



IS ONLINE COMMUNITY A POLICY TOOL?
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Executive Summary

Government interventions on the internet have to date been split into e-government and e-democracy. The first involves online publishing of existing government literature and some automated transactions with citizens, while the second primarily focuses on the automation of various mechanisms of democracy (such as voting or contacting a representative).

But is there a role for government in the *decentralised* social and political activities that take place online? Do online communities have potential to achieve certain political goals, which they are failing to realise due to lack of public funding, regulation or surveillance?

What government offers

Government is already an important source of trust in society, in a number of ways. The police force and punitive system ensure that we can trust most people to be peaceful and law-abiding. The rules of the market, made possible by a single official currency, help strangers interact and trade with one another, in a trusting fashion. Finally, a lot of contemporary policy programmes encourage citizens to engage in more local, non-market social arrangements, for instance, through participating in the governance of schools and hospitals.

What online communities offer

For the most part, people can be reasonably sure of trusting others in online communities, because they have chosen to enter them in the first place and the stakes are quite low. People can use online communities to seek out, converse, and even meet others who they have things in common with. This can have benefits, if it enables people to create communities that wouldn't otherwise be possible. In addition, many people have marvelled at the ability of eBay's 'reputation system' to achieve trust between a buyer and a seller, without face-to-face contact.

Is online community a policy tool?

Government often acts as a middle man, be it in the printing of money, in the creation of civic laws, or in setting templates for local democracy. But should government create *online* intermediaries and public spaces, via which individuals could interact? Might this create higher levels of trust than the market and civil society could achieve on their own?

The success of eBay has led some policy-makers to ask whether online reputation systems could become a public resource to build trust. What this misses is that users of eBay do not seek reputation as a good in its own right, but capital in the conventional sense of money or goods. eBay's real mechanisms of trust are existing financial ones – money, credit cards, Paypal - rather than its reputation system.

So government *already* plays a critical role in helping citizens trade with each other online. But it should also play a role in helping citizens connect to one another in civic, non-market interactions. The reason online communities might require this intervention is because, without it, the diversity of genuine public space can be hard to achieve



online. The unique capability of the internet is to help individuals form communities, then for those communities to engage with society; but this requires government action.

Policy options

Government can lend its scale and force to help people connect to each other, in large-scale, but non-market settings:

- As Stephen Coleman has argued, the Government should fund and oversee the creation of a 'civic commons', a single integrated online space where political deliberation can take place, without the homogeneity and fragility of many online communities. The BBC's iCan portal is an example of how an online community can be designed to engage with broader, more public issues .
- Equally, if the Government is determined to introduce an identity card, it should consider ways in which secure authentication could have value for decentralised, peer-to-peer interaction online, in addition to its own aims of using it for surveillance and authentication of public service users. For instance, this technology could be used to authenticate the identity of participants in children's chat rooms.

Introduction

Governments have been asking themselves how they should best be using the internet for the best part of a decade. Broadly speaking, their answers have been split into two categories – e-government and e-democracy. E-Government has involved replicating a lot of printed government material online, introducing a small number of ‘transactional services’ for specific government-citizen interactions, and reorganising public sector back-offices to make them more efficient and joined-up. E-Democracy, meanwhile, has been split into two categories: the automation of existing democratic mechanisms (such as voting, or contacting an MP) and the introduction of new channels for deliberation and participation (such as pre-legislative scrutiny).

So where innovation has occurred, it has been through the enhancement of a ‘many-to-one’ model of communication, as an addition to the ‘one-to-many’, broadcasting model that modern government has used to communicate with citizens over the past century or so. Government has gone from being a radio station which the citizen listens to, to being a radio station which the citizen listens to and occasionally telephones. Genuine dialogue between government and citizen is still a long way off. But the central point is this - government has identified the key trait of the internet as interactivity, which it has periodically exploited; it has not yet explored the political potential offered by the *network structure* of the internet.

The purpose of this essay is to ask whether government has a role to play in decentralised, distributed social activities taking place online. The term ‘online community’ is used here, but in a very broad sense to include all manner of social uses of the internet that fall outside of the spheres of e-government, e-democracy and e-commerce, conventionally understood. These include communities of interest organised around discussion boards or email lists; local community portals; introduction services for business, friendship or dating; or auction sites organised around reputation systems. The key difference between these activities and something like Labour’s Big Conversation is that these are instances where the technology is used in a few-to-few or many-to-many model, without the State as the central focus of discussion or interaction.

