French manifesto
for public sector innovation

A new approach to
public policy-making

March 2017

Understanding needs through immersion in the user experience

Pushing new methods

Co-constructing public policies

Testing solutions and improving them

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GÉNÉRAL POUR
LA MODERNISATION
DE L'ACTION
PUBLIQUE

"Trying to solve tomorrow's problems with yesterday's solutions gives rise to today's mess."
Michel Crozier
French sociologist

Public policy in the face of complexity

The quest for new solutions has now become a necessity for the French public sector. It is a financial necessity: the situation of public accounts puts pressure on our public administrations to innovate. It is a social necessity: between millennials and seniors, the diversity of social needs calls for a range of policy responses. It is a moral necessity: public institutions must regain the full trust of citizens. It is a democratic necessity: citizens increasingly aspire to having a say in public decision-making. It is a structural necessity: as for all living things, evolution is the prerequisite to survival for public sector organisations. The threat to the French public sector – challenging both its legitimacy and its effectiveness – is "public impotence". That risk should serve as a trigger for a deep-seated overhaul of bureaucratic procedures and mind-sets.

Geoff Mulgan, Chief Executive of the UK's National Endowment for Science, Technology and the Arts (NESTA) wrote a decade ago that it is commonplace to claim that the public sector, as opposed to the private sector, is incapable of innovation. But that "*is at odds with the history of innovation. Two of the most profound innovations of the last 50 years were the Internet and the World Wide Web. Both came out of public organisations: the Defence Advanced Research Projects Agency (DARPA) in the first instance and CERN, the European Organisation for Nuclear Research, in the second. Looking further back, business was not particularly innovative for most of human history, at least until the late 19th century [….] Thousands of public servants around the world […] have discovered novel ways of combating AIDS, promoting fitness, educating, [and] vaccinating vast populations….[1]."*

French public sector has a resource with the capacity to help him find solutions appropriate for tomorrow's world. That resource is human capital: it consists in the more than five million public servants who place their skills at the public sector's disposal. Individuals are the key to any adaptation of systems and any innovation. To achieve a full grasp of the complexity of today's society and find new means of addressing it, the individual is the key. Obviously, such solutions must involve digital tools, but the tool must not be confused with the hand that holds it or the mind that guides it.

The current innovative momentum in the public sector must be dedicated to improving the life of citizens. These innovations are termed "human-centric" or "user-centric." They must grow out of an in-depth understanding of the needs and expectations of users, be they shop customers or users of a public service. This is one of today's challenges: redefining the primacy of the individual in the digital age.

Faced with the huge project of modernising the French public sector, the Secretariat-General for Government Modernisation (SGMAP) has undertaken many initiatives in the area of public innovation and is supporting this momentum with numerous public administrations. In this document, the SGMAP will share the lessons learned from these experiences and open the debate concerning the collective challenges to be addressed in the years ahead.

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[1] Geoff MULGAN, Ready or not ? Taking innovation in the public sector seriously, NESTA, April 2007.

Public innovation: values and methods

The classical methods of public sector, typically bureaucratic and "top-down" in their approach, often show their limitations. In recent years, the public innovation that has been emerging in France and other countries has called for an overhaul of these practices to make room for a new grass-roots approach characterised by new values and methods for addressing the challenges of public policy-making.

✓ **Values to transform the mind-set of the public sector**

Seven principles can contribute to developing innovation in the culture of the French public administration:

- *User first: define practices based on user needs and habits*

The prescriptive approach typically taken by French public sector must give way to a human-centric approach to public policy, and more specifically to a user-centric approach (with users potentially including public servants themselves for issues internal to public sector). Defining procedures according to "life events" (i.e., what happens when a user moves house, needs to renew a passport, etc.) enables public servants to look beyond bureaucratic segmentations and focus on the user experience during his/her dealings with public services in connection with these life events. By putting themselves in the user's place and plotting the user's course through these formalities, public servants become aware of complexities to which they had always been oblivious; this can pave the way to solutions which, although obvious, had previously remained hidden from view.

- *Openness: break silos within organisations and between methods*

Open to new knowledge and research findings, public bodies must have ready access to an abundant array of tools coming from the human and social sciences, the legal field, and behavioral insights. A multidisciplinary approach can ensure smart decision-making, rather than viewing problems through the lens of a single method that one seeks to apply at all costs. The need to "break silos" applies to organisational structures as well: collaboration among players coming from different fields and different organisations has become imperative for dealing with the complexity of these challenges. How can we simplify user access to public services if each department or service tackles the matter from within its own ivory tower? By bringing all public and private stakeholders together to work on the legal framework for new forms of mobility (i.e., Uber and private-hire vehicles), Canada's MaRS Solutions Lab produced a new tax framework for the city of Toronto that has generated nearly €30M in new tax revenues each year.

