

## Local Empowerment in the Era of Digitalization

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At the heart of the digital transformation is a shift in the provision of services from a supply-oriented product out mentality, to one that redefines services around the perspectives and needs of end users. This shift has led the digital transformation to become a truly inseparable part of citizens political participation. Given this new reality, a key question becomes how to inspire people to participate politically and empower them with the tools they need to build up their local and regional communities in the era of digitalization? To shed light on this important issue, NIRA interviewed four experts in the fields of digitalization and community development.

Rieko Oda, President of the Consortium for Public-Private Co-Creation, highlights the current state of affairs in which data is underutilized at all levels of government and political decision making in Japan. She emphasizes the importance of increasing the number of citizens who recognize the direct impact of local politics on their lives and come to see it as “their business,” rather than an issue to be left to someone else. Yuji Yoshimura, a specially appointed associate professor at the University of Tokyo’s Research Center for Advanced Science and Technology, follows up by suggesting Barcelona’s Decidim initiative, a free and open-source participatory democracy platform for cities and organizations, may serve as a model for driving increased civic participation. One of Decidim’s core tenants is allowing ordinary citizens to be involved in policy proposals through deliberations on a digital platform. On the other end of the spectrum, Masahiko Shoji, a professor at Musashi University’s Department of Sociology points out that the very idea of “digital democracy,” poses significant challenges to society. Two of the most significant issues include the overemphasis on solutionism in ICT and the negative externalities, such as political polarization, that have occurred in response to the popularization and mass adoption of ICT. Nonetheless, he believes that the launch of Japan’s Digital Agency has created a powerful tailwind for the country’s digitalization, the fate of which may well hinge on how well the country can ride that wind of change. Finally, Kei Wakabayashi, editor of the book “GDX - Government Digital Transformation: Principle and Practice” which covers the digital transformation in the executive branch of government in multiple countries, believes the key to success lies in recognizing the essence of the digital transformation as a move toward a more “user-centered” future.

The goal of digitalization should be to harness its power to connect people, bring communities together, and achieve tangible, positive change in people’s lives. While such change is not risk free, the negative aspects of digitalization can be overcome, and the digital transformation can bring about new possibilities for the development of democracy and the revitalization of regional areas.

## 1. Introduction

With the establishment of Japan’s Digital Agency in September of 2021, the term “DX” shorthand for Digital Transformation has exploded in the public consciousness. However, the term “digital transformation” encompasses much more than a simple digitization of existing “analog” information. Digitalization enables people around the world to create, access, share, and edit vast amounts of information, bringing together people, information, and regions that were not previously interconnected. Through this process, new values and services arise that fundamentally alter the preexisting economic, political, social, and administrative structures, revolutionizing both national and regional governance. The digital transformation is nothing short of revolutionary, and in this sense, “DX” or digital transformation, should inevitably lead to a “GDX,” a “Government Digital Transformation.”

Kei Wakabayashi argues that DX is “about shifting the starting point of services from the 'producer' to the 'end user'<sup>1</sup>.” At the core of the digital transformation then, is the reformation of services around the perspective of the end users of those services, replacing the traditional model centered on service providers. In urban development for example, it is critical to expand the scope of involvement beyond field specialists and government officials, to include the residents who actually live in those cities. The residents, the end users of cities, should be encouraged to consider what they want from their living environment, to pursue what they believe in so that they are invested in and feel a sense of ownership over the development of their locality. In that sense, the digital transformation is truly inseparable from political participation by local citizens.

This report therefore examines “Local Empowerment in the Era of Digitalization,” with the key question being how digitalization can be used to empower residents of local communities to take things into their own hands, recreating and reshaping their communities as they desire? What follows are excerpts from interviews conducted with four experts on the digital transformation that point toward tentative answers to that question.

## 2. Digitalization, Local Government, and Regional Politics

Rieko Oda, President of the Consortium for Public-Private Co-Creation, has held a

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<sup>1</sup> (Wakabayashi (2021:9))

variety of positions in business, politics, and government during her career, including corporate systems strategist, local legislator, and now the founder of a platform for value creation in the public and private sectors.

Ms. Oda argues that the reality is that data, particularly long-term data, is underutilized by decision-makers at all levels of politics and government in Japan. Outside of generalized long-term planning, most Japanese government planning is crafted with a time span of three to five years. The problem is that the data used in drafting these plans is typically limited to the same three- to five-year time span as the plan itself, with planners finding it difficult to utilize longer-term population and economic forecasts. Ms. Oda notes that although this difficulty is partially related to the issue of responsibility if such longer-term forecasts turn out to be off, it is primarily a symptom of the general failure within the Japanese government to effectively share data beyond the department that collects it. This problem is so severe that even information as basic and important as past government budgets and spending is distributed in formats (such as on paper or via non-machine-readable PDFs) that do not allow the parsing and utilization of data at the subsection level.