This being the case, wouldn’t government involvement in an online community automatically make it a form of e-democracy? Not necessarily. After all, a variety of government policy mechanisms involve State action, but without interaction between government and the citizen as such. The printing and distribution of money is one example, as is a light-touch regulatory market climate. Urban planning might be another example, in which government acts in order to facilitate successful interactions between citizens. It is significant (not to mention ironic) that early urban planners were inspired by the anarchist movement, the hope being that good enough public design could reduce the need for government thereafter.¹ These are instances of government playing an ‘enabling’



role, creating the right conditions for beneficial social interaction, rather than acting 'upon' society, so to speak.

Moreover, this enabling role has been of particular interest from the mid-1990s onwards, a period when a number of left-wing political parties found themselves in power for the first time since the collapse of Keynesianism. As one of Bill Clinton's intellectual gurus put it, the correct role of the State is "steering not rowing". In Britain, New Labour has focussed heavily on improving citizen-citizen relationships, out of recognition that the State cannot hope to deliver all of the promises of the welfare state.ⁱⁱ Policy programmes and agendas, such as Active Communities, Neighbourhood Renewal and New Localism, all pose one fundamental question: what actions can government take to support community and the 'social glue' that connects citizens to each other.

This essay asks whether online communities are one of the tools available to government in its pursuit of this agenda. It starts by exploring the much-discussed phenomenon of trust, an asset which is in terminal decline if the media are to be believed, but which should more properly be seen as analogous to a bean-bag: squashing one corner only disperses the beans into another corner. Trust doesn't disappear, it simply gets redirected. The essay then goes on to look at three ways in which trust is facilitated – by the State, by 'the community', and by online communities – before finally assessing how these different models of trust differ and over-lap. It is in understanding these different types of trust that we can best anticipate whether the State could use online communities to support offline communities.

Three Sources of Trust: State, Community & Online Community

Out of nowhere, 'trust' has become one of the most talked-about abstractions of our times. Trust is a critical part of community and the 'social glue' that was discussed in the previous section. It is taken as read that trust in general is in decline, with many measures confirming this.ⁱⁱⁱ Britain's 2004 Party Conference season was dominated by discussion of this problem, with widespread debate as to whether politicians or the media should bare the greater responsibility. But this blanket assumption is too simplistic. After all, trust in professionals and civil servants has suffered no such problem, nor does the public appear to have any concern with the vast number of CCTV cameras, which the government uses to watch them. Trust is not a single metric.

In her acclaimed Reith Lectures of 2002, Onora O'Neill puts the problem thus: "To restore trust we need not only trustworthy persons and institutions, but assessable reasons for trusting and mistrusting".^{iv} What this quote captures is that trust is always 'brokered', that is, there is always some third party who gives a reason to trust someone or something. Job applicants have to name a referee, a customer's payment to a shop-keeper is endorsed by the Bank of England, a

car mechanic is often recommended by a friend. It is rare simply to trust on sheer instinct, and even where this does take place, (for instance, trusting an old woman), there will be some “reason for trusting”, such as prior experience.

The important thing to remember about such third party brokers is that it's less important that they *do* intervene, than that they *could*. The job applicant's reference needn't actually be taken up, the customer's money doesn't actually get converted into gold by the Bank of England, and when taking a friend's recommendation of a car mechanic, we'd be unlikely to go and check their new exhaust pipe to ensure that it had been correctly installed. In each instance, it is the structure of relationships that makes trust possible – the fact that I have reasons to believe that you are not going to rip me off, and that you know that I know this. A subtle mixture of sanctions and incentives is created, which facilitates a common understanding between people before they even interact, breaking what is known by game theorists as the ‘prisoners’ dilemma’. Creating the social structures of trust, be it at the level of a group, a community, or society, is one of the fundamental challenges of politics.

The State

When understanding the role of the State as a facilitator of trust, the key thing to realise is that government has to work with the assumption that its citizens did not all choose to share the same society, and nor can they very easily exit that society. Unlike corporate governance, where failing parts of a company can be sold or troublesome employees sacked, public policy makers start with the problem of how to create cooperation between people who may have no shared interests at all. Modern political thought offers two dominant solutions to this problem, the first belonging to Thomas Hobbes and the second to Adam Smith.

