Lucerne University of Applied Sciences and Arts

# HOCHSCHULE LUZERN

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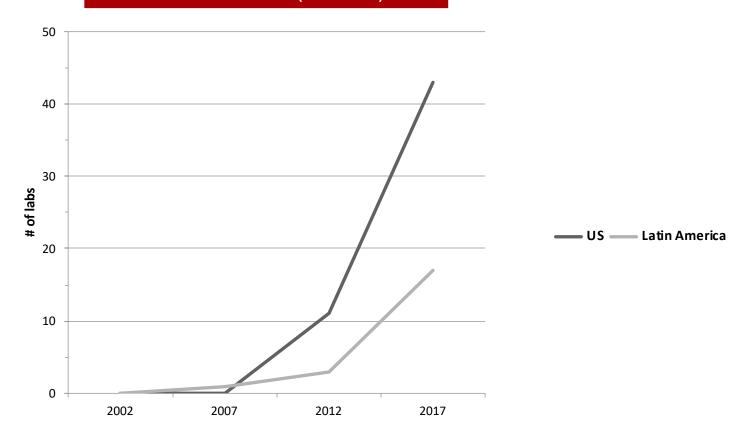
Mark Hallerberg, Sabine Junginger, and Kai Wegrich October 2019



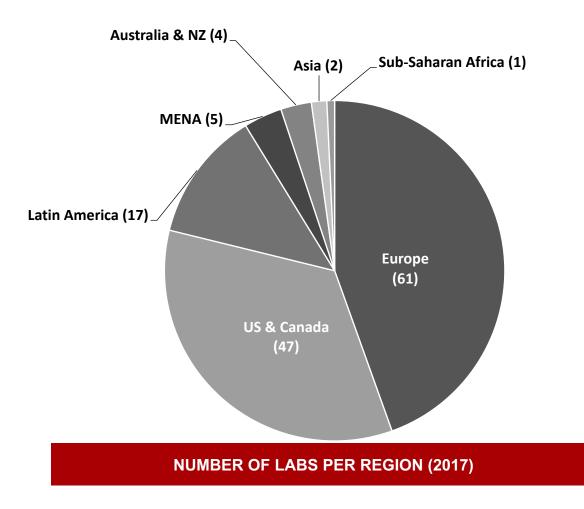
# The Lifecycles of Public innovation labs How Initial Choices Affect Future Development

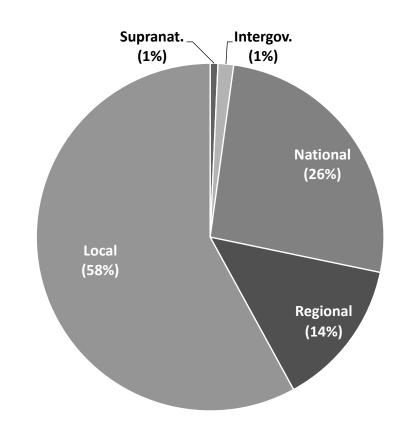
### The lab model has diffused rapidly

### EXAMPLE: GROWTH IN LABS IN THE US & IN LATIN AMERICA (2002-2017)



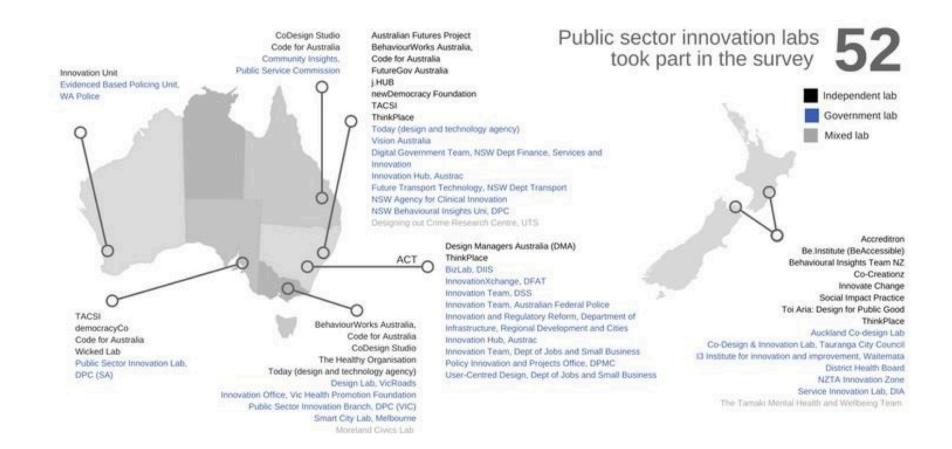
# Innovation labs—Where are they?





