

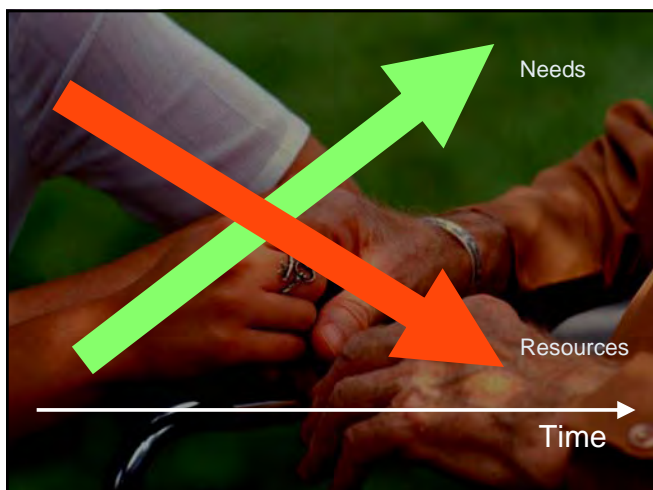
Innovative *public* organizations

Göran Hellmalm &
Per Frankelius
Edge Cities Network Meeting
Nacka 28th January 2010

We have developed
the modern society
during just around 200 years



Challenges:



Both cities and regions have
entered a more active "strategic
mode" during the last 20 years

David Ricardo 1817:
"comparative advantage"

Robert Torrens 1815 was a forerunner

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quantities of labour devoted to the production of each, as it would be, if both commodities were manufactured in England, or both in Portugal.

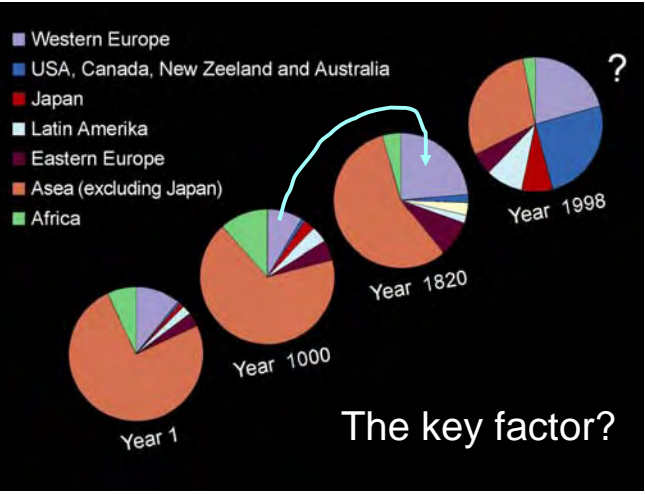
England may be so circumstanced, that to produce the cloth may require the labour of 100 men for one year; and if she attempted to make the wine, it might require the labour of 120 men for the same time. England would therefore find it her interest to import wine, and to purchase it by the exportation of cloth.

To produce the wine in Portugal, might require only the labour of 80 men for one year, and to produce the cloth in the same country, might require the labour of 90 men for the same time. It would therefore be advantageous for her to export wine in exchange for cloth. This exchange might even take place, notwithstanding that the commodity imported by Portugal could be produced there with less labour than in England. Through she could make the cloth with the labour of 90 men, she would import it from a country where it required the labour of 100 men to produce it, because it would be advantageous to her rather to employ her capital in the production of wine, for which she would obtain more cloth from England, than she would produce by diverting a portion of her capital from the cultivation of vines to the manufacture of cloth.

Thus England would give the produce of the labour of 100 men, for the produce of the labour of 80. Such an exchange could not take place between the individuals of the same country. The labour of 100 Englishmen cannot be given for that of 80 Englishmen, but the produce of the labour of 100 Englishmen may be given for the produce of the labour of 80 Portuguese, 60 Russians, or 120 East Indians. The difference in this respect, between a single country and many, is easily accounted for, by considering the difficulty with which capital moves from one country to another, to seek a more profitable

"To produce the wine in Portugal, might require only the labour of 80 men for one year, and to produce the cloth in the same country, might require the labour of 90 men for the same time. It would therefore be advantageous for her to export wine in exchange for cloth."

