

## 1. Background

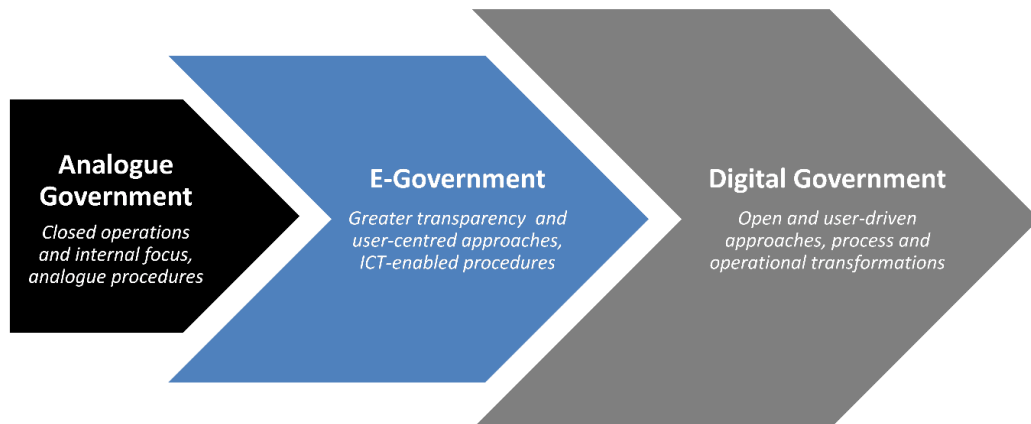
*This opening chapter introduces the OECD's work in analysing and supporting the shift from analogue practices, through e-government and into digital government. It highlights the six dimensions of digital government transformation and their importance in supporting the adoption of activity through digital government strategies identified by the OECD Recommendation of the Council on Digital Government Strategies. The chapter then charts the evolution of the digital government agenda in Chile from the 2004-2006 Agenda Digital, the Estrategia Digital 2007-2012, the 2012 Agenda of State Modernisation and the Agenda Digital 2020.*

Over the last 20 years, digital technologies have arguably become the single most transformational factor of economies and societies. The digital revolution has seen the rise of highly disruptive technologies, such as machine learning algorithms, artificial intelligence, cloud computing, the internet of things, mobile technologies and incredibly powerful network effects (OECD, Forthcoming<sup>[1]</sup>). As the industrial revolution did for our ability to use physical force to enhance societies' industrial capability, the digital revolution has exponentially augmented our ability to produce, store, share and process data thus leading to an explosion of our species' analytical and co-ordination capabilities. By progressively embedding ICTs into the physical world, human societies are increasingly able to come up with smart solutions for today's most pressing challenges.

These new processing capabilities, paired with unprecedented levels of connectivity and its associated network effects, are driving innovation and productivity gains across the economy. They are also transforming citizens' everyday lives as well as their expectations regarding the public sector and public services (OECD, Forthcoming<sup>[1]</sup>). These transformations bring about a wide range of new opportunities for more robust policy outcomes and greater social and economic well-being. Indeed, to a large degree governments' ability to design sound policies and services is enhanced through the use of massive amounts of data and the computing power to draw new insights. The ability to develop better policies is also strengthened by enhanced coordination of a great diversity of stakeholders through the interoperability of information systems. These new technologies also allow governments to deliver better services more cheaply, including to remote areas through new mobile applications.

These technological changes do not come without considerable governance and strategic challenges. Seizing the moment demands first that governments acknowledge the strategic relevance of new technologies, thus putting them at the core of public sector modernisation strategies (OECD, 2014<sup>[2]</sup>). As a consequence, new reform efforts should always consider the trends, potential impact and role of digital technologies in achieving public sector objectives. Increasingly, the digital transformation of the public sector demands a certain degree of coherence and sustainability to deliver the expected results, thus requiring that robust ICT governance arrangements are put in place.

