

Interview with Barbara Ubaldi, Acting Head of the Public Governance Directorate of the OECD

Digital Governments – How to Design Them to Meet the Needs of a Data-Driven Economy

By *Japan SPOTLIGHT*

We are moving towards a digital economy at an unimaginably rapid pace as the pandemic crisis has caused the widespread adoption of teleworking. In the public sector especially, administrations, whether central or local, will need to digitalize their functions as promptly as possible to stay in line with businesses and individuals. Otherwise, a nation could lose its competitiveness and fall behind the trends of the Fourth Industrial Revolution. The opportunity to take advantage of the potential of digital technologies and data that could bring enormous benefits to our economies and societies should not be ignored.

The OECD, an interdisciplinary international think tank, is well positioned to survey the digitalization of national governments. *Japan SPOTLIGHT* held the following interview with Barbara Ubaldi, a key OECD official responsible for this issue.

(Interviewed on Dec. 16, 2020)

Introduction

JS: Could you briefly introduce your work at the Public Governance Development Directorate of the OECD?

Ubaldi: I should clarify that the name of the directorate is now the Public Governance Directorate, without the territorial development part. I am the acting head of the division and also the head of the Digital Government and Data Unit. For over 11 years, I have been responsible for the digital and data work for governments, including open data within the OECD. I am responsible for the work on measurements, meaning the two indexes we have on digital government and open data, and I am also responsible for peer reviews and comparative cross-cutting analytical work in our flagship publications. I am also the acting head of a division that covers the work on open government and public sector innovation.



Barbara Ubaldi

Ubaldi: I agree with you that evidence shows that in the context of the pandemic, the digitalization of the public sector and use of data has proved to be a very valuable tool for governments to deliver services and maintain the operations of the public sector. Within the OECD we have been working with member countries to see how ready they felt to use data and digital tools when the pandemic exploded; how capable were they of using these tools in their responses, and how they are embedding data and digital into their recovery strategies as part of long-term reforms. The governments that had a higher level of digital maturity were able to use data as an asset, in an efficient and strategic way, and therefore were more able to react in an agile way. This requires good governance and

so the work Japan is doing to establish an agency is a reflection that Japan is ensuring that the governance of the digitalization of the public sector is supported by identifying the key roles and responsibilities, and assigning the right resources to the coordinating body. In that sense, the OECD Recommendation on Digital Government Strategies that was adopted by the Council in 2014 was reviewed in 2017 and the member countries agreed that the recommendation was still very important and valid and so it was not changed in 2017 in terms of content. The recommendation is essential because it conveys the key message on the need to move from an analog government approach to a digital government approach. In the latter approach, governments are trying to transfer online whatever existed on paper, which in many cases meant inefficiencies and bureaucracies were transferred online. However,

Updated Work of OECD

JS: We would like to focus on the OECD's work on this issue, because the OECD is the frontrunner in this area and your directorate created recommendations on digital government strategies five years ago. Could you explain the updated status of this work on digital government strategies?

digital government is in fact about using tools and data to change processes and how services are designed, so the recommendation is focused on helping governments not only to use technology but to change the paradigm that they adopt if they decide to use technology and data and for what purpose.

So it's about nudging governments towards the use of digital tools and data to change how they function. The first set of principles focuses on the actions that governments should take to make sure that the use of digital tools and data fosters governments that are more open, more transparent, and more participatory. The second set of principles is about the governance that needs to be in place to support the shift; for example, the type of coordinating body in some countries is an agency, and in some countries is a ministry or a department. Whatever the shape or the form, the mandate of the coordinating body needs to be adequate to the specific context. The recommendation does not call for centralization, but it does call for coordination of actions, as digital government needs to break down silos and foster horizontality and the governance needs to support this change. The third set of principles looks into the environment and the context that you need to put in place to support an effective implementation of the strategy. This includes identifying the key elements that you need to have in place like people, talent, the regulatory framework, procurement process, and the capacity to formulate value propositions to make sure that the digital government strategy can be implemented to deliver results.

Developing Data-Driven Culture in Governments

JS: In this recommendation, you mention the importance of creating a data-driven culture in the public sector. This would be key to achieving all the things you mentioned. In Japan the public sector is not yet accustomed to a data-driven culture. How do you think governments could create a data-driven culture in the public sector?

