

The 8th Global Fiscal Forum

Innovation in Policy- Making in the Platform Era

: The Korean Open Policy Lab (OPL) Experiences

Se-Hyun Cho

Director, Division of Government Innovation
Korea Institute of Public Administration

DATE | September. 5. 2019. VENUE | Atrium (3F), Millennium Seoul Hilton



[Contents]

01 | Open Innovation in Policy Making in the Platform Era

02 | Policy Lab for Innovation in Policy Making

03 | Korean Experiences of Open Policy Lab (OPL)

04 | The Next Steps of Open Policy Lab (OPL) in Korea

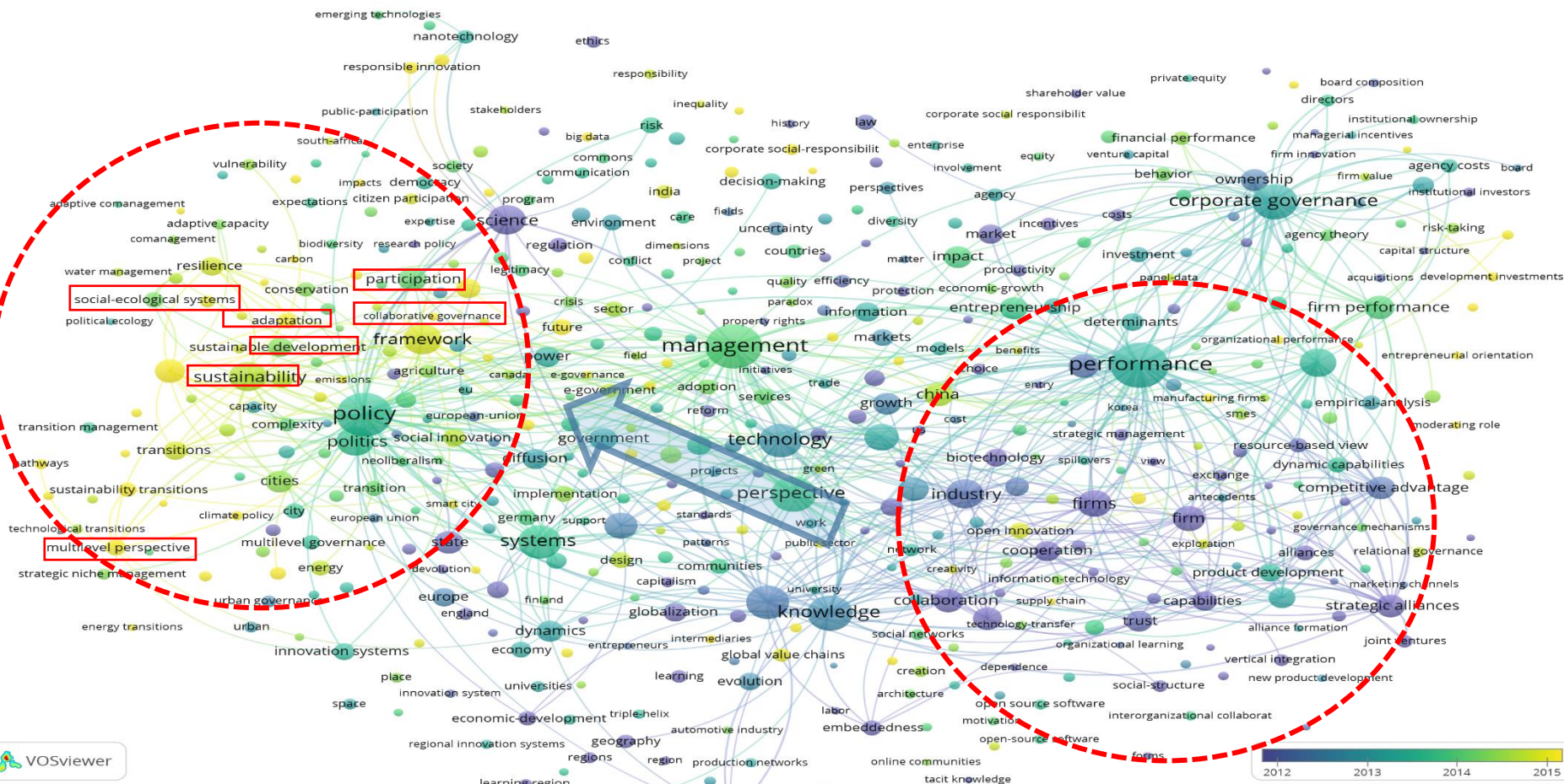
01. Open Innovation in Policy Making in the Platform Era



Changes in the Governance for Innovation

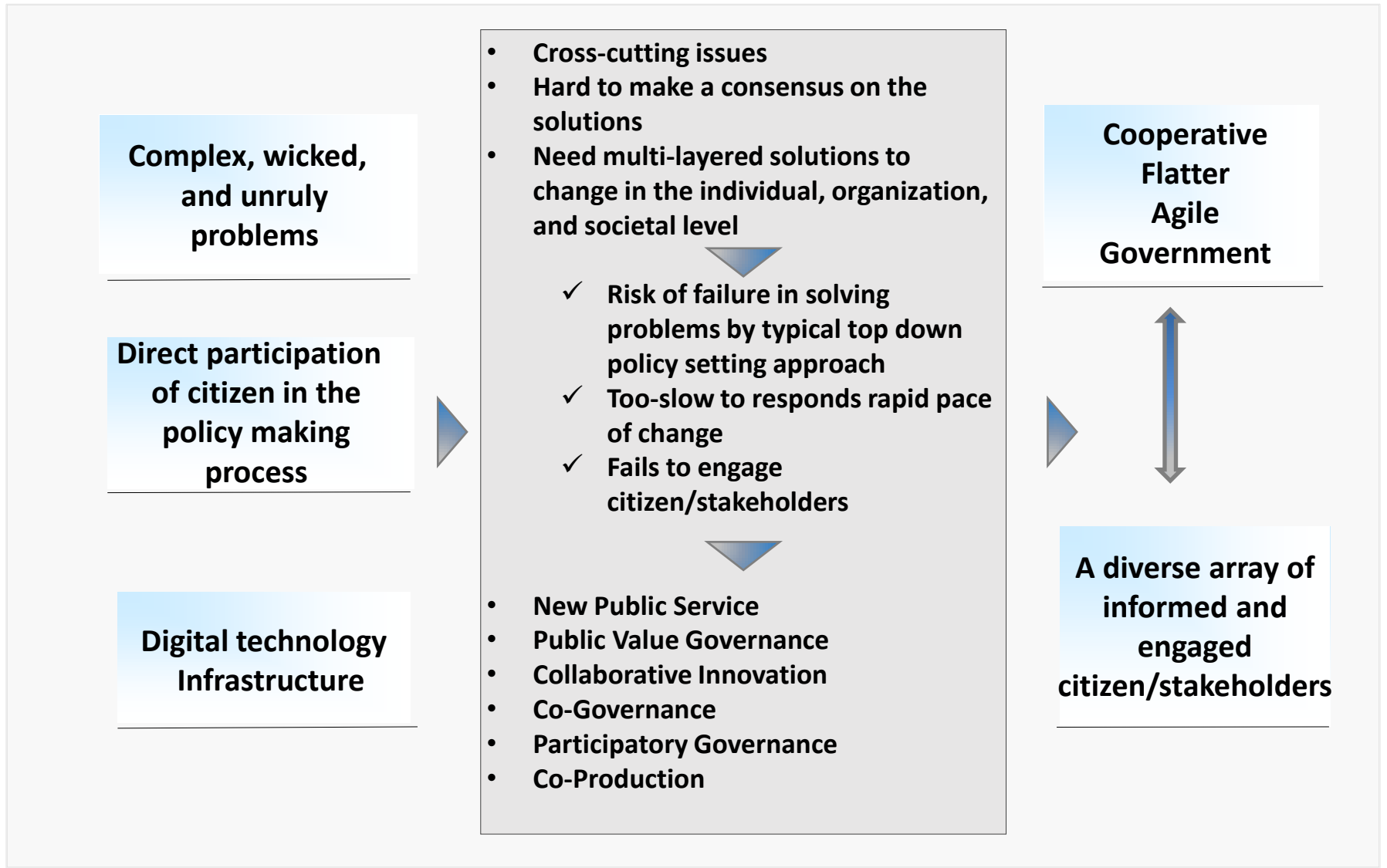
- from innovation as strategies of private sector to the innovation at the national level

