. Rather it is an overview to provide a tool for identifying and analysing key issues.

The simple model described in Figure 1 can be developed to provide a framework for analysis and action. The model can be used to:

- understand the major elements of the issue; and
- give guidance on when, where and how to act.

The simple model has three functional elements that can be further disaggregated:

- individual citizens
 - representing personal interests
 - representing some business interests
- democratic entities
 - groups of citizens
 - representing local (i.e. geographical) interests
 - with other mutual interests
 - organisations
 - lobby groups with an ongoing existence
 - businesses
 - political organisations
- democratic institutions
 - parliament
 - government
 - the judiciary
 - other jurisdictions

Each of these undertake a number of activities within the context of the democratic process. While the activities differ from element to element, they include:

Forming

- identifying others with a common interest
- establishing a coalition of interest

Identifying

- becoming informed about
 - needs
 - issues
 - trends
 - opportunities
 - challenges

Assessing

- deciding on relevance
- testing issues
- identifying priorities
- judging practicality

Promoting

- informing others
- articulating issues
- obtaining recognition

Interacting

- consulting with others
- debating the issues
- accommodating the views of others
- negotiating

Deciding

- developing consensus and consent
- electing decision makers
- endorsing approaches
- agreeing on policy

Implementing

- assigning responsibility
- acting on the issues

Monitoring

- remaining informed
- observing and measuring outcomes
- assessing changes in circumstances

Evaluating

- assessing outcomes
- providing feedback

Iterating

- repeating processes

These activities are listed in order to make them easier to understand. However, it is important to remember that the processes of democracy are not linear, but complex and dynamic. From issue to issue, many participants will only undertake some processes, they may return to processes several times as the key questions to be resolved are refined, and the nature of the process may dramatically evolve as the circumstances of the issue change.

3.2 Analysis of impact

Table 1 and Table 2 contain summaries of an analysis of the potential impacts of electronic technology on activities for each of the democratic entities – according to whether opportunities or challenges are involved. More detail is contained in Appendix 2.

While the analysis underlying these tables is necessarily subjective, it gives some overall impression of the areas where electronic technology provides the most opportunities and the most challenges in the context of democratic processes.

Table 1: The potential impact of **opportunities** presented by electronic technology

| Democratic entity | Democratic process | | | | | | | |
|--------------------|--------------------|---------------------------|-----------|-------------|----------|--------------|------------|--------------------------------|
| | Forming | Identifying and assessing | Promoting | Interacting | Deciding | Implementing | Monitoring | Evaluating and giving feedback |
| citizens | * | *** | ** | ** | * | | * | ** |
| groups | *** | *** | ** | *** | * | *** | *** | * |
| organisations | | *** | * | *** | * | * | *** | * |
| political parties | | *** | *** | *** | * | *** | *** | * |
| government | | *** | ** | *** | ** | *** | ** | * |
| parliament | | *** | * | ** | | ** | * | * |
| Impact indicators: | | | | | | * | = some | |
| | | | | | | ** | = medium | |
| | | | | | | *** | = high | |

Table 2: The potential impact of **challenges** presented by electronic technology

| Democratic entity | Democratic process | | | | | | | |
|--------------------|--------------------|---------------------------|-----------|-------------|----------|--------------|------------|--------------------------------|
| | Forming | Identifying and assessing | Promoting | Interacting | Deciding | Implementing | Monitoring | Evaluating and giving feedback |
| citizens | | ** | * | | * | | | |
| groups | | ** | * | | | | * | |
| organisations | | ** | ** | | | * | * | |
| political parties | * | ** | * | * | | * | * | |
| government | | ** | * | * | ** | ** | * | * |
| parliament | | ** | | * | * | ** | | * |
| Impact indicators: | | | | | | * | = some | |
| | | | | | | ** | = medium | |
| | | | | | | *** | = high | |

4. Key Themes

Strengthening democratic processes through the use of electronic technology

The full ramifications of major technological change are consistently underestimated, especially in the early stages of adoption. We are not yet in a position to anticipate the long-term effects of electronic technology on representative democracy, or even how those effects will be expressed.

However, it is possible to identify the most important themes about the likely impact as we understand it today. Three themes stand out from the analysis of impact in the previous section:

- information – including the activities of identifying, assessing and monitoring;
- interaction – including the activities of forming, promoting, interacting, implementing and evaluating; and
- decision making – including electing.

For each of these themes, there is a series of questions that can form the starting point for thinking and debate about electronic democracy. The questions posed in this section are meant to stimulate that debate rather than be a comprehensive coverage of the issues.

There is no doubt that this is an important debate.

Electronic technology has the capacity to bring major change, not just to existing processes and participants, but also to the fundamental structure of representative democracy. While some of this change will mirror wider changes in society, there is also a significant potential for unintended consequences.

For example, electronic technology can significantly reduce the transaction cost of mass decision-making and other more direct forms of democracy – essentially the cost of communication.

But does this mean that we should use the technology in this way?

Currently, we delegate decision making to our Parliamentary representatives and hold them accountable for their decisions at periodic elections. We also make a mass decision when our elected representatives decide that an issue is of sufficient importance or controversy to require a direct mandate for change in the form of a referendum. We also require a mass decision to change the national constitution.

Between elections, politicians use a wide variety of formal and informal mechanisms to sound out the feeling of the community, but the results are rarely binding on them.

Is the current balance between the representative and direct elements in our democracy the correct one?

As discussed in more detail later in this Section, representative democracy is not simply the result of practical restrictions on communications and mass decision making. It reflects the view that the majority of decisions require significant depth of knowledge and analysis, more than any one citizen could be expected to hold. Further, it is seen to act as a buffer against short term populism, allowing governments to make difficult decisions in the long term interests of the economy and society, and to protect against a tyranny of the majority destroying the tolerance of diversity that is a mainstay of our political stability.

Are these reasons still valid?

These are important questions. While our democracy will inevitably evolve along side wider developments in society, we need to consider whether fundamental changes should be a deliberate choice made possible by electronic technology or simply allowed to be unintended consequences of it.

Electronic technology will change democracy. This change is already underway.

Nothing can be done to prevent some change from occurring. Democratic institutions will not be able to decide whether electronic democracy will apply within their jurisdiction. They can only influence how it will apply.

The question is to what extent do we try to take an active role in that change, to understand the forces that are at work, to smooth the dislocation that it will bring, and to make deliberate choices about how we see our democracy operating in the future.

4.1 Information

The issues around this theme reflect changes that are already underway in the nature, scope, volume and accessibility of information available to the participants in a representative democracy.

Availability

There is a tendency to assume that electronic technology will automatically result in an increased availability of information relevant to citizens and to democratic entities and institutions. But this will only be the case if the custodians of that information choose to make it available. Further, the sheer volume of information that can be accessed electronically can mask problems with its currency and completeness.

To what extent are the availability, currency and completeness of information key issues in electronic democracy?

Are existing limitations simply a reflection of the immature state of the technology and our use of it, or should we demand new standards on the basis that information is the foundation for informed participation?

What amount of the finite resources available to democratic institutions are we willing to divert to this purpose?

The information management capacity of electronic technology allows information to be narrowcast much more easily, with different messages targeted to discrete audiences.

How will we ensure that participation and other democratic processes are fully informed and not distorted by incomplete exposure of the issues or skewed messages?

Is this a problem to be guarded against, or an opportunity to allow citizens and entities to better participate in only those issues that are of interest to them?

Who decides?

Tools

There is already a staggering volume and scope of information available electronically and it continues to grow exponentially. The tools and processes that are available to discover, access, filter, analyse, store and update that information lag far behind this growth.

To what extent are these tools and processes necessary to the development of electronic democracy?

If they are essential, is their development a matter for the market or do they have some characteristics of a public good, part of the democratic infrastructure that society as a whole pays for and puts into place?

What amount of the resources of democratic institutions are we willing to divert to the development and distribution of these tools?

Reliability

Electronic technology makes information easily and cheaply available from many sources. It allows competitors to emerge to existing information gatekeepers including:

- the traditional media;
- professions such as doctors and lawyers; and
- interest groups that claim to be the peak body speaking on behalf of a particular sector, community or issue.

This means that citizens, entities and institutions have access to alternative views, and can compare the claims of one source against those of another. But this comes at the loss of the editorial function that traditional gatekeepers provide where information is sorted, filtered and tested for its veracity and relevance, often by people specifically trained in the area. One topical example is the debate about how people can assess the reliability of health information available on the internet.

In electronic democracy, how do we cope with questions of the reliability of information, and the noise and information overload that can accompany many voices speaking on the one subject or issue?

Do we need to be concerned about this, or will the market correct for these effects as citizens, entities and institutions naturally turn to trusted sources, even though they may be different from, or more extensive than, the existing gatekeepers?

