

# MIT GOV/LAB

## PODCAST SERIES: POWER TO THE WHO

### Episode 2: Roman Yosif, Former Executive Director of Laboratorio de Gobierno

#### Introduction: Carlos

What is the future of governance? How do governments innovate with citizens not just for citizens **POWER TO THE WHO** builds on our recent work at the innovation initiative of the Massachusetts Institute of Technology Governance Lab. At the lab, we work with reformers, public service leaders, technologists and designers at the heart of governance innovation, where new solutions tackle complex problems to improve the relationship between citizens, government and civil society. I'm Carlos Centeno, your host and Associate Director of Innovation at the MIT GOV/LAB. And this is Power to the Who.

#### 00:47

Today, we speak with Roman Yosif. Roman was the executive director of the Laboratorio de Gobierno de Chile between 2018. And the end of last year. He came to the lab bringing a startup mentality to an organization that was deep in the bureaucracy. But what is the Laboratorio de Gobierno de Chile. It literally translates to the government laboratory. It sits at the ministry that oversees the General Secretariat of the presidency and is actively trying to transform the state as a design agency through a user-centric approach. The lab was the first agency of its kind at the national level in Latin America and has been able to thrive through several political changes. So, what is a 20-something year old startup guy do when he's put in charge of the lab, he starts with a business plan.

#### Roman 01:30

In my first week, as a civil servant, I was working more than eight years ago in my own startup with very different challenges and culture and of course, for me, entering the government was very new. I didn't know the language, the technical language. And during the first week, it was funny, because I said to some group of civil servants, we were co-creating the first model of the lab, that then changes a lot in time, because all the necessities and because this necessity of delivering really concrete results.

But at the beginning, we were exploring and interviewing and understanding these potential users of the laboratorio. What will their civil servants be in general? I will say they're the main users, not the only ones but the main users. And I said to them, so we want to establish a new business model in the public sector. And they scream, like, "What?! Business in the public sector?! What is that? Are you crazy?! We don't want to make money." And I said, guys, relax, I'm not talking about money. I'm talking about having a clear business model. And this is connected with the users, because companies in their competitive markets, they need a business model to survive and to grow. But the state has a monopoly. And, of course, when you don't have incentives to improve every day, you don't design a business model, you only have a regulation, that, of course, is a context to create or not create some services in that specific agency, in charge of housing, for example.

But this business model is a very different thing, than a general mission. A business model, is not a model to make necessarily money. It's a model to understand the user needs, and to connect them with how you add value to them. And when you add value to them, you are being sustainable. In a way the public sector is just now understanding, I will say. Because in the pandemic, the public and the private, were a little bit mixed, not only in Chile, they're also in the rest of the world. And I will say, in our 21st century, we are realizing that this frontier, between the public and the private, it's not so clear. But at the end of the day, the public sector is a huge group of several institutions that are human institutions that deliver different kinds of services that need, in a very deep way, clear business models based on clear user needs.

#### Carlos 04:56

And I think you mentioned something that was really interesting and key that there's well, there's this common, I think, misconception that civil servants or bureaucrats will do the right thing, because that's what they came in to do and they will deliver because of that and that's enough of an incentive. And I'm not saying money is the incentive, but when you mentioned having a clear business model, and having structured way of getting to that almost bottom line of serving the citizens, it really dimensions a bit the role of public sector in, in meeting their objectives. Why with all of these incentives that are in place that are, you know, having a fixed position for 20 years where you don't get fired, all of these incentives are more so that you don't change almost a bureaucracy, it's almost there to not change, right? And then you bring innovation, which is the complete opposite. How do you incentivize a government beyond the business model to change, and we talked about this, you have three or four ways of doing that?

#### Roman 06:05

That's true. And before I explain the specific three ways that the laboratory is addressing these three challenges, or the challenges related to the incentives, because we're humans, and we need incentives that's the reality, I want to tell you a story: When I was in my startup, I opened the newspaper, and I was looking at an interview of a government official nine years ago, related to the idea to create public innovation alongside, the government. So that was my first approach to all that work. Well, what I'm talking about to you. And I was thinking that day that, 'Oh, my God, this is a very interesting thing, how to connect to things that seem to be very opposite, but maybe can combine in a very powerful way: Laboratorio, lab, experimentation, risk and in another side, Gobierno, government, a non-flexible, a hierarchy. How do you connect both?'