innovation



- Web Of Science Bibliometric Analysis
- Subject Analysis on Innovation (22,481 journal articles from 2005 to 2018, Jeong (2018))

Innovations Emerging at the Networks and Partnerships



Innovation in Policy Making in the Platform Era

- **“Innovation as a collaborative problem solving” (Ansell, 2016:48) : cross-sector collaborative creation of solutions to public challenges at the decentralized, open, smarter agile governance**
- **Adaptive change through policy learning among participants and experimentations**
- **Procedural rationality**

⇒ **Need a system to support innovation in policy making:**

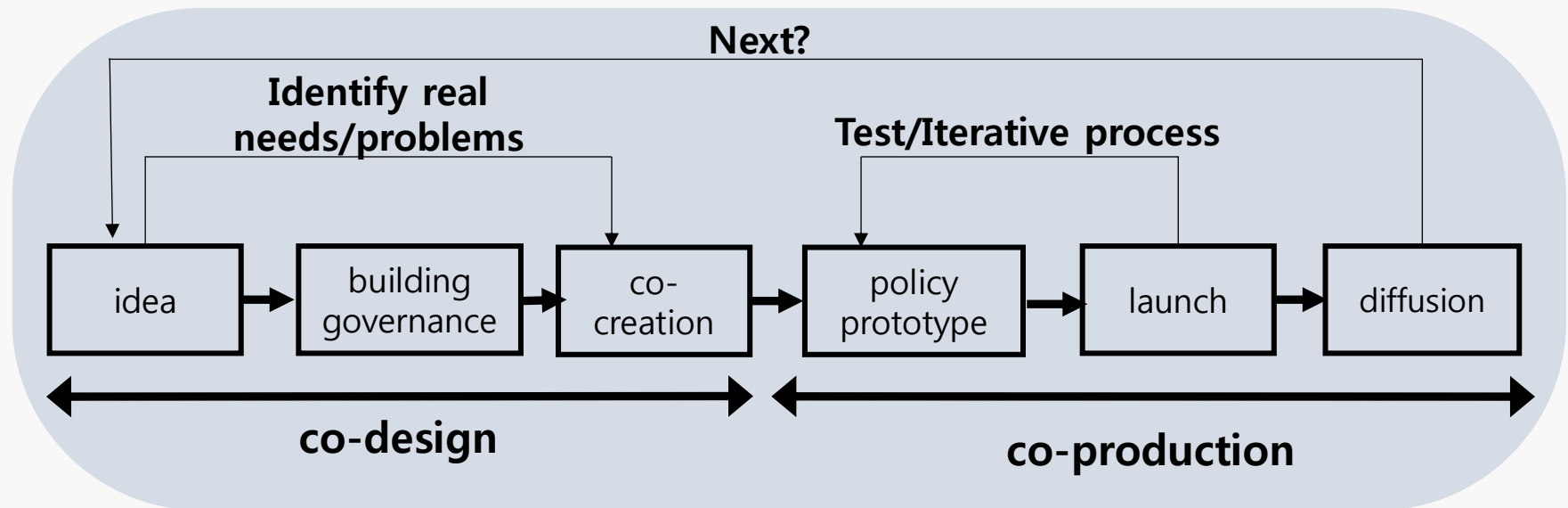
Policy Lab

02. Policy Lab for Innovation in Policy Making



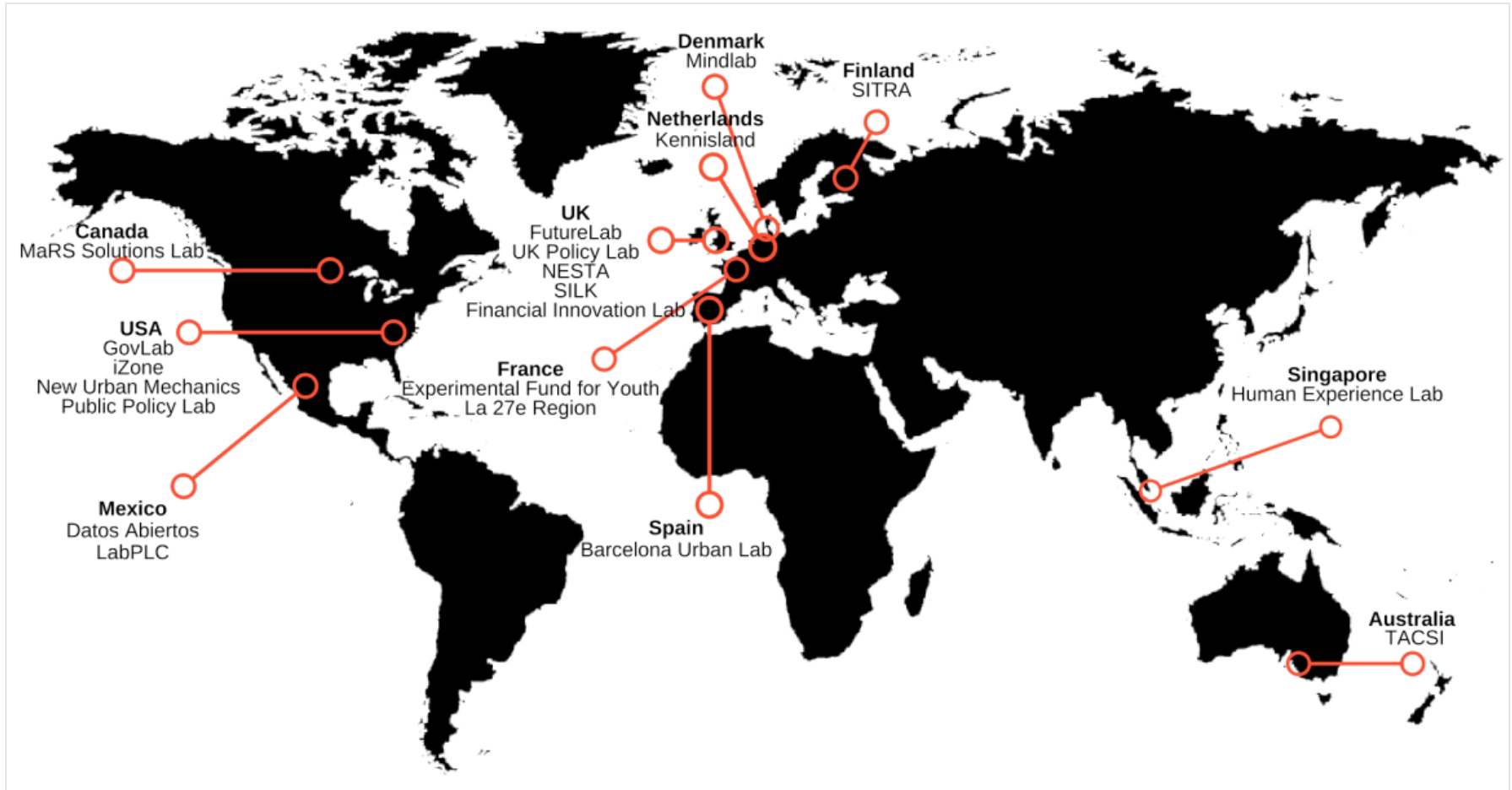
Policy Lab

- System/space/methodology for government and policy innovation that aims to co-create innovative solutions to public challenges in collaboration with citizens and stakeholders (Cho, Jeong, Hahm, 2019)
 - Based on collaborative innovation, Participatory Action Research, Data analysis, Design Thinking, System approach, Prototyping , Experimentation
- ⇒ Policy lab as an agent of system change



Source: adopted form Cho, Jeong et al. (2018), Cho, Jeong, Hahm (2019)

Global Trends of Policy Lab



Source: The Policy Lab(2017)

Global Trends of Policy Lab

The roles of government to run policy lab

- Government as owner
- Government as funder
- Government as co-founder
- Government as partner
- Government as client
- Government as Endorser

The activities of policy lab

- Research
- Communication
- Networking
- Advisory
- Capacity Building
- Challenge
- Design
- Piloting
- Implementation

Characteristics	
Source of income	Direct budget allocation by the gov't, Transfers by EU or other super-national authorities, Self-generated
Personnel	Trans-disciplinary (integration of expertise from administration, academia, private and public sector, etc.)
Methodology	Human –centered design thinking, system thinking Data –based (RCT, Survey, Big data Analysis) Lean project, idea challenge competition
Goals	Introduction of innovative policy tools, Cultural change within administration, citizen-centered policy design, systemic change in the long term, evidence-based policy making
Areas of works	Public sector innovation, social problems (welfare, housing, health, job, public security, education, migration etc.), infrastructure(transport, energy, mobility), system level change
Users of the output	Government, public sector
Partnership	Government, public sector
autonomy	Autonomy in personnel, budget, setting goals but transparency in accounting