How should government and other democratic institutions respond when incomplete or unreliable information can spread much faster than they are able to react?

Will unreliable information fuel populism and how can electronic democracy counter such a threat?

Intermediaries

Major technological change is associated with rapid and wide reaching effects on the role of intermediaries. Significant disintermediation³ occurs with many types of economic activity, areas of employment and even communities being swept aside. At the same time, new intermediaries emerge, creating new economic and social roles that were not needed or not practical in the past.

The processes of democracy involve many intermediaries. The information gatekeepers discussed above are important examples.

While existing intermediaries are quite powerful in their ability to influence democratic processes, in the main they come from within our own society. The forces that shape and control their operation are the same as the forces that cause our democracy to evolve. Electronic technology removes many of the practical barriers to intermediaries emerging from other places, or with views that are outside of the norms of our society.

Which intermediaries will be affected by the change towards electronic democracy?

What should be the policy about new intermediaries?

³ Disintermediation means the removal or disappearance of an intermediary role. One example in telecommunications was the demise of switchboard operators when automatic telephone exchanges were introduced.

To what extent are intermediaries from outside Victoria and Australia a risk to the unique strengths and character of our democracy?

If they are, do we deal with this by absorbing them into the diversity of our society or attempt to exclude them in some way?

4.2 Interaction

The issues around this theme reflect the dramatic fall in the cost of interaction – discovery, association, communication, formation, etc – brought about by electronic technology. This change in cost has made new forms of interaction practical and accessible to a much wider range of people and organisations.

The immediate issues around interaction include policy development, moderation, assistance, competition, activism, and security and privacy.

Policy development

Policy development involves the identification, analysis, decision-making and evaluation associated with creating a considered position on an issue, problem or opportunity. Democratic institutions, especially executive government, engage in large-scale policy development across many economic and social areas. Democratic entities and citizens also develop policy in the sense that they arrive at considered positions. However, there is a significant imbalance between the capacity of democratic institutions and entities to develop policy and that of individual citizens. This is not simply a matter of resources or skills, but also reflects the relative isolation of the individual citizen from the debate that generates the best policy, which can often be highly technical.

Policy development is a central democratic process because it:

- links together the interests of citizens, entities and institutions; and
- frequently forms the basis for decisions that can have major effects over long periods of time, involve considerable resources, and create assumptions upon which other policy and decisions are based.

Policy development is not simply the analysis of objective facts. It also properly involves political considerations, vision and goals, ideology, the attitudes of community or interest groups, the attitudes of citizens, professional judgement, and a raft of other human factors. Successful policy development is essentially an interactive process.

Electronic technology radically changes the opportunity for citizens and entities to participate in policy development. It allows:

- greatly improved access to relevant information;
- more effective means to disseminate material and proposals for consultation and debate;

- the ability to join together with others in debate, and to form coalitions of interest, regardless of geographic and other barriers that apply in physical space; and
- new tools and techniques such as collaborative editing that can be used to develop common positions.

But using electronic technology for democratic processes such as policy development also poses some major challenges.

Most important is the question of whether electronic technology will truly bring increased participation or whether it will further entrench the position of already powerful players in the process. Democratic institutions and entities have deep policy development resources and expertise. They are set up to engage in debate over a wide range of topics. Any one citizen could never match this capacity. Therefore, most policy development involves a dialogue between organisations that claim to represent certain interests associated with an issue.

Electronic technology allows citizens to more easily join together, not necessarily as an organisation, but to pool intellectual resources and to build a network for debate and consideration.

Does this new ability balance the power held by citizens compared with organisations in the policy development process? Or, will other features of electronic technology act to magnify the difference by making the processes more efficient for those with the resources and expertise?

How will citizens determine which areas of policy development they are interested in from the vast array of issues dealt with by executive government and others?

How will they become aware when an issue arises, or develop the capability to raise an issue themselves?

Are the majority of citizens even interested in most policy development beyond those matters that affect them personally or touch their family and community, or do they believe that policy is a matter that they delegate to their representatives in Parliament and democratic entities?

Increased participation could complicate and lengthen the policy development process.

For example, successful policy development typically attempts to gain consensus to a broad direction and set of principles in the first instance. This process often involves a wide group of stakeholders. Once agreement at this level is in place, the process then turns to the detail, guided by the direction and principles developed in the first stage. The scope and number of stakeholders involved in the second stage frequently narrows as the debate becomes more technical and requires depth of specialist knowledge. In this way, policy development can build from the views of the many while benefiting from the expertise held by a few.

Will electronic democracy cause policy development to become bogged down in the detail before a broad direction can be established?

Even if this was the case, do the benefits of increased participation exceed the cost of slower policy development, decision making and delayed implementation?

How might these cost be reduced?

The aim of good policy development is to arrive at the best solution that is practical in the circumstances. This can be quite different from the consensus or majority view because it takes account of other factors such as vision and goals, long term benefits, professional judgement and technical expertise.

Could increased participation in policy development result in a tendency to the lowest common denominator?

How might this be avoided?

One of the advantages of electronic technology is that it gives those with few resources a more equal voice with those who already have the means. This allows minority views to be better promoted, and citizens to have more opportunity to speak and be heard. This new balance is an important potential benefit of electronic democracy.

However, the technology is just as capable of being used for disruptive purposes as it is to improve democratic processes. For example, those with extreme views, or minority positions that were not gaining the support their proponents desired, could use this capacity for a louder voice to flood the communications channel with noise. This would disrupt the process, crowd out competing messages and generate an impact out of all proportion to the support the views may have in the wider community.

How do we balance the desirable effect of giving a greater voice to those with few resources against the potential for some to crowd out the views of the many?

How can we test the validity of views expressed using electronic technology, especially if we allow anonymous participation?

What new checks and balances are required in the policy development process as part of electronic democracy?

Moderation

A civil society allows citizens to express their views without threat or coercion, even if those views are outside of mainstream opinion.

In physical space, there are laws and social norms that guide behaviour, preserving the ability to be heard but avoiding unrestrained and disruptive participation. This balance is constantly being redefined as society and our democracy evolve.

In electronic space, the rules are less clear. This manifests itself in several ways:

- the medium is still immature, as is the understanding of how to best operate and behave within it;
- the technology allows for anonymous participation to a greater degree than is normally the case in physical space;
- the noise generated by a small group can equal that of a larger number of people, distorting the message or crowding out the communication channel; and
- the ability for dissenting individuals to split off into a new group is greatly enhanced, fragmenting movements and reducing the pressure to negotiate a common position.

Later in this paper the issue of the new democratic infrastructure that will be required for electronic democracy is discussed. However, for the purpose of this discussion, we can assume that executive government is likely to be the major provider of this infrastructure because it has the characteristics of a public good.

If this is the case, does executive government have a special responsibility in relation to the use of that infrastructure for electronic democracy?

Should the responsibility to provide moderation and other protection be limited to consultation and policy development involving government, or should it also extend to other democratic processes taking place over the infrastructure?

If so, how does government do this without constraining debate?

Should moderation or other behaviour control mechanisms aim to prevent threat or coercion, to keep an interaction on topic, or to place other boundaries around democratic processes?

Who decides what those boundaries should be?

Can we learn from the developing approaches and etiquette for other interaction occurring in electronic space or are the requirements of electronic democracy sufficiently unique to demand new methods?

Assistance

Three elements will be required for citizens and entities to be able to interact as part of electronic democracy:

- access – both physical and in terms of information management and interaction tools;
- skills and knowledge – about how to use the infrastructure but also about the opportunities and constraints that come with electronic democracy; and

- compelling applications – reasons for citizens, entities and institutions to participate.

These issues are further discussed in the following Section.

Competition

Electronic technology dramatically reduces the cost of information discovery, the cost of formation for informal groups of citizens and for formal organisations, and the cost of association for those groups and organisations.

This means that it is much easier for new voices to arise challenging the position of existing participants in many democratic processes including:

- peak interest and lobby groups;
- political parties;
- community associations; and
- single issue groups.

Competition not only occurs for membership, but also for other important elements of power in a representative democracy including:

- political space – recognition and standing within political processes;
- attention – among traditional media and in the new electronic distribution channels; and
- credibility – as the sole or a trusted voice.

Such changes have always been part of the evolution of our democracy. However, electronic technology speeds the process and magnifies the effects.

The speed of change is increased because the barriers to competition, primarily cost and access to information channels, are significantly reduced. The effects are magnified because the technology allows small groups or even individual citizens to promote their position as if they had the resources of a large, established player.

Further, electronic technology assists and encourages organisational agility, favouring those entities able to change rapidly and operate in a flexible manner.

