

Democracy Innovation and Public Authorities: Learning from the Danish Ministry of Taxation

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ABSTRACT

The aim of this article is to advance the concept of democracy innovation – a concept which has not previously been thoroughly specified in the existing literature on public sector innovation. Democracy innovation refers to innovation that leads to strengthened democracy, due process and legitimacy. As public authorities face claims to be innovative and efficient on the one hand, and accountable guardians of due process and citizen's rights on the other, innovation activities need to balance these claims. The article is based on a case study of seven innovation projects carried out in the Danish Ministry of Taxation. On the basis of the projects, their methods, aims and outcomes, the article discusses how to specify and understand democracy innovation. It develops suggestions for defining aspects of democracy innovation and thus offers a more specific concept of democracy innovation than has previously been developed. The aspects are: democratic involvement methods; increased citizen competence; a more equal relationship between public authorities and citizens (authority at eye-level); and legitimacy as enhanced by accountability and equity. Lastly, we reflect upon how this definition makes it possible to measure democracy innovation and consider whether the definition can be generalized to other types of public authorities such as for example social service authorities.

Keywords: democracy innovation, user-driven innovation, public governance, rights, due process

Introduction

Public authorities face several claims from society, politicians and citizens. They are expected to be innovative, efficient and service oriented on the one hand, and to be accountable guardians of due process and democratic decision making processes on the other. To be both innovative and democratically accountable force organizations to work with different and sometimes conflicting logics and rationales; however, in order for public authorities to innovate in ways that support their legitimacy, it is important to think of ways in which the very different claims can be balanced in reasonable ways. The existing literature on public sector innovation says very little about how innovation practices support accountability and citizen rights

In this article we discuss how innovation can lead to more democratic and rights-ensuring practices on the basis of examples from the Danish Ministry of Taxation. The challenges of facing different claims become particularly clear in the case of a public authority like the Ministry, which on the one hand must be efficient, service-oriented and obtain 'customer satisfaction', and on the other hand has as a core mission to enforce rules and laws, while ensuring citizens' rights and due process (Langergaard, 2011:136).

The Ministry has worked with four different types of innovation: administrative innovation, service innovation, policy innovation, and democracy innovation. Democracy innovation refers to new practices that improve the legitimacy, due process and democratic functioning of society and public institutions (Bason, 2007:55; Carstensen, 2010). This particular kind of innovation is relevant to all public sector organizations and particularly to public authorities where rights to due process are central to their activities. Nevertheless, it has not been thoroughly theoretically developed, and more precise examples and definitions of democracy innovation are by and large absent in the existing literature. In cases of user involvement the focus tends rather to be on service innovation in a more generic sense. We wish to compensate for this by developing a concept of democracy innovation on the basis of a discussion of different innovation projects done by the Ministry.

We shall distinguish among different conceptions of users and pinpoint ways in which more 'traditional' citizen characteristics, such as rights and deliberation can be integrated in user-involvement activities in order to ensure more democratic ways of participation. Furthermore, we shall discuss which particular initiatives strengthen citizen rights and in which way. Thus, we think beyond the known models of accountability and include ideas of citizenship and democracy found in political philosophy in order to understand the complex issue of democracy innovation. The analysis and perspective parts of the article are relevant not only to tax authorities but also to other types of authorities and public institutions, such as social services, unemployment services, prisons etc.

The article begins with a presentation of existing definitions of public sector innovation. It presents different models of accountability which are linked to public governance paradigms that have been developed in the recent years and have had an influence on ideas of public sector innovation and accountability. In addition, some definitions of democracy and due process are presented. The second part of the article is a presentation of the case study methodology and the Danish Ministry of Taxation as a case. Next, the analysis of the examples is divided into two parts: an analysis of the processes of involvement, and an analysis of the attempted results. Lastly, we discuss the wider implications in terms of the possibility of measuring democracy innovation and transferring the definition to other authority areas.

Innovation, Governance and Democracy in the Public Sector

The idea that *innovation* could be the solution to the challenges that the public sector faces is relatively new and only goes back a few decades (Borins, 2006; Grady, 1992; Becheikh et al, 2007). Previously, the term innovation was reserved for the private sector's renewal of products, services and processes (Koch & Hauknes, 2005:4). The public sector was considered conservative and generally reluctant to change (Borins, 2002; Earl, 2002:9; Fuglsang, 2008: 234; Mulgan and Albury, 2003:5; Vigoda-Gadot et al, 2008; Windrum, 2008:5 Wise, 1999: 150). This has changed and today the public sector is recognized as a platform in which innovation takes place. Definitions of innovation in the public sector are, however, often heavily inspired by traditional private sector, innovation theory (Hartley, 2005: 33; Langergaard, 2011).

Innovation is often defined with typologies based on a Schumpeterian definition of innovation. The typologies specify different types of innovation, which are not meant to be mutually exclusive and, in practice, any particular change may have elements of more than one

type of innovation (Hartley, 2005:28). The most commonly mentioned types of innovation in the public sector are:

- *Product innovation/service innovation*: The introduction of a new service or the improvement in quality of an existing service product (Windrum, 2008:8; Koch and Hauknes, 2005: 8; Hartley, 2005: 28; Halvorson et al, 2005 :2);
- *Delivery innovation*: New or altered ways of solving tasks or delivering services (Halvorson et al, 2005: 2);
- *Administrative and organizational innovation*: Changes in the organizational structures and routines (Windrum, 2008: 8; Halvorson et al, 2005);
- *Conceptual innovation/rhetorical innovation*: The development of new *world views* (or language or concepts) that challenge assumptions that underpin existing service products, processes and organizational forms (Windrum, 2008: 8; Halvorson et al, 2005; Hartley, 2005);
- *Policy innovation*: Changes in thought or behavioural intentions associated with a policy belief system (Windrum, 2008:10);
- *Strategic innovation*: New goals or purposes of the organization (Hartley, 2005: 28).

In addition, a few authors mention democracy innovation as changes leading to new democratic agendas for increased user inclusion of increasingly competent citizens (Bason, 2007: 57; Carstensen, 2010; 2013). According to Bason (2007) democracy innovation can be understood as a way of strengthening the democratic functions of society, and strengthening due process and legitimacy of public sector practices. This may be done, for example, by including citizens in new types of hearings and user boards or by democratic elections (Bason, 2007: 55). Hartley (2005) mentions governance innovation as including new forms of citizen engagement and democratic institutions (Hartley, 2005: 28). To the UK Audit Commission, democratic innovation is about involving users in service planning and engaging communities (Audit Commission, 2007: 19).

The Danish Strategy for Strengthened Public Innovation (Danish Council for Technology and Innovation, 2008) states that innovation in the public sector must create value along different axes, namely:

1. Efficiency in processes and output;
2. Better quality in services to companies and citizens;
3. Strengthened democracy, legitimacy and due process;
4. Employee satisfaction through dynamic and attractive work places that furthers recruitment and retention of employees.