There also exists a mountain of challenges facing local legislatures. Ms. Oda points to the lack of debate among council members beyond their own factions, the lack of interaction with citizens outside of neighborhood associations and industry groups, and the way in which local elections have ceased to function as an effective means for citizens to evaluate the results of political decision-making. From the standpoint of the authors of this report, this is particularly problematic for Japan's future, given the importance of ensuring the voices of the young and child rearing generations are reflected in public policy. The unfortunate reality is that even for citizens with an active interest in public policy, access to their elected representatives is extremely limited.

Believing that the number of advocates seeking "change" or reform within communities has been decreasing, Ms. Oda has sought to counteract this trend by creating and operating end to end matchmaking and support services that facilitate exchange among council members of differing factions and constituencies, enable citizens to evaluate the policy-making of council members, and build coalitions between government agencies and business to tackle local issues. She emphasizes the importance of increasing the number of citizens who recognize the impact of local politics on their lives by helping them gain successful experience petitioning legislators, engaging with local council members, and institutionalizing ways to ensure their voices are heard on issues that directly impact their lives such as childcare and disaster prevention. Increasing the civic

awareness of even one additional person, helping them to understand that local politics is “their business,” can be the start of something important in the long run. The important question thus becomes how digitalization can empower citizens to better participate in such efforts to ensure the political system better reflects their desires.

### **3. The Decidim Platform Pioneered in Barcelona**

Considering the above, the Decidim trial in Barcelona, Spain provides an instructive example. Yuji Yoshimura, an expert in the field of AI and big data in urban development, is familiar with the Decidim trial in Spain among other relevant studies, having previously worked for the Urban Ecology Agency of Barcelona and the Advanced Transportation Center of Catalonia.

In 1967, the city of Barcelona became an early adopter amongst governing organizations in creating its own information and communication technology (ICT) department with dedicated staff who were experts in the field, the forward looking “Institut Municipal d’Informatica” or IMI. The IMI sought to create “a digital platform that promotes deliberation,” and that platform evolved into Decidim. According to Dr. Yoshimura, a prominent example of the impact of such platforms is in urban planning. Urban planning is traditionally a top-down process but is now undergoing a major shift toward being a more bottom-up process that incorporates the views of those who already live in the area. One prominent example of this is the large-scale pedestrianization of Barcelona’s streets. The project was designed to involve residents of each district in discussions to envision the future of the district. However, gathering a representative sample of public opinion across Barcelona would normally be very difficult. That is where an ICT platform such as Decidim demonstrates its value by making the impossible possible. The basic flow of Decidim is that proposals that are first approved by a large number of citizens through deliberation on a digital platform and are then put before the local council.

The first phase of the Decidim platform trial in Barcelona took place between 2016 and 2019 and saw roughly 40,000 citizens participate, resulting in about 1,500 policy proposals. Currently, the second phase of the Decidim project is underway. The city has also introduced “Participatory Budgeting,” in which about 3% to 5% of the city’s budget is determined through citizen discussion. Because of its open source nature, the Decidim project’s impact travels far beyond Barcelona, being currently in use in 180 countries and municipalities around the world. In Japan too, some municipalities are

experimenting with Decidim including Shibuya Ward in Tokyo and Kakogawa City in Hyogo. In the Shibuya Mama-Chari Project, Decidim is being used to gather diverse opinions from citizens on the use of bicycles in urban areas.

Such projects are a window into the ways that digitalization could be utilized in Japan, slowly adapting to, and reshaping the country's political and administrative landscape and civic culture.

#### **4. Is “Digital Democracy” Truly Achievable?**

While digitalization holds great promise for civic engagement, the reality is that there are still many challenges to achieving adequate and equitable civic participation. Masahiko Shoji first became interested in digital democracy and the application of ICT solutions to social problems when he entered university in 1996. Throughout his career, he has worked tirelessly on the social development of ICT platforms, including advising the government on digital reforms.

Professor Shoji's early research focused on the rise and fall of electronic bulletin boards. Electronic bulletin boards were once seen as having the potential to transform civic engagement in governance, with a number of trials leading some to refer to it as “e-democracy.” Such praise proved premature however, with the number of such bulletin boards declining significantly by the early aughts. Around 2005, as social networks first began to emerge, nascent attempts at community self-governance using these platforms began to develop. However, by the end of the decade local social networks began to decline, and the 2010s saw the emergence of global platforms such as Facebook and Twitter. In 2009, at the dawn of this period, US President Barack Obama, issued a memorandum titled “Transparency and Open Government” shortly after taking office. The memorandum outlined the three principles of open government: transparency, participation, and collaboration. This was followed by the “Arab Spring” and “Occupy Wall Street” movements, and the emergence of so called “pirate” parties affiliated with hackers winning seats in parliaments across Europe and around the world. In East Asia, social movements utilizing social networking services have gained momentum throughout the region particularly in Hong Kong and Taiwan. Much progress was also made in the development of a wide variety of applications that use ICT to solve problems in local communities. These developments led Professor Shoji to place open government at the center of his research.