**LEVEL OF GOVERNMENT (2017)** 

### Australia and New Zealand

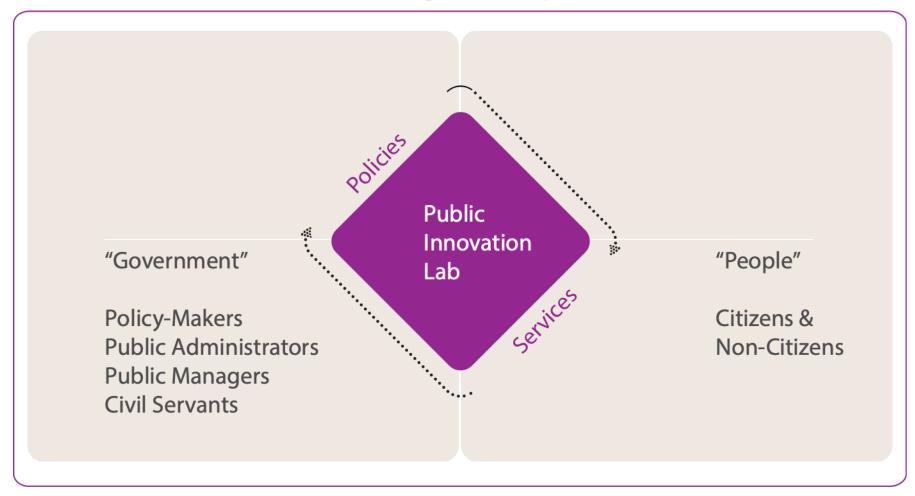


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### Rationale for Labs

- Something about the existing bureaucracy is not working
  - Lab can create a space to experiment
  - Lab can create a space to fail
- Existing bureaucracy does not consider enough stakeholders
  - Lab can involve multiple stakeholders
  - Potential for (collaborative) innovation
- Existing bureaucracy does not take account of the users of public services
  - Lab can involve citizens
  - Potential for "co-creation" with citizens involved in changes in the policy

### Public Sector Innovation Addressing Human Experience & Human Interaction



### What's their job?

### ..and what's their problem?

- The innovation lab bargain
  - "We take the risk for you, and you get the credit"
    - We are experimenting (with you), if it works, it's your project, if it fails, it's our project

### However,

- Innovation labs are subject to the same mechanisms
  - No matter how much they stress their mission around experimentation
  - They have to demonstrate value for money
  - Avoid risks that puts their political principles in a blame storm
  - Show that they make a difference
  - BUT: are dependent on the cooperation of other actors

# Dilemmas Labs Face Early in Life

Could be the solution to get others to pay attention.

But association with a particular politician or party could hurt you if the party changes.

# Politicisation

This more technocratic approach makes the Lab less vulnerable to political winds.

But a lab focused on bureaucracy may be less persuasive in getting others to cooperate with with it.

# Focus Instead on Support in Bureaucracy

This may make the Lab more focused on tasks. May be easier to satisfy one "master."

But many policy problems complicated, or "wicked." They extend across multiple ministries.