And we connected throughout the deep understanding that the government is not another thing than the space the institution that we create, as a society, for the society. So, it's a human organization, it's not that bot organization. And we understood that to connect both ideas of laboratorio and gobierno, of lab and government, we need these incentives. And right now, with all the evolution of the business model of laboratorio de gobierno, in the last years, right now, we have a state policy that is dealing with these incentives in three different ways: The first one is to manage, explore and solve current unimportant citizens and social problems, co creating with one or more agencies from the public sector. And helping a lot in a peer-to-peer process to solve the problems and scale solutions in a for example, Whatsapp woman [project], in the example of the employment subsidy [project], the example of the tax report that we deliver, personalized for every single Chilean in our country. And this is one way to really implement concrete solutions that are in the priorities of people, in the priorities of the authority and also in the priorities of the day by day work of the civil servants. You are helping them to address their work in a different way.

The second is a network very open. A network of civil servants, that is connecting them between them in a very decentralized way, using technology, but at the end of the day using social capital, to connect motivated people, motivated civil servants, also with startups, also with the academia, and also with different NGOs, and some also people from abroad, to accelerate the cultural change, the mindset change inside the government. Right now that public innovators network has more than 22,000 members. It's, I will say, the biggest public innovation network of the world, not only in Spanish.

And last but not least: three years ago, or maybe two and a half, we deliver, and we are running or the sorry, the lab is running, because I left my position as our executive director two months ago as a personnel decision, this index that we co-created, which is very important right now, in the I will say the national strategy of public innovation in Chile. And also we have some neighborhoods in Latin America, other countries that are copying Chile, and creating the same index, because this public innovation index is measuring innovation capabilities of the public agencies, to then foster them with some programs of training, and different tools to really tackle the difference between capabilities, and to have in maybe five years a more equal position of capabilities, between services. That is key to address together the different challenges because, as we were talking about this morning, coordination is part of one of the elements and the dimensions that this public innovation index is measuring. The capability to coordinate with other institutions, public ones, it's one of the less developed capabilities. So, that kind of incentives to measure and then, for example, to connect that measurement with the design of the next budget for the next year, is a very important incentive, also in a political way.

Carlos 12:57

So, if you if you do well, in the index, just to be clear, you get something as well as if you don't do so well. Can you explain that a bit?

Roman 13:09

Indeed, if you do it very bad, you will receive more. And if you are doing well, as a public agency, for example in Chile, one of the most innovative and with both the capabilities of innovation, is the tax revenue agency, "Servicio de Impuestos Internos."

Carlos 13:35

It's always the ones charging money that are the most advanced.

Roman 13:38

Yeah, it's very typical. And, the interesting thing is they want to keep growing in the index, not necessarily because of the programs that they receive, to have a continuous development process of their own capabilities. Also, because they are seen as a model for the rest of the agencies, so that pride is also an incentive.

Carlos 14:16

And so, they're the ones let's take the example: So the tax authority, they do well, and then they have access to, you were mentioning before, they have access to upskilling opportunities that are very prestigious. You must get selected. But the ones who ranked last, not motivated, they also receive some sort of consultancy support?

Roman 14:40

I will say not consultancy, because that's another service, the agile consultancy to tackle specific problems. They receive an assessment; they receive the opportunity to enter to training programs. For example, they introduction to public innovation on how to manage an agile product project, or different kinds of programs and training programs, in general.

And the amount of hours that the Laboratorio de Gobierno's team invests in these agencies is a lot and it's more in the agencies that need it more.

Carlos 15:32

Of course, and what's the commitment from the poorly performing students?

Roman 15:36

The commitment, I will say is diverse, of course. But right now, because in the last year Laboratorio de Gobierno moves to the Ministry of Finance. And I will say is the last stop from very, from a lot of changes in the political supervision for the lab, and is the final stop, because connecting innovation with the economical decision, and the political main decision-maker of any government, is our dream come true for any kind of public innovation lab.

Carlos 16:20

And you're the benchmark for where the government decides where to put money?

Roman 16:23

Absolutely, because you are showing the decision-makers where more capabilities are; so, where you can perform better, on every single dollar. And in another way, if you have less capabilities, you can put money in the areas or in the dimensions, (for example, data management in a specific, a health care agency, primary health care agency) to really resolve that capability problem, and then go for the next challenge. So, the order of the factors to install capability is important. And you need to go first with the basic ones. And we have a whole framework to understand that.