Dominique Foray and Christopher Freeman 1993:
"constructed advantage"



The ways of coping with it

1.

Try to get more resources from the national government or EU etc (through lobbying and political pressure)

2.

Lowering the costs for social service by means of getting more people to work, or get them healthier faster after sickness

3.

Improve the procurement for buildings, streets etc. so that it will result in more value for money

4.

Outsourcing of public services

5.

Offensive ventures (big investments)

6.

Lower the ambitions

7.

Be more effective - save money in internal processes

Is their one more way?

8.

Conscious engagement in systematic and radical renewal

Innovation = 110 000 000 hits on



...but 90 % of so-called innovations are probably not innovations

The meaning
of the term
innovation?

“Innovation is the process of transforming knowledge into new products, processes and services”

Innovation: Building a 21st Century Economy Canada

“Invention is the first occurrence of an idea for a new product or process, while innovation is the first attempt to carry it out into practice.”

Oxford Handbook of Innovation, 2005, p. 4.

But...?

καινοτομία

An innovation is something

- 1) new with high level of originality,
- 2) in whatever area,
- 3) that also brakes in to society often via the market, and
- 4) mean something revolutionary for people.

Frankelius (2009, p. 49)

“in whatever area”

High-tech – low-tech
Tech – culture, social care etc.
Private – public – idealistic

“that also brakes in”



Heron's steam bullit
Alexandria ca 100 A.D.
Probably not an innovation



The Noodle Eater's Hair Guard

Around 700 the stirrup entered Europe...



Nothing became the same



Idea: France's Compte de Sivrac, 1797
Footling in society: Starley & Sutton, 1885

Besides innovation,
we can talk about
innovative processes

Innovation and
public sector in
history

Hygiene as death prevention:
Allgemeines Krankenhaus
Vienna, 1847
(Ignaz Semmelweis)



Modern district heating:
Lockport, New York, 1877
+ Paris, 1970s



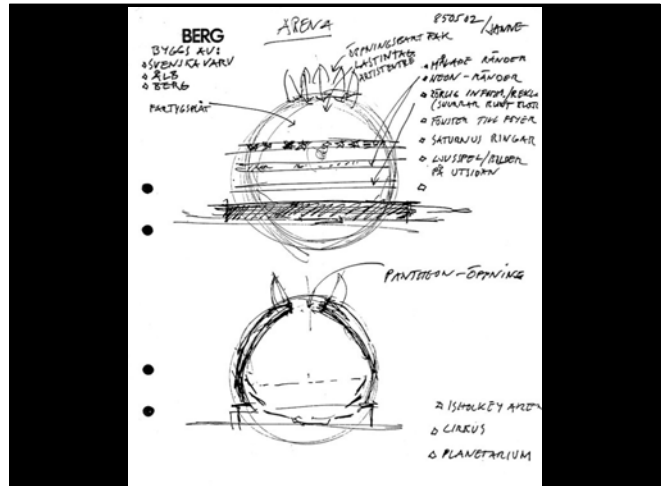
Music therapy:
Michigan, 1944
Örebro, 2001



Zoo (almost) without cages:
Kolmården, 1965



Multiarena shaped as a globe:
Stockholm, 1989



Test center on ice and snow:
Arjeplog, 1970s



Wetlands for drainage
cleaning:
Oxelösund, 1993



District cooling:
Västerås, 1992
Cornell University, 2000
Toronto, 2004

Deliberation via Internet:
Kalix, 2000
(on urban planning issues)

Promotion of
"public innovation
perspective" in
Sweden



Public innovation: 3 cases

At supranational level:
European Coal and Steel
Community, 1950

9 May 1950:
Robert Schuman presented a
plan for deeper cooperation to
unite European countries
economically and politically in
order to secure lasting peace

Second World War
Cold war
1950: This innovation!
1956: Turbulence in Hungary
1957: Sputnik triumph
**1957: The Treaty of Rome
creates the European Economic
Community (Common Market)**

