

## A Contribution to the NS Initiative

### **Innovation in Government or Public Innovation?**

By Rachael Calleja

NS is an International Co-operation Project led by : The Honourable Jocelyne Bourgon P.C., O.C.

**PGI**

Public Governance International  
Gouvernance Publique Internationale

© Public Governance International (PGI), 2015

All rights reserved. No parts of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the author.

**February, 2015**  
ISBN 978-1-927441-42-8

## Table of Contents

---

<b>About the Author</b>	<b>4</b>
<b>Introduction</b>	<b>4</b>
<b>Innovating in the Public Sector</b>	<b>5</b>
<b>Drivers and Barriers to Public Innovation</b>	<b>6</b>
<b>How Can Governments Work to Foster Public Innovation?</b>	<b>7</b>
Leadership	7
Engaging End Users	8
Mitigating Risk	8
<b>Innovating for the Future</b>	<b>9</b>
<b>Bibliography</b>	<b>10</b>

---

## About the Author

Rachael Calleja is the Research Director at Public Governance International and has been contributing to the New Synthesis Initiative since February 2014. She is currently completing a Ph.D. in International Affairs at Carleton University.

## Introduction

Serving in the 21<sup>st</sup> century is more difficult than ever.<sup>1</sup> Today's public servants are called to face a number of increasingly complex and 'wicked' challenges during a time defined by declining resources, rules and restrictions, and weakening citizen trust.<sup>2</sup> As globalisation and the rise of IC technologies change the context of governing, governments are increasingly being called upon to find new and innovative ways to meet the changing needs of citizens.

All governments innovate. Public sector innovations have shaped the societies we live in and have given rise to the government models currently in place.<sup>3</sup> While all governments innovate, not all governments actively engage in public innovation. The distinction is subtle, but significant.

Traditionally, **innovation in government** has been understood as the development of new products, procedures, processes, or services and delivery mechanisms that improve the efficiency or impact of government programs.<sup>4</sup> Linked to the public sector understanding of innovation as a means for enhancing efficiency, innovation in government has come to denote the procedural changes that increase program effectiveness to maximize impact.

Alternatively, **public innovation** is about enhancing the value of procedures and services for citizens. It focuses on the creation of outcomes to address societal needs and increase value for society as a whole. Innovation is deemed 'public' when it serves a public purpose and prioritizes enhancing public value over improving program efficiency.

In the coming years, governments will continue to be called to innovate to keep pace with the intractable challenges of our time. By making higher public value the goal of government experimentation, public innovation provides the potential to open governments to new ideas and ways of thinking about the challenges of today and the capacities that government will need to ensure that future programs meet the demands of citizens.

---

<sup>1</sup> Jocelyne Bourgon, *A New Synthesis of Public Administration*. (Montreal-Kingston: McGill-Queens University Press, 2011).

<sup>2</sup> OECD. An Exploratory Look at Public Sector Innovation in GCC Countries. *The Government Summit Thought Leadership Series*. (Paris: OECD, 2014)

<sup>3</sup> Jocelyne Bourgon. Innovation in the Public Sector or Public Innovation? (2014)

<sup>4</sup> Olivier Serrat. Innovation in the Public Sector. Knowledge Solutions. Asian Development Bank, 2012.

## Innovating in the Public Sector

The actions of government modify the behaviour of citizens and change the course of events for society. In no other sector are actors afforded the same legal right to innovate for citizens on such a grand scale.<sup>5</sup>

In academia, experimentation requires a fully developed protocol involving a research proposal and review by an ethics committee before experiments are able to take place. In the private sector, experimentation that entails risks for society would be subject to criminal laws and redress, where firms stand to be reprimanded for innovations that involve social risks. For the public sector, experimentation through policies, programs, and initiatives used to intervene in society are deemed legitimate and necessary through the law.<sup>6</sup>

Each intervention by government is an **experiment in progress**. It involves an ongoing commitment to test, learn, and course-correct to create innovations that are adapted to the context and best able to address citizens' needs.