Carlos 17:29

So let me switch gears a little bit. I really liked something you mentioned that it's something that we're trying to understand in the MIT GOV/LAB, which is that human-centered design is very focused on designing for the user, or for the citizens, if you will. But we have observed and we think that the approach you mentioned, which is you don't design only for the citizens, you design for the civil servants who are providing the service, what makes their day to day easier, you know, is going to make the day to day easier, the citizen, that's not always the case that people design that way for public services. Did you come about that by experimentation, or because the models that you must have looked at are all very focused on extracting research from the user and then delivering a solution? But the one you are talking about is different? Where did you how did you come up with all this?

Roman 18:25

Ah from the concrete experience, from different failures, from failures from others. And this is the cheapest way, of course. But the main framework right now in Laboratorio de Gobierno, is a framework that, as we were talking, combines the agile approach with the design approach, and also combines the understanding of who is the user, and also the politicians, our users, if you can connect the interest of politicians, civil servants, and citizens and maybe other actors (but these are the three most important in the public innovation process), you are creating a friendly and feasible solution at the same time in a way that the solution or a set of solutions, because you never have a silver bullet, in general, you have a set of different solutions to tackle a complex problem. You can approach it from the strategy from the service level that we set in the lab, from the operational level with technology, process, data and all of that and also from an organizational perspective. So, you are doing change management every single day of your innovation project. And this is part of the process of understanding civil servants, what they want, how they want to do it, and how you can have an equilibrium between

all this interest related in the process. And then I will say it's more an integral division of laboratory that we know, not only from a service point of view, also from the strategy (political vision), also from the operational and organizational level that are more connected with civil servants.

#### Carlos 20:50

And this notion of learning by failing. It's, I mean, it's great, you bring this up, because I was talking to, a while back at MIT, at a dinner table about design for cities and the future of cities with the city of Boston that has a unit, I think it's called urban new mechanics. And it's, it's a team, it's almost like the Laboratorio de Gobierno, and one of the things that we were talking about is that the capacity to fail as government is not as clear cut as it is for private businesses where they have a budget, the time or space. In the public sector, it's public money. People need solutions fast; you've been elected for some four or five year term you have to deliver. How does this work in terms of failing and trying and iterating from a budget perspective, from a political capital perspective?

#### Roman 21:48

Yeah. It's weird, because on one side, you are as a civil servant, as a politician, as a bureaucrat, you are supposed to be naked for the public. Because everything that you do is public. It's public data, you must be transparent, or supposed to be transparent. So, for one side, it's difficult because you don't have the privacy to experiment on some things. But for another way, it's not your money so, it's very different in a company with specific owners, that they are always looking at the money. And when you are working in the public sector, the owner is very non touchable, because every single citizen, are the owners of the public sector. They are the shareholders. So when you understand that, you can think a little bit about, Okay. So, if every single citizen is the shareholder of this organization called public sector, or government, as you prefer, you understand that they are your bosses. And you understand that you work for them, they are paying your bills, and also you must embed them in the solution process. And of course, it's complex because when the audience for the accountability is not concrete then you have the bad incentives of bribery, of performing poorly during your management period. And an innovation has to deal with that context. And how do you deal with that? Using that context in your favor. Using this transparency to show to the people that innovation is useful. That is not a theoretical and an elite process. Innovation is part of human nature. And in general, when we are stressed by a difficult problem, we can have more innovation, and the example of the social outbreak in Chile and the pandemic, was a great fuel to an agency like Laboratorio de Gobierno.

#### Carlos 21:49

It's the moment where people change their behavior and their habits. It's the moment when people think, you know, sometimes we have to do unreasonable things that will change the outcome right? And I think that's it leads to a question about transparency and trust as, or innovation as a vehicle for transparency and trust. Where in moments like the pandemic, the social upheaval in Chile, when citizens' trust in government was at the lowest probably, yeah, in decades. And then you came in with the Laboratorio de Gobierno, I mean, we're not going to say again, not a silver bullet, but you came in, and you had an approach to, (and when you say innovation, we were saying, like thinking different thinking outside the box), to change that interaction between citizens and government. How was that?

#### Roman 26:04

I will say that it was an extraordinary journey for us as a team. And personally, for me, the experience to have the opportunity to create a lab from scratch, then to evolve it,

then to consolidate our business model, then to have results, more than 35 different innovations scale up in a national level and many other things like the network, like the index, was a process of reconnecting citizens approach to the public sector, and how public sector can be more near and more friendly to people in general.