Electronic technology will challenge long settled relationships, and speed the processes of transformation in our democracy.

How can we avoid instability as the pace of change accelerates?

Is competition among participants in democratic processes always positive?

Even if it has negative consequences, is it inevitable?

Activism

A robust representative democracy is tolerant of diversity. In order to achieve this, it must also be tolerant of dissent.

The ability to hold and promote a view that is contrary to government policy, the majority view or even to social norms is fundamental to our democracy.

In practice, this tolerance has limits although they are not always clearly defined. For example, it would normally be considered that dissent involving breaking the law or advocating that others did so would be unacceptable. However, some of the most famous dissenters that have been instrumental in the evolution of modern democracies have at least challenged the law as part of their activism.

Electronic technology has a profound influence on activism. For example, it dramatically reduces the cost of formation, allowing citizens and groups to come together quickly and cheaply. It allows for alliances of convenience where groups can agree to act together on an issue by issue basis because it reduces the cost of association. The protests at the World Economic Forum in Melbourne in 2000 are a relatively recent local example.

The technology offers both mass and targeted communication channels that bypass communications gatekeepers such as the traditional media. It changes the availability and security of information associated with dissent. It makes it easy to source information that would not be transmitted by established media channels, and to distribute that information in a secure manner. Indeed, with care, information can be transmitted that is secure from external scrutiny, including from law enforcement and intelligence agencies.

Will electronic democracy be accompanied by an increase in activism?

In the physical world, people can often distinguish between activism directed at social or economic change, and destructive behaviour that attempts to achieve change by threat or coercion.

In electronic democracy, how do we distinguish between activism as a positive force for social change and anti-democratic behaviour designed to disrupt society and the economy?

Is there any difference between activism in physical space and in electronic space, and how should we react to it as citizens, democratic entities and democratic institutions?

Security and privacy

The final issue raised in this paper around the theme of interaction is security and privacy.

Here we mean the security and privacy of information, and the question of anonymity.

Electronic technology changes the manner in which information can be collected and processed. It allows information:

- to be collected at a very low transaction cost, making it practical to record extensive detail from every interaction;
- to be easily analysed and transformed; and
- from one source to be matched with information gathered from another.

This information management capacity is a significant benefit of electronic technology but it also raises important privacy issues. Many of these have been widely discussed and new legislation is in place to require certain standards when an entity or institution collects or comes into the possession of personal information. This paper does not repeat that debate but there are still some important questions that remain in relation to electronic democracy.

To what extent are we willing to allow further collection and use of personal information in order to achieve improved participation in democratic processes?

For example, do we want the interaction between citizens and institutions to be conducted at a personal level with the capacity to limit our participation to those issues of interest to us?

If we do not want such a personalised interaction, how will we prevent being swamped by information overload or missing out on key debates?

As we understand the impact of electronic technology today, there is no reason that electronically held information is inherently less secure than equivalent holdings in physical form. The difference lies in the capacity to capture and process that information if security is breached.

Do we need different standards of security for electronic democracy or are they the same as for electronic technology more broadly?

Does all of the responsibility for security rest with entities and institutions or should citizens also take some control over the security of their personal information?

If the information held by citizens is to be as secure as that held by entities and institutions, they require access to strong cryptographic technology in an easy to use form. Many types of this technology are already widely distributed and used such as the private key - public key encryption approach.

What is more important, security of information or the ability of law enforcement and intelligence agencies to access that information?

While it is difficult to see how such technology could be drawn back, should we even try?

Are the values that are now considered to be a fundamental part of a liberal western democracy, such as privacy, freedom of thought, speech and

expression, and freedom of association, so valuable that they must be preserved without question in electronic democracy, or does the technology change the environment so much that we need new rules in these areas?

A further issue in relation to the theme of interaction is the question of anonymity. Electronic technology allows for some measure of anonymous dealing. People can participate in debate and make contributions without needing to identify themselves to other participants or a moderator.

Is this a good thing for democratic processes?

Will the ability to remain anonymous promote participation or simply encourage disruption and deliberate flooding of the communications channel with noise to block out opposing views?

4.3 Decision making

The decision making theme is concerned with how electronic technology can influence key processes of our democracy including:

- the weight given to the views of the politically active against those held by the rest of the community;
- voting in elections, referenda and plebiscites;
- the balance between direct and representative elements, and
- the impact of the electronic environment on established democratic institutions.

The politically active

Any democracy has those who:

- are overtly politically active;
- take an interest in politics and democratic processes but do not participate in political activity on a regular basis; and
- profess to be uninterested in day to day democratic processes.

In reality, every citizen is engaged in their democracy because they are engaged in their community, in the economy and in society.

Alienation and powerlessness are direct threats to the stability of a representative democracy. The activities people participate in at a local level build the social fabric of their community and, therefore, strengthen our democracy as a whole.

Even so, politically active participants such as the media, political parties and lobbyists dominate the overt processes of democracy, especially the formal and informal exercise of power and influence. They have a strong role in the

decision making process. Citizens are often cast into a submissive role, providing a periodic mandate and then leaving the rest to others.

As discussed above in relation to engagement, electronic technology offers the ability to change this balance. But the technology is neutral and can either improve the relative influence of citizens or further entrench the dominance of the politically active. What we choose to do with it will determine whether electronic democracy will weaken or strengthen our society.

Should we be concerned by the capacity for electronic technology to give further influence over decision making to those who are already politically active?

If so, should we act to curb their power in electronic democracy or to increase the power of citizens and others who do not share their influence?

How can we manage the potential for the technology to be used to swamp decision makers, pushing them toward positions that they might not support after more considered reflection?

Voting

Electronic democracy is sometimes confused with electronic voting.

Electronic voting is essentially a technical issue about how votes are validated, cast and counted.

Electronic voting is not automatically associated with changing the balance between the representative and direct elements of our democracy.

While the issues around electronic voting are not central to the question of electronic democracy, they are important.

Three issues stand out:

- the means;
- scrutiny and validation; and
- substitution versus enhancement.

Even with the advances in electronic technology, paper has proven to be a robust and enduring technology. It retains many cost advantages such as the ability to sustain substantial damage without losing content, resistance to technological obsolescence and longevity.

The advantages of electronic technology arise from its information management capabilities. In the context of voting, the benefits of the technology include:

- a capture once, use many times approach to each ballot;
- rapid computation reducing delays before results are known, especially in highly proportional systems;

- less basis for disputed returns; and
- the ability to separate the process of casting a ballot from the requirement to attend a polling booth.

Many of these issues are simply a matter of cost – at any point in the development of the technology, is it cheaper to retain paper ballots and manual counting, or move to electronic systems?

However, there are questions associated with confidence in the voting system.

The current approach is open to external scrutiny along the process from validating an elector through to the declaration of the poll. For example, the requirement to attend a polling place in person forces citizens to identify themselves with their name and address. Ballot boxes are sealed and third parties can test the integrity of the seal. Scrutineers can be present during the counting of votes and challenge errors or irregularities.

On the face of it, these appear to be important safeguards that would be difficult to duplicate in an electronic environment. But this is not the case.

We already allow many electors to cast postal votes and, in some States, local government elections are completely conducted by mail. Electronic technology offers identification technologies that are at least as secure as a personal signature.

Can we identify any unintended consequences that would flow from adopting electronic identification for the purpose of voting?

We already trust electronic technology to transmit critical economic, personal and defence information.

Is there any reason to believe that transmitting ballots would be less secure than the current approach?

We currently use physical scrutiny to check the process of counting votes.

Could electronic scrutiny by external parties play the same role for electronic voting?

If it were decided to introduce electronic voting, what measures would be required to maintain confidence in the electoral system during the transition period?

Are there any intermediate steps, such as the trial in the ACT where votes were cast electronically but electors were still required to attend polling places?

The experience with electronic technology in other areas of activity indicates that the greatest benefits come when it is used to transform an activity rather than to simply automate an existing process.

Does it make sense to mix two approaches as was done in the ACT trial, or should we capture the ability of the technology to divorce action from location?

If we do move to electronic voting, should our objective be enhancement of the election process or simply substitution of electronic for physical means?

Direct democracy

The liberal western democratic tradition is one of representative democracy. We delegate the function of deciding within our democratic processes to Members of Parliament and, through the formation of a government, to executive authority.

However, our system of government has always contained some elements of direct democracy, where voters make a mass decision about a specific question of policy, law or practice, and that decision is binding - e.g. referendum.

The binding nature of the decision is a significant feature. Plebiscites involve a mass decision of voters but the outcome is not binding. We require a mass decision through a referendum to change the Australian Constitution, and the States and Territories all have referendum provisions. Even though a referendum is a mass decision of voters, elected representatives control whether a matter comes to a vote and the nature of the question. Other democracies allow for mechanisms such as citizen initiated referenda.