Survival	3-4 years

Sources: Parsons Desis Lab (2013: 2)

Sources: Tonurist, et al.(2015); McGann, et al.(2018); EUPAN(2018)

Finland

What is Sitra?

SITRA IS A BOLD FUTURE FUND – a think-and-do tank with activities based on knowledge and insight. In-house foresight work lays the foundation for pioneering societal work and communications.

SITRA'S TASK is to build a successful Finland for tomorrow.

"The purpose of the fund is to promote the stable and balanced development of Finland, quantitative and qualitative economic growth and international competitiveness and co-operation by acting particularly to implement projects with impacts that increase the efficiency of the use of economic resources or enhance the level of research and education or explore future development options."

Act on Sitra, the Finnish Innovation Fund 717/1990, Section 2

THE ADMINISTRATIVE MODEL is a public fund under the Parliament: the Parliamentary Supervisory Council acts as the Supervisory Board. Funding is based on the returns from endowment capital. Sitra is public and self-funded and not a budget-funded body. The annual budget is 30 to 40 million euros.

THE VISION is "the next round of well-being", meaning a fair and sustainable future in which Finns live a good life within the earth's carrying capacity.

THE STRATEGY lays the foundations for the impact objectives and actions derived from them. Future-oriented work is carried out in the Carbon-neutral circular economy, Capacity for renewal and New working life and a sustainable economy themes and the Foresight and insight and Societal training functions. The work is facilitated by the Administration, Legal Affairs, Investments, Strategy and Communications and Public Affairs functions.

THE TOOLBOX includes tools for extensive change projects that cannot be carried out by others in Finland. Key tools for future-oriented work include foresight, reports, practical experiments and pilots, development and dissemination of models, financing, building the administrative and legislative foundation for changes and training.

SITRA PROMOTES CO-OPERATION, networking and projects that transcend sectoral boundaries, with "doing together" at the core of all activities. It acts independently, often in the role of convener.

SITRA LAB 2019

Sitra Lab: Social inequality among children and young people
was launched in spring 2019

From Community Space to Systems Change
(Collaborating with #RadicalChildcare project by Impact Hub Birmingham)

System Research

- Mapping Hidden Drivers
- Mapping Systems around Childhood environment
- Mapping Opportunities for 21st Century Children