As mentioned, the Ministry also works with different innovation bottom lines, which all relate to some of the innovation types mentioned above. We shall go into depth with these bottom lines in the analysis (Table 1).

Table 1: Democracy innovation definition

Democracy innovation definition - strengthen democracy - due process -legitimacy				
Democratic innovation is about involving users in service planning and engaging communities (UK Audit Commission, 2007).	Strengthening democracy, legitimacy and due process in society through democracy innovation that enhances user involvement in decision-making, increasing due process, reduce corruption and increase with transparency in the public sector. (Bason, 2007)	Strengthening democracy, legitimacy and due process in society (Rådet for teknologi og innovation, 2008)	..factors such as citizens participation and empowerment, transparency, accountability, and equality... (Bason, 2010)	Democracy bottom line is about the due process, legitimacy and involvement that citizens and businesses are experiencing with the Ministry of Taxation. (Carstensen, 2013)

Overview of definitions of democracy innovation

The idea that *innovation* could be the solution to the challenges that the public sector faces is relatively new and only goes back a few decades (Borins, 2006; Grady, 1992; Becheikh et al, 2007). Previously, the term innovation was reserved for the private sector’s renewal of products, services and processes (Koch & Hauknes, 2005:4). The public sector was considered conservative and generally reluctant to change (Borins, 2002; Earl, 2002:9; Fuglsang, 2008: 234; Mulgan and Albury, 2003: 5; Vigoda-Gadot et al, 2008; Windrum, 2008: 5 Wise, 1999:150). This has changed and today the public sector is recognized as a platform in which innovation takes place. Definitions of innovation in the public sector are, however, often heavily inspired by traditional private sector, innovation theory (Hartley, 2005:33; Langergaard, 2011).

But, even if innovation in the public sector may be about strengthened due process and legitimacy, and democratic participation, it is not mentioned in most innovation literature and there are no examples or elaborations in the existing literature to specify how to operationalize the concept in a public authority. This may have to do with the complexity of the concept. According to Bason these bottom lines are not unproblematic, unambiguous categories to work with and measure. We return to this challenge in the analysis. The challenge is that the values are highly complex to measure and that there is no consensus on how to measure ‘increases in democracy’ (Bason, 2007:57). An implication of the scarce attention is that we know very little about the relationship between innovation in the public sector and improved legitimacy, due process and citizen rights. Thus, we need to think beyond the existing examples and definitions of public sector innovation in order to give substance to a concept of democracy innovation. When discussing how to specify the concept of democracy innovation we can choose to focus on different elements. UK National Audit emphasizes the implementation of new practices in the

pursuit of renewed democratic engagement with citizens. The examples they use are about involvement of local communities (Audit Commission 2007:18). This definition stresses democratic engagement and thus the methods of citizen involvement. Hartley's (2005) concept of governance innovation also points to new forms of citizen engagement and democratic institutions. Bason (2007) and the Danish Council of Technology and Innovation (2008), in line with the Danish Ministry of Taxation, however also emphasize the value creation dimension of democracy innovation and the strengthening of democracy, legitimacy and due process through innovation. We may thus distinguish between democratic dimensions of the *process* of innovation and involvement and the democratic *result* of the innovative pursuits. This distinction leads us to analyse these dimensions separately and we shall later take a closer look at the process of user involvement in the Ministry's innovation projects.

Governance Paradigms and Public Sector Innovation

The public sector has been through a development of changing public governance paradigms usually presented as a development from Public Administration (PA) through New Public Management (NPM) to Network Governance (NG). The different paradigms link to different conceptions of citizens and innovation in the public sector (Hartley, 2005:29) as well as different models of accountability (Sørensen, 2012). The paradigms have not replaced each other as such and elements from each paradigm may be found existing side-by-side in public sector institutions today.

From the introduction of NPM in the 1980s, the PA paradigm has been challenged, and criticized by NPM and NG claiming to be superior to bureaucracy with regards to fostering innovation in the public sector (Moore, 2005; Osborne, 1998; Pollitt, 2000; Jessop, 2003). Bureaucracy (Hess and Adams, 2007) is based on a rule-based and legislative approach to public administration, where precise and uniform rules regulate the administration's dealing with the citizens. The rules are considered legitimate because citizens can, on account on their knowledge of the rules, predict the outcomes of their dealing with the state (Rothstein, 1998:108). The role of bureaucracy is to embody the values of formal equality and proceduralism as against more arbitrary and personalized forms of authority and more coercive forms of inducing cooperation (du Gay, 1994: 667-8). It is connected to a desire to guard fairness, equality and justice in the treatment of citizens. However, critics unanimously point out that the weakness of this paradigm is that public administration become isolated at the top and out of touch with the rest of society. Critics claim that this type of administration results in inefficiency, economic complacency, obsession with procedural rules, and indifference to client needs (Peters and Pierre, 1998: 228-9). Citizens are said to become clients with little to say about the public services (Hartley, 2005). The word innovation is not usually used in relation to bureaucratic organization. Rather, it seems to be an undisputed truth that bureaucracy is antithetic to innovation (e.g. Osborne and Gaebler, 1993; Aucoin, 2008: 293; Burns and Stalker, 1994; Thompson, 1965:1) with its rule-bound and hierarchic decision-making structure.

Thus, the traditional, bureaucratic PA paradigm, which stood strong in the post-war period, and which considered due process and citizen rights pivotal concerns of legitimate governance, has been challenged by NPM and later by NG. The introduction of NPM in the 1980s brought with it an increased focus on innovation and entrepreneurialism (e.g. Osborne and Gaebler, 1993; Paulsen, 2005: 16), market principles and customer focus (Rhodes, 1996:655). It

redefines citizens as customers with freedom to choose between different services (Clarke, 2009; Hartley, 2005:30; Parker and Gould, 1999: 111; Osborne and Gaebler, 1992: 10-20). NPM replaced the traditional, linear model of accountability with an emphasis on participation by clients and the public in general in the decisions of public organizations. Thus, the idea of accountability as responsiveness (Peters, 2006: 298; 305) has challenged the legal, bureaucratic and hierarchical idea of accountability (see also Sørensen, 2012: 8). With NPM public organizations are conceptualized as service providers that should ensure 'customer/user satisfaction'. NG carries on the emphasis on citizen involvement, but focuses on inter-organizational networks, partnerships and collaboration. Collaboration among various stakeholders is expected to promote linkages between those involved in policy innovation and service innovation in ways that encourage formulation and implementation of bold and innovative ideas (Sørensen, 2012:10). Thus, with NG, innovation is taking place at both central and local levels. Relevant stakeholders, including citizens, are involved as co-producers (Hartley, 2005; Sørensen, 2012:11), which is a term emphasizing the active engagement of citizens (King and Martinelly, 2005: 2; Vigoda, 2002: 527).