It is not the purpose of this discussion paper to review the literature on the advantages and disadvantages of representative compared with direct forms of democracy. Some of the papers referred to in the bibliography cover the field in detail.

The arguments in favour of representative forms include:

- the depth of knowledge and attention required to make the myriad of decisions associated with government in a modern society and economy;
- the dangers of populism, with views being manipulated and decisions being made without full realisation of the long term consequences;
- the risk of a tyranny of the majority destroying the tolerance of diversity that is essential in a complex, modern society; and
- the need from time to time for unpopular decisions to be made on ethical, economic or social grounds.

While these arguments may be strong in themselves, they have been supported by the lack of any practical and affordable way to increase direct mass decision-making. Referenda are very expensive and have a long lead-time. This naturally limits the extent to which they can form part of day-to-day democratic processes. Electronic technology is rapidly overcoming this barrier.

What is important in relation to electronic democracy is that argument about more or less direct involvement through mass voting now rests on the merits of the case. It cannot be dismissed on the grounds of practicality.

Again, this is an area where rapid changes in the technology could result in unintended consequences for our democracy.

Does the fact that the practical barriers to direct democracy are reduced mean that we should use the technology in this way?

If we do change the balance between the representative and direct elements in our system, what new checks and balances will be required to avoid the long recognised dangers of mass decision making?

Would electronically mediated direct democracy return power to citizens in relation to entities and institutions, or would it allow the politically active to exert even more influence?

Established institutions

Democratic institutions such as the Parliament and executive government carry out most of the formal decision making in our democracy. The manner in which these decisions are made can be transformed by electronic technology.

This transformation is more fundamental than the simple application of the technology to existing processes and modes of operation. For example, initiatives such as:

- netcasting Parliamentary sessions;
- publishing Hansard online;
- making statutes available online;
- providing Members of Parliament with email addresses and web site; and
- allowing electronic transmittal of submissions and petitions

may be valuable in their own right, but they do not change the way in which Parliament operates.

Electronic technology allows for much more pervasive change. For example, Parliamentary procedure is predicated on the physical interaction of Members on the floor of the House. This is considered to be so important that Members who are not in attendance within a set time of a division being called are excluded from the chamber and the vote.

Should electronic technology be used to change this and similar requirements?

Would the cost savings and other efficiencies of allowing Members to vote electronically overcome the benefit that arises from physical interaction in the chamber and, more widely, within the Parliament?

Even if physical interaction is given a high value, should the technology be used to divorce action from location on particular occasions such as a special sitting to deal with an urgent measure?

As part of electronic democracy, to what extent are we willing to re-examine the established processes of democratic institutions?

5. Implementation Issues

5.1 Access, educational and social issues

The potential for electronic technology to strengthen our representative democracy will only be fully realised when it becomes ubiquitous. While this is likely to occur in time, there is serious potential for some citizens to be excluded from participating in electronic democracy initiatives.

Inequity in the take-up of electronic technology can create a group of people who are unable to participate in electronic democracy. At a minimum, this means that the full potential offered by electronic democracy will not be achieved. However, it could also lead to the alienation of some citizens. Alienation leads to disengagement from democratic institutions and process, weakening social fabric as people feel unable to have any say in decisions that affect themselves, their family and their community.

Government can address this problem by targeting programs at the barriers that prevent the take-up of the new technology by people in vulnerable categories.

Take-up factors

Three main elements underpin the take-up of electronic technology by individuals:

- access

Physical access requires equipment and connections that can be costly. While access from home and work is increasing, many people make use of public access arrangements.

- knowledge, skills and support

Take-up also requires a certain skill level and involves technology that some people find unfamiliar and difficult. Assistance for users is required in the following areas:

- technical ('how to') information
- help to understand the possibilities
- technical support with problems and equipment.

While these areas apply to the wider issue of electronic technology and not just to electronic democracy, the question of assisting people to understand the opportunities and challenges that the technology brings has particular relevance. If active and informed participation by citizens is fundamental to a well functioning representative democracy, then

citizens need to understand what electronic democracy can achieve. A lack of understanding has the potential to widen the gap between those actively engaged in democratic processes and those who feel excluded.

- applications and content

Even if people have physical access and skills, they will still only achieve satisfaction if they can find meaningful ways to use them. This means that applications must relate to their practical needs.

Take-up of the technology will occur when these elements are in place and individuals expect a net benefit from using it.

The three elements required for take-up apply to both individual use of the technology or use by an individual as a part of a group. In both cases, personal satisfaction is ultimately critical. However, the requirements for satisfying each of the three elements may differ. For example, if a group is involved, there may be different physical access requirements than for individual access.

Potential for inequity

Experience shows that profound technological advances generally involve all people in the community over time. In Australia, new technology is generally taken up quickly by international standards. Examples include television, video-cassette recorders, and mobile telephones. The same trend is apparent with Internet access.

However, some in the community are disadvantaged by lack of:

- access, including financial capacity;
- skills , including awareness; and
- applications that provide a compelling reason to participate.

They can be excluded from opportunities by circumstances rather than personal choice.

As electronic technology is adopted broadly through the community, the level of inequity will fall. Provided the technology fulfils people's personal needs, this will occur whether or not governments intervene. However, Government action can accelerate take-up amongst those facing barriers to adoption and reduce the level of residual inequity after mass take-up occurs.

In the early stages, new technology tends to be taken up by people who:

- have information about it (awareness);
- have access to the equipment and facilities required to use it (access);
- have the knowledge and skills to utilise it (skills);

- have applications for the technology that provide benefits to the user in excess of the cost (applications and content); and
- can afford the initial capital investment and on-going costs that may be required (affordability).

ABS survey results indicate that Internet access by adults is strongly related to age, labour force status and income. Inequities in the use of the Internet are likely to be concentrated amongst people who:

- are older;
- are not in the active workforce (unemployed, retired, non-participating);
- are on low incomes; and
- live in particular locations.

People from non-English speaking backgrounds and people with disabilities also face barriers that may cause inequities.

The issues affecting take-up relate to the wider impact of electronic technology and not just to electronic democracy. The Victorian Government has recognised the importance of ensuring that every Victorian has the access and skills to use the Internet. A range of programs to address the various factors necessary for take-up is contained in the Connecting Communities initiative.

However, two questions remain.

Are the general programs designed to promote awareness of the possibilities of electronic technology and to provide people with the skills necessary to exploit them sufficient to encourage the emergence of electronic democracy?

What reduction in inequity should be achieved before democratic institutions actively promote electronic democracy?

The answer is clearly not to await the elimination of inequity, because society necessarily tolerates some inequity in almost every aspect of life.

5.2 Legal and regulatory issues

Legal and regulatory issues are important considerations in any examination of electronic democracy

- the rule of law is an essential component of democratic structure; and
- the manner in which electronic technology can be applied to democratic processes can be constrained or advanced by legal and regulatory issues.

The law as essential democratic structure

The social compact that underpins a representative democracy – the unwritten and often unspoken agreement about how a society accommodates the diversity of its members within acceptable patterns of behaviour – is not simply a reflection of the law. However, the law is an essential part of our democratic structure:

- the rule of law is a central democratic process;
- legal institutions are powerful democratic institutions, although remote from some citizens and democratic entities because of narrow channels of entry, socio-economic barriers and complexity of process;
- the law provides a behavioural and, at times, ethical framework for citizens and democratic entities, helping to codify and enforce some aspects of the social compact;
- the process of law making is a reflection of the subtle balance between democratic institutions leading and responding that is a feature of effective representative democracy. Law that is too far outside of the evolving norms of the social compact is rejected as a source of guidance about behaviour. At the same time, the law can be a powerful vehicle to promote and advance understanding of social and ethical issues; and
- as a democratic process, the law often provides a trigger for, or point of access into, political discourse, encouraging the formation of coalitions of interest and invoking participation by citizens and entities.

Any consideration of electronic democracy must therefore include some thought of how electronic technology can influence the processes of making, interpreting, applying and enforcing:

- constitutional provisions;
- statute law – expressed in Acts of Parliament and regulations made pursuant to those Acts;
- judge made law – the Common Law including the web of precedents from past judgements; and
- administrative decisions – the exercise of discretion by Ministers, other elected officials and the bureaucracy.

As with other aspects of e-government, the use of electronic technology to improve the internal efficiency and effectiveness of the legal system, such as remote arraignment or video evidence, is outside the scope of this discussion paper.

The issues regarding law making, interpreting, etc are largely covered earlier in the paper as part of the discussion of participation in policy making and in relation to electronic voting. However, other questions about the relationship

between citizens and democratic entities on the one hand and legal institutions and the law itself on the other remain.