Ubaldi: It is very difficult for many governments to create a data-driven culture quickly because for many years governments did not recognize the value of data as an asset as being similar to people and money. Leaders, ministers and top managers know that the public sector functions well if you have the right people and the financial resources. But you also need to be able to use data in the right way as a key resource, and for many years before the big data wave that was brought about by the digital economy, governments did not

recognize the importance of having data as a key strategic asset. The cultural change comes with the fact that leaders need to be aware that data is a key resource, and that needs to be accompanied by a change in regulations, such as those that impede the sharing between different ministries. There are technical obstacles related to interoperability of data across many public sectors, as meta data used for collection and storage are not the same. Different parts of the public sector need to understand that it is more important to share and integrate the data rather than own the data, and in many countries data is still seen as a powerful tool, so in many countries data is often sold by the different ministries so there is a revenue model linked to the fact that data is sold to other ministries.

So there is a need to create a business case to convince the ministries that by sharing the data they can get implicit and explicit value that they could not get if they kept the data for themselves. Third, you need to have the right skills in place. You need to have leaders who recognize the value of data and who can support the changes in regulations, but you also need civil servants with the technical skills such as data analysts. You also need to create an awareness of the importance of data. There are civil servants who do not have the technical skills to manipulate and crunch the data, but they need to understand that data is a key resource for them to see results. It is important to create awareness among civil servants who are not technicians that data can help them to monitor their results. For too long, governments did not recognize the key value of data as an asset.

JS: In that sense, education will be necessary to raise awareness of the importance of openness and transparency by using data.

Ubaldi: I couldn't agree more. One of the key characteristics from the OECD point of view is that governments should be open by default. Not just data, but also opening up policy-making processes and service design processes by default. By opening up, we mean making data available as open data. In terms of processes, we talk about engaging society in the policy-making and service design processes. Often, for reasons of willingness not to share internally, governments do not think about being proactively open and opening their policy-making processes. So it is very important to have initiatives on more open and transparent government; by opening up the data you can get big value, because you can show what is going on inside the government and you increase transparency and accountability while also enabling people to do something with the data, for example to create economic value through the production of

new services. It can also be used to create reports on decisions made by the government and its performance. Open data is part of the cultural change that will make governments more transparent and accountable.

Protecting Privacy of Government-Data

JS: Lots of private information is contained in public-sector data. Should we create strict regulations to safeguard privacy?

Ubaldi: As we move towards more data-driven approaches, it is important to secure privacy. There are three sets of actions needed. First, adequately reviewing the regulatory framework, such as the General Data Protection Regulation (GDPR) in Europe that has been adopted broadly to secure data privacy. Second, it is important to adopt the consent models, which recognize the right of the individual to give permission to access sources of personal data. There are many governments such as Spain, the Netherlands and Belgium that have focused on these mechanisms that give the right of consent to the individual. Third is awareness – we need to raise the awareness of civil servants on key actions that are needed to protect the privacy of the personal data they manage. It is not sufficient only to have regulations; the civil servants need to be aware that they are handling something that is extremely important and confidential.

Following Up on OECD Recommendations

JS: Could you tell us about your personal views, or OECD views, on the impact of these recommendations on the policies of OECD members?

Ubaldi: In October we released two papers. The first describes the digital policy framework. The recommendation adopted in 2014 was used for over six years in a number of national projects and also in an international comparative analysis that we did. Based on the recommendation, we developed the OECD digital government policy framework that identified six key dimensions of a digital government. A digital government is open by default, digital by design, data-driven, proactive, user-driven and is capable of acting as a platform. In a way, the implementation of the recommendation has enabled the countries to change some of their internal processes and culture, but also helped them to strengthen these six dimensions – by being digital by design and more open by default and to connect people

from outside of the administration. We also published the digital government index which measures the advancements made by governments in the six dimensions, with a ranking on how digitally mature governments are. We think that this has helped governments to move away from the idea that using technology is about transferring a process onto an online platform.

Effectiveness of Government Data Agencies

JS: Do you think that creating a government data agency would be effective for promoting the digitalization of the public sector, including local governments?