NPM's focus on service-mindedness, flexibility and customer orientation disrupts the classic role of public organizations and authorities as neutral, distant actors and an accountable government (Veenswijk, 2006); however, concerns for due process and citizen rights are still relevant to the public authorities. With the imperative to be innovative public sector organizations are encouraged to break with the bureaucratic, top-down model, and instead view citizens as service users rather than as holders of rights. However, if we wish to be serious about developing a concept of democracy innovation, we need to consider if we may reconcile or rethink these aspects in new ways. We may begin by taking a closer look at the concepts of democracy and due process.

Rights, Due Process and Democracy

In order to define democracy innovation we have to look beyond the paradigms of public governance. Citizenship, democracy and due process are all complex concepts, of which there are a number of definitions. We shall limit the discussion of the cases to a few that seem particularly relevant. Within democracy research there is a vast amount of research concerned with citizen engagement, but this is not linked to ideas of public sector innovation (e.g. Andersen and Hansen, 2007; Goodin and Dryzek, 2006; Brown, 2006). Nevertheless, research about deliberation and mini-publics, or citizen panels, are about citizen input to policy making and can thus be seen as a kind of policy innovation even though they are not defined as such in the literature. Thus, we find numerous examples of citizen involvement literature emphasizing the deliberative aspects and the orientation towards a common good in involvement practices.

Participation is also a relevant aspect of the concept of citizenship. According to Kymlicka and Norman, citizenship is a concept that integrates demands of justice and community membership (Kymlicka and Norman, 1994: 352). This means that citizens' political participation and deliberation about matters of common concern is a central aspect of citizenship. This is particularly stressed in the republican (e.g. Arendt, 2007), communitarian (Rousseau, 2009) and Habermasian democracy models (Habermas, 1996). A citizen in this conception enters into the political discourse with an orientation toward finding solutions to common concerns. Rights are another aspect of citizenship, which is particularly stressed in the liberal democracy tradition. These may be political, civil and social rights (Marshall, 2003). This is a concept of

citizenship defined by rights and a relationship between the public sector and the users as defined by social and civil rights. Due process is an individual right which is particularly relevant in relation to administering authority power. The question is what it means to a public authority to be both innovative and to guard rights of due process of citizens. How can rights and due process become central in user-involvement activities and methods? This is what we hope to elucidate through our study and a discussion of the user involvement activities of the Ministry.

Due process is a very complex juridical concept, which can be defined in a number of ways and which has developed over the years. It often refers to correct rule of law in the sense of execution and enforcement of law in accordance with the legal norms and rules, as a realisation of the positive law. It is also often connected to the idea of the constitutional state (Rechtsstaat) which implies that the state cannot use its executive power to violate the personal freedom of citizens and their personal property rights (Dyrn, 2009). The concept is very broad and we cannot take all aspects of it into consideration. In this article we shall use the official definitions identified by the Ministry as the starting point.

The Ministry has a vision concerning due process, which states: “We treat everybody equally and fairly — and it is experienced like that by the taxpayers.”The Ministry also specifies what due process in practice means to them:

- That taxes and levies/duties are collected in accordance with current tax rules;
- That decisions/rulings are made as quickly as possible;
- That each citizen experiences that decisions and rulings about taxes live up to legal claims;
- That all citizens and companies are treated in a equal way;
- That everybody pays the taxes and levies/duties that are established by law.

The Ministry’s concept of due process is thus to ensure that legal rules are followed, that they are followed in the same way in relation to everybody and that this can be trusted. Individual and collective due process must be secured at the same time (SKAT.dk). Furthermore, the Ministry has published a Declaration of Cooperation (a kind of taxpayers charter) describing what the citizens can expect from the Ministry.

The Danish Ministry of Taxation as a Case Study

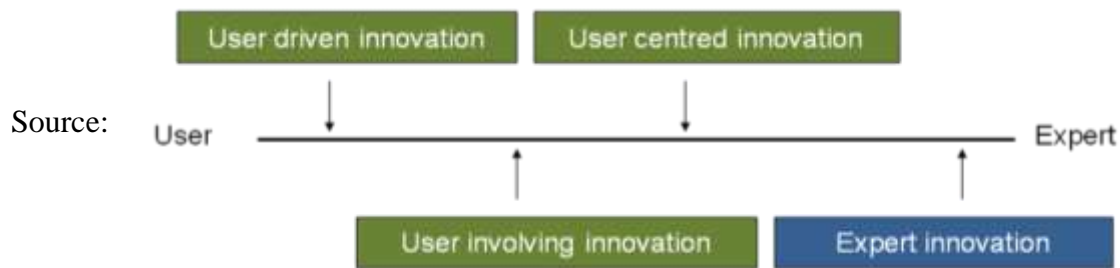
The Danish Ministry of Taxation has experience with a variety of user-involvement methods from more traditional quantitative surveys over qualitative methods of focus groups and observations to art-related experimental methods. As an authority, considerations about due process are declared part of everything the Ministry does (Declaration of Cooperation). This makes the case particularly well-suited for investigating the relation between innovation, rights of due process and democratic involvement in public sector organizations. The Ministry serves a core function for the state and public sector by regulating rules and laws and, at the same time, by providing services to citizens in order to help them pay taxes. The double role of service organization and authority may help elucidate the conceptual tensions between a *citizen* approach where, for example, rights and duties are constitutive for the relation to the public sector, and a *service* approach to the users. As an authority, rights and duties play a central role in the Ministry’s relationship with the citizens. The *authority features* of the organization are strong

and correspondingly the *service-provider features* are apparently weak. We see the Ministry as an extreme case; that is, one which is especially problematic or good in a closely defined sense, namely as an (ideal) typical example of a public sector organization with strong authority features (cf. Flyvbjerg, 2001: 80; Flyvbjerg, 2006: 230-2).

Innovation in the Ministry

The Ministry has faced a political demand for increased efficiency and better service delivery for a long time. In order to meet these demands and also to maintain a high standard in law enforcement, as well as administration and services, the Ministry has strengthened the role of the users in the innovation process. The Ministry has worked with three different user roles in the innovation process.

Figure 1: Different user roles.

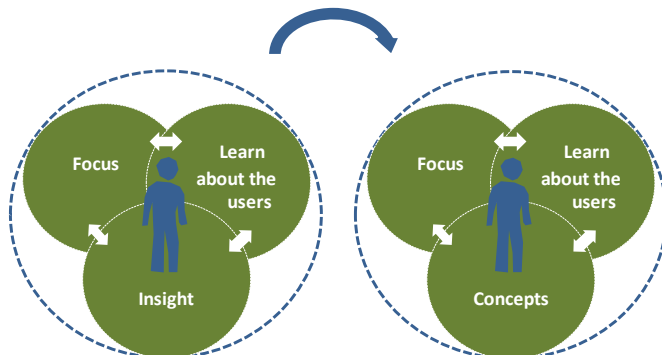


The Danish Ministry of Taxation, 2007.

