

# PUBLiN

THE PUBLIN POST NEWSLETTER No. 6 July 2005

The EU Fifth Framework Programme Project on Innovation in the Public Sector. [www.step.no/publin/](http://www.step.no/publin/)

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## **More on the Publin/University College Cork conference on innovation in the public sector**

**We are proud to announce the conference *Breaking New Ground, on Innovation in the Public Sector*, jointly hosted by the Publin Consortium and the Department of Government at the University College Cork .**

The conference is aimed at exploring both theoretical and practical aspects of public sector innovation.

It is hoped to draw on the experience of high level public servants, academics and researchers, including the Publin Consortium which has investigated public sector innovation in nine countries.

For more information, conference program and registration form see the end of this newsletter, and the Publin/University College of Cork conference site at [www.ucc.ie/PUBLIN/](http://www.ucc.ie/PUBLIN/).



# Special Education Regional Resource Centers in Israel

The Publin Haifa team presents its case study of Regional Resource Centers of Special Education, Israel.

By Nitza Schwabsky, Eran Vigoda-Gadot, Aviv Shoham and Ayalla Ruvio, The University of Haifa

## ***Innovation in the social sector***

Our case study focuses on innovation in social services through the kaleidoscope of Special Education Regional Resource Centers (RRCs). Regional Resource Centers provide educational, psychological and paramedical services for children with special needs and serve as the "executive arm" of the Law of Special Education (1988; 2002-correction). The law promises free education for children with special needs in the least restrictive environment and through mainstreaming and inclusion whenever possible

The context of special education was selected following the State Comptroller's Report of 2002 that instructed the inclusion of people with disabilities into the Israeli society and work and the community as part of the welfare system, thus, considering special education a social service.

The study uses the conceptual framework of innovation and learning within the context of special education to "paint a picture" of innovation in a social service from policy and service perspectives.

Innovation in RRCs aims at providing intellectual and tangible resources, instruction and training for mainstream and special education institutions in means of service improvement.

## ***A problem driven view of innovation***

Hypotheses hold a 'problem driven view' of innovation and focus on four segments that represent the innovation process: initiation; design and development; selection, diffusion and utilization; evaluation and learning.

In-depth interviews were conducted with 12 public practitioners, six of policy level (i.e., top and middle managers, and policy-makers), and six of service level (i.e., frontline employees). Documents represent legal and office information (i.e., the Law of Special Education (1988, 2002), management reports, lawsuits, and media documents.

Findings are reported in four areas: design and development, organizational learning, selection, diffusion and utilization, and evaluation and learning.



View of Haifa, Israel

## ***The main findings***

### **1. Design and Development:**

Innovation of RRCs characterizes a shift of philosophy and conceptual thinking for service improvement, from past to present in four main areas: (1) a philosophical paradigmatic change, (2) placing the client in the center, (3) management efficiency, (4) staff professionalism.

Initiation and entrepreneurship are of three types: top-down, bottom-up and top-down, bottom-up recursively. Entrepreneurs' roles represent a broader view at the policy-level, and a more practical, pragmatic view at the service-level.

Innovation involves pressure groups' politics and resistance to change at all levels of the organization. Driving forces are mainly employees empowered by the innovation, who gain power from it, or employees whose intrinsic needs, such as knowledge seeking are fulfilled through the innovation. Hindering forces originate of fear of losing control, mistrust of the innovation, disagreement over budget use, role functions and position loss, or feeling that they've already known it.

## **2. Organizational Learning**

Infrastructure that facilitates learning and training accompanies innovation at the RRCs. It is this infrastructure that enables the interaction and exchange of ideas internally and externally to the organization, and thus enables the construction of new knowledge. Networking emerges too, and occurs for two main purposes: (1) management efficiency (2) service improvement.

## **3. Selection, Diffusion and Utilization**

Innovation is monitored and diffused both at the policy and the service levels, aiming at getting the word out and generating agreement and acceptance. Politics and pressure groups play an important role in implementing innovation.

Legal documents have revealed the conflict regarding the innovation funding, which led to a series of lawsuits at the Supreme Court. Accordingly, lobbying on the one hand and lawsuits on the other emerged as means of by-passing intra-governmental roadblocks.