# One "Principal"

## What's their job?

### ..and what's their problem?

- Why would departments cooperate?
  - Because they want innovations that helps them do their job!
- Ok, but
  - Innovations are risky, in particular in the public sector
    - Negativity bias, blame & risk avoidance
  - Specialists probably have better knowledge of the field they are working in than Lab people
    - ..and might have vested interest in the status quo, ways of doing things
    - Seek to protect their organisation turf against "intruders" for reasons of organisational maintenance
      - Maintenance: public & political support popular task, no rivals, match of external jurisdiction & internal sense of mission

Why not then get several backers?

Sometimes can play them off against each other.

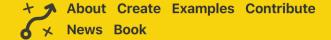
If they have different objectives, they may decide that the "agent" has strayed and withdraw funding.

# Multiple Principals

Australia: DesignGov

• Finland: Helsinki Design Lab

Denmark: MindLab



### Australia DesignGov Principles

- 1. Connected, Customer and Community Centric
- 2. Courageous
- 3. Collaborative, Co-design, Co-creation, Co-production
- 4. Coherent
- 5. Co-sponsored

### **Author:**

DesignGov Australia

# DesignGov (Australia)

- · launched in June 2012
- · ended in December 2013

### Why it came into being:

Because MAC project <u>Empowering Change: Fostering</u> <u>Innovation in the Australian Public Service</u> proposed a public innovation lab at the central government level

- · Ran as an 18-month-project
- · Ended with end of project
- · Doomed to fail from the beginning

### Why did GovDesign end:

- political explanation
- · leadership explanation
- · organizational explanation



First Day Helsinki Design Lab 1968



Last Day Helsinki Design Lab 2013

### The Helsinki Design Lab

- · launched in 2008
- · ended in 2013

Why it came into being:

The Innovation Fund SITRA, created in the 1960s, brought it into being

- One principal (SITRA), but a Board of Directors, with the Representative of the Finance Ministry key
- · Ended when Board refused to back effort to scale up the lab
- · Postscript: attempt to revive it. Prime Minister's office would propose it, but it would be based in the Ministry of Finance

Committee of Permanent Secretaries refused to approve it prior to an election, was not reintroduced after a change in government

# Mindlab (Denmark)

- · launched in 2002 in Ministry of Business
- · ended in May 2018

Why it came into being:

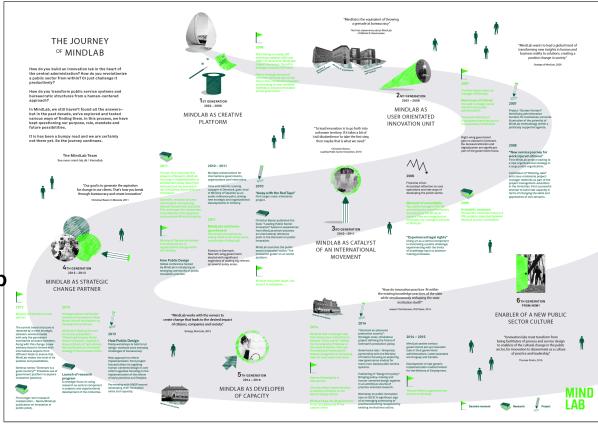
Started as a series of workshops, but Minister provided strong backing

Became Cross-ministerial in 2007 with change in leadership of the lab

Had multiple Principals: Ministry of Education, Ministry of Employment, City of Odense

Change in Mission with New Leadership in 2015 December 2017: only one principal remained

- Official Closure in 2018, though "rump" continues just in Ministry



	Number of principals	
Type of support		
	One	some/many
Political	Mindlab (early, death)	Mindlab (later)
Bureaucratic	HDL	DesignGov

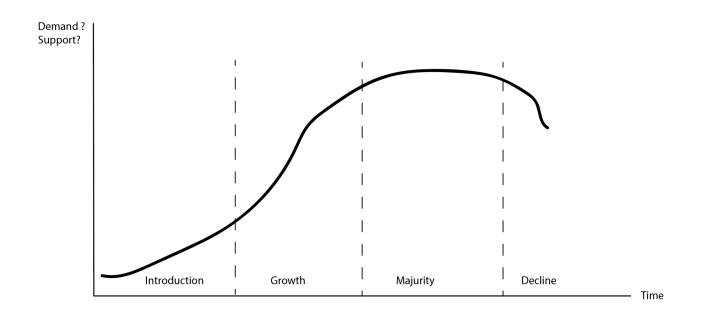
# Conclusions

Innovation & coordination the key

 Politicization dilemma – depend upon polarization of society?