In the user-centred innovation process the users are studied—directly or indirectly—in order to learn about their routines, behaviour, attitudes and thoughts regarding the activity in focus. In the user-involving process, the users are actively and systematically involved in developing new products, services or administration processes (co-creation). User-driven innovation is innovation by users (lead-user innovation), where citizens or companies come up with innovative solutions that the Ministry can use directly, copy and refine.

The process of constantly and systematically learning about, from and with the users ensures that the problem solved is in fact the right one, and that the solution developed is in fact the best one. The process consists of three main steps and is iterative and centred around the user.

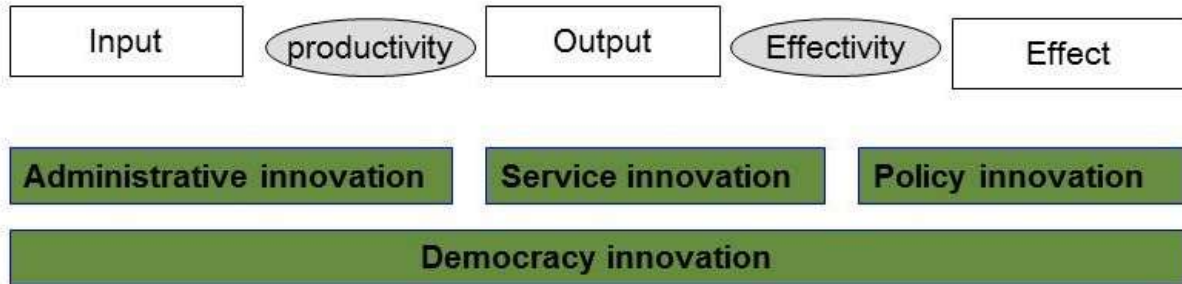
Figure 2: The users in the innovation process



Source: The Danish Ministry of Taxation, 2011.

The Ministry of Taxation has worked with four bottom lines in innovation projects (Bason, 2007). When innovating, the effects on all bottom lines must be positive. The Ministry chose the four bottom lines because they are all important to run an efficient, welcoming, and accurate and 'due process ensuring' tax authority.

Figure 3: The Four Innovation Bottom Lines.



Source: Bason, 2007.

Administrative innovation increases productivity by ensuring efficiency in internal processes and to citizens and businesses. *Service* innovation increases the quality of the citizens' meetings with the organization through, for example, improved or new services. It may be a new functionality in the personal digital tax folder all Danes have, so citizens do not have to save paper copies and have quick access to all personal information. *Policy* innovation ensures that the services become even more concise, so that the Ministry achieves the impact that politicians are demanding. This could increase the compliance of tax payers. *Democracy* innovation enhances the legitimacy of the tax system, due process and increases the active involvement of citizens.

The bottom lines are an operationalization of the Ministry's visions. What is new is that innovations efforts always are measured on all bottom lines and the Ministry works to develop appropriate ways to measure on the bottom lines.

We have selected seven projects for our analysis based on variation with regard to user involvement methods and attempted outcomes (Table 2).

Democracy Innovation in the Danish Ministry of Taxation

The Ministry has worked with democracy innovation in many projects. Sometimes it has been the primary bottom line and sometimes not. In this section we will describe examples of innovation projects and how the Ministry has worked with the democracy bottom line. As mentioned, we distinguish between democratic dimensions of the *process* of innovation and involvement and the democratic *result* of the innovative pursuits. This distinction leads us to analyse these dimensions separately and we begin by taking a closer look at the process of user involvement

Table 2: Overview of cases

	What	Who	Innovation type	Method	Result	Democracy bottom-line	Effect measured by
Declaration of cooperation	Leaflet about taxpayer's charter	10 randomly chosen citizens (gender, age, education, job, location)	Expert driven	Facilitated hearing about expert written leaflet	The citizens changed the leaflet so it contained the rights but not the duties.	+ strengthen democracy + due process + legitimacy	Involvement of citizens was registered Results were measured by arguments
Experienced procedural justice	Input to survey questions about procedural justice	11 randomly chosen citizens (gender, age, job)	Expert driven	Facilitated workshop with the use of art created for this purpose	Insights about the citizens' experiences with procedural justice.	+ strengthen democracy + due process + legitimacy	Involvement of citizens was registered Results were measured by arguments
Termination of business activities	Letter about termination of business activities	2050 randomly chosen company owners (different business types)	Expert driven	Nudging	More company owners filled their tax returns in time.	0 strengthen democracy + due process + legitimacy	Counting how many: -Filled out the tax return. -Felt empowered and able to act. -Filled out the tax return correctly
The Ministry and young people	Communicating better with young people	Five randomly chosen citizens (gender, age between 15-30, job)	User centred	Ethnographic interviews and user tests of web pages	The citizens had major impact on how the website was designed, what it should contain and changed the language of letters and website.	+ strengthen democracy + due process + legitimacy	The involvement of citizens was registered The results were measured by arguments
	Making new	Three	User	Co-creating	The citizens	+ strengthen	The

Teaching material	teaching material to be used in elementary schools	citizens, who were teachers in elementary schools in Copenhagen area	involving	workshop	had major impact on how the teaching material was conceptualized, and what it should contain. But expressed disappointed about not being invited to actually make it.	democracy + due process + legitimacy	involvement of citizens was registered. The results were measured by arguments
Property valuation	Making the letter about property valuation better	16 randomly chosen citizens (gender, age, education, job, location)	User involving	Co-creating workshop using art based methods and Sophie Calles "Take care of Yourself"	The citizens had major impact on how the value property letter looks like (for 2013) and on how SKAT generally communicate in letters to the citizens.	+ strengthen democracy + due process + legitimacy	The involvement of citizens was registered. The results were measured by arguments
Book keeping	Making it easier to do book keeping correctly	13 chosen citizens (lead users in different aspects).	User driven	Lead user workshop based on von Hippel and the New Room Method.	The citizens developed a radical different concept for book keeping and handling of taxes and interaction between company, bank and the Ministry.	+? strengthen democracy + due process + legitimacy	Involvement of citizens was registered. The results were measured by arguments

The innovation projects represent a span of user-involvement methods and user roles. Three of the projects may be characterized as *expert innovation*, however in very different ways. The project 'Declaration of Cooperation' tested the citizens' perception of a leaflet through public hearing of ten citizens. The project "Experienced Due Process" was based on a workshop with eleven citizens who were invited to express their thoughts on a number of contemporary artworks created by artists for the purpose. The artworks were created to spur a reflection on what constituted an experience of due process to the citizens in their encounter with the Ministry. In both projects the citizens were to express their views on the basis of something presented by the Ministry. Both of these projects were concerned with uncovering the perceptions that citizens had about specific issues or products. The project "Termination of Business Activities" was also

carried out as an expert-driven innovation project. It tested the effect of two different letters on citizen behaviour: One letter focused on describing what the citizen should do. The other letter was written on the basis of nudging principles (Sunstein & Thaler, 2008). The second letter contained just a prompt to the citizen to send the tax return and had a yellow post-it enclosed, which could be used as a reminder. This project was about changing the behaviour of citizens to be compliant by the use of nudging principles, and in that sense without the use of arguments or conversation as such. In both these examples of expert innovation the power and initiative of the process are in the hands of the employees and thus the Ministry. They are not bottom-up initiatives driven by citizens themselves. This means that the interests and problems to be solved are identified by the authority and not the citizens. The role of the citizens and the way they get a chance to influence the process, however, differ in the three cases. We shall return to this below.