At the same time however, Professor Shoji notes that challenges to digital

democracy have been present since ICT's very inception. The first major problem has been the "popularization" of ICT. What started small, initially being the purview of a small number of highly skilled specialists, would go on to be freely used, developed and expanded by people sometimes called "hackers," and it was those who inherited that free, rebellious spirit, the "geeks," who would become the initial driving force of the information society. During this time, in the 1990s, the hope was that amateur individuals would make decisions independently of each other, thereby increasing the accuracy of collective knowledge. The reality, however, is that as it has developed this collective has increasingly begun to function as a kind of mob, a self-reinforcing echo chamber in which those who interact the most receive validation from hearing their own views reflected back at them.

The second major challenge came with the development of digital advertising and marketing technology. It quickly became clear that personal information would be used, analyzed, and subjected to advertising, manipulation, and screening. A case in point, while social media undoubtedly helped Barack Obama win the presidency in 2008, it was also a driving force behind the election of Donald Trump eight years later. From 2016 onward, the rose-colored glasses, tinted by hopeful optimism, that once beautified ICT, were firmly in the rearview mirror, and the fear of its abuse at the hands of the digital surveillance state was at hand.

The third challenge Professor Shoji points to is "solutionism," a term coined by Evgeny Morozov, to encapsulate a way of thinking that engineers tend to have, in which they overfocus on solving the problems at hand, failing to see, let alone seek to address their underlying causes. The same can be seen in government, where policy makers become too focused on the individual demands of the public, become overwhelmed, and fail to see or have the capacity to address the need for more systemic change.

All of that said, Professor Shoji believes that the establishment of the Digital Agency of Japan has strongly bolstered the tailwind for ICT in Japan, much as the IT Basic Law of 2001 did two decades earlier. Thus, the fate of digitalization in Japanese society will depend on how well the government can take advantage of this tailwind going forward to set Japan up for success in the coming decades.

## **5. The End Goal of the Digital Transformation**

Kei Wakabayashi, editor of the book "GDx - Government Digital Transformation: Principle and Practice" mentioned at the beginning of this article, has worked as the

editor-in-chief of both Heibonsha's "Monthly Sun" and the Japanese edition of WIRED Magazine, before going on to found Blkswn Publishers Inc. Mr. Wakabayashi points out that as digitalization, which first engulfed the business sphere, and has now permeated all levels of society, continues its revolutionary march across the world, the last major commercial holdouts to full-scale digitalization are likely to be in finance and medicine. This is because both of these industries are heavily regulated by the government, and thus, find it difficult to change unless the government is already on board and has made similar changes itself.

Foreseeing the necessity of government adoption, Mr. Wakabayashi began examining digital transformation in the executive branch of government. After surveying the situation in the United Kingdom, Denmark, Australia, and other countries, Mr. Wakabayashi came to feel that the essence of success in a digital transformation of government lies in a "user-centric" approach to setting goals. The countries that have successfully integrated the digital transformation into their executive branch all operate in a manner that prioritizes "outcomes," as goals. For these governments, the success (logic model) of each project is defined as measuring the degree to which specific inputs (resources) and activities, lead to specific outputs and ultimately to desired outcomes (the desired and ultimate impact on people). What is important here is not a simple measure of a project's output, but how that output ultimately impacts people's lives, that is to say, its "real-life outcome." Put another way, no matter how much output a project achieves, if people, the users, do not feel any significant change in their lives, the project is effectively meaningless. It is here that Mr. Wakabayashi notes that in Japan, the unfortunate reality is that both the government and businesses tend to approach digitalization in an output centric manner, self-congratulating themselves on achieving output metrics that are insensitive to the real-life outcomes that are so critical to an effective digital transformation.

Mr. Wakabayashi is quick to point out that good "user-centric" design encompasses much more than just end users and must also extend to those actually working to provide the service, who are themselves users. Particularly in the case of government, civil servants who provide services to citizens at all levels of the state administrative apparatus must be considered as key end users. If a system is not easy for them to use it cannot ultimately be said to be user-friendly. Only by empowering such officials can an environment in which free and diverse opinions that improve the quality of services provided to citizens can emerge. A digital transformation that views such people as merely the target of optimization and process rationalization, is not a transformation at all and will never succeed. Mr. Wakabayashi emphasizes that one of the goals of DX

should be to make on-site systems more user-friendly and to build a system that allows various experiments and trial-and-error.

Interestingly, Mr. Wakabayashi noted that the Danish and Australian state governments felt very “human,” despite the fact that the digital transformation implies a focus on technology. He believes that the core of a successful digital transformation is in changing bureaucratic systems into more flexible and humanized systems, a suggestion that warrants greater attention.

## 6. In Conclusion

As mentioned above, the purpose of harnessing the power of digitalization should be to bring together people and communities through the sharing, editing, and use of diverse information, which should bring about tangible positive change in the lives of users, and thereby communities. By gathering together the diverse knowledge, experiences, and opinions of the citizenry, the institutional culture of business and administration can be changed, raising expectations for more broadscale reform of politics, society, culture, and governance. Of course, digitalization, like any technology has negative externalities and the temptation to look at its potential through rose colored glasses must be avoided. However, such challenges can be overcome, and in the process, the digital transformation can become a powerful force for the revitalization of local communities and the potential renewal of democracy itself.

### Reference

Wakabayashi, K (2021). *GDX - Government Digital Transformation: Principle and Practice*. Institute of Administrative Information Systems.