Public innovation takes form as governments intervene in society to bring about meaningful change. Facing imperfect knowledge and uncertainty of final outcomes, governments use the information and skills available to test new approaches and find solutions to complex challenges.<sup>7</sup>

The uncertainty and scale of public sector innovation heightens the risk associated with experimentation. For governments, the ability to assume the risks of innovation stems from the legitimacy of government to act on behalf of citizens as derived through democratic systems and the rule of law, where citizens elect governments to make decisions and act in their interests.<sup>8</sup>

However, legitimacy and capacity are two very different things. While government maintains the legitimacy to act, in many cases, the capacity of public institutions and public organisations to detect emerging challenges, anticipate changes and introduce corrective actions, and adapt to the changing needs and circumstances is lacking.

This lack of capacities has resulted in a decline of trust in government and the public sector, and the erosion of public confidence in the ability of government to find solutions to the problems of our time. Government must work to build the capacity of the public sector - a challenge that itself might invite an innovative response.

---

<sup>5</sup> Jocelyne Bourgon. Public Innovation and Public Purpose. (2015)

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

## Drivers and Barriers to Public Innovation

In each country, the degree to which governments innovate can be linked to three main factors. Whether these factors serve as barriers or drivers of innovation varies according to the context and specific conditions in place.

- Legal culture - The legal culture of a country defines the legitimacy of government and frames the conditions within which public servants operate and innovate.<sup>9</sup> A strong legal culture may act as a barrier to innovation by stressing the standardisation and formalisation of practices. In some cases, this can discourage innovation and risk-taking.

While a strong legal culture may stifle innovation through creating a culture of standards and procedures, it also provides the basic legal protections to citizens that grant government with the legal authority to access resources and pursue novel responses to policy challenges.<sup>10</sup> In these cases, it is through the law, and not in spite of it, that government is afforded the authority and legitimacy to experiment and innovate on behalf of citizens.

Policy Environment - According to Bason, conditions in the public sector are rarely ripe for innovation.<sup>11</sup> Many public sectors have policy environments that concentrate power within themselves and limit incentives to share tasks and knowledge with other actors across government and within society. The presence of silos and segmentation within the public sector may prevent cross-cutting coordination on significant challenges within government. These 'siloed' public sectors can reinforce traditional roles across agencies and prevent collaboration with actors that possess greater formal knowledge, skills, and capacity to innovate.<sup>12</sup>

Despite the capacity for policy environments to limit public innovation, traditional and siloed governments may also play a useful role in creating the conditions for experimentation. Divisions between government departments and levels have allowed for specialized knowledge accumulation and expertise to develop within and between units. These divisions themselves are not prohibitive to innovation, and rather allow for departments to lead efforts in their respective fields.<sup>13</sup>

- Politics - Public sector innovation occurs within a politicized environment.<sup>14</sup> The time frames surrounding political tenure, where politicians work between electoral periods, causes the political community to aim for 'quick wins' that can be used to justify re-election. As a result, politics is seen as contributing to the risk aversion of government, where politicians' reluctance to assume the risks of experimenting using tax-payer money may limit innovation. However, political figures that are willing to adopt a more long-term focus and accept the necessary risks associated with innovation can help public sector innovation to flourish.<sup>15</sup>

---

<sup>9</sup> Victor Bekkers, Lars Tummings, and William, Voorberg. From Public Innovation to Social Innovation in the Public Sector: A Literature Review of Relevant Drivers and Barriers. (Rotterdam: Erasmus University Rotterdam, 2013).

<sup>10</sup> Geoff Mulgan. The Process of Social Innovation. *Innovations* 1 (2006): 145-162.

<sup>11</sup> Christian Bason. *Public Sector Innovation: Driving Forces and Barriers*. (2011). Available from: <http://aliainstitute.org/blog/2011/06/02/public-sector-innovation-driving-forces-and-barriers/>

<sup>12</sup> Geoff Mulgan. The Process of Social Innovation. *Innovations* 1 (2006): 145-162.

<sup>13</sup> Jocelyne Bourgon. Innovation in the Public Sector or Public Innovation? (2014)

<sup>14</sup> Victor Bekkers, Lars Tummings, and William, Voorberg. From Public Innovation to Social Innovation in the Public Sector: A Literature Review of Relevant Drivers and Barriers. (Rotterdam: Erasmus University Rotterdam, 2013).

<sup>15</sup> Ibid.

Creating an environment that encourages public innovation is a key challenge for governments. While the specific barriers faced in each country will differ, the ability for governments to work within barriers to loosen constraints to innovation while maintaining the essential characteristics of the system is a first step towards building the innovative capacities of government.