One project may be characterized as *user-centred*, namely the project “The Ministry of Taxation & Young People”. The project included five young people and studied how they experienced the encounter with the tax authorities and how competent they were in understanding their own tax cases and the vocabulary connected to payment of taxes. The project showed that many of the young people experienced difficulties with understanding the documents from the Ministry and found the taxation vocabulary very complicated. Furthermore, the project tested how the young people used the digital services from the Ministry and which barriers made use of the services difficult. Thus, this was a study of actions as well as perceptions and competence of the young people.

Two projects may be characterized as *user-involving*, namely the project working with the design of teaching material to elementary schools and the project about the “Property Valuation Letter”. Common to the two projects was that citizens had the role of creating something on their own or together with the Ministry. Both projects utilized the creativity of the users involved. In the project about designing teaching material, school teachers were involved as experts in a co-creation process with the Ministry. The Ministry also used personas on the basis of interviews with young people aged 14-16 to find out what interests and competences they have. In the project about the property valuation letter sixteen citizens were asked to create art works based on their professional backgrounds interpreting one of the Ministry’s standard letters. The method was called “citizens’ artistic interpretations of our products”. The inspiration came from the French artist Sophie Calle’s exhibition piece “Take Care of Yourself”. The aim was to achieve a deep understanding of the experience of the citizens and to get citizens’ recommendations to the new valuation letter. These projects thus gave an insight into the perceptions and experiences of the citizens and relied on the citizens expressing their views and thoughts. Lastly, one project was a *user-driven* project, namely the “Better Bookkeeping” project. The project involved the lead user method (von Hippel, 2005) in order to develop a bookkeeping concept which should make it easier for companies to conduct their bookkeeping correctly. Thirteen lead users participated. Even though it may be defined as a user-driven innovation project, the problem to be solved by the project was still identified by the Ministry. The problem was one of compliance, as an analysis had shown that 52% of the accounts made by small companies with no employees contain errors. The project resulted in a radically new way to do bookkeeping and digitally connect the companies ERP system, the bank and the Ministry. Thus, the users also participated as co-producers in this project and thus had some influence on the outcome.

These examples demonstrate that a variety of methods can be used under the heading of each different type of user innovation. The citizens play different roles and the insights obtained through the projects vary a lot. As we have already mentioned, there is a difference with regard to power relations between these user involvement methods. This concerns who sets the agenda for issues and problems treated in the innovation process and, thus, who decides what can be discussed and changed through the innovation activities. All the projects were initiated by the Ministry and dealt with problems or issues identified or defined by the authority. They were not bottom-up citizen-initiated and citizen-driven projects. The question is whether or not this alone determines if we should characterize the involvement methods as democratic. Even though the problems dealt with in the projects were identified by the Ministry, the innovation projects are still platforms for citizens to be heard and to have a voice. However, in which ways and on what premises citizens get a voice through these methods also differ. In the case of nudging principles, the citizens do not get a voice as such and the method is concerned more with changes in behaviour and in learning how to make citizens behave in certain ways. When the focus is on hearing citizens to understand their perceptions, they get a voice, either to express themselves through words, through products co-created with the Ministry, or through artworks created by the citizens themselves.

As mentioned, the idea of involving citizens as users in public services has emerged with the view of public organizations as service providers. From a traditional public administration, bureaucratic view, citizens are not involved in design of public services. Rather the focus is on predictability, equity, due process, and securing of citizen rights – i.e. a legal, bureaucratic paradigm. The values and ideas about legitimacy in policy execution still live on in public authorities and are represented, for example, by the juridical staff in the Ministry. However, the focus on the citizen as a user in both the consumerist tradition of NPM and in the democratic tradition of user involvement emerging within the field of social work requires that the citizens and their needs and wishes be considered important factors in the design of public services. In the democratic tradition of user involvement, the wish was to break with an objectification of the social work relationship between a client in need of help and a professional social worker who was to identify the needs of the passive client. In this case, introducing the user was an accommodation of a demand for a *voice* (McLaughlin, 2009:1103-7). When a more equal relation between the citizens and the public organizations has been the aim of inclusion, a traditional strategy has been to give voice to users by letting them have a say in matters concerning their everyday lives instead of letting experts decide for them (Langergaard, 2011).

Thus, the power given to citizens in relation to involvement and service design does make a difference as to how we may perceive the democratic aspects of involvement. But even when given a voice we may distinguish between a user in a consumerist or service-oriented view of public services, and the citizen of democratic theory. The first has, with an individualist and subjectivist focus, more in common with a customer than with a ‘traditional’ conception of a citizen.

The introduction of a customer-like user in the public sector is the achievement of NPM and the consumerist tradition of user involvement. The user with needs, preferences and subjective wishes is conceptually at odds with the citizen as someone oriented toward to the common good in political deliberation or as someone defined by equality in terms of rights (Young, 1989: 250-2). A citizen involved in deliberation is conceptually seen as someone

oriented towards the common good and someone aiming to find solutions to general, political issues and not merely from the perspective of self-interest (Rousseau, 2009:54). The orientation and cognitive competences between the concept of a citizen differ from the concept of a customer, who is usually defined by individual preferences and self-interest (Clarke, 2004). The consumerist notion of the citizen, however, seems to have its limitations in the case of public authorities as they are not merely service providers that deliver services to individual citizens in order to fulfil their needs or subjective preferences. This is one of the reasons that due process is an important concern to all the Ministry's activities. The Ministry is to ensure that all people pay their taxes correctly, as this is essential to the individual and collective due process and, furthermore, the Ministry has the power to exercise authority and punish citizens if they do not pay their taxes and, in the extreme, to put people to prison. As equality, equal treatment and procedural justice are essential to case handling and encounters with citizens, there are employees in the organization who consider the consumerist idea of the citizen as a clash with the core tasks of the Ministry. In this sense there may be a conflict between a service view and an authority view on user involvement. We shall return to that below.

As an authority, the relevant question is how to deal with citizens as citizens and not merely as users or customers. This must be a relevant criterion from a democratic perspective. The authority has a certain power which raises claims to due process and legitimacy, which means that the Ministry is not merely a service provider. The citizens involved in the Ministry's projects are not asked to deliberate on matters of common concern. Rather, the projects in which the citizens are given a voice give an insight into the lifeworld and experiences of citizens and, as these are subjective experiences, we may be closer to a customer view on the citizens. The questions are:

- Can the users be involved and how?
- How can a public authority strengthen due process by learning about the life world and experiences of citizens?
- How should methods of involvement and the power relations in user-centred innovation activities be assessed from a perspective of democracy innovation?