## **4. Evaluation and Learning:**

Openness and attentiveness to new ideas of new and old staff members and of the clients is an expectation of innovation. Flexibility, gradual change and needs assessment are advised before the innovation inception, cooperation at all levels of the organization, clear definitions of the goals and objectives, a belief in the idea of the innovation, lobbying and involving people toward a perceptual attitudinal and behavioral change are behavioral expectations of a successful innovation.

## ***Organizational politics, change and innovation***

Innovation in the public sector aims at improving the service provision and the management practices. Focusing on the hypotheses, an analysis of the findings indicates that innovation is driven by performance targets that are 'born' of specific service related problems or concern both at the policy and at the service levels, with the latter viewing the innovation as their "vision".

Underlying organizational politics plays an important role in the innovation process exhibited through individual and group pressures, some driving the innovation and others hindering it. Suggestions to overcome resistance to change call for openness and collaboration, lobbying, persuading and being well connected to the field.

Resistance and politics are profound to innovation implementation and emerge internally and externally. Additionally, to ensure intra-governmental coordination, political roadblocks between the office of Special Education supported by the Ministry [of education] and the Ministry of Finance arose. While the office does not submit petitions or claims, it supports citizens' claims against the Ministry of Finance overtly and covertly, in order to encourage the receipt of funding needed.

Innovation in this social service exhibited through the kaleidoscope of special

education is of an ongoing existence. Innovation is a growing phenomenon in the public sector. As it emerges, innovation and

policy learning are thus crucial for public service improvement.

## **Boosting performance and modernisation in public sector: the role of innovation**

*By Andrés Maroto Sánchez<sup>1</sup>*

The debate of the role of the public sector has shifted in recent years towards empirical assessments of the efficiency and usefulness of public sector activities.

A growing academic literature has been investigating the stabilisation, allocation and distribution effects of public expenditure. It has also been assessing the role of rules and institutions, and the scope for privatising public sector activities (see e.g., Persson and Tabellini, 2001; Strauch and von Hagen, 2000; Rodrik, 2000; or Gwartney et al., 2002).

Most studies conclude that public spending could be much smaller and more efficient than today. However, for this to happen, governments should adopt better institutions and should transfer many non-core activities to the private sector.

The measurement of public sector performance (defined as the outcome of public sector activities) and efficiency (defined as the outcome relative to the resources employed), however, is still very limited. Afonso et al. (2003) provides a proxy for measuring public sector performance and efficiency. Their paper compares the performance of the public sector and relates it to resource use in a number of a major policy areas (education, health care, and infrastructures), the quality of public administration and the conventional functions of government: distribution, stabilization and allocation (Musgrave and Musgrave, 1984).

Indicators suggest notable but not extremely large differences in the public sector performance across countries (with a few exceptions). Countries with the highest values for sub-indicators include Switzerland (administration and infrastructures), Japan (education), Iceland (health care), Austria (distribution), Norway (economic stability) and Luxembourg (economic performance). Countries such as Luxembourg, Japan, Norway, Austria and the Netherlands report high total public sector performance numbers.



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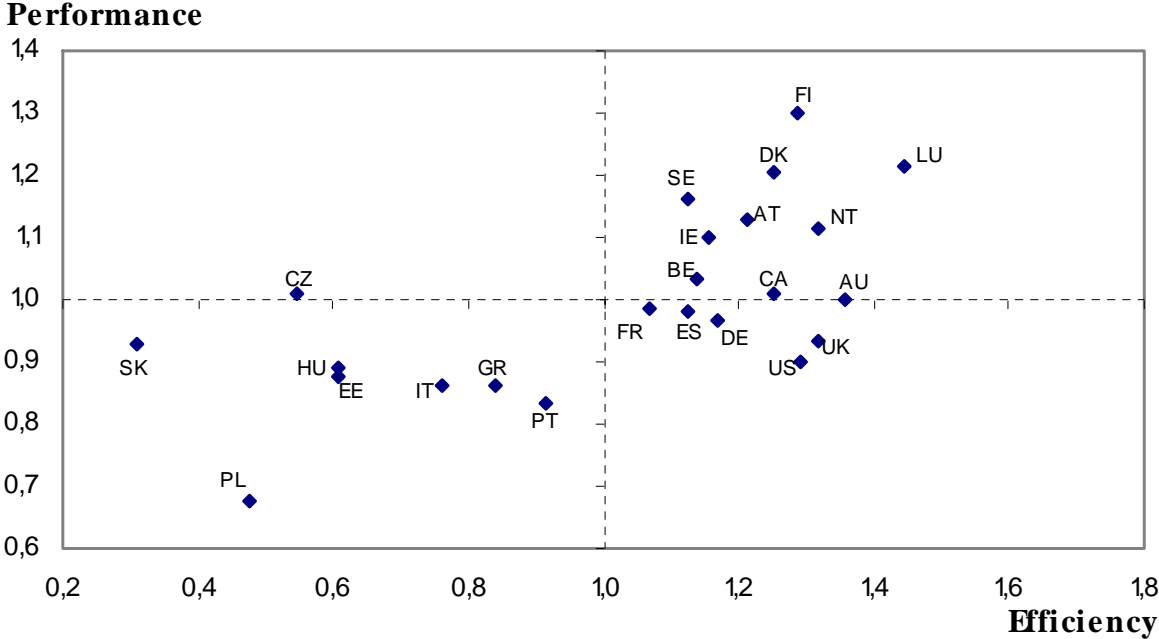
<sup>1</sup> University of Alcalá and Servilab, Madrid, Spain.

