

Book Review

Paul Windrum and Per Koch, eds.

Innovation in Public Services: Entrepreneurship, Creativity and Management
Northampton MA, USA & Cheltenham, UK: Edward Elgar, 2008

Reviewed by Howard A. Doughty

Like good entrepreneurs everywhere, the editors of collection are self-consciously dedicated to filling a perceived need in the marketplace. There is no lacuna of volumes—some old and dusty, some new and flashy—which address the matter of administrative organization in general and public sector “bureaucracy” in particular. Little of the literature, however, addresses the challenge of innovation in itself. Instead, we are provided with extensive public policy analyses related to this or that specific policy domain, to organizational models that are promoted for their efficiency, efficacy or both, and to normative accounts of how the public service should deal with institutions of democratic governance. Some concentrate on encouraging citizen involvement. Some concern themselves with strategies to maximize “customer satisfaction” or the accountability standards inherent in calls for a “businesslike” approach to isolating, calculating and satisfying perceived public needs and demands. Some examine the problems associated with efforts to impose the political agenda of the party in power. These are all, however, illustrations of though deep down “inside the box.” The strategy is set; only the tactics remain to be determined.

What generates the strategy is the dominant model and metaphor for modern governance, the marketplace. A substantial body of theoretical work, infinite academic and quasi-academic studies and a relentless body of bureaucratic policy manuals stress that it is the task of the public service to respond to public policy priorities with flexibility, effectiveness and an abiding concern for fiscal accountability. The key term is “respond.” For too many theorists and practitioners of public administration, innovation is restricted to obeisance to the mantra of “doing more with less,” and especially with fewer full-time government employees. So, the criteria for valuable innovations have to do with quantifiable measures of performance, judged against a reliable scale of cost-effectiveness.

Stagnation, of course, cannot be condoned. Transformation is demanded, efficiencies are required and adaptations are critical for institutional survival. A frantic and frenetic environment is assumed and the competitive market is commonly claimed to be not only inevitable, but also tonic if public needs are to be properly identified and met—always, of course, under budgetary pressure and with a need for an increasingly flexible and fluid workforce, relying to what seems to be an alarming degree on outside consultants in preference to inside specialists and a reserve army of temporary contract employees instead of “career civil servants.”

What's missing in these discourses, according to Windrum and Koch is a focus on what really drives efficiency and effectiveness which, it turns out, is not just shifting organizational charts or even re-jigging human and fiscal resources. Instead, they are enthusiastic advocates of change from within. Reaction is out; proactive efforts to see change coming, to be prepared and have plans drawn and ready for implementation in anticipation of external pressures.

Windrum and Koch believe deeply in both the importance and the possibility of public sector innovation. Their goal in this volume is to draw upon the work of international scholars to reexamine already existing instances of dynamic change in the way government work gets done and to reassess the potential for the future. They mean to spark change by encouraging internal public sector efforts to overcome "inertia." Confronted with a "sleepy" public service which resists change, that spark is urgently needed. Aware that organizational experts have remained "taciturn" in their reaction to emerging examples of self-initiated public sector innovation, they are eager to present an "insightful new analytical framework" that will inspire others to get on with the job. They are armed and ready.

Innovation is not cut from whole cloth. There are differences in stimuli and necessary differences in response. For example, they distinguish between "top-down" and "bottom-up" changes.

Political leaders, of course, sit atop the public service and will, from time to time, provide the "initial impetus for innovation ... often in response to a perceived problem or 'crisis.'" Especially astute politicians will even go out of their way to precipitate such a crisis in order to impose a predetermined solution to a problem that had not previously existed. In Ontario, Canada, for example, a conservative government created the necessary prior conditions and set in motion a series of events that would provide the rationale for a wholesale shake-up in education. The Minister of the day, John Snobelin, was caught on an open mike virtually bragging about how he'd created the crisis in order to solve it. Some were embarrassed by the admission. Others cheerfully continued to implement the Minister's ideological agenda.

In the alternative, "bottom-up" changes are initiated by "service level entrepreneurs." In this account, bottom-up changes are mainly concerned with improving service. This is quite plausible. Public servants are, to some degree, genuinely motivated by a belief in the social importance of their work. They take some pride in ensuring that transportation systems work well, law and order are maintained, natural resources are appropriately husbanded, children receive necessary care and protection, international trade treaties are competently negotiated, and other public sector activities are carried out in a way that will improve the lives of citizens and not merely maintain the status quo.

Inevitably, tensions arise between those committed to goals and those committed to process; however, even tensions can be a source of energy, and the editors use whatever they can to champion change and to demonstrate that the public sector need not and, to a surprising degree, is not an obstacle to necessary innovation but a willing and able

partner to the private sector in promoting the ground-breaking changes needed for economic growth, environmental sustainability, social cohesion and justice—or any noble collective objective.

In Part 1 of the book, three chapters follow upon Paul Windrum’s introductory essay on innovation and entrepreneurship in public services (he approves of both).