Such questions may be better answered if we also take the democratic result of the innovation activities into consideration.

The Results of Innovation: Due Process and Legitimacy

With regards to the democratic result of the projects, we must somehow determine how to define and measure the bottom line of strengthened democracy, legitimacy and due process. In this sense we deal with three different concepts, which need to be concretely specified. We shall attempt to specify and define these concepts further by discussing the different projects and the innovation outcomes or bottom lines that are relevant to them. The question, from a democratic perspective, could be how the results of the innovation process support the Ministry in ensuring citizen rights and due process in case handling. Furthermore, a relevant aspect is how the power relations are affected by the projects. On the basis of the examples from the Ministry, we argue that certain aspects are relevant in defining democracy innovation; namely, the competence of citizens, the relation between citizens and the authority, and collective/individual due process.

Competence of Citizens

One result of the Declaration of Cooperation project was that the leaflet was altered to communicate better with the citizens in order to increase their competences with regard to tax matters. Increasing citizen competencies is one element in strengthening due process. The argument is that when citizens are competent and knowledgeable about their own tax matters, they are more aware of the power relations between the authority and themselves. When they know their rights and duties, they are able to find out if they are paying the right taxes and to file claims in cases where they suspect an error has been made. We find support for this argument from Habermas (1996), who addresses the question of how citizens' rights can become socially effective in escaping welfare state paternalism. It requires that the affected parties are informed and capable of *actualizing* the legal rights guaranteed by the basic right to due process. To actually mobilize the law requires certain competences of the clients. In order for the vulnerable welfare client to be able to perceive and articulate problems and to assert themselves more generally, Habermas states that we can require a compensatory approach to legal protection in order to strengthen clients' legal knowledge. Habermas points to participatory activities to strengthen citizens as *citizens* with rights (Habermas, 1996: 411).

If citizens, on the contrary, are unaware of their rights, uninterested in tax matters, apathetic or intimidated by the authority, their right to due process is weakened and the power relations are very unequal. Thus, we can identify two aspects that are important to due process for citizens: competence and equality in the relation between the authorities and the citizens, which we shall refer to as an *authority at eye-level*. When we take a closer look at the projects from this perspective, we find that several of the projects support an increased competence of citizens. The projects "The Ministry & Young people" and the project "Teaching Material" both work toward the aim of increasing the competence of children and young people with regard to tax matters through information aimed specifically at these groups. Thus, an understanding of the life world and skills of these groups are important for the Ministry to learn about. The teaching materials were, however, not fully developed, but the process still provided insights into what was important in the process of designing such teaching material and, not least, that it is important to have it accepted by the teachers who are going to use it in class. Thus, we have now defined *increased competence of citizens as a criterion* for defining outcome at the democracy bottom line more specifically. The question is how this relates to the service bottom line. We shall return to this below.

Authority at Eye Level

We have argued that the relationship between the authority and the citizens is important to the due process of citizens as they will tend to become apathetic and disengaged in tax matters if they feel intimidated by the authority or feel that there is nothing to do in case an error has been made. In the project "Experienced Due Process" narratives and statements from the citizens were collected to give insights to the Ministry about what is important for citizens to see the Ministry as an authority at eye-level. Some actors in the organization, however, doubted the results of the project with the argument that the participants were biased by the negative representation of the Ministry by the artists. The project "Declaration of Cooperation" also gave insight into what citizens perceived as communication at eye-level and as a consequence the description of duties was removed from the leaflet.

As mentioned, both projects were based on material provided by the Ministry in the form of a leaflet or a number of artworks upon which citizens should comment and from which they should make associations. Thus, the authority sets the agenda and a framework for the issues that can be addressed. In return, the Ministry gets an idea of what *not to do*, but the question is whether the potential of finding out what would be the *very best to do* is fully utilized with the methods chosen.

Given the critique of the possible bias this may lead to, the further question is whether it is possible to find methods that better spur citizen-initiated and free expressions of perceptions of due process and of an authority at eye-level. Could we imagine ways to let citizens express utopian ideas about the optimal authority based on their own agenda and interests? One idea could be to carry out an action research future workshop (Nielsen, 2005:530). This method is furthermore based on a democratic and emancipatory philosophical foundation in the sense that it aims at developing solutions by letting the participants themselves define relevant issues and concerns (Nielsen, 2005:521-24). This method is, however, much more resource-demanding than the methods used by the Ministry, even if it may lead to more radical innovations. The next question would then be how to deal with the results in the organization and how to implement changes on the basis of the new insights.

The “Property Valuation Letter” project gave this increased freedom to citizen expressions (compared to the other methods) by utilizing the creativity and expert knowledge of the citizens and letting them choose the form and content of their interpretation of the valuation letter. For example: one citizen who was a rhetorician made a speech to the Ministry; a priest gave a sermon; an architect drew the real estate; a graphic designer made an installation representing the house.

The general insights from the project were that citizens appreciate an authority at eye-level, that they perceive the Ministry as a machine that hits people where it really matters, that the letters from the Ministry are too difficult to understand, and that they do not make it clear to the citizens which options they have. Getting these insights are essential for the Ministry in order to change its way of communicating with citizens to become more an authority at eye-level. Thus, we have now defined an authority at eye-level as a criterion for defining outcomes at the democracy bottom line more specifically. It is important to stress that this, together with the emphasis on citizen competences, represents a certain interpretation of citizen rights. From this perspective rights need to be effective in order to be realized. This means that rights are not merely something citizens have, but rather something that enables them to do certain things. In line with Young, “rights are relationships, not things; they are institutionally defined rules specifying what people can do to one another. Rights refer to doing more than having, to social relationships that enable or constrain action” (Young, 1990: 25).

Such a view on rights also emphasizes the active role of the citizen, and not merely rights as something to be passively enjoyed. Democracy innovation may be seen as something that enables people and make them better capable of actualising their rights to due process.

Individual/Collective Due Process

As mentioned, one of the aspects important to the citizens’ right to due process is that the citizens are competent and experience authority at eye-level; however, it is also important to

collective due process that all citizens pay the correct amount of taxes. Collective due process refers to the *objective realization of law*. It is the guarantee that the norms of law are executed and enforced by prohibitions and directions. It may be juxtaposed to the protection of societal interest. It may be seen as central to the governance function of law and to the legitimacy of public administration as it has to do with the functioning of public administration in general.

The society as such is protected by collective due process (Dyrn, 2010:26). Individual due process traditionally refers to the protection of individual rights in accordance with law. It is worth mentioning that a traditional concept of individual due process departs from the idea of the citizen as the presumably weaker party who must be protected from the state's execution of power. It is the individual who is the object of protection in individual due process (Dyrn, 2010: 27). The Ministry emphasizes that everyone should pay the correct amount, no more and no less. This has to do with equity and fairness and with being treated equally by the authorities and with individual due process. No one has the right to pay less than they ought to because it would be unfair to all other citizens and would possibly disturb public order if it became known. Ensuring correct tax payment thus is important to collective as well as individual due process. Thus, initiatives that make citizens pay their taxes correctly are also pivotal when we wish to understand the full scope of the concept of democracy innovation and the aspects relating to due process.