## How Can Governments Work to Foster Public Innovation?

Ensuring the capacities of government to invent solutions to today's challenges is no easy task. Practitioners are increasingly being challenged to uncover the resources, practices, and capacities needed to help build the ability of public administrations to explore, experiment and create new and better ways to fulfill their mission.

In many ways, fostering public innovation involves harnessing the collective power of government to create the conditions for innovation to flourish. While there is no clear checklist of items that serve as pre-conditions for innovation, there appear to be a few common elements that contribute to the capacity for government to engage in public innovation.

### Leadership

Public sector leaders play a key role in creating an environment to facilitate innovation. They serve as 'innovation champions' and are well positioned to mobilize staff and resources to pursue innovative change.

Public sector leaders enable innovation in a variety of ways. As leaders of organisations, they are called to generate support for a particular innovation within their departments and agencies. They are responsible for framing challenges and solutions in a way that creates momentum and support for change. They highlight the gaps between current realities and aspirations for the future, and work to create spaces within agencies and organisations that encourage employees to innovate.<sup>16</sup>

Leaders can facilitate innovation by working to build relationships both across and between agencies and departments within the public sector.<sup>17</sup> As a community in practice, leaders are well positioned to initiate and lead efforts to work across silos and boundaries in efforts to harness the knowledge available to develop innovative solutions to cross-cutting challenges. Through working together to share information, capabilities and know-how, leaders can ensure that public innovations are informed by the best available practices and contribute to enhancing public value.

Engaging leaders to serve as 'champions' of innovation, both within their departments or agencies and across the public sector as a whole promises to contribute to building the innovative potential of public sectors. The challenge for government is to ensure that public institutions and organisations are populated with innovators and innovative leaders able to unleash the creative potential of the organisations they lead and of society.

### Engaging End Users

---

<sup>16</sup> Jocelyne Bourgon with Rachael Calleja. *The New Synthesis In Action: A Retrospective of the NS Labs Conducted in 2013-2014 Based on Singapore's Experience*. (Ottawa: Public Governance International, 2014)

<sup>17</sup> Victor Bekkers, Lars Tummens, and William, Voorberg. *From Public Innovation to Social Innovation in the Public Sector: A Literature Review of Relevant Drivers and Barriers*. (Rotterdam: Erasmus University Rotterdam, 2013).

Creating an environment that encourages the involvement of end users in the development of public innovations is a key way to foster innovations of high public value.<sup>18</sup>

As those most closely affected by a program or service, program beneficiaries are well positioned to understand the complexities of any given challenge and to meaningfully contribute to the creation, production, and monitoring of potential solutions. Accounting for the insights of end users allows government to access the knowledge and experience of those closest to the service, and in many cases can contribute to the development of policy solutions of high public value.

However, public innovation can also occur in the absence of user participation. For every policy problem, government faces a *continuum* of choices to open up the public policy making process.<sup>19</sup> Depending on the desired outcomes, government is able to decide when it is best positioned to work alone, through collaboration with citizens and communities as value creators, or through an infinite number of permutations that link government-led approaches with the users of programs or services. The particular policy response and how open government is willing to be is dependent on the problem.

The challenge for government is to determine when, and to what degree, it would be beneficial to involve service users in the policy process. In part, this involves understanding which capacities are available within government and from other actors in society, and when government is able to utilize and build on the capacities available to generate innovative solutions to policy challenges. Through opening possible policy options to include a range of possible shared relationships with end users, governments and society can jointly work towards inventing solutions that will keep pace with the increasing complexity of the world we live in.<sup>20</sup>

## Mitigating Risk

The perceived risk associated with innovation is an ongoing constraint to public innovation. Public innovation is inherently risky. It involves the generation of new and untested approaches to complex challenges with imperfect knowledge and on a large scale.

Government may avoid innovation due to the many risks associated with experimentation. For government, innovators risk not only their personal reputation, but face potential negative reactions from ministries, cabinet, the political community and civil society more broadly. Moreover, governments seeking re-election face the risk that failed innovations and policy could hinder their chances of serving consecutive terms. These risks are likely to limit the degree to which the public sector is willing to innovate.<sup>21</sup>

Mitigating the risks associated with innovation involves working in the 'space between' risky experimentation and maintaining the status quo. It involves testing new ideas at the appropriate scale to minimize potential social costs, and working within the means and resources available in any particular context. Innovations need not be grand to be effective.

