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## Debate: Whether and how public innovations create value

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Public innovation has come of age. It is now a distinctive field in its own right, and no longer overly reliant on evidence, concepts and norms derived from private sector research (for example Arundel et al., 2019; Windrum & Koch, 2008; Hartley, 2005; Bekkers & Tummers, 2018). A key feature of public innovation is its *publicness*—it occurs in, and is linked to, a formal political context rather than being driven by market pressures.

### Debunking the market forces myth

Publicness is a fundamental and distinct characteristic, which influences how public innovation arises, is progressed and is assessed, and it has many implications. Public innovations cannot deploy a market mechanism to address innovation opportunities but will generally need to engage stakeholders. Depending on whether the innovation is large or small, these stakeholders may include managers, employees, politicians, service users, citizens, private companies and third sector organizations, who each may wish to express their views and influence the priorities, shape, direction and assessment of public innovations. The mandate for public innovation, in democratic societies, is to serve the needs of society, so the values, the stakeholders and the scrutinizing of innovation decisions is integral to innovation processes and outcomes. Given that innovation is based in the needs of society, it is not surprising that public innovations are so prevalent—more than is sometimes recognized. One myth about the public sector is that it is not innovative because it lacks market forces—but a brief consideration of the internet, GPS, the UK National Health Service, the Norwegian Sovereign Wealth Fund, Cycling without Age in Denmark, the Dutch water management and water safety project Room for the River and much more dispenses robustly with that myth (Rønning et al., 2022). Furthermore, public strategies and local innovation labs and have proliferated (Dekker et al., 2021; Fuglsang & Hansen, 2022).

### Scoping public innovation

However, public innovations do not occur solely within the public sector. Public organizations can be owners, commissioners, orchestrators and sense-makers of public innovations (Rønning et al., 2022). So, they may undertake innovations themselves, using their own resources, whether small-scale ‘bricolage’ projects or huge and long-term innovation projects. Public organizations can also

commission public innovations from private or third sector organizations, innovation hubs and regional networks, supporting entrepreneurs and social enterprises. Public organizations can be, additionally, orchestrators of innovation, using their convening power to bring together stakeholders and encourage them to collaborate to create innovations to tackle difficult and challenging ‘wicked’ issues (such as climate change, forced migration, or the Sustainable Development Goals) (Geuijen et al., 2017; Torfing, 2019). Public organizations also play a key role in sense-making which can aid public innovations—speaking out, holding debates, encouraging discussions across society, writing reports—which can mobilize support for (or action against) particular public innovations.

These four roles means that public innovation is concerned with politics, collaboration, the sharing and spreading of innovations, the challenges of digital technologies, enabling innovation across different institutional contexts, innovation leadership, and innovation in hybrid contexts (Rønning et al., 2022).

Moreover, innovation is characterized by various phases, and processes, from the early stages of the germ of an idea through to full implementation—including exnovation (killing off an innovation which is no longer working: see Kimberly, 1981). There are certain key similarities with private sector innovation (some aspects of managing innovation are generic) but also significant differences (Fuglsang & Pedersen, 2011), for example the role of politicians in innovation; the importance of sharing innovative practices across public organizations in order to innovate across the whole service or sector not just within an organization; the role of citizens and users.

### Putting a value on public innovation

A major challenge is how public innovations can be valued and assessed, given that they are undertaken to produce, as a key aim, public value more than private value? Of course, good innovations may benefit particular individuals (for example patients, refugees or travellers) or stakeholders (for example businesses) but the overall judgement of public innovation is about whether an innovation creates public value (Hartley et al., 2017; Magnussen & Rønning, 2021). By this we mean not just what the public themselves value as their priorities, but also what adds to the public sphere—thereby creating a better society now and for the future (Benington, 2011). We therefore see public value

creation as a contested democratic practice (Benington, 2015) because different stakeholders may have quite different views about the priorities, the evaluation and the purposes of particular public innovations. That locates many public innovations back in the realm of politics. Some public innovations are intrinsically controversial and in a democratic society are generally debated before a (sometimes provisional) conclusion is achieved. There is a crucial need to pay attention to power inequalities and diverse stakeholders within these debates.

In Rønning et al. (2022), we advance research on public innovation and public value by examining the four roles which public organizations can play and by deliberately focusing on valuing, as an active word, to emphasise that public innovations are dynamic and so their assessment is often changing as well, across time and across different groups in society. Many innovations are imaginative and valuable but many, regardless of sector, fail. This is inevitable in all sectors because innovations are a step into the unknown and the risk levels can be high. Innovations which start out with promising potential may tank. Those which initially fail may be repurposed in another context or at another time. Some will have benefits but also drawbacks, or work for some types of citizen but not others, so that judgements must be made about whether the innovation should be promoted or stopped. This means that evaluation methods may also need to be dynamic.

The sharing and spreading of the success of promising innovations is a valuable mechanism in the public innovation arsenal of methods. Risk can be reduced by sharing insights and learning across public organizations (Hartley et al., 2013). Collaboration across sectors is also often valuable and reduces risk, but it is important to explore how to manage risk and pressures where collaboration is across different sectors with their different institutional logics.

### Points for practitioners

- There is now a rich evidence base about what helps and what hinders public innovation processes and outcomes.
- There are many ways to innovate—think about being an owner, a commissioner, an orchestrator and/or a sense-maker in fostering public innovations.
- Learn from the private sector but also recognize that public innovation is located in a political system not a market.
- Share innovations widely—that way you reduce the costs of innovation and the risks of failure while creating public value across society.
- Think about assessing innovations in terms of outcomes for society not just benefits for your organization.

### Points for policy-makers

- Celebrate the imaginativeness and innovativeness of public organizations—you don't need markets to create innovation, innovation comes from considering the needs of citizens and society.
- Innovations may be very small at the point of service delivery or very large-scale and long-term—with much in

between. Think about how a variety of innovations can be fostered in different ways.

- Public organizations are embedded in the democratic system—so a variety of stakeholders are often needed to make them successful.
- Politicians have a key role in many public innovations—convening stakeholders and balancing different interests to create public value for society.
- Public value is not static: the public value created by innovation may be contested and may change over time, so continued monitoring and assessment is important as well as balancing conflicting values and interests.

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