Ethnographic Research

- Semi-structured Interviews
- Mini-detectorism
- User Journey

Sources: <https://www.radicalchild.care>

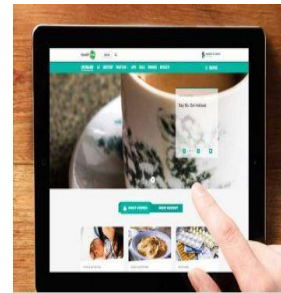
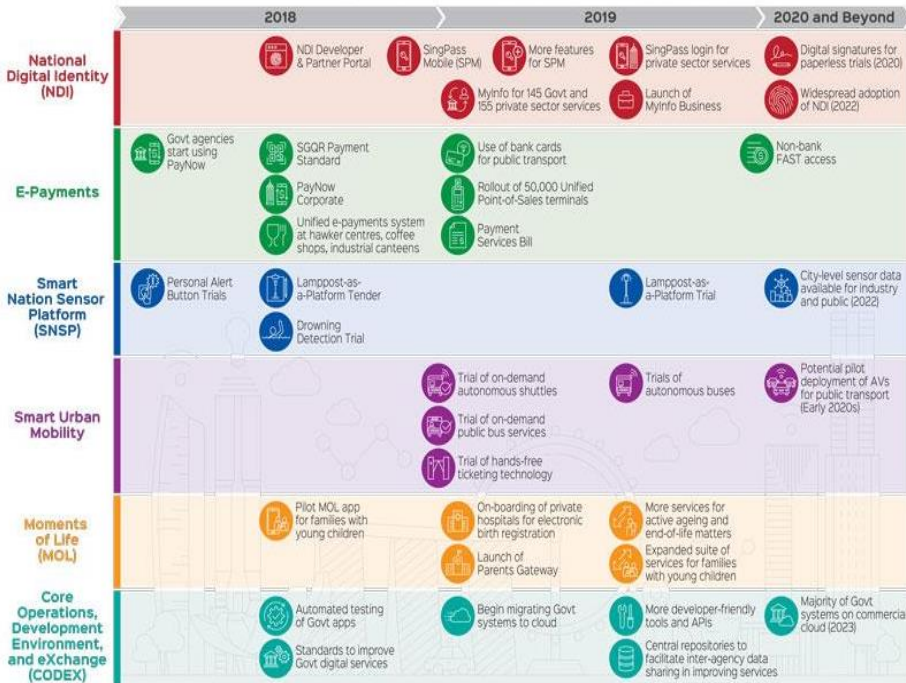
Singapore

SMART NATION Singapore

⇒ creating an economy powered by digital innovation responding to the changing and differing needs of citizens in an agile way



KEY MILESTONES FOR STRATEGIC NATIONAL PROJECTS



HealthHub

A one-stop digital healthcare portal for Singaporeans to access medical records and useful health information.



E-Payments

Simple, swift, seamless, and safe payments for everyone.



FinTech Sandbox

Staying ahead with a regulatory sandbox that supports FinTech innovations experiments.



Virtual Singapore

A dynamic 3D modelling platform for collaborative planning



Smart Nation Sensor Platform

Use of sensors and data to run a smart, green and liveable city.



Autonomous Vehicles

The future of Singapore's transport system, bringing greater mobility for the elderly and the disabled.

3 areas of focus for an effective city policy lab

- ✓ Social engagement
- ✓ Regulatory innovation testbed
- ✓ Network of city policy labs

By Jorge Saravia, leader of Innovate.city (European network of city Policy Labs)

Australia



WHY? SYSTEMIC CHANGE

A-Lab fills a critical gap in the innovation landscape, providing a forum for strategic problem solving to drive systemic change.



WHAT? TOOLS + APPROACHES

A-Lab uses a structured innovation process that leads a diverse range of people, and their ideas, through a best practice innovation methodology.

With design thinking at its core, A-Lab draws on three approaches:

Ideate events are used to generate new ideas for projects that address systemic change.

Incubate working sessions provide a structured, focused space for teams to develop project ideas with support from industry experts.

Accelerate workshops are collaborative, facilitated processes intended to support the co-design of large, multi-stakeholder ARENA funding programs.



WHO? A DIVERSE NETWORK

Broad participation ensures diverse perspectives are included in the process and improves reframing of systemic challenges.

To date, more than 500 people from hundreds of organisations have participated in A-Lab.



2018 ACHIEVEMENTS



EVENTS
Four



PARTICIPANTS

214 individuals
from
147 companies across
the entire energy sector



IDEAS
GENERATED
300+



PROJECTS FUNDED BY ARENA:
12 (with an additional
6 currently under review
by ARENA)



KEY SUCCESSSES

- > Distributed Energy Integration Program (DEIP) launch
- > Short-term Forecasting Funding Round

A-LAB ACCUMULATIVE

Total funding awarded: **\$48.5m**

Total A-Lab participants: **545**

Total organisations: **203**

WHO'S IN THE ROOM?



Manager
37%

Director/Executive
31%

C-Suite
14%

Analyst/Officer
10%

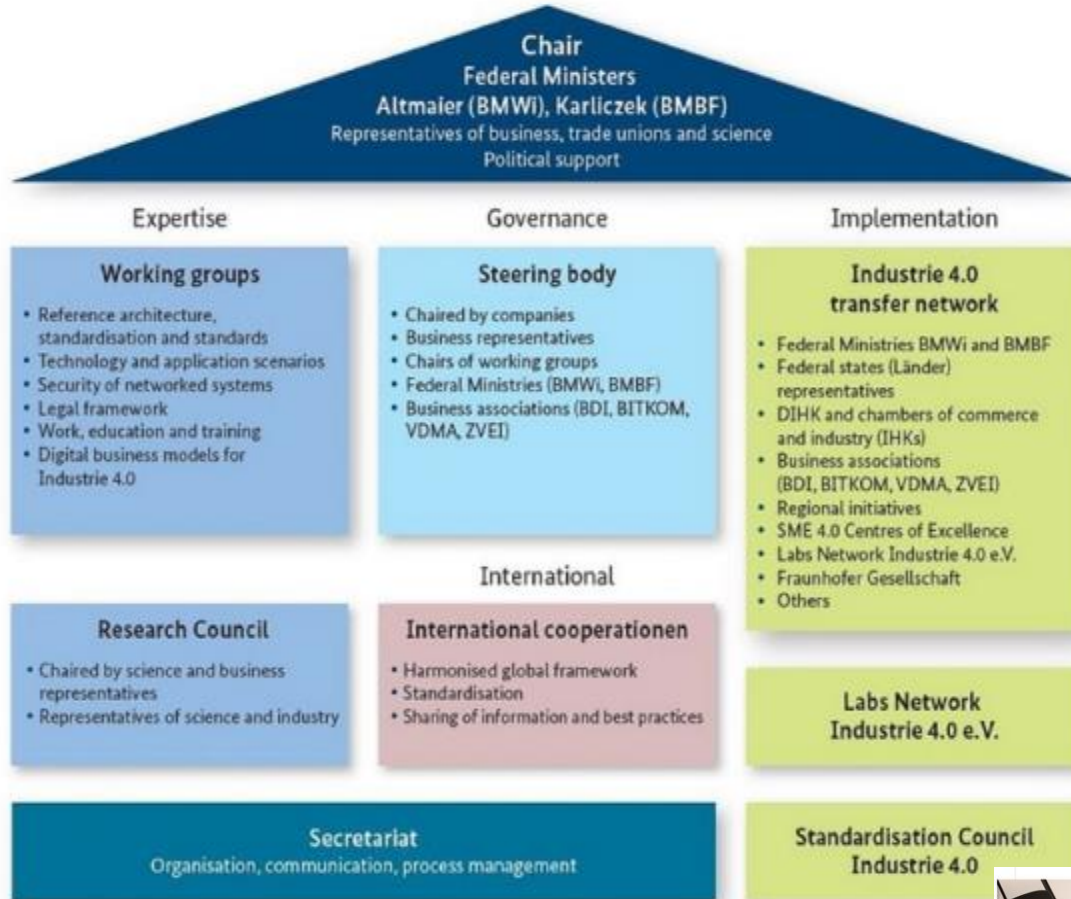
Associate
6%

Graduate
2%

Sources: ARENA A-Lab Team(2018). A-Lab Impact Report 2018.