In a democracy, the law cannot be hidden from view. This principle underpins transparency mechanisms such as open courts, the publication of statutes and the gazettal of regulations. Indeed, to a significant extent, citizens and entities are assumed to know the law as it affects their behaviour and relationship with others.

But the content of the law can be surprisingly difficult to discover. Electronic technology has the capacity to transform access to the content of the law by assisting with:

- distribution – paper copies of statutes are typically only available through a small number of outlets but online publication is not limited by geography;
- discovery – without the benefit of electronic information discovery tools, it can be very difficult to find which law or all of the law that applies to a particular issue;
- consolidation – Acts and regulations are often amended many times, and the process of manual consolidation is difficult; and
- interpretation – the nature of online publication allows for easy access to interpretive and supplementary materials that improve the ability for citizens and entities to understand, apply and make use of the law.

The cost of information discovery is a significant barrier to access to the content of the law and, therefore, a barrier to the effectiveness of an important democratic process.

The technology also has the potential to exert transformative changes to long settled and stable relationships. As an example, it could increase the interactivity between citizens and the law. The technology provides new scope for a citizen to be dynamically informed about how the law applies in situations where changes in circumstances (such as weather conditions or the time of day) alter the specific application of a law. In turn this may provide increased scope for the application of law to vary as these conditions vary.

The law as an inhibitor or accelerator of electronic democracy

The law also has the capacity to advance or constrain the development and evolution of electronic democracy.

In the main, the law is adjusted in a deliberative, evolutionary fashion. The content of the law tends to lag behind social mores. This inertia smooths the impact of change and helps protect against institutionalising fads and ‘going up blind alleys’ in social development. It reflects the social and economic framework that has evolved in response to past change. Only rarely does it anticipate the future.

We know that electronic technology will disrupt the established social and economic framework. It is and will continue to challenge the assumptions about behaviour and relationships embodied in the law.

For example:

- the ability to collect taxation revenue is changed through trans-national internet commerce. The transaction itself may be located offshore or transactions may move to lower tax jurisdictions.

How will this affect the Government's capacity to fund safety net programs that underpin our existing social compact?

- the law makes assumptions about the nature of communication between people and entities. Security of communication is radically changed by electronic technology. It is made both significantly weaker through its susceptibility to automated collection and analysis, and significantly stronger through the use of powerful encryption.

How important is the ability of citizens to secure their communications?

- the capacity for government to control the distribution and spread of ideas, information, instructions, images and other material that can be put into digital form is severely constrained.

How will this change the notion of censorship that draws a line between personal choice and upholding community standards that have been determined through democratic processes?

The deliberative, evolutionary fashion in which the law is typically modified may be too slow to cope with some aspects of the social and economic changes that are accompanying electronic technology. The protection afforded by the inertia inherent in the law will need to be balanced against the costs of moving too slowly to adjust the law.

The performance of our economy and society relative to competing economies will depend on the speed at which we are able to assimilate and exploit the opportunities the technology presents. That performance is fundamental to the quality of life of citizens and the strength and resilience of communities. How the law adjusts and is adjusted are, therefore, crucial issues for electronic democracy.

Another important issue is the new democratic infrastructure that will be necessary. In the context of electronic technology, democratic infrastructure includes the framework and tools necessary for democratic processes to occur within and between the three elements identified earlier in this paper:

- individual citizens;
- democratic entities; and
- democratic institutions.

Some aspects are technological or procedural in nature such as physical equipment, access arrangements and tools for information discovery, manipulation and analysis. However, some of the most problematical issues relating to electronic technology and democratic infrastructure are associated with the law.

In many cases, the legal issues about infrastructure relate to the wider impact of electronic technology and not just to electronic democracy. Privacy, intellectual property rights, and authentication are relevant examples.

The Victorian Government and others have considered and published widely on these issues, and there is an active philosophical, policy and technical debate underway. Substantial changes to the law have already been made including legislation to recognise electronic transactions, formalise existing assumptions about privacy, and extend and protect intellectual property rights.

An examination of the detailed debate about each of these issues as they relate to electronic technology is beyond the purpose of this paper. The question in relation to electronic democracy is how any changes to the law will impact on democratic infrastructure and processes.

Two examples illustrate this issue:

How will changes to the concept of intellectual property rights brought about by the new technology impact on political or community discourse?

What will be the impact of new privacy provisions be on the ability of community groups to exploit electronic technology to engage in democratic processes?

Some legal issues relating to democratic infrastructure are strongly influenced by administrative decision-making. They include:

- anonymity;
- risk; and
- protection.

In each of these areas the same question applies – where is the appropriate balance between competing objectives?

Anonymity refers to whether or not electronic democracy should actively accommodate anonymous contributions to debate and expressions of view. As well, what weight should be given to anonymous input compared with that from identifiable parties? On the one hand, even the option of anonymity could be seen to encourage participation. On the other, it might reduce the effectiveness of moderation and encourage deliberate flooding by means of multiple responses.

Risk arises because electronic democracy is likely to require government to adopt a more tolerant approach to the use of democratic infrastructure than

might have been the case in the past. It may have to be willing to allow the infrastructure to be used to express, promote and debate diverse views, including those that may be unpopular, inconsistent with mainstream opinion or contrary to government policy. But, how far should this go? Unlike many other jurisdictions, Victoria has some experience with these issues through VICNET, the State's online network for community groups. Ultimately, government may need to legislate to define responsibilities.

Protection relates to a citizen's right to use democratic infrastructure in the knowledge that they will not be subject to threat, coercion or harm.

What if any differences are there between the protection of citizens and entities participating in democratic and community activities in an electronic environment compared with a physical environment?

Do the same norms apply or is there a substantive difference? Is it a question of lawful and unlawful activities, or is there also a need for protections based on taste, sensibility or polite behaviour?

5.3 Infrastructure

Democratic processes require an infrastructure upon which to operate. This infrastructure is a necessary but not sufficient condition for democracy to flourish, and has a:

- tangible layer – such as a place for Parliament and other democratic institutions to meet, and civic places that allow citizens to interact; and
- procedural layer – such as rules, laws, consultation guidelines and review mechanisms.

Electronic democracy will bring its own infrastructure requirements.

Electronic technology typically has a very low unit transaction cost. But this does not mean that it is cheap to establish and operate well. Indeed, the wider experience with electronic technology is that effective implementation and use is resource intensive.

For many uses of electronic technology this does not pose a difficulty because the investment can be recovered from direct benefits such as improved labour productivity. However, in democratic processes, the costs fall heavily to the provider while the benefits are dispersed throughout society and the economy.

This means that there is likely to be significant market failure in the provision of democratic infrastructure.

Further, electronic technology is information intensive and involves many interactions which causes high levels of dispersed costs not directly associated with the technology including:

- the cost of information capture and maintenance;
- an increased volume of interactions and other transactions that would accompany even a modest increase in participation;
- an inability to close legacy physical channels as participants migrate to electronic means; and
- increased expectations about the extent, priority and timing of existing processes applying to both physical and electronic channels.

Because of the likelihood of market failure, and because democratic processes are essentially public goods, responsibility for the bulk of the investment in infrastructure is likely to fall on government.

In the same way as existing democratic infrastructure, electronic democracy requires a tangible and a procedural layer.

The tangible layer includes:

- new civic places in electronic space – such as discussion groups, email lists, chat rooms, bulletin boards, shared calendars, web meetings and video streaming which allow for interaction and participation;
- information sources – such as web sites and mailing lists that hold information and analysis;
- information processing tools – such as intelligent agents, search agents, collaborative editing tools, storage capacity and interaction tools covering all manners of operation which allow participants to navigate, discover, access, filter, analyse, store and update information;
- technical infrastructure – such as public access terminals, and the computing and communications technology that create the network; and
- human infrastructure – such as information custodians, technical advisors, sources of training and skills, and role models for new entrants.

The procedural layer includes:

- content rules and guidelines – such as what is and is not acceptable use of the infrastructure, permanency of information and access rules;
- behaviour management – such as using a moderator;
- scope management – such as whether the infrastructure should support one to one models as well as many to many participation; and
- control guidelines – such as who runs the infrastructure, manages the risks and determines the rules (as opposed to who pays for it).

Securing and managing the infrastructure for electronic democracy is a substantial task.

Who should pay for new democratic infrastructure?

Is it just a matter for government, or should all participants in our democracy contribute in some material way – financial, resources and effort?

Can we truly have electronic democracy if the government or other powerful entities are able to exert significant influence through their control of the infrastructure used for democratic processes?

What is the extent of the resources that should be made available now and in the future?

What amount of the finite resources of government are we willing to divert to establishing and maintaining new democratic infrastructure?

