



Usman W. Chohan, public value and the digital economy

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As the coronavirus pandemic has swept the world since 2020, it seems that digital technologies are being thrust into our economic lives in a continually accelerating manner. The digital economy is becoming a near ubiquitous, unstoppable part of our day-to-day lives, affecting countless aspects like communication, consumption, and entertainment. In our current sluggish global economy, the digital economy is rife with growing depression, inequality and the worship of material goods, which leads to an increasingly prominent discourse of value destruction rather than creation (Cui & Osborne, 2022; Engen et al., 2021). This brand-new, challenging situation raises pressing questions regarding how public managers can win the public’s recognition that “value would be created *for* them rather than *from* them” in the digital era. This is where the new book by Usman W. Chohan comes in, who states that “We are looking at a ‘digital present’ in which public managers must deploy the ‘value-seeking imagination’.” That is, it strongly calls for initiatives on the part of the public sector to create value for the wider society by rebuilding a more strategic and proper architecture that can manage the digital economy. With this book, Chohan enlivens public value (PV) in the digital economy’s context.

1 Author and intent

As a PV theorist, Usman W. Chohan has a sincere commitment to extending the boundary of public value theory (PVT) in the context of the new economy, like One Belt One Road, cryptocurrencies and blockchain. This book fundamentally epitomizes his work on applying PVT to the context of the digital economy, which is characterized as huge, complex, volatile and intractable. He inspects and summarizes the limitations of the extant research on PVT, highlighting the areas on which research is still needed. For one thing, the terminology of PV remains ambiguous

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and unbounded, without any historical or intellectual robustness, leaving it stuck “both everywhere and nowhere” (e.g., Oakley et al., 2006; Williams & Shearer, 2011). For another, whether PVT contributes to tackling the wicked problems facing our society today is increasingly being called into question (e.g., Head & Alford, 2015; Stoker, 2006). Such doubt reveals that PVT has not yet been fully mobilized to provide plausible answers in practice. Apparently, the digital economy creates a series of wicked problems and can be regarded as an emergent sphere for testing PVT’s “non-didactic flexibility of application” (Williams & Shearer, 2011). The combination of PVT and the digital economy can provide reciprocity and mutual benefit, as “PVT’s frameworks can help contextualize the digital economy while the digital economy can help advance the discourse of PV” (p6). However, the digital economy has not so far been included in the PVT research, probably due to “the timing mismatch between the introduction of PVT in the early 1990s and the rise in notability and influence of the digital economy in the 2000s” (p6).

Based upon PVT, it is widely acknowledged that public managers ought to create PV in a larger sense through forming partnerships with other agents, such as politicians, private enterprises and citizens (Bryson et al., 2017; Moore, 1995). This assertion speaks to the notion of value co-creation (VCC), which focuses on examining the associations between public managers and other actors in the value creation process. In addition, elected officials and other actors from the public sector are called on to take a leading role in producing PV among many agents. In the digital era, our economic life is “both connected and yet decentralized” (p12), which inevitably leads to the integration of various actors within a network with large tangible and intangible socio-economic elements of commodity, interest, consciousness, services and so on. Through the lens of VCC, politicians, civil society and the private sector as the key actors, besides the public managers themselves, are included in the digital economy’s context in this book. It powerfully echoes the core contention of PVT: that the agents “in the public, private, voluntary and informal community sectors have to somehow jointly create PV” (Bryson et al., 2017).

2 Overview of the chapters

This book positions itself in the rich context of the digital economy, where multiple social agents can exert multi-faceted, sophisticated influences on the value creation process. It contains six chapters. Through the VCC approach, each chapter interprets a separate relationship between one PV agent (including politicians, civil society, private enterprises, and intelligent technology) and the public manager in the specific digital economy context. Taken together, it displays the complex status of cooperation, coordination, counterbalance or compromise among the various agents in the process of identifying and pursuing meaningful PV. In the first chapter, the digital economy refers to “the part of economic output derived solely or primarily from digital technologies with a business model based on digital goods or services”, proposed by Bukht and Heeks (2017). Despite the multiplicity and ambiguity, this definition highlights the essential features of the digital economy, i.e., mobility, network effects and data use. Chapter 1 reviews three prevailing theory perspectives in

the digital economy research, including network governance, new public management and PV. The former two are proven to be moot and stagnant in interpreting advanced economies due to the lack of fit between the theoretical construct and the newly emerged economic phenomenon. On the contrary, PVT has its own merit in providing evidence of the values created in the practice and so leaving sufficient space to discuss the relationship between VCC and the digital economy for theoretical enrichment and practical verification.