Germany

Plattform Industrie 4.0



Source: BMW, July 2018



Policy Lab Digital, Work & Society: Re-imagining work.

The Work 4.0 Dialogue Process has shown that the digital transformation requires networks and collaborations that do not currently exist. The Policy Lab will change this situation.



05.07.2019

POLICY SCENARIOS TO GUARANTEE GOOD WORK IN THE PLATFORM ECONOMY

It is not possible to imagine a world without platforms: we order delivery and even book cleaning...

Sources: <https://www.denkfabrik-bmas.de/en/>

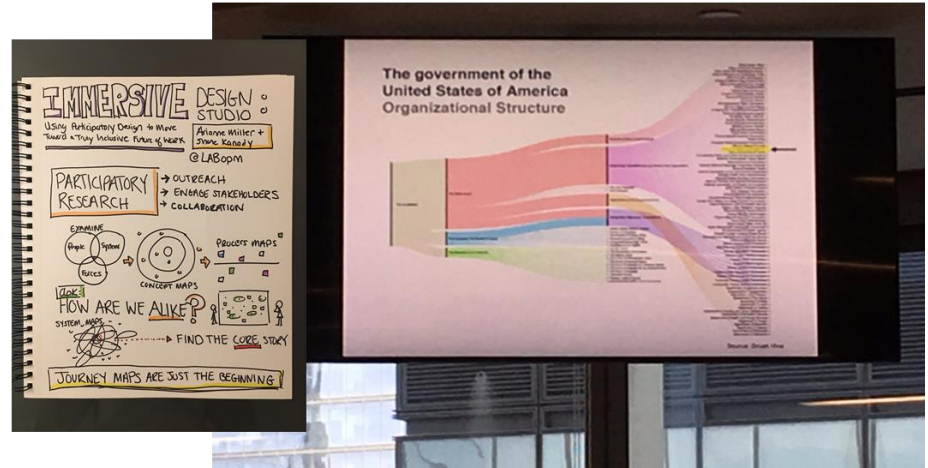
Transforming Government

LAB OPM

by design

Fundamentals of Human-Centered Design

- human-centered design
- three main goals: to serve as leaders, doers, and teachers of human-centered design -> to build an innovative Federal workforce ready to solve public sector challenges



Leading the change in the way the federal government approaches design, development & user experience.

Sources: <https://lab.opm.gov>, <https://twitter.com/CynNickl/status/1119235392157437952/photo/1>, https://twitter.com/she_a_designer/status/1129538689980346369/photo/1

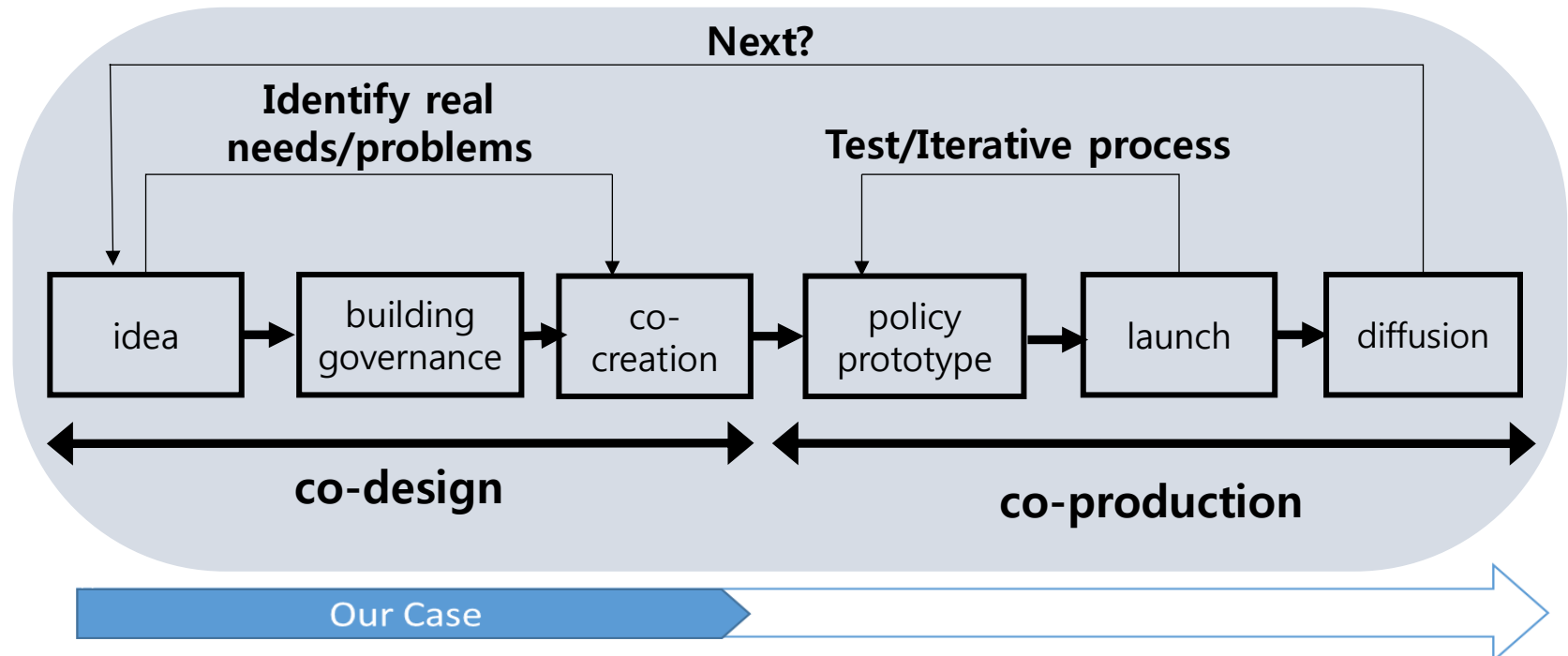
03. Korean Experiences of Open Policy Lab (OPL)