The first is a case study of “new public management and cultural change” in the United Kingdom. Mark Hall and Robin Holt argue that, although private sector methods (e.g., neo-Taylorism) are “rarely complete panaceas ... the public sector is ripe for entrepreneurial improvement.” By focusing on interviews with twelve “project sponsors” (the “public client’s representative” acting as the “single focal point” for the “public client’s interest” in the day-to-day management of projects such as the construction of public buildings and other public works), Hall and Holt elaborate a telling tale of the project sponsor role as a uniquely effective organizational innovation—a civil servant who is autonomous enough to forge links to elements of the private sector (consultants and contractors), while simultaneously keeping the public goal firmly in mind. Problems arise, of course, but the authors explain that overcoming communications problems, establishing in-project benchmarks and promoting cooperation among all contributors, a culture of innovation can be created. In doing so, stated goals of New Public Management (accountability and efficiency) could actually be achieved.

Next, Andrés Maroto and Luis Rubalcaba shift ground and examine public sector reform in Europe. The authors are, once again, enthusiastic advocates of public sector reform. Of special interest are the distinction among European countries in terms of the relative size and performance of national government bureaucracies. Although the members of the pre-expansion European Union (EU), with the exception of Ireland, spend a larger portion of the Gross National Product (GDP) in the public sector than either the United States of America or Japan, and although, without exception, the tax ration (as a percentage of the GDP) is higher in the EU than both the United States and Japan, there is a considerable difference within the EU as well (with Sweden and Denmark at one end of the scale and Spain and Ireland at the other). Maroto and Rubalcaba outline the comparative performance of the original fifteen EU countries in terms of four objectives (economic stability and growth, welfare distribution, public service allocation and quality of public administration). Not surprisingly, high public sector performance combined with high public sector efficiency in countries – especially in Scandinavia and the Benelux nations (but also in Ireland and, outside the EU, Canada) – that are commonly thought to prefer democratic socialism or at least a mixed economy to alternative systems. The United States, Great Britain and Australia had high performance, but low efficiency while former Soviet satellites Hungary, Poland and Slovakia were among the nations that were low in both categories. The authors nonetheless conclude that size matters, and that the trend toward smaller public sectors can be reckoned to produce better economic growth. While acknowledging that countries with large public sectors display more equal income distribution, Maroto and Rubalcaba conclude that larger public sectors generally result in “diminishing marginal productivity in higher public spending.” What may bear further investigation and what also sheds some light on the

current anger about taxes in the United States is the reported fact that no less than 66% of American government revenue comes from personal income and social security contributions, whereas in the EU the figure is only 54%. On the other hand, at 28%, the EU has double the income from consumption taxes compared to the 14% in the USA. For those who think that progressive income taxes are more equitable than across-the-board consumption taxes, not only is the USA put in a slightly different light, but the anti-tax enthusiasms of the “populist” right can better be explained since income taxes are more visible and therefore more upsetting than most other means.

Unsurprisingly, in light of the Lisbon Agenda goals of making the EU the “most competitive economic area in the world,” the authors see the need for ongoing public sector reform. Heterogeneous cultures, the authors lament, confound efforts to modernize and harmonize public sector organizations; however, they insist, only through comprehensive reforms including leaner and more efficient public sectors, increased public-private partnerships and a special emphasis on knowledge-intensive organizations can the EU achieve its socio-economic potential.

Finally, Faridah Djellal and Faïz Gallouj present a survey on health sector innovation. Again there is emphasis on what drives innovation. In a review of published research, the authors isolate the factors of resources, competition, societal demand and the availability of empirical and transparent measures of output and innovation. This package is then discussed in terms of competing approaches: the “production function” (the examination of the “production factors” needed to maximize the quantity of good “health,” the “competence” approach (a somewhat more qualitative assessment of technological and biopharmacological capacities), the information approach (mainly reliant on access to Information and Communications Technology or ICT), and the “systems” approach, which the authors describe as different from the first three.

Production, competence and ICT are all, we are told, “technicist” perspectives, whereas the systems approach seems intended to be more humane: “the patient is not simply a patient in need of treatment, but also a consumer of a complex set of services.” So, attention must be given to “this customer’s needs, as well as those of their family.” Perhaps I am old-fashioned; but, when I am in need of medical treatment, I somehow feel better being a “patient” seeking treatment than a “customer” wanting to purchase a complex set of services.

What follows are six “case studies” (including an admirable piece of work on patient-centred diabetes education in the United Kingdom by Paul Windrum, who also wrote the book’s conclusion.

Drawing exclusively from the health care sector, the authors report from the field on innovations from technological and organizational innovations in a Spanish hospital to political advocacy in Norway and quality standards development in Slovakia (both with reference to care for the elderly).

Despite the reservations that I have expressed elsewhere for the case study method, I must acknowledge that the contributions to this collection are very well done. They are clear in purpose and execution, frequently supported with substantial empirical data and largely persuasive in their major points and findings (though I am afraid that the dense figures illustrating the evolution of scientific knowledge and technical knowledge in Andrea Mina and Ronnie Ramlogan's case study of interventional cardiology that is concerned mainly with the surgical procedure for percutaneous transluminal coronary angioplasty—a truly fascinating subject in itself—do not translate well onto the printed page.

In sum, this is a book that contains insightful narratives about intrinsically interesting innovations that will be useful especially to health care professionals. It will also be reassuring to advocates of “creativity” and “entrepreneurship.” It can even be read for value by people who care about health change within the public sector even if, like me, they are sceptical of the private business model in general, and especially of the legitimacy of its insinuation into the service of the public. If it falls short on what I can only call its ideological objective, there is enough devilment in the details to delight, on occasion, even the most pugnacious opponent of privatization in thought, word and deed.

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