Looking at country groups, small governments (industrialised countries with public spending below 40% of GDP) on balance report better economic performance than big governments (public spending above 50% of GDP) or medium sized ones (spending between 40 and 50% of GDP). These results are consistent with those found in Tanzi and Schuknecht (2000). When comparing the main economic players of today, it is noteworthy that the United States, and particularly Japan, report above-average performance in public sector. By contrast, the European Union performs below average.

During the 90's, while some countries managed to deliver relative improvement in public sector performance, some other countries showed a decrease in this area. Examples of the first group of countries are Ireland and the Southern European countries (Greece, Portugal and Spain).

On the other hand, the European Union and the euro zone as a whole experienced reductions in public sector performance during this decade. In terms of public sector efficiency, one can find significant differences across countries. Netherlands, Austria, Finland and Luxembourg show the best values for overall efficiency. Looking at country groups again, small governments post the highest efficiency amongst industrialised economies. The differences are considerable in this case as small governments on average post a 40% higher scores than big ones.

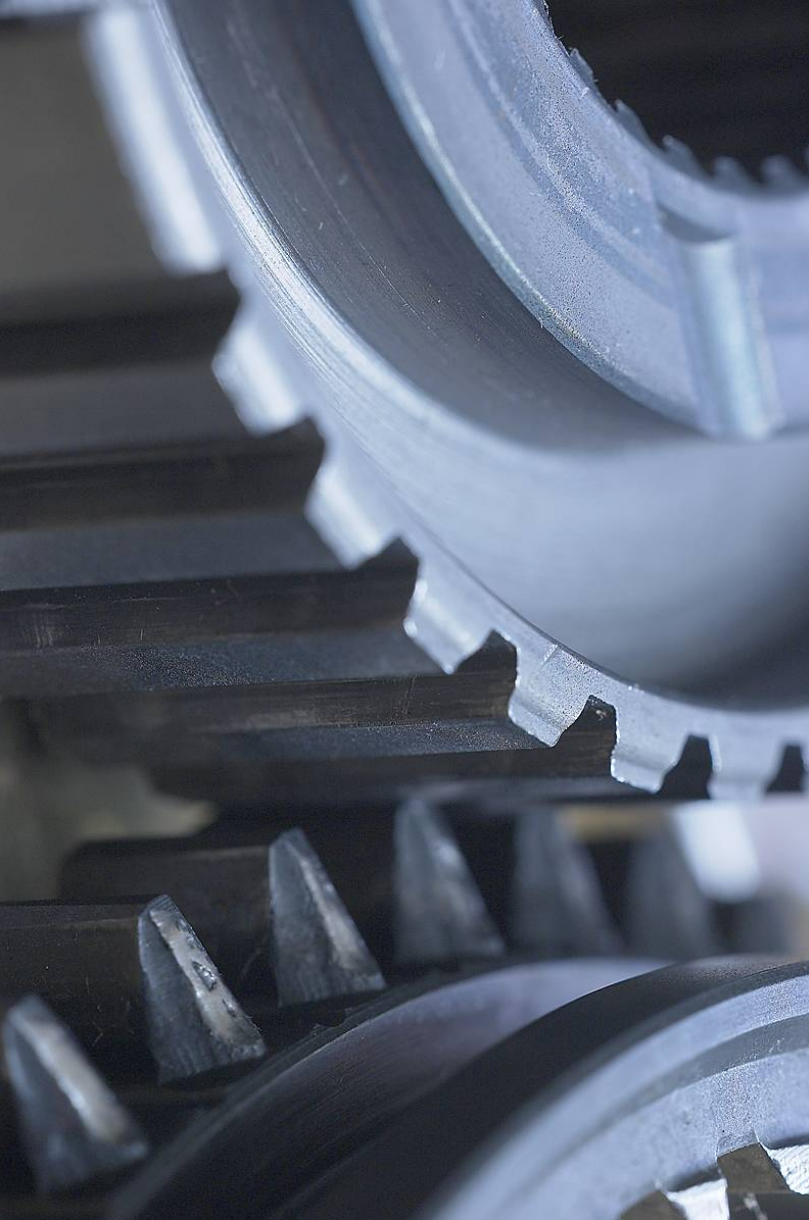
Figure 1: Indicators of public sector efficiency and performance<sup>2</sup>