Are we willing to replace existing democratic infrastructure with new investment for electronic democracy, or should we only add to what is already available?

Are we seeking to directly translate the existing infrastructure into electronic processes, or should we use the technology to transform those processes?

If we are aiming for transformation rather than substitution, how do we decide on questions of priority, timing and extent?

How much investment is it sensible to make today, when our understanding of what will emerge in electronic democracy is still immature?

Attachment 1

Scrutiny of Acts and Regulations Committee: Terms of Reference for Inquiry into Electronic Democracy

The Committee is requested to report on the opportunities available through the use of new technologies to improve public access to, and participation in, the processes of Parliament and government, including:

- Netcasting of Parliamentary proceedings;
- Online interactive and collaborative approaches to policy discussion including citizen e-mail and online forums; and
- Other technology solutions to promote access and participation;

and to this end consider the core issues of the:

- potential impact of new and emerging technologies on the democratic processes of government;
- options available to improve democratic processes through the use of such technologies (for example, through electronically enabled voting);
- costs and benefits of new technologies that promote e-democracy;
- equitable access of all citizens to e-democracy;
- legal and regulatory factors; and
- educational or social barriers to the implementation of e-democracy -

in order to review and make recommendations on any necessary or desirable amendments to the **Constitution Act Amendment Act 1958**, the **Electronic Transactions Act 2000** and any other relevant legislation to facilitate these opportunities.

The Committee, in undertaking this Inquiry, should also have regard to experiences in other jurisdictions and a number of projects either implemented or currently under way in Victoria, including:

- E-mail to and from citizens;
- “Have your Say” on www.vic.gov.au; and
- Legislation and Hansard Online, and the Parliamentary website (www.parliament.vic.gov.au).

This inquiry has been proposed to examine the above matters with a focus on public participation in democratic and parliamentary processes. It is not intended to examine issues relating to service delivery and government on-line processes, except as they may impact directly on issues of e-democracy.

The Committee is to report to Parliament by 31 December 2002.

Attachment 2

Analysis of the impact of electronic technology on democratic entities

A2.1 Citizens

| ACTIVITY | OPPORTUNITIES | CHALLENGES |
|--------------------------|---|---|
| forming identifying | Ease of identifying others with common interests Reduced cost of information discovery New sources of information outside the control of traditional information gatekeepers | Potential for mis-information, information noise and information overload Loss of editorial benefits provided by traditional information gatekeepers Digital divide concerns Increasing need for sophisticated tools to assemble and process information |
| assessing promoting | New tools for collecting and analysing information more effective ways to draw attention to concerns and opinions | Greatly increased volume and depth of available information Expectations for personal attention not met because of greater demands on democratic institutions to respond to citizens Digital divide concerns Potentially greater competition for attention |
| interacting | New opportunities based on electronic channels - especially effective in linking citizens with common interests even if geographically separated Significant potential for greater participation through new interactive channels and new opportunities provided by democratic institutions Ability to rapidly form networks to increase the capability of the citizen compared to established interest groups and institutions | |
| deciding - electing | New techniques for gathering and analysing electioneering material Potential for electronic voting | Digital divide concerns, including the cost of acquiring and maintaining skills Pressure for direct democracy Significant concerns about security and privacy |
| monitoring evaluating | New tools for accessing information about outcomes Greatly improved capacity to provide and receive feed-back | |

A2.2 Groups

| ACTIVITY | OPPORTUNITIES | CHALLENGES |
|--------------|--|--|
| forming | Easier ways to identify people and groups with a common interest regardless of geography Low establishment costs and low costs of association both for the group and for networks | |
| identifying | New tools for collecting and analysing information New sources of information outside the control of traditional information gatekeepers | Potential for mis-information Loss of editorial benefits provided by traditional information gatekeepers Increasing need for sophisticated tools to assemble and process information |
| assessing | New tools for collecting and analysing information on issues and for 'over-the-horizon' analysis | Potential for information overload |
| promoting | More effective ways to draw attention to concerns and opinions Increased interactivity in promoting views Lower cost in establishing recognition | Expectations for attention not met due to greater demands on democratic institutions to respond to groups, and competing groups claiming attention |
| interacting | Important new tools that significantly reduce costs of interacting regardless of geographical and time barriers New channels for consultation, debate and negotiation | Resource requirements to deal with the increased volume of information |
| deciding | Ability to develop consensus regardless of geographic and time barriers Improved access to information should improve the quality of decisions | |
| implementing | Improved co-ordinating in taking action and new channels for activism New approaches for communication based on electronic channels | |
| monitoring | Improved capacity to keep up to date on specific issues New tools for accessing information about outcomes New techniques for monitoring democratic institutions and other democratic entities | Resource requirements to deal with the increased volume of information Increased transparency to competing entities |
| evaluating | New tools for assessing outcomes and providing and receiving feed-back | |

A2.3 Organisations

| ACTIVITY | OPPORTUNITIES | CHALLENGES |
|--------------|--|--|
| forming | Low establishment costs and low costs of association both for the organisation and for networks | Greater competition from new organisations |
| identifying | New tools for collecting and analysing information New sources of information outside the control of traditional information gatekeepers | Potential for mis-information to be transmitted broadly and faster than an organisation can respond Loss of editorial benefits provided by traditional information gatekeepers Increasing need for sophisticated tools to assemble and process information |
| assessing | New tools for collecting and analysing information on issues and for 'over-the-horizon' analysis | Potential for information overload |
| promoting | More effective ways to draw attention to concerns and opinions Lower cost in establishing recognition | Claim to speak on an issue undermined by competing groups Competing groups advantaged by lower costs of formation and operation |
| interacting | Important new tools that significantly reduce costs of interacting regardless of geographical and time barriers New channels for consultation, debate and negotiation | |
| deciding | Ability to develop consensus regardless of geographic and time barriers Improved access to information should improve the quality of decisions | |
| implementing | Improved co-ordinating in taking action and new channels for activism Capacity to improve internal operational efficiency | Potential to significantly waste resources unless a sound strategy is in place for information management |
| monitoring | Improved capacity to keep up to date on specific issues New tools for accessing information about outcomes New techniques for monitoring democratic institutions and other democratic entities | Increased transparency to competing entities |
| evaluating | New tools for assessing outcomes and providing feed-back | |

A2.4 Political parties

| ACTIVITY | OPPORTUNITIES | CHALLENGES |
|-------------|--|---|
| forming | The cost of formation is reduced | Greater competition from new parties |
| identifying | New tools for collecting and analysing information New sources of information outside the control of traditional information gatekeepers Increased capacity to identify community concerns and emerging social and economic trends | Potential for mis-information Loss of editorial benefits provided by traditional information gatekeepers Increasing need for sophisticated tools to assemble and process information Being swamped by issues |
| assessing | New tools for collecting and analysing information on economic and social conditions and 'over-the-horizon' analysis | Information noise masking key issues Potential for information overload |
| promoting | New opportunities to promote policies and positions New opportunities for obtaining recognition New techniques for electioneering (e.g. raising funds, more focused targetting of constituents, promoting policies) New opportunities for direct, personalised communication that can anticipate the interest of the recipient Increased capability to tailor messages depending on the audience | Political parties will face increasing expectations about their online presence Increased competition for political space |
| interacting | Important new tools that significantly reduce costs of interacting regardless of geographical and time barriers Ability to consult both more widely and at a more micro level Increased capability to target interactions | Clutter of messages in the communication channel |
| deciding | Lower cost options for conducting internal voting New approaches to gaining endorsement on policy positions | |

Political parties (continued)

| ACTIVITY | OPPORTUNITIES | CHALLENGES |
|--------------|--|---|
| implementing | Improved co-ordinating in taking action and new channels for activism New approaches for communication based on electronic channels New techniques for electioneering (e.g. raising funds, more focused targetting of constituents, promoting policies) Capacity to improve internal operational efficiency | Possible increase in costs due to electronic technology |
| monitor | New tools for accessing information on economic and social outcomes and policies New techniques for monitoring public opinion New techniques for monitoring democratic institutions and other democratic entities | Increased transparency to competing entities |
| evaluating | Mmore direct channels into democratic institutions that by-pass traditional gatekeepers New tools for assessing outcomes and providing feed-back | |