Chapters 2–4 introduce politicians, civil society, and the private sector, as the VCC agents who are closely aligned with the public managers, respectively. In Chapter 2, politicians and public managers, as the two most-frequently mentioned actors in PVT, are discussed according to the logic of the politics-administration dichotomy, revealing the interaction and collision of policy decision-making and technical expertise. Then, the parliamentary technology office (PTO) is selected as an apt lens through which to examine VCC in the digital economy's context, which is an independent institution composed of public managers who take responsibility for providing sufficient and neutral knowledge about the implications of new technologies for parliamentarians (i.e., politicians). The author demonstrates that there exists an important value trade-off between technology and democratic considerations. On the one hand, PTO public managers can offer unbiased information or promote responsible innovation that inspires the stakeholders to respond to each other mutually regarding the innovation process and its products, to make our digital economic life more participatory, responsive, and inclusive in nature. On the other hand, in a post-truth era in which we live, technical management is characterized by politicization and epistemic ambiguities, so society easily becomes stuck in populism, manifested as anti-scientist, anti-intellectualist and anti-democratic, thus leading to a huge crisis regarding the legitimacy and effectiveness of PV. Hence, for PTO, VCC becomes more than an exploration of the technological and economic impacts, and also includes the strategic contemplation of the institutional and political environment.

To examine the complex interplay between public managers and civil society, Chapter 3 draws upon cryptocurrency as a case, which is a type of virtual asset that can supplement or substitute the traditional currency employed in market dealings. As an innovation initially driven by citizens, cryptocurrencies are almost free for individuals to govern and exchange in digital economic life, without regulation. Nonetheless, just as every coin has two sides, cryptocurrencies are no exception. The use of cryptocurrencies is accompanied by unavoidable risks, like information asymmetry, market manipulation, fraud, and price fluctuations. As such, there is conflict between innovation and accountability in the cryptocurrency sphere. Citizens make vociferous demands for a safety oversight system to be established by governments to avoid the loss of benefits, even though this might deprive them of their civil right regarding the freedom to conduct innovation economic activities. Then, how can we resolve this value conflict? Chohan provides a possible strategy called “cycling” (p69); that is, a value that is thought to be important takes the lead at a specific stage until another value becomes increasingly prominent to overturn and replace it. Overall, the value importance of innovation and accountability would swing back and forth like a pendulum over time, thus “preventing the paralyzing

effect of a value conflict and offering room for innovation” (De Graaf, 2015; Thacher & Rein, 2004).

At the intersection between public managers and the private sector, the fourth chapter adopts the dual perspective of public–private partnership (PPP) and digital taxation policy. The former represents an accommodative standpoint whereby public and private power create value together in harmony, which is in line with PVT’s assertions. Adopting a critical attitude, the latter views public managers and private interests as being in an oppositional or countervailing relationship. This dual-angle analysis simply speaks to Chohan’s opinion that the public sector “sometimes may be cordial or even symbiotic, but often be highly contentious or even antagonistic” (p91) toward public managers. In the case of PPPs in the digital economy’s context, VCC depends heavily on the four factors of “cooperation, risk-sharing, innovation and long-term commitments” (Khanom, 2010). As an opposite example, the enforcement of digital taxation policies derives from the unfair reality that many tech giants escape paying their share of taxes through changing their company registration or infusing foreign capital, which is called “base erosion and profit shifting” (Dharmapala, 2014). Further, it is worth noting that the above two cases highlight PVT’s revenue orientation, which has rarely been examined in the extant research, to inspire scholars to attach importance to the urgent problem that the resource base for the public sector to develop VCC campaigns is shrinking.

Interestingly, Chapter 5 undertakes a prospective exploration of virtual public managers in the form of a decentralized autonomous organization (DAO), which is regarded as the potential complement, collaborator, or even replacement of human public managers. DAOs can function well without human-made operations in the real, physical world, and provide a wide variety of tangible products and services, provided that the technical support related to codes and blockchains are sufficiently strong and stable. Hence, there is no doubt that the line between the reality and virtuality is quickly becoming blurred, as is the distribution of value between them. However, PVT has not yet fully embraced the roles of digital technologies, so the penultimate chapter can be viewed as an initial attempt to shift the obligation of VCC from public managers to DAOs, beyond the agent assumption of PVT. Compared to human public managers, DAOs have unique superiority regarding efficiency, transparency, convenience, accountability and equity. Conversely, faced with several problems, such as the legitimacy crisis, hacking, voter manipulation and procedural rigidity, DAOs may lead to value destruction. At the end, Chohan proposes that the discussion about DAOs is merely a prelude, and that there is still much work to be done to inspect “VCC without human public managers” (p132) at both the academic and practitioner levels. In the final chapter, the conclusions, limitations and future research issues are proposed.