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### What kind of life cycle are we dealing with?



If the Life Cycle of an Innovation Lab echoes that of the traditional Product Life Cycle, the product, ie. the lab leaves the market eventually and disappears.

(Note: Vertical axis has been changed from ,Annual Sales Volume' to ,Demand', ,Support')

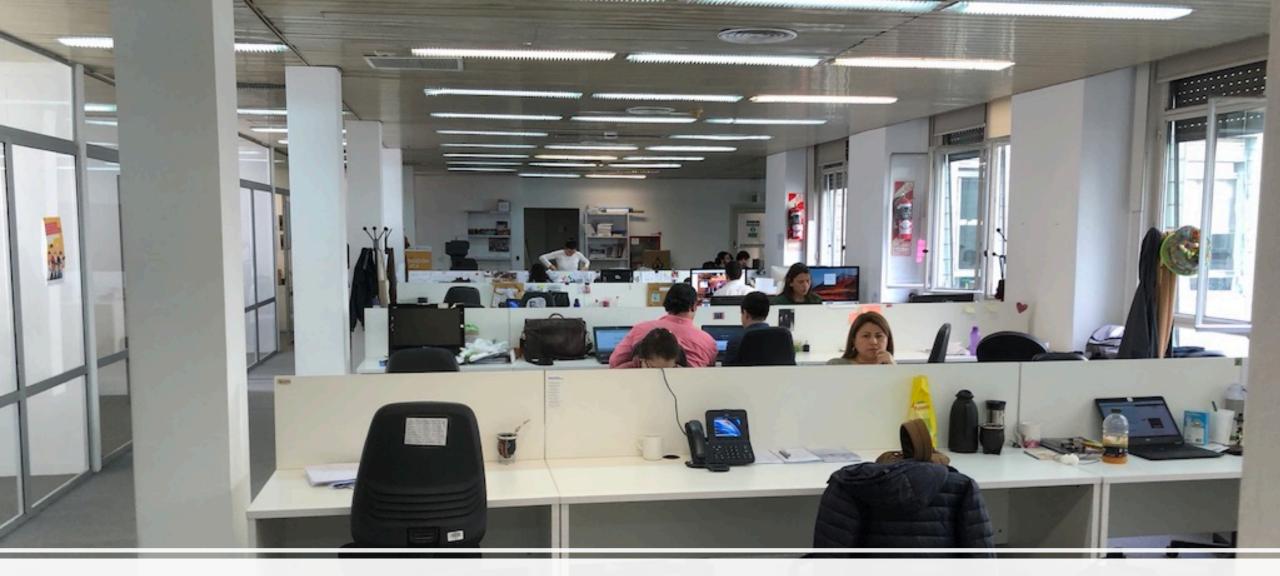


Mindlab: the "rump" now works only on "disruptive digitalization"

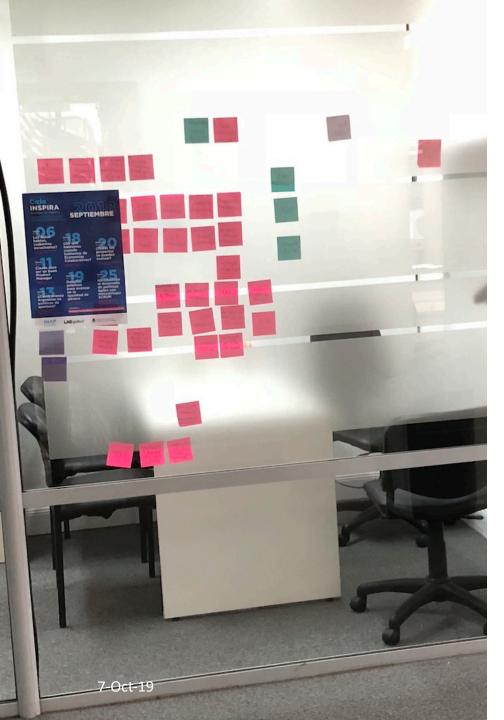
Chile: change in government moved the lab to the President's Office, now focuses on digitalization

What about agile governance?