Hobbes's argument, outlined in *Leviathan* in 1660, was horribly simple.^v In a society without any government at all, people would have no reason to trust one another, no matter how much they may all desire otherwise. Even if each and every person were good, they would not know this, and at some point it would be perfectly rational to take pre-emptive action out of self-defence. As discussed above, it is not the instincts or nature of people that are decisive in trust, but the structure of social relationships. The question of the morality or immorality of individuals becomes irrelevant in Hobbes's formulation, and the famous “war of all against all” ensues, due to a lack of common reference points. Hobbes argued that the only solution was the establishment of single law-making body that was sufficiently large and powerful to be equally frightening to all. That way, all members of the society would follow the law out of fear of punishment, enabling them to trust others to do likewise. Max Weber's definition of the modern State as government with a “monopoly on the legitimate use of violence” follows directly from this.

Nearly a century after Hobbes, Adam Smith's *Wealth of Nations* outlined a model of cooperation and trust that owed nothing directly to the physical power



of the state. Instead, a game was constructed with a single set of rules, which everyone had a clear incentive to play, namely capitalism. Smith famously remarked that “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest”.^{vi} What Smith observed was that markets had become a set of rules that individuals willingly adopted, a community that they opted in to, and had an interest in maintaining. The unique role for government was in setting an unchallenged set of rules, and supplying an unchallenged currency. From there, the game would be played in a consensual, and self-interested manner, making trust possible on the basis that everyone would be playing by the same rules.

Both Hobbes and Smith extrapolated government’s role from its unique size, but where Hobbes saw government as uniquely able to *enforce* rules, Smith saw it as uniquely able to *create* rules, albeit the rules of the marketplace. To use a football analogy, Hobbes saw the State as a referee, whereas Smith saw it as FIFA. The former governs those who have no choice but to live with each other, while the latter offers a rubric to those who make an explicit decision to opt in to it for their individual gain. It is telling that America - a society built on the understanding that you choose to enter it, but on its own terms - has historically seen State violence enacted disproportionately against the only two groups who did *not* choose to live there, namely the indigenous population and the black population.

‘The Community’

The political problem that remains, once markets provide the dominant set of rules for interaction between citizens, is how to integrate those who are excluded from markets in some way. The majority may voluntarily opt in to a set of rules, relieving government of its Hobbesian role for the most part, but those left without jobs or money are unable to play the game at all. It follows that these individuals are more likely to require coercive intervention from the state, if other means of inclusion are not found. Over the past fifty years, the dominant European solution to this has been to include these people through the welfare state, while America has historically relied primarily on the hunger that drives an immigrant population to force their way into the game.

The British welfare state, in common with its European counterparts, faces two significant problems today. Firstly, it is becoming fiscally unsustainable. New Labour has already introduced welfare-to-work programmes which gradually ease people away from dependence on State support, and into the market system, the assumption being that this is where they want to be anyhow. Meanwhile, the financing of pensions is also being gradually shifted away from the State, and towards equity markets. Secondly, evidence indicates that while the welfare state may have been effective at achieving financial sustainability amongst those excluded, that it had not been so effective at achieving social sustainability. The state-citizen relationship may have been strengthened, but the citizen-citizen relationship appears to have been weakened.

Hence Britain's dominant policy agendas. Except those initiatives which are concerned with easing citizen's entry into the market system, New Labour's policy programme pursues mutuality, community and 'social capital', primarily at a local level. Policy-making in 2004 can, in a sense, be understood as the search for new social games, that act as complements to the market system, but which are equally attractive to the individual. Opt-in communities (sports clubs, churches, school governance and so on) being the basis for trust, policy-making needs to support opportunities for individuals voluntarily to enter such associations. The emphasis which social capital thinkers place on voluntarism, philanthropy and social enterprise is born out of the recognition that there are a variety of ways of achieving a peaceful and trusting society, and not all of these involve bank notes and contracts.^{vii}

Best of all, if individuals can be incentivised to participate in collective governance arrangements, this creates a basis for cooperation and trust, and potentially relieves the state of some of its own governance responsibilities. This is the hope underlying the drift towards localism, neighbourhood management, and participatory governance models in public services, such as foundation trust hospitals. The reason for the decentralisation of governance arrangements relates once again to individual incentives: smaller political units are more attractive to the individual, as opportunities for participation and voluntary engagement with a set of rules. The smaller the social group, the easier it is for the individual to align their own interests with those of the collective. Hence villages or communes can potentially live peacefully with neither the threat of coercion (Hobbes) nor a strongly market-based system of interaction (Smith). The community itself, together with its traditions, becomes the broker of trust between people.

