–European Policy Brief–

Ten policy recommendations for co-creation during social Innovation

LIPSE: Learning from Innovation in
Public Sector Environments
(Work Package 2)

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1   The growing importance of co-creation during social innovations

Improving the innovation capacity of governmental organizations is vital for member states in order to deal with important contemporary economic, demographic and technological challenges, such as budget austerity, ageing and youth unemployment. Nowadays, governmental organizations are increasingly taking part in so-called 'social' innovations. The LIPSE project (Learning from Innovation in Public Sector Environments) identifies drivers and barriers to successful social innovation in the public sector. It is funded by the European Commission's 7th Framework Programme (No. 320090, 2013-2016). LIPSE is comprised of researchers from 12 Universities in 11 EU countries.

A central element of social innovation is that it seeks the active participation of citizens and grass roots organizations to produce social outcomes that maximize impact. According to the European Commission (2011:30), "social innovation mobilizes each citizen to become an active part of the innovation process."[1] Social innovation can be considered a process of 'co-creation' with citizens. In order to improve our understanding of this important phenomenon, this policy brief (based on LIPSE Work Package 2) describes the results of a literature review and a comparative case study in seven EU countries and 14 cases of co-creation and citizen involvement during social innovation. Its aim is to disseminate evidence-based knowledge on social innovation, relevant for policy makers, managers, professionals and scholars.

This research project aims at improving our understanding of the process of co-creation with citizens during social innovation. It has four main goals:

1. To identify different <u>types</u> of co-creation with citizens.
2. To identify and to compare <u>drivers and barriers</u> that account for the success or failure of co-creation processes in EU countries.
3. To assess the <u>outcomes</u> of social innovations that are based on co-creation in relation to the expected benefits for the involved stakeholders, including the weak interests of citizens.
4. To present <u>policy recommendations</u> based on the results and to disseminate these.

2   How have we studied co-creation during social innovation?

First, we conducted a literature review of existing studies on co-creation (and the related concept of co-production) during social innovation. We analyzed 122 such studies. This literature review was published as:

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[1] See: European Commission (2011) Empowering people, driving change: social innovation in the European Union, Luxemburg: Publications of the European Union.

Voorberg, W., Bekkers, V. J. J. M., & Tummers, L. G. (in press). A systematic review of co-creation and co-production: Embarking on the social innovation journey. *Public Management Review*.

Second, we carried out an international comparison of co-creation cases in seven EU countries: Denmark, Estonia, Germany, the Netherlands, Slovakia, Spain and Great Britain. In each country we analyzed a case of co-creation within the policy domains of social welfare and urban regeneration. We conducted document analysis, 35 interviews with experts (5 per country) and 140 interviews with involved stakeholders in the co-creation initiative, such as citizens, civil servants, NGOs and private companies (10 per case per country). An example of a studied case is Pla Buits in Barcelona. Due to the economic crisis, many buildings around Barcelona were either not finished or abandoned. This left many empty spaces in the city that would not be used on a short term and could therefore become a breeding ground for bad/anti-social practices and behaviors. The civil initiative Pla Buits encourages development projects that recover and adapt such abandoned spaces. Like for all the cases, we analyzed how this initiative developed, the main actors involved and the results.

Third, we organized two international focus group meetings with relevant opinion leaders and academic experts. Here, we discussed and validated the main findings. The first focus group consisted of experts in the field of co-creation and co-production. The second focus group involved specialists in the field of social and/or public innovation.

3 Which types of co-creation can be identified?

Based on the literature review, we distinguished three types of co-creation/co-production:
1. Citizens as co-implementers
2. Citizens as co-designers
3. Citizens as initiators

When citizens are co-implementers, they are (just) involved in the execution of delivering a public service. A clear example can be found in the participation of citizens in garbage services. In order to effectively manage garbage disposal, the assistance of citizens is required to separate types of garbage. Citizens only perform some executive tasks.

The second type of co-creation initiative defines the citizen as a co-designer. Often, the initiative lies within the responsibilities of the public organization, but citizens decide *how* the service will be delivered. For instance, citizens can be invited to contribute their ideas about how to design and maintain a new public park.

The third type of co-creation initiative involves the citizen as an initiator and the government as an accompanying or supporting actor. For instance, citizens can take the initiative to improve the livability of their neighborhood, and later on involve the government for legal checks, subsidies and network ties, among else.

Based on this distinction, we reserve the term 'co-creation' for the involvement of citizens at the (co)-initiator or co-design level. **Our first straightforward policy recommendation is to use this distinction, in order to reduce 'conceptual confusion,' and to be able to compare initiatives of the same kind.**

4   What are the major drivers and barriers of co-creation?

The next goal of the project was to identify major drivers and barriers of the co-creation process. This is an important topic, as knowing which drivers and barriers exist can be beneficial for people who want to stimulate social innovation processes.

