A PLACE-BASED APPROACH TO THE GOVERNANCE OF TRANSFORMATIVE INNOVATION POLICY

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EXTENDED ABSTRACT

There is an increasing acknowledgement that the current rationales for innovation policy and public intervention are no longer capable of providing fit-for-purpose policy tools and measures for a transformative innovation policy which seeks to respond to long-term challenges such as climate change, resource depletion or an ageing population (see e.g. Webera & Rohracherb, 2012; Steward, 2012). This policy goes far beyond the confines of science and technology policy and innovation support for industry. This new challenge-driven and demand-oriented innovation policy requires a fundamental reframing of innovation policy and its tools.

In an era of transformative innovation policy there is a need for the cognitive and politico-strategic alignment of actors in terms of problem perception; of ‘making sense together’, identifying wicked problems and designing policy tools and instruments that are capable of renewal, as well as designing and implementing coordinated action. One of the axes upon which such a sense-making and transformation (Borras & Seabrook, 2015) could take place is between the local, central and transnational government levels, in a process of bringing together a consortia or community of interests where the understanding of our current social problems and the potential means of solving them could be realised. In this context, governance can be understood as a process of interpreting and defining problems in such a way that coordination and cooperation are simulated in a desired manner (Stegmaier, et al., 2014).

The transnational government level in its formal and legal structures, such as the European Union, and informal and non-legal structures, such as the Earth Summit, functions as an arena for worldwide policy models. These transnational structures are used to justify and legitimise national policies, and they serve to negotiate, mutate and domesticate policy frameworks (Niinikoski & Kuhlmann, 2015; Alasuutari, 2010).

The central government level needs to recognise and be sensitive to local realities and perceptions, as it is on the local level that the majority of policy problems, as well as innovation processes engaging local communities, take place. The local level can, at best, act as a catalyst for change and policy transformation by carrying out concrete pilots and experiments, while the central and transnational government levels...
enable local level processes of innovation to take place through various policy frameworks and instruments (regulative, normative, resource or strategic steering).

In a recent country review of territorial governance in Finland and Estonia, the need for a more strategic approach was identified, with implications for the roles, functions and also (more significantly) for the rationale of the public sector as a whole. Issues such as the setting of strategic goals, which necessitate new processes of policy renewal, invigorating innovation through the promotion of a piloting culture and fully taking advantage of the potential that lies in digitalisation were also raised. The OECD country review outlined five governance phases of reform. These phases are indicative of the processes ongoing in innovation policy: 1) streamlining strategy; 2) silo-busting for better policy integration; 3) setting clear reform paths; 4) adopting “Just do it” pragmatism, and 5) knowledge-sharing that breaks down borders. Our paper investigates the processes through which sense-making, agenda-setting and problematisation, as well as strategic alignment and implementation could be developed as an embryo of transformation.

In this paper we elaborate a place-based approach to tackle the issues raised by the multi-level governance of transformative innovation policy. Drawing on the socio-technical approach (see e.g. Fox 1995) we understand that transformative innovation policy requires the effective blending of the technical and social systems in order to respond long-term challenges. These two aspects must however be considered interdependently, because arrangements that are optimal for one may not be optimal for the other and trade-offs are often required. Thus, for policy design to enable system-wide changes, i.e. transitions, to occur, there is a need for a dual focus. Based on concrete empirical examples in the Helsinki Metropolitan area, as well as emerging new initiatives within the central government designed to foster a more challenge-driven strategic approach to innovation and to the locally driven initiatives, we seek to understand the patterns of system-wide changes, how these patterns enable challenge-driven socio-technical innovation to occur and what kind of support could and should be provided by the central government, if emergent transformative innovation policy was to be developed as a part of a more general agenda for change within the context of the ‘government as an enabler’ approach. We understand socio-technical innovation to include multiple types of technological, organisational, behavioural and business model innovation.

We use a case study method to focus on three of the initiatives currently being rolled out in the Helsinki region in order to analyse the notion of innovative experimentation and the tentative governance of specific socio-technical innovation processes. These initiatives differ from each other in various ways but they all aim to promote transformative change in the region. The first empirical case concerns the Mobility as a Service (MaaS) approach. This is primarily initiated by the city of Helsinki; the concept focuses on the task of figuring out how to get from point A to point B and then taking this out of users’ hands. The basic idea behind the concept is that there is a transportation operator that takes care of arranging transport for passengers. The MaaS initiative, as such, has a variety of policy aims, enhancing new business opportunities, reducing traffic congestion and carbon emissions and improving travel comfort and convenience.

The second initiative was introduced by company leaders and large Finnish corporations in the region. The aim of this initiative is to make the whole region one big reference market for smart and clean
technologies, once again focusing on technical, business and behavioural innovations to enhance businesses and at the same time reduce carbon emissions and create environmentally friendly solutions for urban cities. The third initiative, entitled Health Capital Helsinki is based primarily on the national governmental strategy to better utilise its proven expertise in the health sector in order to enhance the growth and competitiveness of the sector. Based on national policy aims the city of Helsinki and the University of Helsinki commissioned an analysis of how to improve growth in the health sector in the Helsinki region focusing on the key players, such as the various universities, the university hospital, incubators and accelerators, as well as the private sector.

In order to analyse the various transformative and experimental large scale cases an analysis framework is built to compare governance mechanisms and practices between the cases, explaining how they create or hinder transformative change. The cases will be compared using the grounded theory approach, specifically, iterative constant comparative analysis. The aim here is to identify and conceptualise the latent social patterns and structures of governance mechanisms and patterns of transformative innovation policy. Based on our preliminary findings the usage of an organising concept to align strategies and the identification of key initiators and actors at various governance levels, as well as the creation of mechanisms to improve competencies and the integration of new actors and new knowledge practices to enable experiments seem to have had a significant role in the governance of transformative change.

The analysis provided seeks to generate a framework for analysis for transformative innovation policy, with a particular emphasis on finding the best ways to identify a constructive role for both the local level and central government as enablers or transformational nodes. The framework could also be used as a means of better understanding and steering the processes by which innovation policy is transformed to meet the challenges of increasingly complex policy challenges and increasingly under pressure European economies and societies.

REFERENCES

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