And also, we, in the last eight years, we change the language inside the public sector. Right now, it's very common, that some politician or minister or mayor in Chile, you can hear them talking about a user-centered approach, about innovation, about several concepts that are related to the work of Laboratorio de Gobierno. And right now, it's more mainstream and it's mainstream, because this was, a day-by-day work, from a very passionate team, with a lot of commitment, with a huge purpose. It's difficult to find a better purpose to do, to be honest. And this approach, with concrete solutions, it's showing to citizens, that it's possible, in a very concrete way, it's possible to have better public services. And it's possible to improve their lives, their quality of life, with these better public services; more result-oriented, more friendly, seamless, proactive, etc. With that, with these better public services, with more state productivity, I was saying, we impact the quality of life, we impact then, the trust between people and institutions.

And this is, I will say, the most important challenge that we have as a generation worldwide, because we have in democracies around the world, we have complex and deep crisis related to trust, related to social capital, and related to the problem that digital disruption brings us. That is users, clients, and citizens right now are the same. So, when I take my cell phone, and I enter an app and I ask a restaurant to bring me I don't know, a hamburger and it arrives in 30 minutes, well, why does the government have to be less proactive or less resolute or less simple? The government must understand that with this new industrial revolution that is digital, they need to change almost everything because public institutions in this century, in this digital revolution must be the same, or maybe better than private companies or private services because we have an ethical mandate to be resolute, simple, and to really solve problems with that.

#### Carlos 30:51

There's a widening gap, it's almost like governments are catching up with how much farther ahead society is in terms of delivery of services. You can get a ride at your doorstep, I mean, this is very common now but like 20 years ago, we wouldn't have thought of this, where people expect delivery, expect efficiency, and there's this widening gap of why am I not getting, and maybe not at the same pace, but why am I not getting the same transparency and efficiency that I can demand from a business.

#### Roman 31:30

And that efficiency impacts directly in the social capital, in trust, and also in the quality of your democracy. So, the challenge right now of public innovation labs around the world, in my opinion, is to explain this in a very concrete way to decision makers, because politicians must be the chief innovation officers of their own countries.

#### Carlos 32:07

Yeah, you mentioned that, you know, like, you cannot be the chief innovation officer because all the innovation gets dumped on your office. Every minister has to be the chief innovation officer, every civil servant has to be an innovation officer, in a way. We've had this conversation with other governments, and I think that's either happening because they do have a chief innovation officer and everything gets dumped on their office, or the diffusion and decentralization of innovation is working a lot more for citizens.

#### Roman 32:46

And understanding also, that you must create a diverse team because in a diverse team, you are fostering better your capacity of innovation with a diverse vision of problems and a diverse vision of the possible solutions, not only in the, in a technical way, also, in an ideological way. You have diversity, in my opinion, and in my own experience, in Laboratorio de Gobierno, is one of the key elements of the success for the lab.

Carlos 33:27

So, you mentioned this idea of innovation in the public sector coming from diversity. Where does that come from for you?

Roman 33:36

My family from both sides, were very innovative in very different ways and my parents, they teach me that there is no lineal way of living. So, when you had the, I will say the possibility to have that education in your house, well, your way of living and your way of working and your way of confronting challenges in the day-by-day work is very different because it's more open. I will say it's less conservative. So, innovation is the opposite of conservative.

Carlos 34:28

And that's how you grew up, how you were raised. Is that how you built the team from the ground up?

Roman 34:35

Absolutely because we always, in the lab, we selected every single new consultant or professional with an open contest. First with very competitive tests and then we selected the best one. And we didn't ask them their political view, they didn't ask them their background of their family and right now, the diversity in the Laboratorio de Gobierno is very impressive. It's not an elite team. It's diverse in terms of skills, methodologies and technical approach. It's diverse in terms of a religion, it's diverse in terms of political views, it's diverse in terms also of social, economic origins from geographic origins in a very long country, like Chile, that is also very important because what is happening in the north in Arica is very different than in the capital in Santiago and very different than in the south in Puntarenas. So, all this kind of diversity makes it part of the secret weapon of Laboratorio de Gobierno.

Carlos 36:17

Join us for our next episode of this series as we continue to talk with the people trying to make exponential change happen around the world. To learn more about our work, visit our website at [innovation.mitgovlab.org](https://mitgovlab.org) and find MIT GOV/LAB on Twitter and LinkedIn.

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