How Should a Government Be?

Jaideep Prabhu, professor of business and enterprise at Cambridge Business School, who will be delivering GGI's Annual Lecture on 22 September

A couple of weeks ago I attended an evening of conversation organised by GGI as part of its Festival of Governance. The event was held in a Bermondsey art gallery and also featured, among others, the Rt. Hon Jacqui Smith, Jane Davidson, Professor Tom Burke and Nadine Benjamin. For most of the evening, we fielded questions from an audience of young leaders, many of whom were concerned with the big questions facing us all: climate change, inequality, growth, and the future of the planet. Regardless of what we were talking about, however, each of us invariably returned to a constant: the need for good governance.

Like GGI and those it works with, I have spent a great deal of time over the last few years thinking about the issue of governance. What is good governance and how to achieve it? One consequence of that thinking was a book I published earlier this year entitled: How Should a Government Be: The New Levers of State Power.

In the book, I come at the question from my own areas of expertise in business, technology and government, and argue that there are three facets to the issue.

First, there are the positive implications for how government itself functions. How can the state use new technologies and ways of organising to deliver services to its citizens better, and do this faster and cheaper? If Amazon, Google and Facebook can make the customer experience so seamless, can harness big data and analytics to do this quickly and cheaply, can coordinate huge numbers of actors on both the demand and supply side of the economy, bringing efficiency and prosperity in their wake, and keep on relentlessly doing all this better, then surely governments can do the same.

But I realise there is also a second, darker side to the issue. Perhaps governments can also then use these very tools to gain greater control over their citizens, to monitor and surveil them, and accrue even more power. If Amazon, Google and Facebook have been able to gain so much influence over the lives of people, then how much more dangerous could those same tools be in the hands of governments?

And third, of course, there is the question of how governments should view and manage the use of such tools by the private sector. What should governments do about the digital giants and their immense power? And how should states engage with start-ups and social entrepreneurs to stimulate innovation and drive inclusive growth? In other words, how should a government be in the twenty-first century?

For over a century, the most explosive question in political thought has been about the size of the state. Should it expand and take an active role in all sorts of areas of life? Or is that just meddlesome and wasteful? These questions might have made sense in the previous century. Now, I argue, with revolutions in technology and organisational structure, a revolution is also coming in the essential business of government. What I set out to

show is that there is, in fact, a way in which governments can be both big and small, generous and frugal, deeply involved in the lives of their citizens while stopping short of meddlesome intrusion. This is true in times of stability when the economy and society are ticking along nicely. But it is even more true in times of crisis, during financial downturns or pandemics, when the state has a crucial role to play but must do so efficiently and effectively. During the financial crisis of 2007 08, for instance, some governments did better than others at responding to the problems at hand in how they introduced and managed rescue packages and bailouts. The consequences of this response lived well beyond the immediate aftermath of the down-turn. So, too, with the COVID-19 pandemic. Some governments have been noticeably better than others at harnessing their resources to respond quickly, humanely and effectively against the health and economic consequences of the crisis. The best have been able to balance the imperatives of securing public health with ensuring their economies do not grind to a halt. How have they done so?

Whether we like it or not, there are transformational technologies that are altering the potential scale and scope of both government and private enterprise. Moreover, there are new forms of organising that go hand in hand with these technological changes. All of this has consequences for old arguments about the scale and scope of the state. For example, for good or ill, we can now have a vastly intrusive state apparatus at low cost.

And so, I set out to examine the real landscape of alternatives that we face today: a world in which vast, unaccountable bureaucracies can be assembled in a bedroom; the machinery of surveillance is privatised, globalised and unaccountable; and there are both worrying potential downsides as well as upsides to the new means available to governments. And, of course, if our governments don't use these means, others will. The question of how a government should be has changed, and my book sets out to show how.

The book contains models for how governments can do things efficiently and effectively. For instance, in an early chapter, I describe India's Unique ID project to illustrate how governments can create digital infrastruc-ture and programmes on a huge scale with limited budgets and with effectiveness and efficiency. But the book also shows, in a cautious way, where the dangers of such approaches may lie. And so, in a subsequent chapter, I explore some of the pitfalls of the Unique ID project in terms of privacy and security and look at the problems posed by similar initiatives around the world, such as China's Social Credit Scheme.

If governments can do more to serve their citizens, surely they can also misuse this powerful apparatus to conduct surveillance, monitor and police, and eventually oppress their people. What are the implications of this power for governments and societies?

Throughout the book, I consider stories and cases from both developed countries (such as the US, the UK, Denmark and Canada) and developing nations (such as India, China, Kenya and Bangladesh). This choice is fuelled by a conviction that cross-country comparisons matter. In important respects, governments are similar wherever they are: they have similar objectives, resources and constraints, and comparable ways of working and processes. But even where they differ, comparisons can be revealing. After all, something that one country does differently can inspire people from another to change.

On 22 September, I will be delivering GGI's annual lecture, in which I will elaborate on some of these issues and go deeper into the ramifications. And, of course, I look forward to the discussion and responses that follow.

I have no doubt that each of you will have your own thoughts about and insights into these crucial issues that directly and indirectly affect us all today and will continue to do so in the years to come.