KIPA's Open Policy Lab(OPL) Case

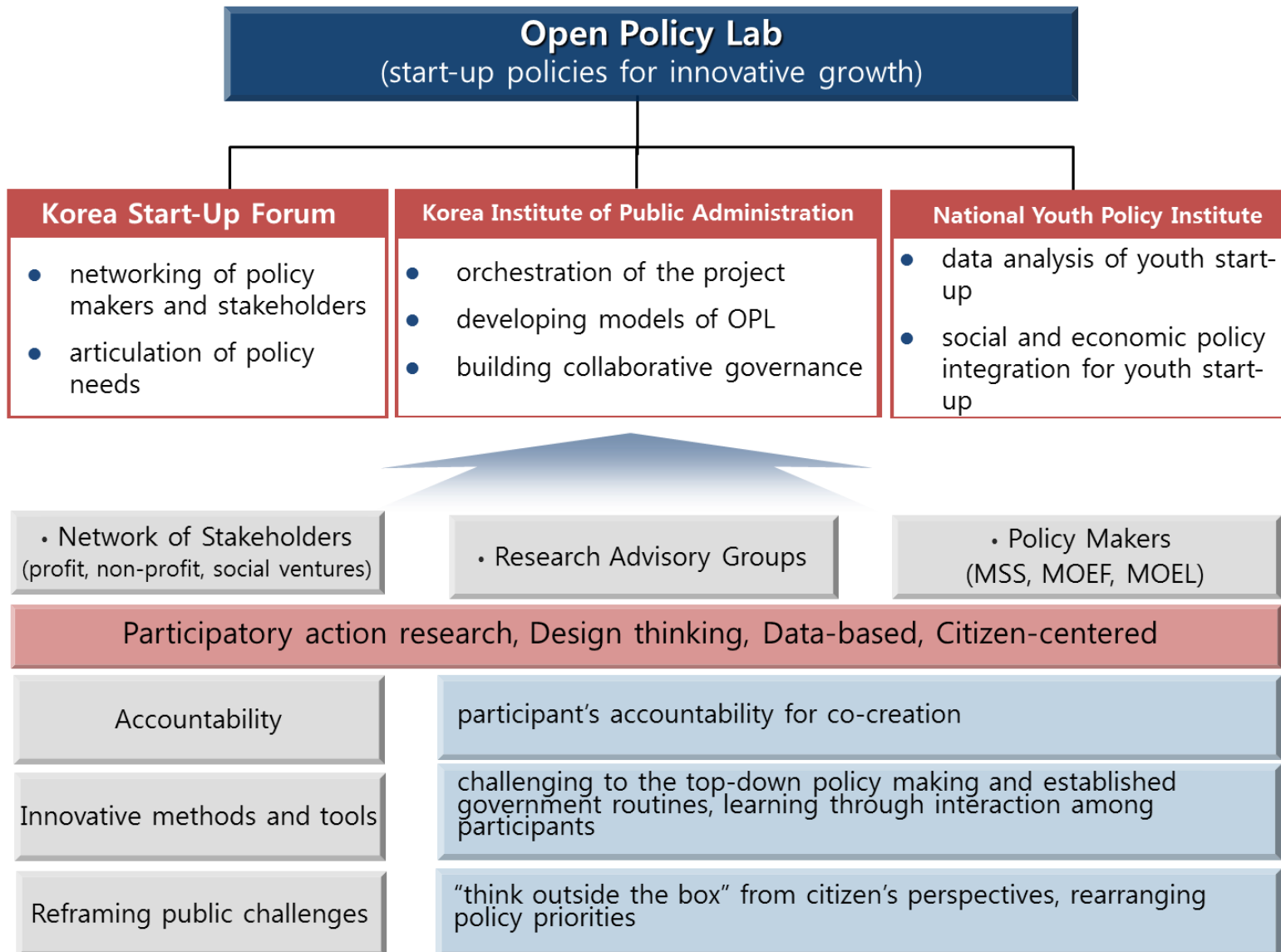
Two goals of the project

- Learning by doing how to design and operate Open Policy Lab
- Co-creating policy prototypes to promote innovative startups

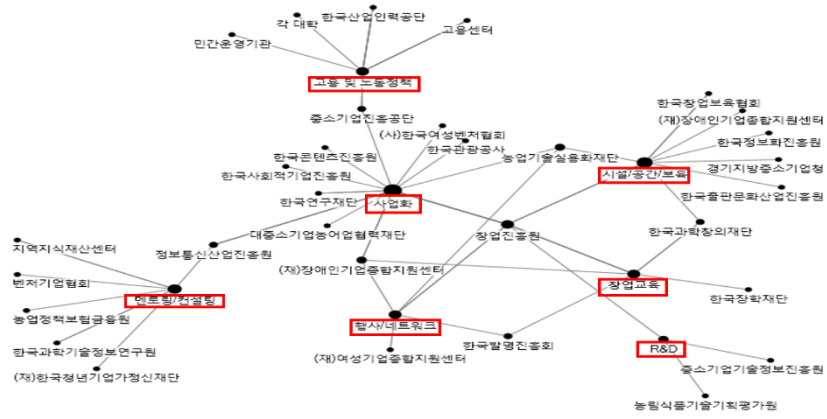


Source: adopted form Cho, Jeong et al. (2018)

Governance of OPL



The Action and Research



Created with NodeXL (<http://nodexl.codeplex.com>)

Social network analysis: service delivery agencies for startups

Research at the field

영리	비영리
<p>만족도: 긍정</p> <p>사업도양패키지 지원사업 (정책인지, 정책활동)</p> <p>신도련서연계 창업지원 사업 (정책인지, 정책활동)</p> <p>민권공공성 창업자발굴육성 (TIPS) (정책인지, 정책활동)</p> <p>상생서포터즈 사내창업 프로그램 (정책인지, 정책활동)</p> <p>스타트벤처캐퍼츠 (정책인지, 정책활동)</p> <p>세대융합 창업캠퍼스 (정책인지, 정책활동)</p> <p>창업선도대학육성 (정책인지, 정책활동)</p> <p>창업선도대학육성 (정책인지, 정책활동)</p> <p>여성벤처창업케어 프로그램 (정책인지, 정책활동)</p> <p>상대인기업 사제후계지원 (정책인지, 정책활동)</p> <p>장애인 창업 사업의지지원 (정책인지, 정책활동)</p> <p>제도전 성공패키지 (정책인지, 정책활동)</p> <p>글로벌 액셀러레이팅 활성화 (정책인지, 정책활동)</p>	<p>만족도: 부정</p> <p>대학원특화형 창업선도대학육성 (정책인지, 정책활동)</p> <p>과기형 창업선도대학육성 (정책인지, 정책활동)</p> <p>K-Global ICT 제도전 패키지 지원 (정책인지, 정책활동)</p> <p>K-Global 스타트업 공모전 (정책인지, 정책활동)</p> <p>K-Global 클라우드 기반 SW개발환경 지원 (정책인지, 정책활동)</p> <p>사회적기업가 육성사업 (정책인지, 정책활동)</p> <p>창업발전소 콘텐츠 스타트업 리그 사업의지공모 (정책인지, 정책활동)</p> <p>관광벤처사업 발굴 및 지원 (정책인지, 정책활동)</p> <p>창업성장 기술개발사업 (정책인지, 정책활동)</p> <p>농산업체 판로지원 (정책인지, 정책활동)</p> <p>제도전 기술개발 사업 (정책인지, 정책활동)</p>