Source: Own elaboration

In summary, it can be found that differences in efficiency are much more pronounced than in performance across countries (see figure 1), with small governments clearly outranking the others. This illustrates that the size of government may be too large in many industrialised countries, with declining marginal

<sup>2</sup> Public sector performance indicators used in this figure are an average of Afonso's and SCP ones; while public sector efficiency indicators are an average of Afonso's and World Bank ones. All indexes are normalized and one-scaled.



products being rather prevalent. But given the non-extreme differences in performance as outlined above, the incidence of negative marginal products of public spending may be more limited.

Other authors (SCP/CERP, 2004) have tried to improve on the work by Afonso et al. (2003) in some respects. The country-clusters resulted are very similar. Southern European countries present low general and educational performance, Eastern new member states show low general performance but high educational one, and the Northern European and Anglo-Saxon countries stay with high scores in both items.

It should be noted that, though there is considerable correlation between public sector performances in the different areas, it is by no means perfect. Countries that do well in several aspects also produce poorer performances in other areas.

The development of these two indicators of performance and efficiency of the public sector (PSP and PSE respectively) lead to the question about the interrelation between efficiency and performance, modernisation and impact, organisation and effectiveness. The uneven association between the two rankings (countries around the diagonal and countries with outlier behaviours) suggest that

there might be certain links between the performance and efficiency that sometimes work better than others. Furthermore, the efficiency indicators should focus not only on the way in which public expenditure is done but on the quality of spending.