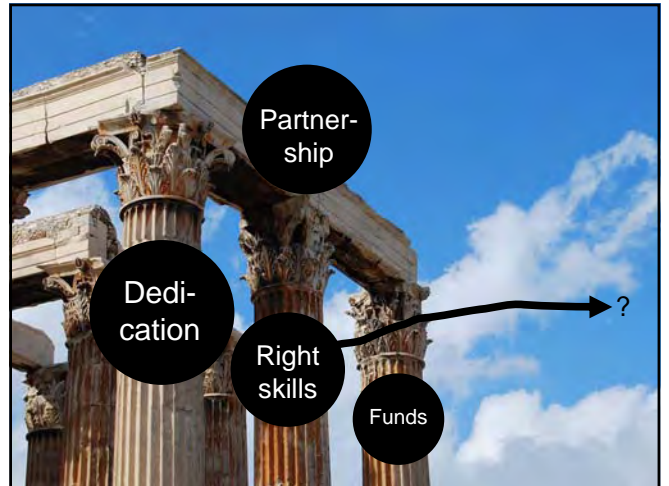
A case at national level:
Ireland's proactive method for
inward investments, ca 1987



One more on local level:
 Creation of an opera scene in a
 limestone quarry:
 Rättvik, 1995



The pillars of innovation?



Problem detection capacity
 Visioning new concepts
 Financial marketing
 Knowledge transfer capacity
 (University partnership)
 Project management
 Support and reward systems
 IPR management
 Recruitment
 Intelligence
 New media management
 End-user promotion (marketing)

Management

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Another way to summarize
our conclusions:

Problem insight
Opportunity recognition
Dedication!

Some processes don't start
with "problem recognition",
but visionary thinking!

Innovative leadership
is the main key,

but what it is all about?

Create cross-cultural*
meetings,
and turning words from these
meetings into action

* People from different domains

"New combinations"



Innovative leadership is about crossing (organizational) borders and start work as a team towards a common goal

Is that an easy thing?

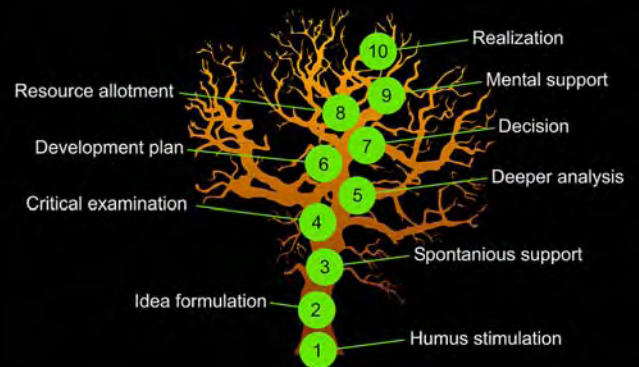
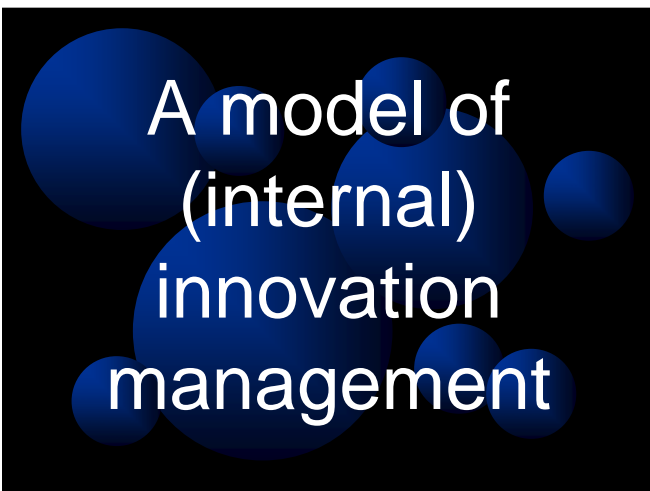
Co-production
Competence blocs
Innovation system



Ownership power affects acting space of local units

"Local management wants to join a local project, but bosses in USA don't give them permission"

A model of
(internal)
innovation
management



Organizational culture is part of
the innovation humus

Hiearchic vs.Empowered



How can we
proceed?

Why not create a model for
"edge city development"
from innovation point of view?



Thanks!

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