Ubaldi: It depends on whether the agency in the country has a clear mandate, a clear role and responsibility and sufficient resources. They need people, financial resources and instruments – and also powers to be able to operate in a certain way. It is better to not have an agency than having an agency that cannot fulfill the role that we expect it to play. If the agency is empowered and enabled and given the instruments it needs, then yes, it can have a very strong supportive role for the digital transformation, provided that there is a very strong foundation to do its work. For local governments, it depends on the administrative culture of the country. We have some federal systems which cannot have centralized authorities determining what the local government does. There are more centralized countries where the agency has powers at the local levels of government and in that sense can really help to connect the central with the local. The agency needs to support advancements on the local level in a coherent and cohesive manner so that the whole country can grow in a similar way in terms of digital maturity.

New Work Planned on the Subject at OECD

JS: The importance of the digitalization of the economy has been accelerated by the pandemic. Do you have any plans for new work on this subject?

Ubaldi: On the measurement level, we will issue a new open data index in 2021 and will keep measuring the efforts made by governments to increase the availability, accessibility and re-use of data. Second, we will also issue the second edition of the digital government index, which has one indicator on data-driven public sectors. We hope that in 2021, a new recommendation of the OECD will be approved that complements the recommendation on digital

government strategies, and the new recommendation is called an Enhanced Access and Sharing of Data. It will focus on making sure that the public sector opens up the data and does whatever needs to be done to increase the sharing of the data with the whole ecosystem. Third, we are working on the ethical principles of the use of data in the public sector. There is a higher use of data due to the pandemic demonstrating its value, but it is also extremely important to ensure that governments use data ethically especially regarding securing of privacy and non-biased use of data. AI is an emerging trend in the public sector, and we know that AI is not valuable unless used with data, so it is important to show that the data sets and the use of algorithms and AI are not biased. We also need to strengthen the capacity of regulators to have innovative approaches, and the use of data in integrity and anti-corruption efforts, and also the use data for supporting more gender-balanced and gender-inclusive decisions.

JS: Sharing this information on best practices with OECD countries must be very useful, but in addition do you have any plans to promote internationalization of digital government administration among OECD nations?

Ubaldi: The OECD has an official body on digital government which is called the Working Party of Digital Government Officials, and it decides on our actions. We have been leveraging this Working Party to ensure that countries work together all year round. Not only the general sharing of practices but coming up with tool kits that can help them take concrete actions. We want to be not only a think tank but also a “do” tank, to support the implementation of actions by governments and to strengthen collaboration with other international organizations such as the United Nations. We look forward to joining efforts on measurement. Also, we are working with the Interamerican Development Bank in Latin America, where we will increase doing joint measurement work. We also work with another regional bank in Latin America, where we are doing a regional report on going digital across Latin American countries.

JS: There could be enormous benefits for member countries from exchanging data on public health policies for example. Do you have any plans to promote such kind of public sector information exchanges among OECD countries?

Ubaldi: This is an effort that goes beyond the OECD at the moment;

there is an ongoing discussion in relation to the pandemic in terms of the role the OECD can play in facilitating mobility of people across borders, but this goes a bit beyond the mandate of the OECD. We will continue supporting the dialogue and decisions on the interest for governments to open up similar sets of data because we can do that from a policy point of view. If countries open up the same sets of data in the protection of privacy and security, those two data sets can be used to compare what is going on and how they can jointly deal with a global challenge like a pandemic.

Possible Impact of Digitalization on Employment in Public Sector

JS: Many people are concerned about the impact of digital technology on employment in the public sectors. Should they be concerned?

Ubaldi: We should recognize that as much as there is some risk of some jobs no longer being needed due to automation or a data-driven approach making it less necessary, it is also true that new professions will be needed. Not just data analysts and manipulators, but around new human resources for emerging technologies such as block chain or AI. The right question to ask is to what extent digitalization of the public sector will have an impact on the talent, skills and professions that we need. Some will no longer be needed, but some new ones will be needed. We need to attract the skills that we need and retain people but also to retrain people. People don't need to be laid off; they can be retrained to cover other functions. There are civil servants who are no longer needed in the role that they had for years, but these are the people who need to be retained because they know about the core business of the public sector.

So it does not necessarily mean that there will be a loss of employment – we need to understand what kind of competencies and skills we need in place among leaders and public servants. We also need multi-disciplinary teams that bring together data scientists, psychologists, and researchers. The digital transformation will not necessarily only lead to unemployment – the key question is how will governments need to adjust. We have a working paper that we will publish at the start of 2021 about the digital talent needed to drive the digital transformation.

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Written with the cooperation of Joel Challender who is a translator, interpreter, researcher and writer specializing in Japanese disaster preparedness.