Supporting similar types of voluntary cooperation in cities is one of the dominant policy concerns of our times. However, urban neighbourhoods require residents to remain rooted in the same place for a reasonable length of time, if their shared interests are to emerge without some form of third party intervention.^{viii} Given that place-based communities are not self-selecting - and taking into account what has been said about the fundamental political challenge that fact poses – neighbourhoods can suffer from a lack of people opting in to the community in any sense, and an absence of trust. Moreover, there is the risk that policy which emphasises participation in local systems and communities diverts energy away from non-local systems and communities, such as markets or international political bodies. The American sociologist, Manuel Castells, sums this problem up as follows:

The more states emphasise communalism, the less effective they become as co-agents of a global system of shared power. The more they triumph in the planetary scene, in close partnership with the agents of globalisation, the less they represent their national

constituencies. End of millennium politics, almost everywhere in the world, is dominated by this fundamental contradiction.^{ix}

In the terms of this essay, what Castells identifies is the innate conflict between local and non-local bases for trust. As a credit card becomes an ever more effective broker for interactions around the world, traditions (and other more local rule-based systems) become less effective at gluing society together. Meanwhile, as locally-focussed policy interventions seek new, non-market-based opportunities for people to engage, this potentially reduces the legitimacy of markets. Policy-making in 2004 is preoccupied with achieving the right balance between small, local and large, non-local social systems.

'Online Communities'

Online communities are always opt-in communities, indeed the internet can in a sense be understood as an opt-in community. Today, 53% of households in the UK are connected to the internet, while around 70% of people occasionally use it at some point or other. About 5% say that they are unable to get online for some reason, while the remaining 25% of people have no interest in using the net.^x Money also plays a significant part here: of those households earning under £17.5k a year, only 27% have home internet access, compared to 77% for those earning over £30k.^{xi} Across the globe, only around 10% of people have ever used the internet, and the infrastructure to do so is heavily clustered in developed countries, and cities in particular.

These are the primary political facts of the internet, which underpin the policy agenda of 'digital inclusion' or combating 'the digital divide'. The internet is prone to produce new communities, with new rules that often resemble democratic constitutions, but one thing we must be sure of is that these new polities do not overlook the politics which determines who gets access to the network in the first place.^{xii}

Online communities are possible because the internet is not only a two-way communication medium, but also because it is decentralised and public. Prior to the internet, communities could operate via some central 'hub' such as the letters page of a newspaper, or they could meet face-to-face for group discussions. But there was never the possibility of mediated discussion between the group, on a few-to-few or many-to-many model. The ability to achieve trusted interaction online is affected by a number of different factors.

Firstly, online communities are not only self-selecting, they are often characterised by unusually high levels of homogeneity. People have a high degree of choice over which online communities they enter, in a way that isn't true of geographically rooted associations and communities, and is entirely unlike neighbourhoods, where very few people have any choice over who they live amongst. The possibility of choosing one's community with such freedom

poses the danger that people seek out and associate with those people whom they have a lot in common with, and avoid those who they differ from. This phenomenon is known as ‘cybalkanisation’ or ‘The Daily Me’ (the latter referring to the tendency of the internet to report news that is tailored precisely to the reader).

For this reason, trust in online groups can usually be assured by the degree of choice that has been exercised by those entering them. As has been stressed already, the ability to trust is very low in communities where no self-selection has occurred (Hobbes’s point), but goes up as a higher degree of opt-in occurs. Online groups do suffer from the phenomenon of ‘trolling’ – the act of entering a group with the intention of disrupting it for fun – which is one reason why moderators are required. But the role of the moderator is altogether unlike that of the Hobbesian state. A group moderator is wholly dependent on the on-going respect of the group, which if withdrawn can immediately lead the group into chaos and disbanding of the group. By Hobbes’s account, on the other hand, only the State can disband society and return people to a ‘state of nature’; obviously revolution is an actual possibility, but only where the State has failed to accumulate sufficient physical might.