Context matters

Although some general factors have been identified and will be presented shortly, we must emphasize the importance of an initiative's **context.** The state and governance traditions proved to be especially influential for co-creation initiatives. The differences in state traditions result in very different starting points for co-creation initiatives. Countries characterized with a centralized state structure often do not have a tradition of involving citizens in policymaking. This makes it harder for such initiatives to develop and succeed. A striking example can be found in Slovakia. Slovakia became an independent country on January 1, 1993, as the result of the splitting of the former republic of Czechoslovakia. Much of the state tradition of Czechoslovakia lived on, however. The Communist Party played a very important role in the political system, and won the elections in 1947. There was a dominance of political power of the Communist Party over all subsystems of public administration. This legacy is still felt today when it comes to co-creation. As a result, public officials sometimes seem opposed to social innovation initiatives rather than supportive of them. **Our second policy recommendation is to be careful about the straightforward adoption of 'best practices' across countries. Different historical state and governance traditions could influence the success of co-creation initiatives, and often additional measures should be taken to make an initiative successful in another country.**

Three organizational factors

Having stated the importance of context, we now summarize a number of general influential organizational factors that can stimulate or stymie co-creation initiatives.

First, we found that the degree to which the administrative culture is risk-averse influences whether co-creation initiatives develop. In some countries (such as Denmark and the UK), the administrative culture are inviting towards co-creation, seeing it as an opportunity to tackle hard challenges such as the rising costs in elderly care. Involving citizens is not seen as a substantial risk, but a risk which is worth the potential costs. On the other hand, cases in Germany showed that when risks are not properly managed, a culture of risk and blame avoidance develops, which hampers co-creation initiatives. **Our policy recommendation is to train public officials about risk management and risk tolerance in co-creation initiatives.**

Second, we found that co-creation can be strengthened when public officials have a positive attitude towards co-creation. Politicians and higher level public officials (such as administrative leaders and managers) often welcome co-creation initiatives. However, workers on the frontline (street-level bureaucrats like teachers, nurses and social workers) are less inviting. They often are the ones who really have to change the way they work when co-creation happens, and sometimes do not fully trust the competences of citizens. They ask themselves for instance: is it not better for a nurse to help an elderly woman than an unqualified citizen? **Our policy recommendation is to pay particular attention to the attitudes of street-level bureaucrats when promoting co-creation, for instance by involving them, showing and measuring success of the initiatives and communicating this to them.**

Third, financial sustainability was often needed to make co-creation initiatives last in the long run. A Slovakian initiator noted: "one of the most frustrating moments was to seek partners who would support the project financially." Initiatives often start with ample funds, many times provided by governments. However, later on governments withdraw their initial grant and the initiative has to develop its own revenues or other subsidies via crowdsourcing or business organizations. This process is not always successful. **Our recommendation is to be wary with initial subsidies: try to establish whether an initiative could in the long run survive without subsidies.**

Three influential factors on the citizen side

Not only public organizations should encourage co-creation initiatives. By its very definition, citizens should also be willing and able to take up the challenge and try to develop co-creation initiatives.

Regarding influential factors on the citizen side, a first conclusion is that citizens should feel 'ownership' of the initiative: it is 'their' initiative, not only 'the government's'. This ownership can have different orientations, such as a moral orientation: doing 'good' (helping unemployed people find work), a geographical orientation (doing something for your city or neighborhood) or a professional orientation (using your skills). **Our policy recommendation is to identify how the co-creation initiative can inspire personal meaning for citizens: how can we make it attractive for people to participate? How can it be shaped into something they 'own'?**

In the second place we found that social capital is an important accelerator co-creation. For instance, a Dutch co-creation initiator stated, "you don't need to convince people of the need for an initiative, because this need is already there. It is because of social capital that these people can be approached." **Our policy recommendation is to first check whether enough social capital is present, and if not, increase this. This can be done by involving 'boundary spanners': people who know many other people, early on in the project.**

Thirdly, and related to the first two factors, we found that the willingness of citizens is one of the most important drivers for co-creation. However, this willingness can become problematic when too many citizens want to contribute in too many ways, making a project unmanageable. Questions can be raised about the representativeness of the citizens participating, who are often

prosperous and well-educated. The composition of the co-creation stakeholders is often not representative of their society. **Our <u>policy recommendation</u> is to check for representative participation using a short survey to identify which citizens are willing to participate in the process, and whether this willingness is unequally divided across educational, economic and ethnic lines.**

5   What are the outcomes of co-creation?

The third goal of the project was to identify the outcomes that co-creation projects have produced.

Co-creation initiatives exist alongside existing public services

First, we found that that there were not many concrete large scale products or services produced. We must note though, that respondents often argued that the products are the co-creation initiatives themselves (for instance in Estonia, Spain, Great Britain). More than the development of large scale products, the co-creation initiatives led to products and services which are *addition*s, not replacements, to existing public services. For instance, in the German initiative 'Dialog macht Schule' a new educational program for low-income immigrant children was developed alongside the standard curriculum. **Our <u>policy recommendation</u> is that co-creation should not be seen as a 'total solution' replacing existing services. The goal should be more modest, namely to add to existing public services.**

Unclear whether more effectiveness, efficiency or satisfaction are being reached

As most initiatives are an addition to existing services, an evaluative framework to compare them is absent. Many of the co-creation initiatives were rather new, which made it hard to really pinpoint their effectiveness, efficiency or satisfaction with them. The limited evidence regarding effectiveness, efficiency and satisfaction contributes to the idea derived from our literature review that co-creation is primarily considered as a virtue in itself, which apparently does not need to be legitimized by referring to external objectives.