A2.5 Government

| ACTIVITY | OPPORTUNITIES | CHALLENGES |
|-------------|---|--|
| identifying | <p>New tools for collecting and analysing information</p> <p>New sources of information outside the control of traditional information gatekeepers</p> <p>Increased capacity to identify community concerns and emerging social and economic trends</p> <p>Ability to identify complex (and cross sectoral) issues</p> | <p>Potential for mis-information</p> <p>Loss of editorial benefits provided by traditional information gatekeepers</p> <p>Increasing need for sophisticated tools to assemble and process information</p> <p>Being swamped by issues</p> |
| assessing | <p>New tools for assessing and analysing information about citizens needs</p> <p>New tools for collecting and analysing information on economic and social conditions and 'over-the-horizon' analysis</p> <p>New ways to test issues in order to determine practicality and identify priorities</p> <p>Capability to bring together and exploit the deep information assets of Government</p> | <p>Information noise masking key issues</p> <p>Potential for information overload</p> |
| promoting | <p>New low cost channels that are able to be targetted (narrowcast) and can be interactive</p> <p>New opportunities for direct, personalised communication that can anticipate the interest of the recipient</p> | <p>Resistance to new techniques because of significant concerns about security and privacy</p> |
| interacting | <p>New opportunities and techniques based on electronic channels</p> <p>New forums for debate</p> <p>Opportunities to streamline formal consultation processes</p> <p>Opportunity to improve the ability for individual citizens to participate in consultations and debate compared to democratic entities</p> | <p>Clutter of messages in the communication channel</p> <p>Reduced participation by citizens and smaller entities faced with information overload</p> |
| deciding | <p>New approaches for gaining agreement on policy across many internal and external stakeholders</p> <p>Opportunity to develop a wider consensus than previously practicable</p> | <p>Difficulty in gaining broad consensus prior to finalising the detail</p> |

Government (continued)

| ACTIVITY | OPPORTUNITIES | CHALLENGES |
|--------------|---|---|
| implementing | <p>Significant potential for eGovernment initiatives including electronic service delivery</p> <p>Capacity to improve internal operational efficiency</p> <p>New ability to 'join-up government' in sophisticated ways that are both affordable and practical</p> <p>New opportunities for partnerships between Government and other entities</p> | <p>Pressure to over-invest in electronic channels to keep pace with the volume and pace of information flows</p> <p>Potential to significantly waste resources unless a sound strategy is in place for information management</p> |
| monitor | <p>New tools for accessing information on economic and social outcomes and community attitudes</p> <p>Ability to monitor changed circumstance at a finer level of granularity</p> | <p>Greater scrutiny of outcomes at a less aggregated level</p> |
| evaluating | <p>New tools for assessing outcomes</p> | <p>Managing the volume of feedback</p> |

A2.6 Parliament

| ACTIVITY | OPPORTUNITIES | CHALLENGES |
|-------------|--|--|
| identifying | <p>New tools for collecting and analysing information</p> <p>New sources of information outside the control of traditional information gatekeepers</p> <p>Increased capacity to identify community concerns and emerging social and economic trends</p> <p>Ability to identify complex (and cross sectoral) issues</p> | <p>Potential for mis-information</p> <p>Loss of editorial benefits provided by traditional information gatekeepers</p> <p>Increasing need for sophisticated tools to assemble and process information</p> <p>Being swamped by issues</p> |
| assessing | <p>New tools for assessing and analysing information about citizens needs</p> <p>New tools for collecting and analysing information on economic and social conditions and 'over-the-horizon' analysis</p> <p>New ways to test issues in order to determine practicality and identify priorities</p> <p>Capability to bring together and exploit the deep information assets of Parliament and Government</p> <p>Opportunity to become better informed about proposed new law and more rigorously test the validity of the underlying arguments</p> <p>New approaches to the general scrutiny of Government</p> | <p>Information noise masking key issues</p> <p>Potential for information overload</p> |
| promoting | <p>New low cost channels that are able to be targetted (narrowcast) and can be interactive</p> <p>New opportunities for direct, personalised communication that can anticipate the interest of the recipient</p> | <p>Resistance to new techniques because of significant concerns about security and privacy</p> |

Parliament (continued)

| ACTIVITY | OPPORTUNITIES | CHALLENGES |
|--------------|--|--|
| interacting | <p>New opportunities and techniques based on electronic channels</p> <p>New forums for debate</p> <p>Opportunities to streamline formal consultation processes</p> <p>Opportunity to balance the ability for individual citizens to participate in consultations compared to democratic entities</p> | <p>Clutter of messages in the communication channel</p> <p>Reduced participation by citizens and smaller entities faced with information overload</p> |
| deciding | <p>Opportunities for some of the decision-making activities to be undertaken in new ways</p> | <p>Pressure for direct democracy</p> |
| implementing | <p>Capacity to improve internal operational efficiency</p> | <p>Pressure to over-invest in electronic channels to keep pace with the volume and pace of information flows</p> <p>Potential to significantly waste resources unless a sound strategy is in place for information management</p> <p>Need to balance the safeguards provided by existing Parliamentary practise against the potential efficiencies provided by electronic technology (e.g. load versus quality of analysis speed versus quality of deliberation)</p> |
| monitor | <p>New tools for accessing information on economic and social outcomes and community attitudes</p> <p>Ability to monitor changed circumstance at a finer level of granularity</p> | |
| evaluating | <p>New tools for assessing outcomes</p> | <p>Managing the volume of feedback</p> |

Attachment 3

Some e-democracy initiatives in other jurisdictions

| WHERE | PROJECT | COMMENT |
|--|---|--|
| <p>Federal Government, Australia</p> <p>www.defence.gov.au/consultation2/index.htm</p> | <p>Defence White Paper, released in 2000.</p> | <p>Paper downloaded over 6,000 times. Half of all formal submissions were by email. Over 5,000 further emails received.</p> |
| <p>New South Wales, Australia</p> <p>www.communitybuilders.nsw.gov.au</p> | <p>“Community Builders” is a government sponsored community of practice, implementing policy.</p> | <p>An interactive electronic clearing house for community level social, economic and environmental renewal including community leaders, government workers, volunteers, academics, policy makers, youth and seniors.</p> |
| <p>Queensland, Australia</p> <p>http://www.premiers.qld.gov.au/about/community/democracy.htm</p> | <p>E-democracy Policy Framework includes providing information, consulting widely and facilitating input.</p> | <p>Queensland is trialing e-democracy for the next 3 years.</p> |

| WHERE | PROJECT | COMMENT |
|---|---|---|
| <p>South Australia, Australia</p> <p>www.talkingpoint.sa.gov.au</p> | <p>Talking Point is a public debate forum.</p> | <p>Site is currently under review.</p> |
| <p>Tasmania, Australia</p> <p>www.elaunceston.com</p> | <p>eLaunceston website offers daily news, quick poll, open chat and dynamic content.</p> | <p>Word of the Week comes from the Mayor.</p> |
| <p>Western Australia, Australia</p> <p>www.citizenscape.wa.gov.au</p> | <p>Citizenscape website promotes involvement in decision-making and informs about citizenship-related activities.</p> | <p>The site includes how schools and corporations can become involved.</p> |
| <p>Canada</p> <p>www.nrcan.gc.ca/es/etf</p> | <p>Federal Energy Technology Futures Project examined the environment and economics.</p> | <p>Ongoing online discussions and a formal virtual conference, supplemented face-to-face consultations.</p> |

| WHERE | PROJECT | COMMENT |
|---|---|---|
| | | |
| Canada – Toronto www.city.toronto.on.ca www.joemihevc.com | Informative municipal website that engages community. | See also an example of a personal website of a Toronto City Councilor, Joe Mihevc. Profiles him and highlights his stance on many issues. His site also actively promotes community engagement. |
| | | |
| Denmark www.nordpol.dk | Democracy Project run in North Jutland to counter Denmark's lowest voter turnout there. | Made regional-level decisions visible. Good dialogue between citizens and politicians. |
| | | |
| Estonia http://tom.riik.ee | Tana Otsustan Mina ("Today I decide") is Estonia's online consultation process. | Citizens comment on draft laws and suggest new ones. 190,000 hits per month and suggestions for 9 new laws have been followed. |
| | | |
| European Union http://europa.eu.int/index_en.htm | Europa, the website of the European Union, fosters discussion on the future of the Union. | Though informal, this forum raises awareness of issues facing the Union in light of likely expansion through the imminent addition of several countries. |
| | | |

| WHERE | PROJECT | COMMENT |
|--|---|---|
| Finland www.tampere.fi | City of Tampere's interactive town planning game. | Residents experience town planning and can send messages to planners. First trial taught valuable lessons on simplifying. |
| Germany www.mediakomm.net | Housing development proposal in city of Esslingen debated online | Information provided and discussion space created. Despite some criticism, famous across Germany as highlighting citizen participation. |
| Italy www.comune.bologna.it | Iperbole – a famed online civic network established by the city of Bologna. | Links citizens to administrators and each other, also supplies information and interactive services. |
| Netherlands www.publiek-politiek.nl | The Minister responsible for e-democracy matters, Mr. van Boxtel, takes part in series of online chats. | There were twice the number of questions that could be answered each session. Public Servants also participated as named invited experts. |

