EUROPEAN PUBLIC SECTOR AWARD 2021

Building a Better Europe for Citizens
No Innovation Without a Crisis?

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THE EPSA 2021 EDITION IN TIMES OF CRISIS

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The eighth edition of the European Public Sector Award takes place in exceptional circumstances. Early in 2020, Europe was hit by the Covid-19 pandemic and since then, EU institutions and Member States have been grappling with the political, economic and social effects. Although public administrations are confronted with challenges, which will outlast the current crisis – e.g. climate change, technological developments and demographic change – the pandemic nevertheless remains as a significant impact on administrative reform and economic recovery.

The challenges for public administrations are reflected in the three categories of EPSA 2021: Green, Digital and Innovative Public Administration. The EPSA 2021 applications for these categories are presented in separate reports, which discuss the respective challenges for implementation and innovation. In this report, Menno Spaan provides empirical analysis of EPSA applications to identify conditions facilitating innovation, and to discuss in particular the role of the crisis as a factor of external pressure.

NO INNOVATION WITHOUT A CRISIS?

1. Introduction

Innovation in the public sector is important, but can be hard to accomplish. Policing needs to be done by the book according to the rules and requirements for legitimacy. Because of public funding, we want public organisations to adequately account for their actions, meet high standards and make no mistakes. This leads to extra restraints on the innovation capability of public organisations, as innovation asks for redundancy and taking risks to develop new approaches.

Because of these restraints, public administrators involved in innovation processes often say a 'burning platform' is required to realise innovations. The metaphor of the 'burning platform' implies that we only dare to jump in the deep end when the platform is ablaze. Without a considerable degree of external pressure, innovations will not come about because the willingness to take risks would fall short. But is this right? 'The stone age did not end because the world ran out of stones', is a well-known phrase that a CEO of a large organisation once stated. Innovation is within people themselves. *Homo ludens*, 'playing' man, instinctively looks for innovation and improvement; he is not made to perform perpetual routine actions. Provide time and space for new innovations and they can materialise from a valuable idea or because new technology simply offers new applications that can be put to smart use. The question is, in what circumstances do innovations materialise best? Is the realisation of an innovation a process in which external pressure is needed to convince the people in an organisation to take risks, or are ideas conceived without this pressure?

2. Conditions and factors facilitating innovation

Innovations do not materialise accidentally, but cannot be commanded either. Innovations are brought about from a delicate balance, in which an innovation-friendly biotope in the organisation is at play. Employees who are creative and dare to carry out new initiatives are important. This also applies to executives who back new plans and take responsibility, even if they entail risks. These executives step forward when things go wrong and give the stage to their employees when the results are positive. What is also vital is a diversity of knowledge and skill among the people in an organisation, as well as a culture of knowledge sharing. Sufficient time is required to start new initiatives. They should be removed from the primary process in time, so they can be further developed free from the 'noise' in the organisation, yet stay in touch with the primary process to make the initiatives practicable. Ideas must be tested and scaled up. Plus, the right strategy must be determined. Do we put an innovation in the public spotlight? Or do we prefer a strategy under the radar?

The innovations submitted for the European Public Sector Awards provide a great opportunity to examine this. We have just gone through a pandemic period, a period of crisis in which government organisations had to respond under considerable pressure. What did this bring about, when it comes to innovations? How do they relate to innovations where this pressure was absent? What does this mean practically, for structuring your innovation process in the public sector?

Public innovation is crucial. It is the responsibility of public organisations to do everything in their power to solve problems in society, and this involves trying out new possibilities to the fullest extent. But economically, too, innovations will only take shape if authorities play their part. Although we often think that large private organisations lead the field in innovation, all substantial innovations today are publicly financed. Think for instance of the algorithms of Google, or GPS. Besides, society is rapidly developing towards a digital reality. To properly address this, authorities should take the lead, understand what this reality looks like and be present to shape it and set the future markers within which the public domain will (digitally) develop. This is only feasible if you are committed.

But above all, innovation is crucial because it counterbalances the continuous reaction to incidents, with authorities constantly lagging behind. Only by

looking ahead and working out solutions for the future, can authorities offer their citizens what they ask for.

Meanwhile, government organisations differ from private organisations, with dynamics that may also thwart initiatives. It is not easy to make mistakes, working in public organisations; everyone looks over your shoulder. Politicians are judged on mistakes and interfere in solutions in the implementation stage. Public organisations are responsible for problems that are unsolvable, making the chance of these errors considerable. So, this restricts the modus operandi in public organisations. Because public means are spent, transparency is a great good and mistakes stand out, but public organisations are also bound by demands regarding lawfulness and equality of rights, and have to work by the rules. This can make it hard to achieve innovation.

How does a situation of crisis specifically relate to the innovative potential of government organisations? That is the issue at hand in this article. Public organisations are value-driven, which should give them a lead over private organisations where the costs of innovations always have to be recovered within a certain time. But in the meantime, public organisations are subject to more complex dynamics, as described above.

