

# Event Report

S32/09

## Innovation and creativity in Europe's public sectors: time for radical change

Brussels Debate - 13 May 2009

### Summary

Europe's public sectors need to innovate and be more creative to improve their efficiency if they want to safeguard Europe's economic and social model, speakers told the third Brussels Debate organised jointly by the European Policy Centre and the European Commission as part of the European Year of Creativity and Innovation. The audience heard many examples of how the European Commission, European regions, business and scientists are introducing new ways to interact with citizens and respond to their needs.

### Full Report

EPC Chief Executive Hans Martens set the scene for the debate by describing the major characteristics of the European economic and social model (ESM) as a large public sector, a focus on the welfare state and an emphasis on the climate and the environment.

Europeans take it for granted that they will enjoy health care, education and decent housing, and are prepared to pay for this out of taxes (40-55% of GDP in Europe, compared to 32% in the United States). However, this model is threatened by changing demographics, as the ageing of Europe's population means that there will be far fewer economically active people to support those who are economically inactive.

Reforms are needed to keep the European economic and social model sustainable, and the updated Lisbon Agenda in 2010 should include measures to introduce a more innovative approach to increasing employee productivity in the public sector, said Mr Martens.

This should aim at boosting a creative culture, encouraging people to develop new ways of increasing productivity and rewarding employees' ability to innovate, rather than their length of service.

Marianne Klingbeil, Director for Better Regulation, Evaluation and Impact Assessment, Secretariat-General, European Commission, said the Commission had brought in more innovative and creative methods to improve its legislative approach, and its working patterns are very different to 20 years ago.

Commission proposals now have to be 'evidence-based' and include input from stakeholders, who are extensively consulted through conferences, the Internet and other fora. There are many different ways to reach a solution, she said, each of which involves different costs and stakeholders, and the Commission is now assessing the effects of legislation to see what works and what does not.

Referring to her work in carrying out impact assessments on legislation, she said one had to assess whether the Commission Services had used the most cost-effective methods to solve problems. Last year, the Secretariat-General had returned 30% of legislative proposals from the different Commission Services as the amount of consultation or the underlying rationale had not been sufficient.

The Commission has also appointed a high-level group of experts to advise on how to improve and simplify proposals.

Overall, she felt that this new way of working demonstrated how work should be based on clear evidence, and legislation explained more clearly, bringing about a cultural change in how the Commission delivers legislation.

Douglas Gregory, Vice-President, Governmental Programs, EMEA, IBM, described three IBM programmes that involved reforming the public services. Firstly, the 'Perpetual collaboration mandate + Government 2020' programme foresaw that governments would increasingly be driven by factors outside their control, such as changing demographics or environmental concerns. They will need to react and adapt quickly to these, working in partnership with other actors such as the private sector.

A government's success in innovating depends on it having proactive, committed senior leadership, a citizenship-centred approach and being ready to collaborate at all times with other actors when threats or opportunities arise, he said.

Secondly, IBM's programme of 'Maturity models and digital government', is working to transform the way UK businesses and government work. Key indicators of a government's success in innovation are the ability of different departments to improve their interaction through electronic communication, and measures to enable citizens to access services online.

So far progress has been slow, because of the complexity of the government 'landscape', concerns about security and privacy issues and the need for measures to overcome the 'digital divide'; i.e. to ensure that it is not only those who can afford the Internet who can access services online.

Thirdly, IBM is working on a 'Government 2 Social' network, where social networking online will enable citizens to voice their opinions on societal changes. This will "bring participative government to reality".

Carlos Javier Rodriguez Jimenez, Minister for Youth and Sport in the Region of Extremadura, Spain, insisted that governments must consult citizens more about their needs and Spanish regions are exchanging ideas on how to increase the 'added-value' of services they provide to their citizens.

His region is building coalitions with the private sector, encouraging life-long learning, research and innovation, and using new instruments to bridge the gap between different sectors. Since 2000, Extremadura has used new technology to foster social interaction between its citizens, giving computers to school and university students to enable them to have more contacts with their teachers, and to build social networks. This will help "open new windows" and encourage initiatives.

The regional government is using imagination and creativity to develop pilot programmes in the classroom, helping secondary school pupils to be more proactive and encouraging young entrepreneurs to set up small firms and cooperatives.

It is important to listen to citizens and learn about their real needs, he said. His region is working to improve the mobility and efficiency of its services, and plans to export its initiatives to other regions. Money is not always the most important element, he insisted - creativity and innovation matter more.

Christine van Broeckhoven, one of the EU's Ambassadors for the European Year of Creativity and Innovation, foresaw problems in maintaining the welfare state in the face of an ageing society: within the next 50 years, one in three people will be over 65 and one in 10 over 85.

The challenge for health and medicine is how to ensure that the increasingly large percentage of elderly people are in good health, as older people are usually the highest consumers of healthcare. This will mean improving health provision to deal with the consequences of ageing, such as increasing deafness and poor sightedness, diabetes and forms of dementia like Alzheimer's disease.

One way to achieve this is through the use of new technology, such as 'e-care' - a robotic platform that helps to care for people at home, and an example of how investment and creativity can help maintain elderly people's quality of life.

Society needs to become more efficient and to be supported by a more efficient public sector, and this message must be carried through to those who work in public institutions, so that they can respond better to users' demands. Intellectuals should take a more proactive role, and help build strategic plans at the university and political level, said Ms van Broeckhoven. Debates like this Policy Dialogue can help kick-start the process.

Rethinking our society is a major challenge, and we need to bring in innovation and creativity to bring out people's innate innovation and creativity.

#### Discussion

Questioned on how to encourage people to accept change, Mr Gregory said attitudes had changed, as it is no longer so much about accepting new products but more about changing clients' business processes to make them more innovative. As well as collaboration across the private sector, there must be perpetual collaboration across different levels of government.

Pressed on maintaining the health of elderly people, Ms van Broekhoven said most people age well, and the slight loss of their faculties (with the exception of dementia) does not affect their quality of life. However, more elderly people are suffering from depression, because they are stigmatised by society as having no value. To overcome this, we need to be more creative about the role they can play – for example encouraging them to take up a second career.

Ms Klingbeil wanted to hear stakeholders' views on Commission policies, and believed that cultural change was taking place within the Commission, with those who refuse to take on board cultural change increasingly isolated.

Mr Rodriguez Jimenez felt one had to breakdown people's resistance to change by encouraging more education outside formal schooling. One solution would be to reward employees who introduce systems to increase productivity, for example by offering them more conducive working arrangements.

Looking at ways to promote more innovation, Ms Klingbeil said the Commission had established networks of companies to work together. While people will not accept change for the sake of it, they will if they understand how it will benefit them.

Mr Rodriguez Jimenez said one had to be creative in unexpected ways – for example, in Extremadura it was noticed that a number of jobs available in the region required having a driving licence, so the region instigated a free programme to teach people to drive and get their driving licence – this was a win-win situation.