**Figure 1.1. From analogue to digital government**



Source: Based on 'Recommendation of the Council on Digital Government Strategies' (OECD, 2014<sup>[2]</sup>)

The digital transformation also raises concerns about the distribution of benefits. Ensuring an inclusive digitalisation that ensures opportunities for all is one of the great tasks governments have at hand.

Furthermore, the effective deployment of technologies, particularly in the public sector, demands new ways of working and the involvement of a wide diversity of internal and external stakeholders to ensure digital performance and ownership. This entails not only a new set of technical skills, but most importantly, a cultural shift in the public sector towards greater openness, sharing and collaboration. This represents, without a doubt, the greatest governance challenge in the transition from e-government to digital government across the OECD and the world.

The risks of not transforming government operations, enabling them to respond to the expectations of digital societies, are poorly performing services, inefficient spending, deficient policy-making, lost economic opportunities and, most importantly, diminishing trust in government.

This study aims to review Chile's preparedness, in terms of governance and strategic approaches, to effectively transition to a digital government. In particular, it will look at how national digital government strategies are embedded into government action through governance arrangements and processes that allow for ownership and co-ordination, and how these objectives are then translated into administrative procedures that support public decision-making.

The analysis advanced in this report will benefit from the OECD's analytical work on the digital transformation of the public sector and will be supported by a benchmarking study on strategy development, oversight, implementation and monitoring that will compare Chile with ten advanced OECD countries selected for the quality of their strategies and governance procedures. These are Colombia, Denmark, Estonia, Mexico, Netherlands, New Zealand, Norway, Spain, Sweden and Switzerland. These ten countries were selected because of the relevance of their experience in the robust development of their digital government strategies and their importance covering themes at the edge of the digital transformation debate. Data from these countries were collected through a series of interviews in the fourth quarter of 2016 and the first half of 2017 as well as through a benchmarking survey that was run in the course of 2017.

## Digital government strategy and governance

The rise of digital natives and the rapid digitalisation of social and economic activities demand a digital government that provides the institutional framework for the development of the digital revolution. Digital government is no longer an option or an add-on. It has become a core component of good governance (see Most importantly, government transformation is about redesigning processes and services to structure them around user needs, instead of internal priorities. The digitalisation of government looks at how to embed digital teams, culture, tools and approaches to establish a continuous feedback loop and dialogue with users. All sound digital government strategy starts with users' needs (see Chapter 3).

Chile, as all other OECD countries, is faced today with a digital government imperative: to seize the opportunities brought about by new technologies requires its public sector to thoroughly re-engineer business processes, decision-making approaches and ICT investment frameworks. If Chile does not then it risks falling behind, paying a price in

terms of loss in productivity gains, social wellbeing, overall public sector performance and ultimately in the erosion of public trust.

Figure 1.2). Digital government is the next level of technological transformation of government. The OECD has identified six key dimensions that are characteristic of a digital government. They are summarised briefly in Box 1.1.