The structure of this article is as follows. First, I will explain how I selected the cases that this article focuses on. By ordering the extent to which external pressure dictated the innovations that were realised, we can zoom in on different categories.

I looked at cases where strong external pressure, like the Covid pandemic, was leading for the innovations and transformations that were achieved. Next, I looked at cases that were faced with some pressure to innovate. Finally, I zoom in on cases where the intrinsic motivation was leading. All this brings me to the question of how a crisis situation relates to the innovative capacity of government organisations.

3. Method

From a total of 129 cases, I considered and weighed the 39 cases with the highest ratings from the selection committee, assessing to what extent external pressure played a role. Across the three formulated categories which entries were classified under (Innovative administration, Digital and Green), I identified a scale ranging from 'Disaster as a basis for innovation' to 'Intrinsic motivation to innovate'. The first refers to a 'burning platform' or crisis situation (i.e. the Covid-19 pandemic) as a sudden driver for innovation; the latter refers to innovations that came about by coincidence, or by having the individual or organisational freedom and autonomy to pursue and expand new ideas (i.e. in the absence of pressing problems that require an immediate response).

Innovations categorised in the middle of the scale consist of ideas to tackle more slumbering societal challenges, driven by emergent external pressures (further to the left) or by changes in legislation (close to the centre of the scale) or value-driven policies within the organisation (further to the right).

The precise weighing of the projects is hard, because their description does not always state the objective in detail. But this is not about the perfect arrangement. The aim is to give an indication and to analyse where the similarities and differences are in the type of innovations and transformations, compared to the direction in which a crisis or intrinsic motivation is leading.

The results are displayed on the next page.

Looking at the ordering, it is striking to see that innovations evolving in the Green domain seem to be driven more intrinsically. Digital innovations are realised from a predominantly neutral position, and innovative administration more often has a crisis situation as a driver for innovation.

Name	Intrinsic motivation to innovate		Neutral		Disaster as a basis for innovation
Innovative Public Administration *(i.e. contributing to the design and implementation of reforms to support job creation and sustainable growth)*					
Chivalry in Ljubljana: assisting citizens and improving their quality of life					x
Smartphone ABC				x	
Innovative Administration in Cyprus Prisons			x		
Government Buys Innovation	x				
Stay Home - the Municipality of Serres stays at work for you					x
My City, My Future!	x				
U25 - Together for Young People in Vienna					
LabX - Experimentation Laboratory for Public Administration	x				
At a distance, but close to you					x
The innovation Laboratory	x				
Raising children awarness of sustainable development		x			
Human Rights Go Local		x			
Participons - co-construisons ensemble le SPW de demain				x	
City Deal 'Zicht op Ondermijning'			x		
Covid Law Lab					x
Digital Public Administration *(i.e. contributing to a Europe fit for digital age)*					
Casemates		x			
Crossborder Fines			x		
All-in-One HR				x	
JustizOnline		x			
The electronic Documents Archive			x		
The public policy planning and evaluation area			x		
Vienna provices space(Wien gibt Raum)			x		
Information-supported decision-making		x			
Relaunch of FinanzOnline for citizens and integration of chatbot "Fred"				x	
Municipality ASP 2.0			x		
Transparency at the service of health					x

Green Public Administration *(i.e. contributing to the European Green Deal)*					
Processing invasive alien plants into useful products and input material for industry	x				
EnerCoach		x			
Green Supply Chains	x				
IRec		x			
Smart infrastructure for smart public administration		x			
Green Port Initiative		x			
R&I Mobility strategy			x		
Energy Efficiency and Renewable Energy Sources in Public School Buildings in the Municipality of Serres	x				
Renewable Energy from Waste-water - Wastewater Treatment Plants as Local Energy Cells	x				
Greening of Budapest Metropolitan Area 6th district			x		
RESHUB Network in EU	x				
Adopt-A-Tree in Athens	x				
RECIPROCAL RECYCLING	x				

From a total of 39 innovations, only 5 are externally driven by a crisis situation. This seems to support the idea that emergent external pressures are not required to accomplish innovation. Let us zoom in on how innovations are brought about per category.

4. Analysis

Innovations achieved under heavy external pressure

Transporting hospital staff to work with electric vehicles is an idea from Ljubljana, Slovenia (population 293,000). These vehicles are normally used in the city centre to transport older and disabled people in an ecological zone. Meals are also being taken to vulnerable people with these vehicles, thus building on the principle of demand-responsive transportation launched in a city. This is a response to the Covid pandemic.

But also there is organising digital meetings with inhabitants – as in Greece – to stay in touch with them, giving out tests to measure infection rates, launching a mental health helpline, creating a web portal with all relevant information about the Covid crisis and the latest updates in Spain, distributing medicine and food packages and providing face masks and other sanitary material.Helping people who are digitally less competent to use their smartphone effectively, as in Austria. These are all activities for which authorities took responsibility and that were accomplished in direct response to the epidemic.