The second trait of online groups that affects the possibility of trust is the flip-side of the first: ease of exit. Just as neighbourhoods struggle to develop trust when there is a high turn-over of residents, online communities can suffer from the ease with which people can enter and exit them. As Robert Putnam puts it, “casualness is the appeal of computer-mediated communication for some denizens of cyberspace, but it discourages the creation of social capital”.^{xiii} Civic uses of the internet, for instance, demonstrate that the net is very good at connecting like-minded people together, but a less useful tool for binding communities together in cases where they disagree. Clay Shirky has argued that online groups need ‘constitutions’, rather as societies do, to set rules which all members can recognise even when things do not go their way.^{xiv} But this doesn’t do anything to stop people simply leaving the group, and finding another one that *does* support their view.

Thirdly, online communities involve no face-to-face contact, although where bandwidth permits, video-conferencing is a possibility. Absence of face-to-face contact can have benefits, if people feel more comfortable or confident in such an environment. But it is a threat to trust on two fronts. Firstly, face-to-face communication involves a lot of tacit communication which is important for the creation of trust. Conventions and norms are important ways of creating social glue between people, and these are often rooted in non-verbal communication, such as body language, fashion and so on. Secondly, online interaction can be anonymous, or pseudonymous – individuals may not reveal their identities, or where they do, they may not be their true identities. People may maintain the same false identity for a long period of time, which can ultimately be a trust-worthy identity, even though it is false. Obviously, most social uses of the

internet are now between people who have an offline relationship, so this problem doesn't arise. But in cases where online community has no off-line presence, then the possibility of anonymity and pseudonymity are perennial issues.

Finally, online interaction leaves a data-trail, which in social terms amounts to the automatic creation of *reputation*. An online community automatically creates its own history, as seen, for instance, in the way that a lengthy email discussion can be reviewed. One benefit of this is that newcomers to a discussion can quickly catch up on what's been said, and participate. Obviously, this is true of print media also, but as already mentioned, print media do not facilitate the few-to-few or many-to-many communication which the internet does. More importantly, however, the data-trail enables individuals to assess the past behaviour of one another, and to judge whether or not they can be trusted. Once again, the fact that there is the *possibility* of being assessed in this way creates an incentive to behave honestly, which then improves social behaviour all round.

This trait of online communication can be captured and developed into 'reputation systems', which enable individuals to evaluate one another, so that they develop explicit levels of publicly visible reputation. This then enables others to decide whether they should be trusted or not. The most famous instance of this is eBay's reputation system, which facilitates high levels of trust in one-off market transactions, something which would otherwise be very difficult to achieve without face-to-face interaction. Paul Resnick has studied eBay closely, and found that it displays remarkably honest behaviour, and high reputation ratings.^{xv} The incentives to behave properly are so enhanced by the reputation system, that a self-regulating market is achieved. Obviously, codifying any social practices also raises the threat of them being 'gamed', that is, people working the system towards an end other than the one for which it was intended (i.e. fraud). eBay has suffered an element of this, whereby criminal groups raise their individual reputations amongst themselves, then use this to con other users.

eBay may be the most celebrated example of a reputation system, but it is by no means the only one. Slashdot, the technology discussion forum, uses reputation systems to enable members to rate the contributions of others, so that the opinions of highly reputed individuals start to gain better publicity on the site. This is a variation on the academic practice of peer review, except that the latter is meant to evaluate the work itself, and not the person presenting it. The online retailer Amazon has a system which allows users to review books, and then to review others' reviews, so that certain reviewers start to gain a higher profile, some becoming 'Star Reviewers'. Epinions, a consumer site where users rate different products, works in a similar way.

But the reason eBay has attracted so much interest – and much of it from policy-makers – is that it uses the internet to achieve trust where the stakes are



reasonably high. People are happy to send goods and money to total strangers, thanks to the mechanics of online community. The fact is that trust in online communities is very common, but only rarely is there very much to lose from trusting. Moderators don't need to have any actual power in order to perform their role; rules of conduct are not especially important, given that members of the group tend to want to be there, and can leave if they don't. The central question asked by this paper is whether any of the mechanisms discussed above could open up a role for government in forming or funding online communities, as ways of creating trust in other types of community, be they neighbourhoods, markets or something else altogether.

Is Online Community a Policy Tool?