초기 스타트업	시범사업 및 시장 형성	스케일업, 주류화 및 시장 수렴	성숙한 시장 및 생태계 진입
<p>협력자 Collaborator (Champion) [정확한 수렴]</p> <p>관리자 Steward [안건 수렴]</p> <p>고객 Customer [촉매제]</p> <p>공급자 Provider [혁신기]</p> <p>재정 지원자 funder [초기투자]</p> <p>규제자 Regulator [자율성 강화]</p> <p>입법자 Legislator [의회실용을 정책제안서]</p>	<p>[힘을 소집]</p> <p>[전략과 기술 기획]</p> <p>[표준 설정]</p> <p>[서비스 재설계]</p> <p>[재정적 장려금]</p> <p>[규제 거버넌스]</p> <p>[소관사항 제출 보고서]</p>	<p>[네트워크 연결] [대상자]</p> <p>[교육 및 홍보] [전문가]</p> <p>[사용자 중심의 민간위탁] [대상자]</p> <p>[서비스 제공자] [전문가]</p> <p>[교부금 및 보조금] [전문가]</p> <p>[규제환경 구축] [대상자]</p> <p>[위임입법] [전문가]</p>	<p>[공동 생산] [대상자] [전문가]</p> <p>[시민 참여 플랫폼] [대상자] [전문가]</p> <p>[공공조달] [전문가]</p> <p>[서비스 설계자 선택] [전문가]</p> <p>[스케일업 플랫폼 제공] [전문가]</p> <p>[규제환경 관리] [전문가]</p> <p>[법적 개정] [전문가]</p>

 정부지원 필요 영역
 정부개입 최소화 영역

In-depth interview: CEO's vote on programs for supporting startups Participant's differing perspectives of government's roles

The Suggestions for policies

▪ Roles of Government for innovative growth

Roles	maintaining	Sustaining policy tools	<ul style="list-style-type: none"> Profit startup: standardization, financial aid for early stage investment, regulatory reforms for market entry Social ventures: standardization, special treatment for contracting-out
		Changes in policy tools	<ul style="list-style-type: none"> Fiscal tool: indirect fiscal support (e.g. spaces) rather than direct support Organizational tool: collaboration between ministries in charge of education/training and labor policies
	minimizing	<ul style="list-style-type: none"> Building startup network, publicities Education and training for startup 	

▪ Suggestions for policy prototypes (short-term)

Business stages	Profit startup	Social venture	Nonprofit startup
Commercializing stage	<ul style="list-style-type: none"> Procurement as accelerator Strategic early stage investment Standardization Regulatory reforms 	<ul style="list-style-type: none"> Procurement as accelerator Standardization 	<ul style="list-style-type: none"> Strategic early stage investment Financial aid Co-creation with citizen
Scale-up stage	<ul style="list-style-type: none"> Indirect support for scale-up Linking startup policies to the enhancement of employment and labor policies 	<ul style="list-style-type: none"> Strengthening the roles of promoting organization 	

▪ Suggestions for policy prototypes (long-term)

Policy areas	Suggestions for policy prototype (long-term)
Policy linkages between startup-employment, labor-education linkages	<ul style="list-style-type: none"> Education for entrepreneurship for differing business life cycle Common vision between economic policies and social policies
Enhancing failure safety net	<ul style="list-style-type: none"> Education for entrepreneurship, finance, social safety net, linking with welfare policies
Rearranging government's roles for training	<ul style="list-style-type: none"> Reform the vocational training system and minimizing the roles of public sector

Some Comments on OPL

▪ On design thinking: Design as change catalyst

- “...very effectively shows how much Korean job training service system is disconnected. I think the visualization of the service delivery system could help the policy makers understand the problems intuitively and change the way they see the problem.” (Professor A, Advisory group)
- “Korean public officials do not understand the usefulness of design thinking in making citizen-centered policy. Hope this kind of new attempt at communicating with stakeholders in the policy process is widely known and the public officials can realize the importance of it” (Professor B, Advisory group)

Some Comments on OPL

▪ On the research practices of national think tank: for more effective solutions to the wicked problems

- *“The researchers were not very enthusiastic about going out to see the field to find a more effective solutions. I don’t mean they did not do their best, but they didn’t invest their time and efforts in the field research and listen to diverse voices enough to come up with an innovative ideas and solid policy suggestions. They were more or less obsessed with the theory sitting at their desk which sometimes was not relevant to the fast changing policy context . So the solutions to complex policy problems were limited in use. Hope OPL team’s collaborative approach with stakeholders becomes a good model of doing research in the national think tank and contribute to generate a different kind of policy making.”*

(Professor C. worked at a national think tank for 20 years. Advisory group)

Some Comments on OPL

▪ On the roles of KIPA: Facilitator for idea generation and articulating demands

- *“The mission of Korea Startup Forum is to deliver the opinions of the startup business. Public officials ask us to give them our opinion. However it is not easy to articulate the demands of the business since the market environment of startup changes so rapidly. Sometimes the opinions we gave them does not look objective. And even if we gave them our opinion, the government made programs that are not helpful to solve the problems. So we make a network that connects the business field and KIPA so that KIPA opens up spaces for diverse perspectives and listens to them. That way KIPA and we can articulate the demands in a more objective way and policy makers understand our suggestions better.”*

(Korea Startup Forum. OPL Team)

04. The Next Steps of Open Policy Lab in Korea



Open Policy Lab System

Open Policy Lab

Think Tank -> Think & Do Tank for innovation in policy making

Ministry of Economy and Finance



- Resource availability
- Broader network
- Quality network

Collaborative governance



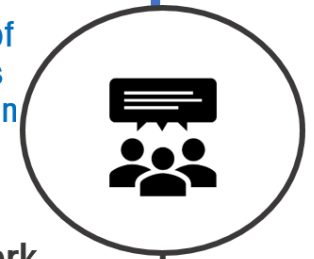
- Policy lab specialists
- Policy areas experts
- Stakeholders
- Policy makers
- Researchers-networks