The "Better Bookkeeping" project made it easier for companies to make accounts correctly and thus to pay the correct amount of taxes. The project on the one hand made it easier to do bookkeeping correctly, but also to automate the process with the risk of decreasing engagement and competence. In this sense there can even be contradictions within the different elements of the concept of democracy innovation, which demonstrates the complexity of the concept. But also, the "Termination of Business Activities" project, using nudging principles, supports the citizens in acting correctly, even if it may not increase the competence or the understanding of the relationship between the authority and citizens as such. Nudging as a method may be considered less democratic in the sense that it focuses only on the behavioural aspects of citizens, does not give the citizens any voice as such, and is not concerned with argumentation. Still, it may support correct actions and payment and, thus, the due process in collective/individual terms. So, we have now defined correct actions in relation to payment as a criterion for defining outcome at the democracy bottom line more specifically. Citizens must know why they should pay their taxes but it is also important for collective and individual due process that taxes are actually paid correctly by all citizens.

Legitimacy

Legitimacy is the third element mentioned in the definition of value created by democracy innovation. Legitimacy may be understood in different ways depending on the conception of the public authority. It can be understood as the exercise of authority from a legal perspective if we stress the law regulating side of the Ministry. If we stress the service providing aspects of the Ministry, we may think of legitimacy in broader or more general terms as gaining acceptance and trust from the environment. In the first case collective and individual due process are pivotal to the legitimacy of the Ministry as an authority. But, as the Ministry has to act in a dual role with the different claims facing the organization, legitimacy in terms of acceptance and trust is also central. This is, for example, enforced by the claims to the Ministry to ensure *customer satisfaction* and to document it via annual surveys. The two different understandings of

legitimacy relate to the dual role of service organization and authority. As the Ministry has to deal with both, it is important to discuss when these two roles conflict and when they do not; however, as the Ministry is an authority, its activities cannot be considered legitimate if they do not support due process. The claims facing the Ministry correspond to a bureaucratic view on public authorities as guardians of rights and due process. At the same time the Ministry faces claims to be friendly, service-oriented and to increase customer satisfaction which are prevalent ideas in a NPM perspective. This leads to conflicting logics and legitimacy claims that must be balanced in order for the authority to uphold legitimacy across the board. One of the ways we have tried to bridge these conflicting claims is by stressing the importance of rights and due process in the relationship between the citizens and authorities, but also by emphasising rights as active, and thus making the engagement of citizens important to their actualization of rights. Our interpretation of legitimacy thus is very close to the bureaucratic one, stressing transparency and equal treatment. Still, we acknowledge the importance of service improvements and the relation between service and democracy innovation. We shall take a closer look at the relationship between the service innovation and the democracy innovation bottom lines.

Service and Democracy

Even if public sector innovation can be measured in accordance with four different bottom lines, we shall narrow down the discussion to the matter of service and democracy. When do they collide and when do they support each other? Service is about making it easier and more comfortable for citizens to pay their taxes. But it is also about an authority at eye-level, one which is friendly and attempt to communicate with citizens in a language that they understand. Cases where both bottom lines are met are the ones where the competence of citizens is strengthened in the sense that they know more about tax matters, are not intimidated by the authority, and at the same time paying taxes become easier to the citizens. The last is what makes a better service experience. Thus, in for example “The Ministry & Young people” project, an increased competence, understanding and support to make paying easier means that service and democracy goes hand-in-hand; however, even when the two bottom lines do not conflict, optimization of service does not necessarily lead to an optimization of democracy. At the same time, increases in efficiency do not necessarily lead to increased democracy. This goes in general for digitalized services that may make it easier for citizens, but may also make them disengaged in what they actually pay.

From a perspective focused on service an aim could be to make it easier and more comfortable for citizens to pay their taxes. Perhaps even to the extreme point where the citizens did not even notice that their taxes were paid because it all went automatically and with optimal ease. Authority at eye-level and good service can in worst case conceal the real power relations and make citizens non-engaged and less competent.

From a perspective where ease and comfort solely define good service, there is a risk of undermining due process in terms of citizen competence and engagement. Citizen competence is not an important issue from a service-oriented perspective where the authority in principle could do all the work without informing citizens. And, even if citizens experience the payment of taxes as pleasant and easy, they may not be aware if errors occur. It is like the authorities are sneaking money out of the pockets of citizens and thus obscuring the power relations at stake. This is not something which is evident from a service-oriented perspective that stresses only ease, comfort

and friendliness. Thus, we need the democracy innovation bottom line, or the authority perspective to fully understand how innovation projects lead to more legitimate practices.

Lastly, the difference between a constitutional state (Rechtsstaat) perspective and a service-state perspective, which is prevalent in both NPM and parts of NG, is worth elaborating. The dominance of NPM and NG to public administration research and, not least, as a framework for the development of ideas of public sector innovation may help explain the lack of definitions of democracy innovation and particularly the concept of due process. The constitutional state is closely linked to the idea of due process and, as mentioned, individual due process exists to protect the citizen from the illegitimate exercise of authority from the state. The citizen is the subordinate and weaker part, and this idea of the state builds on an inequality in power relations and the potential of conflict is built into the relation between the state and the individual. This is why the individual has a claim to protection in terms of due process. The service state as seen with NPM and consumerism, assumes a harmonious relationship between the state and the individual. From this perspective it is financial or cultural barriers, such as a bureaucratic attitude of civil servants, which are considered the biggest issues to be dealt with in order to offer good services. There is no inherent conflict between citizens and the state, rather a relationship of exchange—taxes for services—underpinning the service understanding of the state. Thus, from this perspective there is no need to conceptualize innovation in terms of strengthened due process. However, with the complex and sometimes conflicting claims facing public authorities there is a need to address these issues and the potential differences and conflicts between the role as authority and the role of service organization. This is what we have attempted to do here.

Measuring the Effect (Outcome)

It is always important for a public authority to be aware of the effect generated when a given activity is launched for the taxpayers' money. Identifying the elements of the democracy bottom line enables us to look at the effects and how to measure the effect on the democracy bottom line. Three major elements have been identified:

- Strengthened democracy by the active involvement of citizens in the innovation process;
- Due process as a result of the innovation process;
- Legitimacy as a result of the innovation process.

The complexity of the democracy bottom line makes it necessary to be exact about the effect of the three different elements of the bottom line. That does not mean it always has to be a numeric measurement on all three; but, the effect must then be proved otherwise, for example through think-aloud protocols or interviews.