**Box 1.1. The six dimensions of the OECD Digital Government Framework**

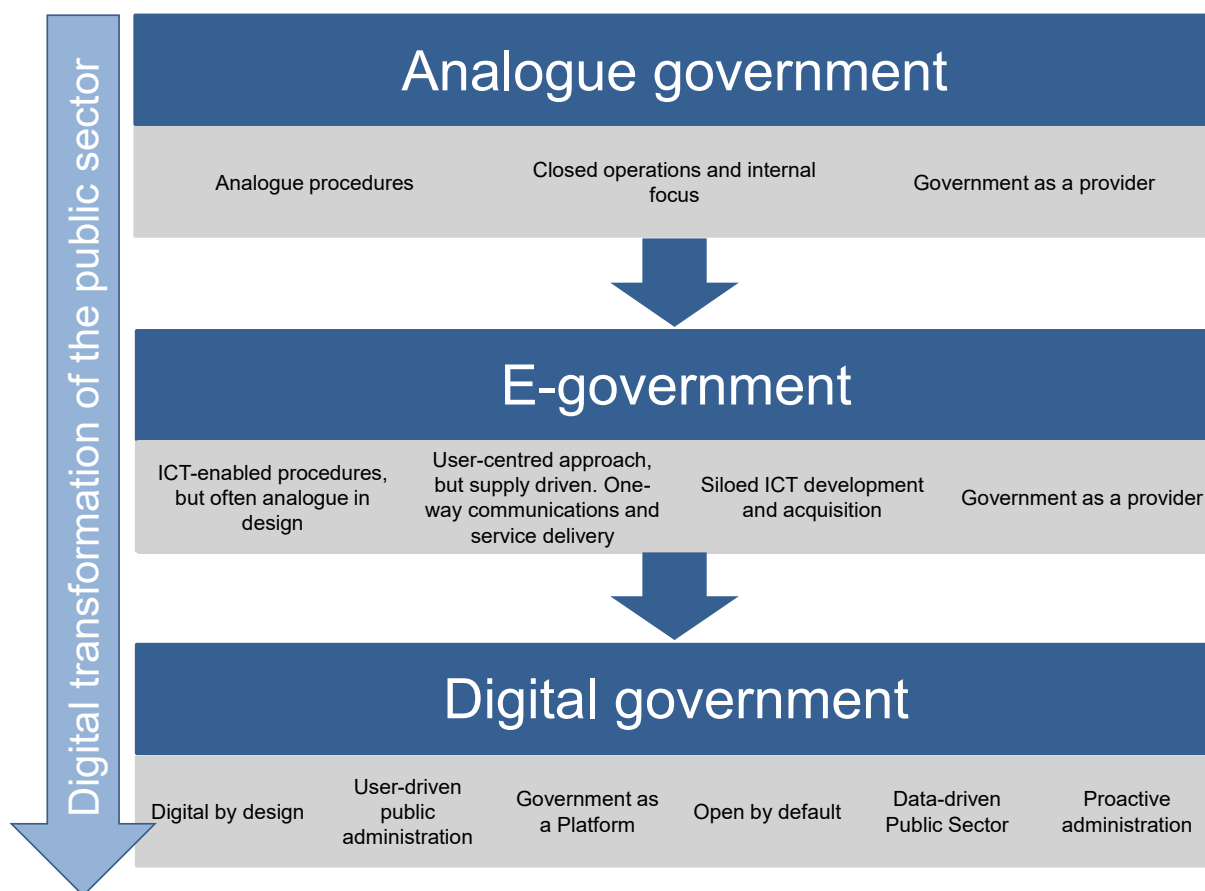
1. From the digitisation of existing processes to digital by design: Government approaches ‘digital’ with an understanding of the strategic activities involved with successful and long-lasting transformation. They take into account the full potential of digital technologies and data from the outset in order to rethink, re-engineer and simplify government to deliver an efficient, sustainable and citizen-driven public sector, regardless of the channel used by the user.
2. From an information-centred government to a data-driven public sector: Government recognises data as a strategic asset and foundational enabler for the public sector to work together and uses data to forecast needs, shape delivery, understand performance, and respond to change.
3. From closed processes and data to open by default: Government is committed to disclosing data in open formats, collaborating across organisational boundaries and involving those outside of government in line with the principles of transparency, integrity, accountability and participation that underpin digital ways of working and the Recommendation on Open Government (OECD, 2017<sup>[3]</sup>).
4. From a government-led to a user-driven administration, that is, one that is focused on user needs and citizens’ expectations: Government adopts an approach to delivery characterised by an “open by default” culture and ambitions of “digital by design” to provide ways for citizens and businesses to communicate their needs and for government to include, and be led by, them when developing policies and public services.
5. From government as a service provider to government as a platform for public value co-creation: Governments build ecosystems of shared platforms, guidance and tooling that support and equip public servants to design effective policy and deliver quality services. That ecosystem enables collaboration with and between citizens, businesses, civil society and others to harness their creativity, knowledge and skills in addressing challenges facing a country.
6. From reactive to proactive policy making and service delivery: Governments reflecting these five dimensions can anticipate, and rapidly respond to, the needs of their citizens before a request is made. They also proactively release data as open data rather than reacting to a request for access to public sector information. Transformed, proactive, government allows problems to be addressed from end to end rather than the otherwise piecemeal and reactive digitisation of component parts.