- *Co-construction: involve stakeholders in creating real solutions*

Whether creating a new service or adapting an existing service to new practices, it is crucial to draw on collective intelligence by getting all the relevant stakeholders – public servants, users, associations, scholars, businesses and experts – involved. There are two different ways to act on this principle: by participatory innovation, using ideas put forth by public servants regardless of their occupation or job level; and by open innovation, in which this approach is extended to include all the stakeholders of a given organisation or topic. This type of initiative has been gaining traction in the French public sector in recent years. Examples include innovation contests, hackathons and other creative formats open to the public. France's Ministry of Defence has pioneered this approach for the past 30 years and has implemented

the best ideas submitted by its employees, such as freeze-dried plasma[2] and survival tents[3] that can be dropped by helicopter, to name just two examples.

▪ *Action: focus on "doing"*

The conclusions and knowledge that arise from these approaches must promote a culture geared to prototypes and tangible steps toward new solutions. Today's public sector must be action-oriented. Civil servants can themselves become the producers of new solutions, rather than merely following procedures. By this creative dimension, "innovation" becomes more than a synonym for "modernisation". With a more radical approach, innovation is embodied by new – if initially marginal – outcomes.

▪ *Agility: move quickly to the prototype stage*

Designing an initial prototype allows a rapid proof-of-concept, to test what works and what does not. Successive iterations to test new ideas in real-life conditions of use and users will yield a tried-and-tested solution. Major innovations are born when "project teams" are empowered to engage in trial and error.

▪ *Experimentation: recognise the right to fail*

Although the GAFAM[4] are known for global triumphs such as Apple's iPhone and iPad, these successes must not overshadow the fact that the failure rate for their new products is often around 90%! Achieving one major success requires a great deal of trial and error. Many spectacular failures – including examples in public sector IT projects – have demonstrated the wisdom of starting small rather than attempting a moonshot right at the outset. Those who view innovation as a risk have it all wrong: the true risk lies in embarking on a large-scale project without first succeeding on a smaller one. Failure must be recognised simply as another way to learn. The point is to live by Nelson Mandela's famous quote: "I never lose. I either win or learn."

▪ *Impact: innovate for a purpose*

Innovation must go hand in hand with evaluation. Evaluation must be built into the initial planning with meaningful metrics and performed systematically: first to measure the results of an innovation, and then to assess the value of deploying it more broadly.[5]

✓ **A new way of working in the public sector**

The SGMAP is currently focusing on two methods that may be complementary to one another and that constitute the basis for public innovation.

Design embodies two key principles: a user focus, and early tests of provisional solutions. The 2002 establishment of the MindLab, a cross-governmental innovation laboratory in Denmark, marks the start of European interest in applying design methodology to create new public services or adapt existing services to new uses and societal expectations. Christian Bason, the former head of MindLab, believes that the major value of applying design to the public sector lies in *"the exploration of different ways of creating innovation within the policy process*

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[2] Developed by employees of the military health service, freeze-dried plasma is reconstituted in 6 minutes and is compatible with all blood types.

[3] Invented by members of the Peloton de Gendarmerie de Haute Montagne in Chamonix (specialised mountain police), this tent can be dropped by helicopter if conditions do not permit landing. It provides protection from the cold for at least 24 hours until a rescue crew arrives.

[4] Acronym for the internet Big 5: Google, Apple, Facebook, Amazon and Microsoft.

[5] The issue of scaling up innovation is discussed in our report *"Ensemble, accélérons ! Accompagner les acteurs de l'innovation dans leur changement d'échelle"*, published in 2015.

itself."[6] What should a library be in the digital age? This was the focus of one of the design projects that we carried out with the design school ENSCI[7] at the Bibliothèque Nationale de France (French National Library) in Paris, which led to tangible innovations in the services made available to visitors.

The behavioural approach is another driver of public innovation. This branch of economics, promoted in particular by Daniel Kahneman, winner of the Nobel Prize for Economics in 2002, is based on a thorough knowledge of human decision-making mechanisms. It is relevant to public policy at two levels. First, it can be taken into consideration when writing standards and other regulatory texts, to anticipate their effectiveness. Second, it can be used to devise gentle incentives – or nudges – to encourage individuals to adopt more "virtuous" behaviours for the common good. How can taxpayers be encouraged to e-file their income declarations? The SGMAP worked with the Public Finances General Directorate to develop nudges for this purpose, which are built into the communication messages issued in recent years.

Based on these experiences, we believe further efforts are needed to increase the benefits of such approaches for the public sector and for the people.