This paper has argued that policy-makers face one fundamental challenge: how to enable trust between people who did not choose to associate with one another in the first place. This makes the problem of governing a society unlike the problem of governing a voluntary association, or an online community, where a high degree of choice has been exercised by participants. The question posed is whether these two very contrasting governance challenges might have anything in common, and if so, what might we be able to borrow from online communities to support the goals of government.

Online community	State & society
<ol style="list-style-type: none"> 1. Enabling similar people to find one another. 2. Benign moderation. 3. Formation and publication of reputations. 	<ol style="list-style-type: none"> 1. Greater coercive potential than any individual or civil group. 2. The maintenance of rule-based systems that are large enough to be trust-worthy, and where there is a clear incentive for the individual to join in (e.g. a monetary system). 3. The devolution of governance to smaller social and political units.

Table 1. The mechanisms to achieve trust, online and offline.

Table 1 outlines a summary of the preceding section, showing the different mechanisms used in order to achieve trust in a political setting (namely society) and in an online setting. There are two specific questions we need to answer. Firstly, when might the mechanisms in the left-hand column be useful ways of building stronger communities, and achieving our political goals? Secondly, when might it be necessary to involve the mechanisms in the right-hand column in order to maximise this, or make it possible at all? This is to say, it is not

enough to simply ask whether online communities have desirable social or political properties, but whether we need government to step in to achieve them.

Can online communities achieve desirable socio-political outcomes?

It is clear from the very fact that people do use the internet in a decentralised social fashion that this offers perceived benefits to people. It enables individuals to stay in touch with distant friends, to share documents and information with others, to chat in real time, to find dates and so on. What we need to identify is whether the internet enables trust which would not be possible in its absence.

We have already discussed one famous example of the internet enabling a surprising degree of trust, namely eBay. However, the striking thing about eBay is not that it *creates* trust, but that it doesn't suffer from a lack of trust. There is nothing extraordinary about an auction for second hand goods, but there is something remarkable about an auction for second hand goods that still works without face-to-face interaction. As we have already explored, the great obstacle to achieving trust in online communities is the lack of face-to-face contact, which makes anonymity and pseudonymity possible, and reduces the exchange of tacit knowledge. But equally, the great opportunity to achieve trust in an online community is the ability to codify and publicise reputation automatically, which is what makes eBay so successful. Shifting informal trade online therefore creates problems and solutions in equal measure.

The under-lying reason why eBay works – the reason anybody uses it in the first place – is no different from the reason a corner shop works, namely the existence of a single monetary system (though credit card companies should also be added to that, given the online environment). Reputation systems have a variety of potential uses, beyond market transactions. In effect, they can create rival forms of currency, if, for instance, a neighbourhood wanted to help people exchange favours locally. There is an offline equivalent, known as a LETS (Local Economic Trading Scheme), while an international attempt has been made with www.trodo.com, whereby users send each other their unwanted goods, and the recipients score the quality of those goods online.

But what becomes swiftly apparent with such systems is that the currency has to be desirable in the first place. Just as with money, there must be sufficient confidence in the reputation system, if it is to function. And where major currencies will be recognised by strangers around the world, rival monetary systems (including very weak currencies) will not. A Catch 22 emerges: in order for reputation systems to achieve trusted interactions on their own, users already have to have a certain amount of trust in each other, or some ideological commitment to the system. A low-trust neighbourhood, for instance, is not going to become a high-trust neighbourhood through the introduction of a new local currency, because confidence in that currency will also be low. The solution is to use a universally recognised currency, as eBay or any other marketplace does.

And so, online communities and reputation systems have no magic powers to create trust out of thin air. Where they facilitate trust between strangers (as with eBay), in fact the Bank of England is doing the real work, with a bit of help from Visa and Mastercard. And where they cut out these centralised agencies, they operate as self-selecting communes. Systems have a choice between being open, public and monetary, and being closed, intimate and non-monetary. The latter is really no different from any association or club, whereby people have reason to trust one another if they have all exercised a sufficient degree of choice in becoming involved in the first place. As the previous section explored, supporting these non-market, civic forms of association is a policy goal, but the internet doesn't offer any qualitatively new brokerage opportunities to make it happen. *Voluntarism* remains the root source of trust.

However, although online communities may not offer an entirely new model of trust, they could affect the character of voluntary association in ways deemed socially and politically desirable. Manuel Castells, quoted earlier, poses government's dilemma as a dichotomy: it must either defend communities, locality and particular identity, or embrace markets, globalisation and universal codes. If there were a route between the two, then that would be a highly attractive political opportunity.