Based upon the above discussion, there could be two contradictory conclusions. At first sight, one could argue that we should be really measuring the effects of co-creation initiatives, and develop high quality designs and measures to do so. On the other hand, one could argue that the added value of co-creation should be assessed as a process of 'sense-making' in which citizen involvement is an important political value, regardless of its measurable outcomes. Viewing co-creation in this way shows that straightforward outcome measurements are insufficient. **Our <u>policy recommendation</u> is, therefore, to consider the 'symbolic function' of co-creation, and not only the specific functional goals that it can achieve.**

Mixed findings regarding accountability and equity

We did not find many respondents who argued that governmental accountability improved. Moreover, some even noted that accountability *decreased*. For instance, in Denmark a co-

creation initiative explicitly aimed at creating an alternative way of decision making than through established parliaments. In that sense, it decreases conventional accountability procedures by taking decision-making away from the elected representatives. **Our policy recommendation is to build in check and balances regarding accountability.** Furthermore, policy makers should be aware of the bias that politicians and initiators have when assessing these initiatives; as they potentially have an interest in the project, their answers might be skewed to the positive end. Analyzing the co-creation initiative by interviewing different people—also outside the initiative—would be beneficial.

Regarding equity, the results are also not as favorable as one might hope. Although we did find very positive examples of equity improving as a result of co-creation (for instance in the Slovakian case, where housing for Roma people improved significantly), already well-off citizens often benefited from co-creation as well. For instance, an Estonian initiator noted that there was a lack of ethnic diversity (and diversity in general) in neighborhood associations involved in co-creation. It seems, therefore, that co-creation does not always result in more equity, and can even work in the opposite direction. **Our policy recommendation is to assess which *types* of citizens benefit, not only whether citizens in general benefit.** Furthermore, equity can be enhanced by co-creation if initiatives are specifically aimed at levelling differences between societal groups.

Unexpected positive finding: Co-creation leads to a stronger community

Finally, an unexpected finding was that the co-creation initiatives led to an establishment of a community. In other words, social capital can be a driver for co-creation, but also an effect. For instance, in Estonia, we saw that the networks grew and people were more intensively connected. **Our policy recommendation is to not only look at expected outcomes, but also keep your eyes open for unexpected positive and negative effects.**

6 Summary & Conclusion: 10 Policy recommendations

Based on the results of this study, we have provided specific policy recommendations. These are summarized below:

Stimulating co-creation

1. Be careful with one-on-one adoption of 'best practices'. *Context matters.* Historical state and governance traditions influence the success of co-creation initiatives, and often, additional measures are necessary when adopting an initiative from another country.
2. Train public officials in co-creation, especially risk management and risk tolerance.
3. Pay particular attention to the attitudes of street-level bureaucrats as they are might resist co-creation and challenge the competences of citizens and resent changing their work routine.
4. Be wary with initial subsidies: try to establish whether an initiative could survive in the long run without subsidies.

5. Analyze how a citizens can feel 'ownership' of the co-creation initiative and make sure citizens are willing to participate, especially citizens with lower education, wealth and from ethnic minorities, given that these are often underrepresented.

Effects of co-creation

1. Don't see co-creation as a new 'total' solution (yet), replacing existing services. It rather *adds* to existing public services.
2. Measure the effects of co-creation initiatives, and develop high quality randomized and/or longitudinal designs to do so. However, be aware that the co-creation is also in itself valuable, as citizens are involved in helping the community.
3. Build in check and balances to prevent accountability problems later on.
4. Measure which *groups* of citizens' benefit, paying particular attention to those who have lower education, wealth and/or come from ethnic minorities.
5. Do not look only at the expected outcomes, but also have a keen eye for unexpected positive and negative effects of co-creation.

Concluding, given the importance of social innovation in the coming years—and the potential upsides and downsides—embracing and further researching co-creation is a timely and very important endeavor for both policy makers, managers, street-level bureaucrats and researchers alike. We should keep researching it, acknowledge its downsides and not see it as a 'miracle drug' for challenges contemporary member states are facing.

7   Project identity

Project Name
Learning from Innovation in Public Sector Environments (LIPSE)

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Consortium
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- Catholic University Leuven (Belgium)
- Ecole Nationale d'Administration (France)
- Erasmus University Rotterdam (The Netherlands)
- ESADE (Spain)
- Hertie School of Governance (Germany)
- Matej Bel University (Slovakia)
- National School of Political Studies and Public Administration (Romania)
- Radboud University Nijmegen (The Netherlands)
- Tallinn University of Technology (Estonia)
- The University of Edinburgh (The United Kingdom)
- University Roskilde (Denmark)

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