| WHERE | PROJECT | COMMENT |
|---|---|---|
| | | |
| New Zealand www.govt.nz | Current consultations prominently listed on homepage, and also has links to online consultations by local government. | Unusual among government websites, the NZ approach is predominantly a “ <i>What’s New?</i> ” across government. |
| | | |
| Sweden www.votia.com | Planned renovation of Kalix city centre discussed online. | Citizens could phone, fax, post or use a computer : 82% chose the internet. |
| | | |
| UK - Hansard Society www.democracyforum.org.uk | E-democracy program runs online consultations for UK Parliament. | Successful consultations on domestic violence, taxation, stem cell research and Parliament’s use of computers. |
| | | |
| UK – Scotland http://www.scottish.parliament.uk/official_report/cttee/educ-01/edconsultrep01.htm | Report on improving consultation with young people in policy-making and legislation. | Young people appear more ready to disclose sensitive information on-line. It increases openness, heightens sensitivity to other participants and promotes positive conflict resolution. |
| | | |

| WHERE | PROJECT | COMMENT |
|---|---|--|
| | | |
| UK - Scotland http://itc.napier.ac.uk/ | Napier University, Edinburgh, has an "International Teledemocracy Centre". | Develops software to support technology use by governments and parliaments worldwide. Promotes openness, accountability and participation. |
| | | |
| UK - Scotland www.scottish.parliament.uk | Scottish Parliament offers webcasts and accepts electronic petitions | Also has links to forums on political topics and on topics which are not primarily political (e.g. chronic pain). |
| | | |
| USA - Federal www.epa.gov | Environmental Protection Agency online consultation on its Public Involvement policy. | Combined broad participation with the intensive interaction of small groups. |
| | | |
| USA - Oregon www.ci.corvallis.or.us/council | City of Corvallis has an online log of all official emails | Searchable by subject and date. |
| | | |

| WHERE | PROJECT | COMMENT |
|---|---|---|
| | | |
| USA - Tennessee http://www.tennessean.com/local/archives/02/01/12657645.shtml | Survey of parents' preferred term dates for school. | Initiated by a parent; hundreds of responses presented to authorities. Spurs similar initiatives elsewhere. |

Attachment 4

Bibliography – further reading

The following resources on the Internet provide entry points into the literature on electronic democracy. The list is by no means exhaustive. Items are grouped in terms of the major emphasis.

A4.1 Electronic democracy overviews

Electronic Democracy – The Future Can Wait

www.stats.org/asides/evote.htm

Internet Voting : Socio-political Considerations

www.democraciaweb.org/demo2paper19.htm

Electronic Democracy

www.unt.edu/UNT/departments/CC/Benchmarks.benchmarks_html/su m96/edemcrcty.htm

World Forum on Electronic Democracy, Paris 11-12 April 2002

www.issy.com/e-democratie/open2002html

eGovernment

http://eurpoa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc =SPEECH/01319|0|RAPID&1g=EN

Test Voting via Digital TV

www.newsbytes.com/news/01/172559.html

Five Myths of Online Activism

www.e-thepeople.org

Bowling together

www.bowlingtogether.net/

Public-Government Relationship

www.kettering.org/Programs/Government.government.html

Teledemocracy – can Wired Democracy Work?

<http://hoshi.cic.sfu.ca/~cm/issue5/teledemocracy.html>

Electronic Voting – Is It a Good Idea?

www.publicdebate.com.au/is/696/index.html

Electronic Democracy – A Literature Survey

www.scottlondon.com/reports/ed/html

A Typology of Electronic Democracy

www.uni-giessen.de/fb03/vinci/labore/netz/hag_en.htm

Website of Number 10 Downing Street

www.number10.gov.uk

A4.2 Major Themes

Information

Why IT is Bad for Democracy

www.democraciaweb.org/demo2paper7.htm

Political Portals

www.democraciaweb.org/demo2paper15.htm

Two Web-based Australian Experiments in Electronic Democracy

ausweb.scu.edu.au/aw99/papers/geiselhart.paper.html

Cyberhoax

www.unt.edu/UNT/departments/CC/Benchmarks.benchmarks_html/sum96/hoax.htm

Congressional Websites must provide Basic Data

www.newsbytes.com/news/01/171764.html

CONNECS

http://europa.eu.int/comm.civil_society/connecs.index.htm

Singapore unveils rules for E-campaigning

<http://asia.cnet.com/newstech/industry/0,39001143,38025935,00.htm>

E-lections Not on the Cards in Singapore

<http://asia.cnet.com/newstech/industry/0,39001143,38025196,00.htm>

edemocracy

www.democracy.org.uk/home.html

Interaction

Virtual Politics (customised campaigns)

www.democraciaweb.org/demo2paper7.htm

Electronic Democracy – Civic Exchange in Cyberspace

www.uni-bielefeld.de/ZIF/E1Dem_ai.html

CONNECS

http://europa.eu.int/comm.civil_society/connecs.index.htm

edemocracy

www.democracy.org.uk/home.html

Democratization of Systems of Public Opinion Formation

www.dar.cam.ac.uk/gsa1001/Paper1.html

Imperatives for Leaders in a Networked World

www.ksg.harvard.edu/stratcom/hpg/

Five Myths of Online Activism

www.e-thepeople.org

Let's talk Policy

www.kablenet.com/kd.nsf/Frontpage/8B9F5F9884B188CA80256B290043D95F?OpenDocument

Bowling together

www.bowlingtogether.net/

Minnesota e-democracy

www.e-democracy.org/about.html

Sample Discussion Group on E-Government

<http://groups.yahoo.com/group/ElectronicGovernment/>

Decision Making

Why IT is Bad for Democracy

www.democraciaweb.org/demo2paper7.htm

Email Overload in Congress

www.democraciaweb.org/demo2paper20.htm

Interactive Policy Making

<http://ipmmarkt.homestead.com/index~ns4.html>

<http://europa.eu.int/comm/internal-market/en/update/citizen/ipm.htm>

Your Voice in Europe

http://europa.eu.int/yourvoice/index_en.htm

Imperatives for Leaders in a Networked World

www.ksg.harvard.edu/stratcom/hpg/

Principles of E-policy Making

<http://213.38.88.195/coi/coipress.nsf/ca6626e6d81644d880256735005705da/f0ad47c1c2f2cc8f80256b280041fd47?OpenDocument>

Bill seeks e-Congress Study

www.fcw.com/fcw/articles/2001/1217/web-econg-12-18-01.asp

Minnesota e-democracy

www.e-democracy.org/about.html

Privacy Forum : An Experiment in Electronic Democracy

www.media-awareness.ca/eng/issues/priv/resource/forumrpt.htm

Electronic Civic Consultation

www.minbzk.nl/international/documents/pub907.htm

A4.3 Implementation

Access and educational / social factors

Organisational Strategy for Electronic Democracy

www.ctcnet.org/stevemil.html

Building Citizen-based Electronic Democracy Efforts

www.e-democracy.org/intl/library/build.html

Cyberdemocracy : Truth or Fiction?

<http://hoshi.cic.sfu.ca/~cm/issue5/schreck.html>

Electronic Democracy – An Opportunity for the Community to improve its Power of Governance

www.naturespace.co.nz/ed/edov.htm

Electronic Democracy Toolkit

www.well.com/user/hlr/electrondemoc.html

Implementation - legal and regulatory factors

The Democracy Amendment

www.vote.org

National Initiative for Democracy

<http://p2dd.org/nationalinitiative/actionplan.htm>

The Electronic Democracy

www.electronic-democracy.com

Implementation - infrastructure

Is Virtual Voting ready for Real Time?

www.democraciaweb.org/demo2paper13.htm

Political Portals

www.democraciaweb.org/demo2paper15.htm

Community Networks and Electronic Democracy : A User's Guide

www.essential.org/cac/commnet.html

E-lections Not on the Cards in Singapore

<http://asia.cnet.com/newstech/industry/0,39001143,38025196,00.htm>

edemocracy

www.democracy.org.uk/home.html

Democratization of Systems of Public Opinion Formation

www.dar.cam.ac.uk/gsa1001/Paper1.html

Test Voting via Digital TV

www.newsbytes.com/news/01/172559.html

Bill seeks e-Congress Study

www.fcw.com/fcw/articles/2001/1217/web-econg-12-18-01.asp

Electronic Voting – Is It a Good Idea?

www.publicdebate.com.au/is/696/index.html

Electronic Democracy – New Zealand

www.naturespace.co.nz/ed/

THOMAS – Legislative Information Service of US Congress

<http://thomas.loc.gov/>