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[6] Christian BASON, Design for policy, Routledge, 2014.
[7] *Ecole nationale supérieure de création industrielle*, a graduate-level interdisciplinary design school in Paris.

A new ambition for public sector innovation

The French government must tackle five challenges to take diffusion of innovation to a new level:

- *Develop and disseminate innovations of value to the greatest number of people*

The fundamental question here is time. Advocating agility and speed does not make "doing" any easier, nor shorten the time-to-deployment (which is often quite long, in fact), nor resolve the difficulty of transitioning from an idea to a project. To meet this challenge, each ministry could set up an innovation incubator to develop prototype public services that extend through the implementation stage. Some ministries (i.e., the Ministry for the Environment, Energy and Oceans) have already taken this step; others are working on it.

- *Encourage the innovative capacity of the five million French civil servants*

The strength of public innovation is the civil servants who support it. Innovation has the power to restore their sense of purpose, interest and even their professional well-being by testing novel methods that represent a change from their usual bureaucratic practices. Learning these new methods develops new skills and enhances the value of the public sector's human capital.

Another key is to scale up the number of people affected by new practices to reach all of France's five million public servants. Several tools need to be mobilised: training (initial and in-service, and above all, action learning through real-life experience); online tools that everyone can use[8]; innovation management in the public sector; coordination of professional communities and focal events such as the public sector innovation week.

And why not establish a "right to innovate" for all public servants regardless of their occupation or job level so they can test new solutions designed to improve their work? We need a forceful policy message to assert this right to innovate. It is urgent to give public servants the freedom to take initiative, and to reward their creativity and competencies. Doing so will once again give the public sector the tools it needs to respond more effectively to the complexity of our society, while at the same time refuting criticism of "public impotence."

- *Opening public sector to civic engagement*

Today's public sector is being held to account by the democratic demand to give citizens a greater role in public life. France has begun to address this demand through consultations on draft legislation (especially the one "for a digital Republic") and by "Open-Ministry"-type events. We can look to local authorities for ideas on how take this further collectively. Resources put in place by the City of Paris to encourage civic engagement include the online platform, "Madam Mayor, I have an idea"; participatory budgeting, and citizens' contests on specific themes.

Taking these examples as inspiration, the SGMAP could run nation-wide contests, initiated periodically by a minister, to encourage broad mobilisation of both citizens and public servants for proposals of innovative solutions concerning a public issue of national scope. The SGMAP already tested this format and federated about a hundred students from several different countries in the "nudge challenges" of 2015 and 2016. In 2015, pertinent solutions were proposed in the form of eco-measures to combat climate change, while the aim in 2016 was to propose means of shoring up Paris's bid to host the 2024 Olympic Games. These

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[8] The SGMAP recently developed "Comment faire", a toolbox to help civil servants carrying out their projects, using design thinking and a wide range of methods for public sector modernization:
http://comment-faire.modernisation.gouv.fr.

contests could become recurring events through partnerships established with institutes of higher education (universities and specialised schools).

- *Make humans and computers work together*

Individuals are the makers of digital technology. Tools serve no purpose unless they are closely matched to individual and user needs. The challenge here is thus to move beyond the illusion that everything is digital. There is nothing innovative about a smartphone app if no one will use it!

These two aspects of modernisation must be considered jointly to ensure a human-centred design of public services in the digital age. The most recent example, #HackEgalitéFH, the hackathon on workplace gender equality organised by the SGMAP, gave rise to new solutions by combining digital know-how with competencies in design and the social sciences, to inform this public policy. There must be more such projects.

- *Transform the work format of the public sector*

The "laboratory" format has met with growing success in recent years both in France and worldwide, including in the public sector. Within an institution, a "lab" is a physical space and a process of innovation. It provides a framework for experimentation, for applying innovative methods of project management, and for disseminating a new culture to public servants. Taking a cue from a number of public operators and authorities, certain regional government services have been testing the lab format over the past few months. Twelve "regional innovation laboratories" were selected as the winners of a call for projects held by the SGMAP under the Invest for the Future programme. These highly promising labs have already created ecosystems among regional players (public services, local authorities, associations, users, startups, researchers, businesses), centred on projects promoted by the *Préfet* of each region.

Following a string of successes particularly in other countries (Denmark, United Kingdom, Canada, United States, Chile), this example advocates in favour of setting up a laboratory of national scope within the French government, with a cross-governmental foundation and a new relationship with local authorities and public operators. This collective ambition must now be supported at the highest level in order to improve the quality of service to users, enhance the efficiency of public policy, and make France a world leader in public sector innovation. In a word: institute a new approach to public policy-making.