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**Figure 1.2. Progressing towards digital transformation**



Technology, in and of itself, is not the driver of the digital transformation of the public sector, but its enabler. Strategy, not technology, is what can bring about transformation. Indeed, the digital modernisation of the Chilean public administration can only be achieved through a series of calculated and coordinated actions involving all relevant stakeholders. Such level of coordinated efforts relies not only on adequate political leadership, but on the emergence of a shared vision for the role of the public sector in a digital society and the place technology will take in enabling that vision. National digital government strategies are usually responsible for setting such a vision (OECD, 2016<sup>[4]</sup>).

Nevertheless, strategic documents are of little relevance if they are not supported by broad ownership of the vision statement and objectives and by the institutional and governance frameworks needed to embed its goals into government operations. Those are the elements that can make the national strategy a true living document animating government action, and most importantly a governance tool serving the purpose of change. As such, the true question we will try to answer in this report is whether Chile counts with the strategic institutional arrangements supporting robust decision-making, ICT investments and returns helping the country to reap the full benefits of digitalisation. In the following sections, this report will assess a number of elements and help advance elements of response to this question.

## Evolution of Chile's digital government strategies

Traditionally, Chile's digital government strategies have been incorporated into broader national digital agendas. Chile's efforts on digital government have progressively put in place all the necessary components for public sector transformation and consolidated its position as a regional leader.

In the 2004-2006 *Agenda Digital*, the Government of Chile vowed to make 300 public services available online and enable the State's ability to consult citizens online. This digitisation strategy focused on putting procedures online, and modernising service delivery. Noteworthy initiatives included the development of a state services platform facilitating the access to information and services, making broadband available to all public institutions, digital integration of information in the social sector, electronic medical appointments and certificates, development of a platform for basic services provided by subnational governments and measures to better account for and improve the efficiency of government ICT procurement and cybersecurity.

The 2006-2010 government of Michelle Bachelet explicitly recognised the need to digitalise the public sector as a key strategic priority of its programme. These efforts were followed by the *Estrategia Digital 2007-2012*, which aimed to build on previous efforts by enhancing interoperability, shared services and multi-sector digital platforms, and placed a strong emphasis in priority sectors such as health and local governments. The key achievements of this period were the implementation of the Transparency and Access to Information Law, the creation of the state interoperability platform, the launch of ChileClic – a new state services portal- and a focus on using accessible language for citizens and promoting digital inclusion.

The Piñera administration launched the strategic plan for digital government (2011-2014), before the period of the previous strategy had elapsed. The strategic plan was conceived around the issues of a government close to citizens (including easily accessible integrated services), open government (enhancing transparency, participation and collaboration through digital channels) and efficient government (through greater interoperability and continuous evaluation and improvement). The strategic plan was linked to the 2012 Agenda of State Modernisation, which saw digital government as a means to achieve simpler, integrated and more efficient services. The Piñera Administration had significant achievements. Among them was ChileAtiende, grounded on a multi-service, multi-channel approach that has been widely recognised. In this period, Chile also became a regional leader on Open Government and acted as a trendsetter as an early adopter of Open Government Data, launching a national open data portal – [datos.gob.cl](http://datos.gob.cl). The “Chile sin papeleo” campaign (Chile without paperwork or red tape) was a landmark initiative of the

administration. It pushed forward the digitalisation of administrative procedures and services. The number of end-to-end digital services reached nearly 45%.