More indirectly, the Centre of International and European Economic Law in Greece saw the need to create a website to monitor people's fundamental rights during the epidemic, the protection of personal data and tenders in relation to state aid. Authorities took emergency measures that inevitably infringe on citizens' fundamental rights in unprecedented times. These can exert a huge impact and it is crucial to respect the rule of law here. By comprehensively offering the latest legislation, as well as a bibliography at an EU and national level in relevant areas, they provide insight into this.

Another initiative involved putting parents firmly in charge and remotely supporting them, because children in Romania with developmental disabilities (e.g. autism spectrum disorder) can no longer have therapy due to Covid. The Orsova Day Recovery Center for Children with Disabilities made the

parents part of the medical team to help them guide the children at home. This gave insights into the parents' role that will be followed up on in a sustainable way, also after the crisis.

And if there is some pressure, but not as much?

What do innovations look like? Think of an arrangement that was made to formulate improvement targets with the participation of employees as a base for a large-scale participation process, as in Wallonia, Belgium. Or think of extensive cooperation between government organisations to gain insight into undermining activities as a consequence of a policy objective where acute necessity is the starting point, as in the Netherlands. Or the need to cut down on HR or integrating services into a single platform where automation helps, as in Austria.

And if there is no or hardly any external pressure?

In these innovations and transformations, we actually see fairly the same causes, but in different shades such as the group in the prison in Cyprus who have to be treated differently as a policy target, but one that must really be carried through.

We see policy targets and smart ICT solutions that match up. Traffic fines in Belgium that are monitored better from a central platform and made more accessible to remunerate the parties involved. Digitising documents in the National Archives in Poland, making them far more accessible. Streamlining ICT processes for local authorities in Hungary. A one-stop shop for citizens and companies for applications in the public space in Austria.

But policy targets can also be more leading, like in formulating a vision for 2040 with a very broad participation process for a mobility strategy, as carried out in Austria. Or the objective to become greener as a result of the climate issue, as the cause for drastic improvements in one of the most densely populated areas of Budapest can be formulated.

When intrinsic motivation is more or less the focal point

In the case of intrinsic motivation, the considerations are not very different. Policy targets are leading, but in particular, more smart combinations are achieved. Like spending 10% of the profits, made by working on more sustainable public buildings that cost less energy, on programmes for youngsters. Think of programmes where they learn to deal with fossil

fuels and ecology, or gain awareness of how to deal efficiently with natural resources.

And when you build a new head office, like the European Union agency eu-LISA in Tallinn, Estonia, you utilise innovative and climate-friendly solutions and you indirectly ensure infrastructural development.

And if you have a project like the Green Port Initiative of the Port Authority of Málaga in Spain to improve the air quality, you couple it with a better transition between the port and the city (green borders and plants) and you indirectly make the port more attractive to tourists and citizens.

What is more intrinsic is coupling the identity of your city that is historically associated with human rights, such as Vienna, Austria, to related activities by and in the city. Or making the legislation and rules available, open source, as in Luxembourg.

If we look at projects where the intrinsic motivation takes centre stage, we also see innovations that are pretty extreme from an intrinsic motivation, such as a district in Turkey that formulates targets for a period of four years by having the citizens provide input.

Another striking thing is that innovations come about simply because a section is created for the purpose. This was the case with the previously mentioned project on human rights, but also in Belgium for example, where five employees were appointed to share their innovative input with colleagues from the government to make tendering procedures more innovative; or an innovation centre in Portugal with the name LabX that realises various projects.

5. Conclusion: How is innovation achieved and how does a crisis relate to the innovative capacity of government organisations?

Looking at the innovations and transformations as they were realised, we see there are different ways. Innovation resulting from policy targets run across all categories. Do you want to accomplish innovation or transformation? Think about how you can accomplish your policy targets in a different way.

A different way is linking technological applications to policy applications. You can achieve a lot

by opening up clustered information through digitisation, making it more accessible and transparent. Think about the possible couplings between objectives and technologic possibilities.

Then there is a practical way of innovating and transforming. If we deal with the outdoor space of a city, our actions improve things with respect to green and the air quality, and we open up an area, and we spruce up the environment for tourists. Thinking smartly about how to add value to activities that have to be carried out anyway leads to innovation and transformation.

A category that is more remote from innovations achieved through heavy external pressure is innovation for which separate organisational sections are set up. Do you want innovation to be achieved structurally? Allocate a group of employees with a specific objective, and innovation will come about. However, it is important that they are and stay in touch with the direct work field and act subservient to it.

Looking at the totality of innovations and transformations, it is clear that by reacting flexibly to their environment in times of crisis, public organisations can achieve a lot. There is a whole range of other ways to accomplish innovation and transformation, from thinking about smart technological applications in relation to policy targets to arranging a section of the organisation that gets the task to realise innovation and transformation in a specific area. No innovation without a crisis? No, the other way around, rather. No innovation if it does not originate from within.

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