3 Implications for audiences

For scholars interested in the digital economy, IT governance and PVT, Chohan’s work provides a valuable reference to excite the imagination about the use of VCC in the digital context. The research to date has only made a few incipient attempts

to interpret engagement in the digital society in a value creation sense, which is an issue of deep concern for the public sector, and requires more rigorous, in-depth discussion. In this book, the author paints a vivid picture of value creation among multiple agents against the specific background of the digital economy, especially the interplay between public and private power. In addition, the logic of competition is introduced to offer insights into the inevitable phenomenon of value conflicts in the multi-value context, revealing that public managers are always confronted with forced-choice dilemmas between values, such as freedom vs. safety, innovation vs. accountability, and technology vs. democracy in practice. As such, this book may spark several theoretical conversations on “what multiple interconnections among value agents are” (p146) and “how public managers prioritize competing values” (p16).

In practical terms, the swift evolution of digital transformation has posed immense challenges, forcing public managers and policy makers to respond to the changes in our modern society, which is now characterized by higher uncertainty and deeper complexity. Chohan argues that public managers lie at the core of VCC. There is an urgent need for the public sector to reflect seriously on prominent value destruction and pursue PV at the societal level in a more digitalized environment to sustain its legitimacy. Each chapter of this book elaborates on the driving process of value creation in detail from the views of the agents involved against their own specific background of the digital economy (e.g., digital taxation, cryptocurrency, PTO). This elaboration can serve as an important precedent for practitioners in the public sector who are dealing with similar cases, and be further expanded into other areas, like service delivery, policy making, law enforcement, and crisis management in the digital environment. Additionally, the unique view of virtual public managers also inspires human public managers to revisit the potential effects of digital technologies and rethink how to coexist with them in harmony.

4 Limitations and future directions

Despite Chohan’s achievements, there also exist some limitations in this book, due to inevitable restrictions within the research. First, the term “public value” has long suffered from ambiguity regarding its definition across many disciplines, and remains only loosely defined in this book. Despite its detailed review of the past PVT literature and recognition of the vagueness of the PV concept, this book does not offer a clear definition of it either in the digital economy context, which is detrimental to promoting the contextualization of the PV concept, or at least reduces the strength of using PVT to explain digital economic issues, such as PTOs, cryptocurrency and DAOs.

Next, unfortunately, this book fails to utilize any empirical methods, and all of the analyses constitute descriptions and narrations based on rich experience and cases in the digital economy. In particular, Hartley et al. (2017) warn that “PV may fade from view unless empirical research is undertaken to test, challenges and extend the scholarly contributions.” Hence, it is imperative for scholars to support the claims made for PVT through rigorous empirical research.

Third, the contents displayed in this book relate to developed countries; for instance, digital taxation, PPPs and PTOs in the European Union and DAOs in the United States. However, the political regimes, cultural concepts and social environment in the developing areas differ significantly from those in the developed areas, and the same may be true regarding the logic of public value creation in the digital context. This limitation makes it impossible to extend further some of this book's important points. Therefore, there is much room to probe the public sector's efforts to take advantage of the new technologies to create PV for the wider public in the developing countries and regions.

Chohan humbly accepts the shortcomings of his own research, and encourages PVT scholars to extend his current work. To deepen and widen Chohan's work, further research might concentrate on the systemic combinations of a more digital society and novel PV issues, like multiple value agents, conflict values, revenue-side value creation, and virtual public managers. For further enrichment, attempts might be made to discuss how public managers co-create value with other important agents of society, rooted in various countries or digital scenarios, to offer comparable results. Furthermore, different types of empirical study designs, based on huge amounts of real data to check the validity of PVT, would also prove hugely valuable.

5 Conclusion

Nowadays, the digital economy is in full swing, with irresistible force, ushering in profound social transformation everywhere. Chohan's book sheds light on how public managers can collaborate with multiple agents to create PV for the wider public in the new digital environment. He offers several forward-looking, challenging insights regarding the sheer breadth and depth of PVT's entry into the digital economy. Together with several vivid cases that manifest the multiple relationships between the value agents, this book may also help practitioners in public sector rethink their basic values, as well as reshape and redeploy PV in the twenty-first century. In all, to us, *Public Value and the Digital Economy* is of great significance in both theory and practice. Like Chohan, let us hope that further, in-depth explorations of these important issues will be carried out in the near future.

Declarations

Conflict of interest The authors declare no conflict of interest.

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