---

<sup>18</sup> Ibid.

<sup>19</sup> Jocelyne Bourgon with Rachael Calleja. *The New Synthesis In Action: A Retrospective of the NS Labs Conducted in 2013-2014 Based on Singapore's Experience*. (Ottawa: Public Governance International, 2014)

<sup>20</sup> Jocelyne Bourgon. *Innovation in the Public Sector or Public Innovation?* (2014)

<sup>21</sup> Australian National Audit Office. *Innovation in the Public Sector: Enabling Better Performance, Driving New Directions*. (Australia: Government of Australia, 2009).

## Innovating for the Future

Enhancing the capacity of governments to engage in public innovation will be crucial to keep pace with the challenges of the 21<sup>st</sup> century.<sup>22</sup> For government, an important task on the road to innovation will involve determining the strengths and weaknesses of the current systems to uncover the areas most in need of reform to improve innovative capacity.

Public innovation does not always require new ideas, and does not need to be grand or expensive. In all cases, there will be some aspects of current government procedures that allow for innovation to occur. The challenge for government is to determine what assets it should preserve and how these pre-existing assets and capabilities can be recombined with new processes to drive recombinant innovation. Through preserving useful practices, governments are able to maintain functional processes while exploring new idea and practices to generate increasing value for society.

Public innovation is never a singular occurrence and does not end with a successful initiative. Governments are called to continually innovate and adapt in order to meet the needs of citizens in a rapidly changing global environment. As contexts and circumstances continue to evolve, so too will current innovations be displaced by new adaptations designed to address the challenges of the day. Public servants face an ongoing call to innovate.

Going forward, governments will be called to make innovation a priority. The challenges being faced by governments serving in the 21<sup>st</sup> century are likely to continue to become increasingly complex as the distance between people and ideas continues to shrink. Finding ways to foster and facilitate innovative approaches will be crucial for keeping up with changing demand and meeting the needs of citizens in the post-industrial era.

---

<sup>22</sup> Jocelyne Bourgon, *A New Synthesis of Public Administration*. (Montreal-Kingston: McGill-Queens University Press, 2011).

## Bibliography

- Australian National Audit Office. Innovation in the Public Sector: Enabling Better Performance, Driving New Directions, 2009. Available from: <http://www.anao.gov.au/bpg-innovation/index.html>
- Bason, Christian. Public Sector Innovation: Driving Forces and Barriers, 2011. Available from: <http://aliainstitute.org/blog/2011/06/02/public-sector-innovation-driving-forces-and-barriers/>
- Bekkers, Victor, Lars Tummers, and William Voorberg. From Public Innovation to Social Innovation in the Public Sector: A Literature Review of Relevant Drivers and Barriers, 2013. Available from: <http://lipse.org/userfiles/uploads/From%20public%20innovation%20to%20social%20innovation%20in%20the%20public%20sector.pdf>
- Borins, Stanford. Leadership and Innovation in the Public Sector. *Leadership and Organisation Development Journal* 23, (2002): 467-476.
- Bourgon, Jocelyne. A New Synthesis of Public Administration. Montreal-Kingston: McGill-Queens University Press, 2011.
- Bourgon, Jocelyne. Innovation in the Public Sector or Public Innovation? Ottawa: Public Governance International, 2014.
- Bourgon, Jocelyne. (2015). Public Innovation and Public Purpose. Ottawa: Public Governance International, 2015.
- Bourgon, Jocelyne and Rachael Calleja. The New Synthesis In Action: A Retrospective of the NS Labs Conducted in 2013-2014 Based on Singapore's Experience. Ottawa: Public Governance International, 2014.
- Mulgan, Geoff. The Process of Social Innovation. *Innovations* 1, (2006): 145-162.
- OECD. An Exploratory Look at Public Sector Innovation in GCC Countries. The Government Summit Thought Leadership Series. Paris: OECD, 2014
- Serrat, Olivier. Innovation in the Public Sector. Knowledge Solutions. Asian Development Bank. Manila: Asian Development Bank, 2012.



**Public Governance International**

60 George Street  
Ottawa, Ontario, CANADA  
K1N 1J4

Tel. : +1 613 421-4421

[contact@pgionline.com](mailto:contact@pgionline.com)  
[www.pgionline.com](http://www.pgionline.com)  
[www.pgionline.com](http://www.pgionline.com)