Launched in November 2015 by then President Michelle Bachelet, the *Agenda Digital 2020* built on previous efforts to create a more dynamic and innovative state. The 2020 agenda tried to improve digital services and their experience to ultimately drive adoption. These efforts concentrated in strengthening the multi-channel service delivery approach of “ChileAtiende”. The digital channels ChileAtiende were enhanced and the supply of mobile services expanded. The *Agenda Digital 2020* also doubled down on the simplification and elimination of procedures and prioritised adoption of the single authentication mechanism for citizens (*ClaveÚnica*) as well as the use of the State’s digital signature. Finally, the 2020 agenda pushed for the modernisation of the Chilean with progress made in the implementation of the electronic medical records. From an institutional perspective, important achievements were made, in particular the strengthening of the governance of digital government with the creation of the DGD within MINSEGPRES and the evaluation system for ICT projects and budgets.

Efforts to simplify and digitalise government and services have produced tangible results. ChileAtiende, the government’s multi-channel service delivery approach, manages as many as 67 million interactions per year. Moreover, Chile leads Latin America and the Caribbean when it comes to the agility of government transactions. Estimations by the Inter-American Development Bank using data from the Latinobarómetro suggests that completing a government transaction in Chile takes about 2.2 hours on average, the best time among peers (IDB, 2018<sup>[5]</sup>). According to the same study, only 16% of government transactions in the country require more than two interactions, coming in second and way below the regional average of 25%.

Nevertheless, these efforts have also had shortcomings. To date, barely over 40% of public services have been digitalised (MINSEGPRES, 2018<sup>[6]</sup>), lagging significantly behind a country like Mexico, another OECD peer in Latin America, where 88.8% of government transactions can be started online and over 70% have been digitalised end-to-end (IDB, 2018<sup>[5]</sup>). Furthermore, return on this investment has yet to be realised, as recent data suggests that only 11% of the population started their last government transaction online and only 7% completed their last digitally end-to-end (IDB, 2018<sup>[5]</sup>).

The new Administration of Sebastian Piñera (2018-2022) is taking decisive steps to push for a digital first public administration and has conducted public consultation around its draft Digital Transformation Strategy.<sup>1</sup> This includes an ambitious project for a Digital Transformation Law<sup>2</sup>, a recently adopted Presidential Instructive on the Digital Transformation of the Administration and the development of a new Digital Transformation Strategy for the State. As part of this push, 80% of government services are expected to be available online by 2021 and 100% by 2023. Furthermore, the draft law on the Digital Transformation of the State establishes that government services will default to digital, with paper-based transactions only exceptionally available in those cases where the lack of digital access and skills justifies it. Moreover, the proposed law revises the legal and regulatory framework for digital government in order to accelerate digital integration and interoperability of government. Finally, the new Administration’s efforts put a greater focus on shared services and platform approaches to government.

## Notes

- 1 [https://digital.gob.cl/doc/estrategia\\_transformacion\\_digital\\_2019\\_v1.pdf](https://digital.gob.cl/doc/estrategia_transformacion_digital_2019_v1.pdf)
- 2 <https://www.gob.cl/noticias/presidente-presenta-proyecto-de-transformacion-digital-y-crea-consejo-asesor-para-la-modernizacion-del-estado/>; <https://www.gob.cl/modernizaciondeleestado/>; [http://www.senado.cl/appsenado/templates/tramitacion/index.php?boletin\\_ini=11882-06](http://www.senado.cl/appsenado/templates/tramitacion/index.php?boletin_ini=11882-06)



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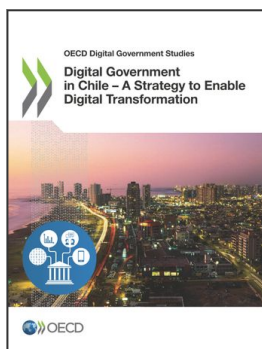
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