This is where online community might have something unique to offer policy-makers. The claim made earlier was that "policy-making in 2004 can, in a sense, be understood as the search for new social games, that act as complements to the market system, but which are equally attractive to the individual." Could there be altogether new rule-based systems, that individuals enthusiastically engage with, and which sit between the local and the non-local? Markets themselves have a local dimension which can potentially be enhanced by reputation systems, as Wingham Rowan proposes with his model of Guaranteed Electronic Markets.^{xvi} But once again, money remains the broker of last resort, and retains trust precisely thanks to the fact that it *isn't* local. Alternatively, the internet can be used to expand local trading systems, as attempted by Lets-Linkup, or to create a new web-based currency, as attempted by Via3. Where else might international and local systems meet in the middle?

The media is one potential example, the BBC's iCan portal offering some clues. The website offers individuals a way of contacting one another around civic and political issues, and offers them the information and access points to take their concerns further to a higher level. They voluntarily enter association with one another – locally if they desire, but not if they don't – and then aim to 'scale' their agenda upwards. The internet has notoriously been used to enable 'flash protests', short term civic eruptions on specific issues, such as Jubilee 2000 or the fuel tax protests. These may not always be healthy for civil society, but if the disruptive aspect is minimised, then the internet does offer the enticing prospect of helping people achieve membership of a group or community, and then gradually expand this until they feel membership of *society*.

Why might online communities benefit from government intervention?

Even if we accept that online communities achieve certain positive social and political outcomes, this doesn't mean that government has any role to play in this. On the contrary, it could be taken as evidence that government is unnecessary, beyond the pursuit of digital inclusion, the policing of certain areas of the internet, and the endorsement of currency. The question is whether any of the State's mechanisms for generating trust should be lent to online communities, to achieve social outcomes that would be altogether impossible without this intervention.

We have said that there are two traits which characterise government. Within its national borders, it has unrivalled physical power, as Hobbes recognised. In addition, it ought also to have unrivalled legitimacy, such that its rules will gain willing acceptance, markets being the arena where this is most pronounced. But on the latter front, it is interesting that the UK Government has increasingly tried to distance itself from this responsibility, by giving independence to the Bank of England and setting up independent market regulators in many areas. What this represents is an attempt to exploit the unrivalled scale and legitimacy of government, but to extract the politics of government.

Especially in an era of global media and markets, government needn't any longer be the only source of rules and due process. One thing that eBay does demonstrate is that a system can attain public confidence, once it is widely enough used. It is almost impossible to conceive of a rival to eBay, because the bigger it gets, the more effective its reputation system becomes. This has nothing to do with eBay's power, which is zero – if the company were asked to police the system, rather than just set the rules, it would be unable to do so – but everything to do with its scale. Equally, large media organisations, such as the BBC, Reuters or CNN, now act as important mediators of political, economic and social interaction. They have global reach, without any actual global power.

However, what the market and civic movements seem incapable of achieving at present is to create online communities where there is some tension between homogeneity and heterogeneity. The phenomenon of 'Cybalkanisation', in which communities talk to themselves about issues on which all members are agreed, represents a failing to exploit the potential of new media to pursue cosmopolitan politics. This is the thinking behind Stephen Coleman's proposal that the Government should fund a 'Civic Commons', a single, integrated and public area of the web, in which citizens could discuss public and legislative issues.^{xvii} Coleman argues that:

The civic commons should be run by an independent agency, funded by government, but accountable to the public. This agency would be charged with promoting, publicising, regulating, moderating, summarising, and evaluating the broadest and most inclusive range

of online deliberation via various new media platforms, including the web, e-mail, newsgroups, and digital TV.^{xviii}

If we hope to create balance between non-local systems and codes, and local cultures and identities, it may be that government intervention is necessary after all. This may not be a policy priority, but it is a political priority.

This takes us finally to the most primary, unquestionable mechanism of government: its unique ability to coerce. Digital technologies are becoming an ever more important tool in the policing activities of governments. Britain has the highest number of Closed Circuit Television cameras per head of any country in the world, and the UK government is embarking on the most ambitious identity card programme ever attempted.