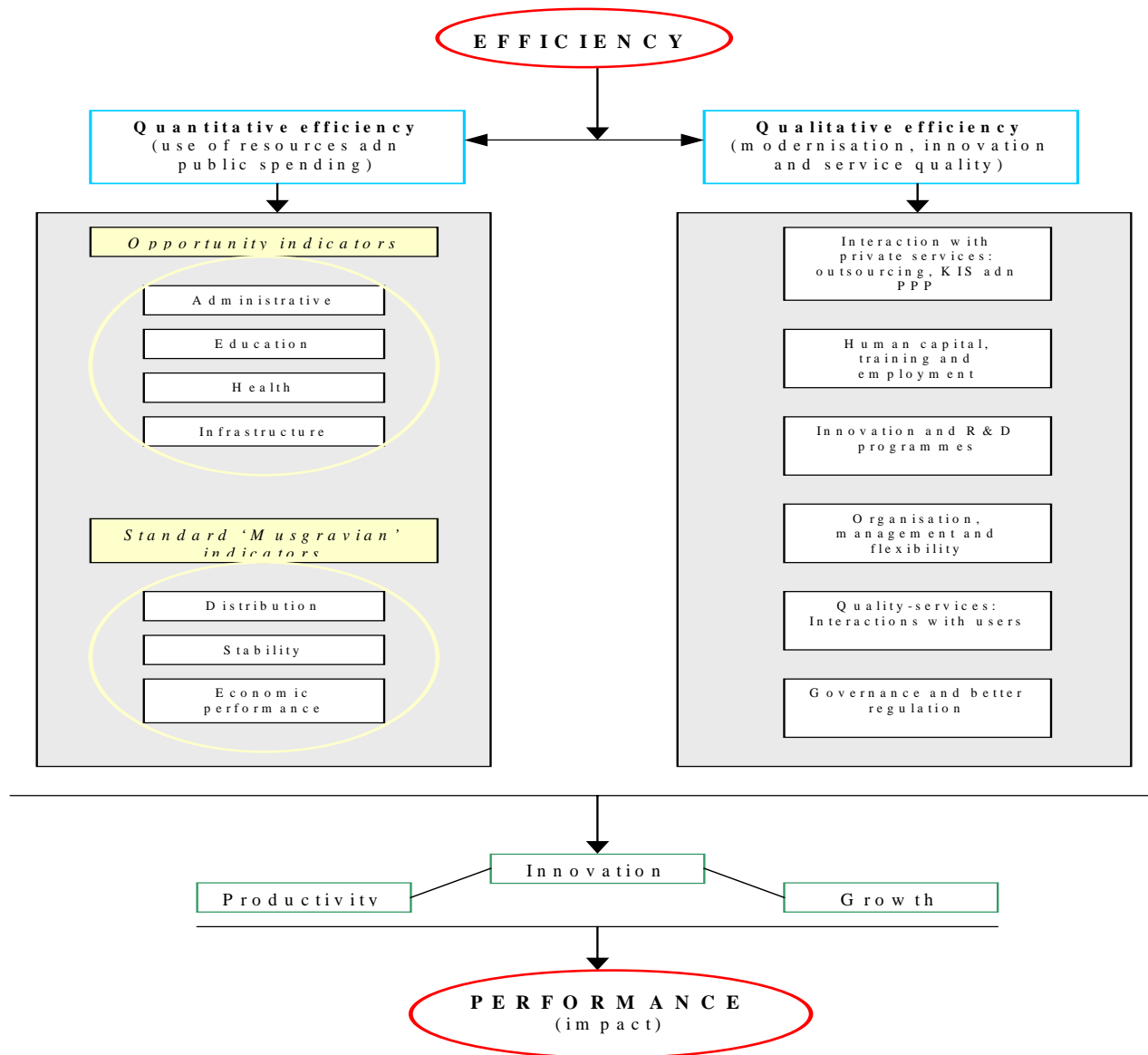
An efficient public sector should spend well, within modern organisation systems, high-quality governance and efficient use and provision of services. Efficiency should contain certain qualitative aspects –although these aspects are difficult to measure- but relevant in the way businesses can perform its own activity and society perceive the quality of public services.

The modernisation of public administration is not a good in itself, but for the consequences it produces in modern economies. In this sense, it is important to distinguish between the quantitative efficiency in the use of resources and the qualitative efficiency in the organisation and production of public services.

Within this framework, the links between performance and efficiency contain some key dimensions which are necessary to tackle (see figure 2). On the one side, we have the quantitative aspects of the efficient functioning of public sectors, which can be measured with opportunity indicators and traditional Musgravian ones (Afonso et al., 2003), explained before. But, on the other side, we have the complementary qualitative items. Among these aspects, it is important to point out some of them, like the interaction with private services; human capital, training and experience of labour force; organisation, management and flexibility of the public administrations; interaction with the users; governance and

better regulations within a correct institutional frame; and innovation and R&D public programmes. These two sets of variables will shape the performance of public sector, throughout the impact on the innovation system, productivity and economic growth of the economy.

Figure 2: **Links between performance and efficiency in the public sector**



Source: Rubalcaba and Maroto (2006)

Recent studies are encouraging the debate about the need for better governance (OECD, 2002, 2003b, 2004), better regulation and reduction of red tapes (European Commission, 2005; OECD, 2003a). There is also research approach the question of employment and human capital in public sector (e.g. OECD, 2001) and issues related to its management and organisation (the full research on New Public Management).

However, a major lack of research is given in the issues related to the interrelations with private services and with final and intermediate users, that, together to the R&D programmes, are three keys sources of innovation generated in and from the public sector. Rubalcaba (2004) deeps inside the first of them, whereas the public R&D and innovation will be analysed in the following lines.

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## **New or updated publications from PUBLIN**

The following reports have been finalized:

Publin Report No. D5:

*The structure and size of the public sector in an enlarged Europe*

By Andrés Maroto and Luis Rubalcaba (PDF file 1.1 MB)

Publin Report No. D6

*Policy learning, what does it mean and how can we study it?*

By René Kemp and Rifka Weehuizen (PDF file 259 KB)

Publin Report No. D8

*Studies of innovation in the public sector, a literature review*

By Rannveig Røste (PDF file 321 KB)

Publin Report No. D17

*Report on the Publin surveys*

By Eran Vigoda-Gadot, Aviv Shoham, Ayalla Ruvio, Nitza Schwabsky (PDF file 3MB)

Go to [www.step.no/publin/reports.html](http://www.step.no/publin/reports.html) to download.