If dilemmas cannot be solved, change mandate



# Labgobar Buenos Aires



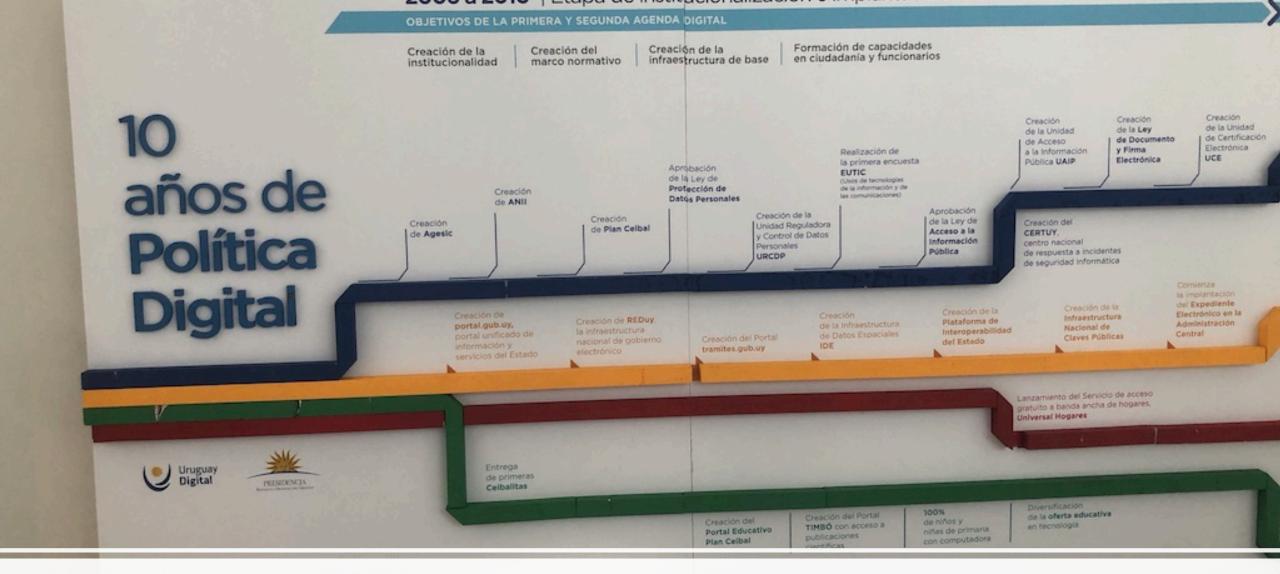
# Labgobar

### Set-Up

- A national/federal lab, based in Buenos Aires
- Created after Macri became President in 2015
- Based in the Ministry of Modernization

### **Type of Projects**

- Skill-building
- Open Data
- Open Government
- Projects (e.g., health of cattle)



LIC in AGESIC, Montevideo



### LIC in AGESIC

### **Set-Up**

- Lab in Separate Agency
- Exists for 11 years

### **Type of Projects**

- Focused on Digitalisation



City Lab, Buenos Aires



## 011

### **Set-Up**

- A city lab, based in Sao Paolo
- Created in September 2017
- Based in the Secretariat of the city with the Digital/IT people

### **Type of Projects**

- Digitalization of Public Services
- Health
- Organisational change

### Extension to Latin America

Type of support	Number of principals—LA Cases	
	One	some/many
Political	LanGov (Chile), Argentina (city and federal), 011	
Bureaucratic	LIC in AGESIC (Uruguay)	GNova (?)