With ID cards and the rest of its surveillance technology, government updates its Hobbesian role for the digital era. By being more powerful than any civil group or individual, it makes society safe enough for strangers to trust one another. In this very limited respect, it is a benign intervention. But, as this paper began by pointing out, this remains within a one-to-many model of government. Mightn't the same technology be used to broker secure relationships *between* individuals and communities? In the liberal tradition, government power does not exist purely for the benefit of government, but to create a peaceful society, that is, for the benefit of peer-to-peer interaction.

Once the ID card and associated database are in place, one option available to government would be to treat this as a public resource, through which individuals could interact in a decentralised, trusting fashion, which opens up entirely new opportunities for valuable online community, including iCan and the Civic Commons. It raises the possibility of online communities where anonymity and pseudonymity are impossible which may (or may not) have social benefits.

Conclusion

Social interaction needs brokerage in order to be conducted in a peaceful and trusting fashion, and supplying this brokerage is a function of policy. That brokerage might either be the threat of coercion, which incentivises both parties to act legally. Or it might be some form of opt-in, rule-based social system which both parties have an obvious incentive to play. Markets are the most successful and widespread such system, and use publicly recognised currencies and official regulations in order to function. But less formal, less universal social games are also possible – those of civil society and membership associations such as sports clubs, churches and neighbourhood governance groups.

Publicly-recognised, open social systems can achieve trust through their scale, which is how money works. More private or local social systems can achieve



trust through the added voluntary commitment that they can draw from members. But there is a sliding scale between the two. If a community established its own currency using an online reputation system, confidence in that currency would likely drop as more strangers became involved. Meanwhile, if national currencies cease to be recognised globally, then confidence in them also drops. An inverted bell-curve exists – universally recognised currency is trusted, while very local reputation is also trusted, but in between there is a problem.

Ebay's reputation system could never have achieved such wide recognition if it hadn't piggy-backed on the monetary and credit card system. An interesting question is whether eBay's reputation points are now a sufficiently sought-after commodity that the site could carry on working without using money, as Trodo does. Perhaps it could, but this would make it impenetrable to new-comers who would have no reputation or currency.

Could government lend its scale to a public reputation system, that was sufficiently large that it became universally recognised, until it enabled trust between complete strangers? It already does – it's called 'money'. So what about a non-market online system, which enabled citizens to interact with one another according to publicly recognised rules? This, in a sense, is the rationale behind both BBC iCan and the idea of the Civic Commons. In both cases, a public need is identified that the market fails to satisfy, namely, the need to interact in a single public space, with others who one might disagree with. Online communities offer this as a technological capability, but only a public body (such as the BBC) can deliver it as a policy.

Beyond this, the only reason to view online community as a policy tool is if there were a role for government authentication (i.e. identity cards) in decentralised online social interaction. After all, the presence (or threat) of government is a factor in the ability of strangers to strike up conversation in the pub, and the same could be true in an online environment. If there were a need to create a very secure email list for some community project, for instance, government may have a role in authenticating users through the forthcoming identity database. This may seem an anathema to everything that the internet is about, but there could be some benefit in it somewhere.

Endnotes

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- vi A. Smith (1998) *The Wealth of Nations*, Oxford.
- vii See S. Aldridge & D. Halpern (2002) 'Social Capital : A discussion Paper', Performance and Innovation Unit.
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- ix M. Castells (1997), *The Power of Identity*, Blackwell, p. 308.
- x Digital Inclusion Panel (2004), *Enabling a Digitally United Kingdom*, Cabinet Office.
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- xii I expand on this point in W. Davies (2004), 'Circling the Wagons: The Net Politics of Exclusion', *The Register*, 8th November 2004 http://www.theregister.com/2004/11/08/net_politics_of_exclusion/
- xiii R. Putnam (2000), *Bowling Alone: The Collapse and Revival of American Community*, Simon & Schuster p. 177.
- xiv C. Shirky (2003) 'Social Software and the Politics of Groups' http://www.shirky.com/writings/group_politics.html
- xv P. Resnick & R. Zeckhauser (2001) 'Trust Among Strangers in Internet Transactions: Empirical Analysis of eBay's Reputation System', NBER
- xvi W. Rowan (2004), 'Uninvited Saviors', ippr
- xvii S. Coleman, 'From Service to Commons: Re-inventing a Space for Public Communication', in D. Tambini & J. Cowling (eds) *From Public Service Broadcasting to Public Service Communications*, ippr.
- xviii Ibid. p. 97.

About the author

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