Generally, the Ministry uses SMART goals to measure the effect; success criteria are determined and likewise ways to measure them. In the selected cases the effect has been measured in different ways and not all the elements of the bottom line has been measured or discussed.

The element of *strengthened democracy* has been measured by simply registration of citizen involvement in the innovation process. How many citizens were involved? Were they satisfied with the involvement and how were the citizens selected? The method is either random

selection with regard to age, gender, education, job and location, or specific for the target group, e.g. young people or company-owners. The Ministry has often interviewed the citizens about how they have experienced the involvement (“The Declaration of Cooperation”, “The Ministry & Young People”, and “The Property Valuation Letter”). The Ministry uses both qualitative and quantitative methods in measuring the effect.

In the case of “Termination of Business Activities”, the citizens were not asked to participate, but were randomly chosen to test a prototype. The result was measured by testing different letters compared to not receiving a letter and citizens thereby have “had a say” on how communication will be in the future. But, as we have argued, since the citizens were not voluntarily and actively involved, this does not strengthen democracy. The two letters were sent to 2000 people to test the behavioural effects; but the citizens were not informed that they were part of the project.

In the cases the Ministry is often not very specific concerning the innovation *results* on the democracy bottom line. The results are mostly deemed probable through arguments. Since democracy and due process are difficult to measure and thus must be discussed as normative concepts in a certain context, we need to be open to other ways of demonstrating or rendering probable that democracy or due process are actually strengthened.

Due process could have been measured by counting actions – e.g., did “The Declaration of Cooperation” mean that citizens felt empowered to act? This could have been examined by (focus group) interviews or measured by counting if there were fewer inquiries by citizens or increased traffic on the Ministry’s website. It could also have been determined whether the citizens made fewer errors and filed fewer complaints. All this was expected to happen but not measured since the effect of “The Declaration of Cooperation” cannot be isolated. This is particularly the case in the long term, and true for most of the cases.

The *results* in the case of “Termination of Business Activities” were indeed measured by counting how many company owners filed their tax return in time compared to company owners who did not receive a letter. The company owners were asked in a questionnaire how they felt about the letter, whether it made them act (fill in the tax return), and if they knew what to do. It was also registered and analysed what company owners called the Ministry about. In the cases this is the only example of a thorough measurement of the effect on due process.

The effect on *legitimacy* could have been qualified by (focus group) interviews about the perception of the Ministry as an authority. This is true for most of the other cases. Every second year, the Ministry measures the experienced due process with a telephone questionnaire done by an external research institute involving randomly chosen citizens. This is the only measurement on the democracy bottom line that the Ministry has of the innovation efforts.

The measurement of the effects often means before-and-after measurements, control groups, use of qualitative and quantitative methods. Data need to be collected and it is always a challenge to have the right and sufficient qualitative and quantitative data available. This is especially true for the democracy bottom line.

Evaluating and measuring the effects of innovation is normally difficult since existing evaluation models tend to hamper rather than to encourage innovation (Carstensen, 2013). Also,

in the case of democracy innovation, it is necessary to use an evaluation model that can handle measuring developing innovation processes and the effects in the short, middle and long term.

Perspective

We have now defined the concept of democracy innovation in the context of the Ministry of Taxation and will discuss whether it is relevant to other types of authorities and public institutions, such as social services, unemployment services, health care, prisons etc.

The element of *strengthened democracy* by involving the citizens actively and voluntarily in the innovation process is relevant to all public organizations, e.g. unemployment services or health care since they are all public authorities with a relationship to citizens constituted by social or civil citizen rights. In order for these organizations to improve services or processes, they must take rights and due process into consideration as these cannot be compromised without also compromising the main tasks of the organizations. We may assume that a positive effect of this can be measured on the bottom line; however, it is challenged when the citizens do not have a language or means to express themselves.

This can be the case in the social services sector with citizens with disabilities. User involvement and the methods in doing so will be very important to be able to determine whether democracy is strengthened in the welfare innovation processes.

As well, when citizens are in prison, is democracy strengthened by involving prisoners in how they should experience the punishment or re-socialization? As in the case of paying the correct amount of taxes, there can be a conflict between the individual and the collective view, and whether imprisonment is viewed as punishment or re-socialization.

The element of *due process* is relevant to all public organizations delivering benefits. In the same ways as for the Ministry of Taxation, there is a need to pay attention to the competencies of the citizens, to meet them at eye-level and to ensure that all individual citizens gets the benefits to which they are entitled — but no more than that.

One example could be from the social services, where parents of disabled children need to be competent (knowing their rights and duties) in their contact with the authority to be able to deliver the needed information for decisions about social benefits. Sometimes this is not the case and due process then can be improved by making the citizens competent; that is, by giving them an introduction letter with their rights and duties described as is the case in the Social Services Department in Copenhagen Municipality. Communication with the parents should be respectful and at eye-level. The Social Service Department in Copenhagen Municipality has examined the communication between parents and authority, and the parents do not experience communication at eye-level and hence there is a potential for strengthened democracy if new ways of contacts are innovated. In a LEAN project the department introduced the working processes and ensured that the parents got the benefits they were entitled to, but no more. This could be measured on the democracy bottom line.

The element of *legitimacy* is also highly relevant in other parts of the public sector facing the role of a service provider and an authority. In the case of social services the department has

less legitimacy if it does not deliver the correct decisions in a human respectful way; however, even though the elements of democracy innovation identified from the tax cases fit other authorities, we still need to develop the concept of democracy innovation further in order for it to fit specifically to different types of authorities.

Conclusion

The aim of the article was to advance the concept of democracy innovation. Even if some authors mention the concept, there is a lack of examples and specifications of the concept in existing innovation research. We have attempted to compensate for this by taking a first step in a more precise and concrete definition of the concept. Our approach has been to discuss different elements of the concept on the basis of seven innovation projects carried out in the Danish Ministry of Taxation.

The concept of democracy innovation developed in the article bridges claims to public authorities to be accountable in the sense of providing transparency, equality and guarding rights to due process, and the need to be service minded and customer friendly. We base our concept on an idea of citizens' rights to due process as active rights, which must enable citizens to understand their taxes and be empowered in their relation with the authority. The definition contains the elements of democracy, due process and legitimacy:

- we link democracy with the process of involvement and the methods deployed. Methods vary in the sense that they can give more or less power and voice to citizens with regards to defining problems and suggesting solutions;
- due process is ensured by increased competence of citizens and by a more equal relation between citizens and authorities (authorities at eye-level). Due process is about individual as well as collective due process and thus correct payment from all citizens is important;
- legitimacy is about the legitimacy of the system and about ensuring equal treatment, transparency and at the same time ensuring the experience of fairness in order for the system to be legitimate across the board;
- the analysis and perspective sections have however revealed that the concept is complex and that there may even be contradictions between the different elements of democracy innovation.

This also means that it may give rise to certain challenges with regards to measuring the outcome of innovation activities. Still, the concept of democracy innovation developed here is relevant to other types of authorities, such as social authorities, policy and prisons.

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