The country case study reports will be uploaded shortly.



# The Publin/University of Cork conference on innovation in the public sector



The international conference Breaking New Ground: Innovation in the Public Sector, takes place at the Boole 1 Lecture Theatre, University College Cork, on the 22<sup>nd</sup> & 23<sup>rd</sup> September 2005.

For more information, see the conference web site at [www.ucc.ie/academic/govern/publin/](http://www.ucc.ie/academic/govern/publin/).

The programme is as follows:

## **Thursday 22<sup>nd</sup> September 2005**

### **8.30 am: Registration and coffee/tea at Boole Lecture Theatre 1**

9.30 am: Welcome Address: Dr. Seamus O Tuama, Department of Government, UCC

### **Situating Innovation in the Public Sector**

Chair: Mr. Dick Spring, former Tanaiste and Minister for Foreign Affairs

#### Speakers:

Deputy Director Per Koch,  
PUBLIN, NIFU STEP Norway  
Mr. Kevin Murphy, former  
Ombudsman and Secretary General  
for Public Service Management;  
Professor Wayne Parsons, Queen  
Mary & Westfield College,  
University of London

11.00 am: Coffee/Tea

#### 11.30 am – **Parallel Sessions**

- Theory of Innovation
- Local Government Innovation

1.00 pm – **Lunch**

#### 2.00 pm **Parallel Sessions**

- Evaluation of Innovation
- Managers & Innovation



- Local Government Partnerships

#### 4.00 pm **Reviewing Public Sector Innovation**

##### Panellists:

Dr. Richard Boyle, Institute of Public Administration,  
Dr. Eithne FitzGerald, National Disability Authority,  
Ms. Eleanor Glor, Editor: Public Sector Innovation;  
Dr. Jeffrey Goldstein, Adelphi University, School of Business & Management  
Dr. Barry McSweeney, Chief Science Adviser to the Government,  
Ms. Melanie Pine MSc., The Equality Tribunal

5.00 pm: Close of Session

7 pm Reception and Dinner

**Friday, 23<sup>rd</sup> September 2005**

**Healthy Innovation**

Chair: Professor Michael Murphy, Dean of Medicine, UCC

9.00 am: Ms. Mary Harney TD, Minister for Health & Children

9.30 am: Dr. Jerry Sternin, Director, Positive Deviance Initiative, Tufts University

10.00 am: **Parallel Sessions**

- Health Case Studies
- Innovation and Ageing

11.15 am: Coffee Break

11.45 am: **Parallel Sessions**

- Innovative Models of Health
- Innovation and Change

**1.15 pm: Lunch**

2.15 pm: Report of Rapporteurs

3.00 pm: **Questions & Answers with John Bowman**

Panel:

Professor Colin Bradley, Department of General Practice, UCC,

Ms. Liz McManus, TD

Ms Ann Broekhoven BUPA Ireland, Director of Provider Affairs

Mr. Liam Doran, General Secretary, Irish Nurses Organisation

Ms. Maev-Ann Wren, journalist

4.30 pm: Close of Conference

See webpage for details of presentations, also accommodation, transport etc.:

[www.ucc.ie/PUBLIN](http://www.ucc.ie/PUBLIN)

**REGISTRATION FORM PUBLIN/UNIVERSITY COLLEGE CORK CONFERENCE**

(Early booking is advised to secure a place.)

To register, please return this form to:

Department of Government  
Conference Secretary  
O'Rahilly Building - 2nd Floor  
University College Cork  
Cork  
Republic of Ireland

Fax: 353 21-490- 3135

Please enclose a cheque/bank draft for full amount, made payable to: **Government Conference, UCC**

Name and address:

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Organisation/Institution/Firm: .....

Tel:..... Email:.....

Alternatively, please supply the name and address of the person to whom an invoice should be sent:

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Conference Fee (including lunches, reception & dinner, teas & coffees): **€295**, before 1<sup>st</sup> September, **€345** after 1<sup>st</sup> September.\ Two delegates: **€500**. Academics/Presenters: **€150**

Please give details of any requirements, e.g. dietary, access:

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**THE PUBLIN POST NEWSLETTER**

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