Foresight



- Horizon scanning
- Data Analysis

Working Groups



- Invitation of key players
- Specification of issues



Trans-disciplinary researchers network



Policy effectiveness



Integrative policy design

Participatory action research



Open Policy Lab



Design thinking
Evidence-based policy design



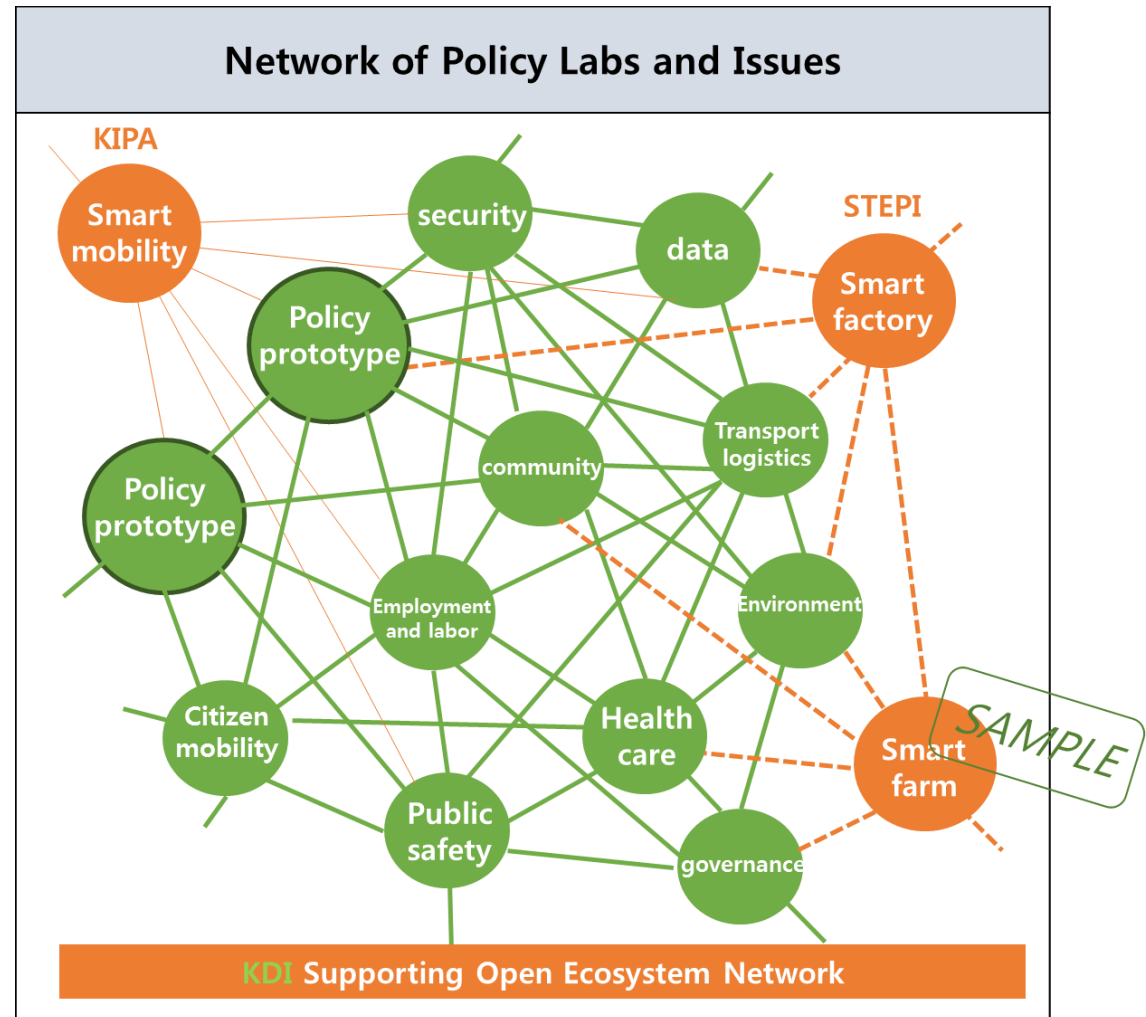
System thinking

Output

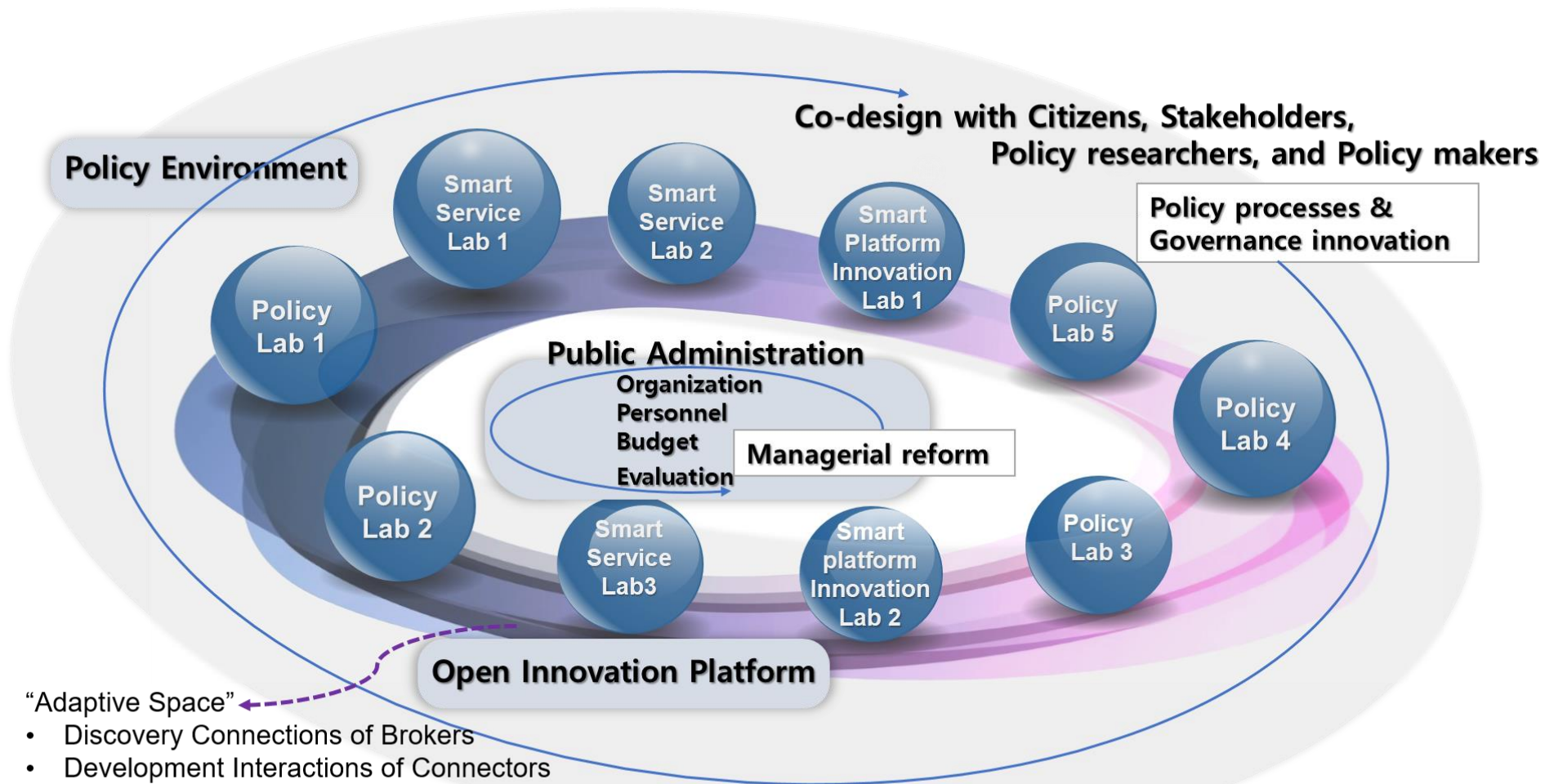
- Consensus based policy agenda and strategies
- Policy prototypes
- Changes in policy priorities and the roles of government

Open Innovation Platform

- Establishing an open innovation platform where policy labs run by think-and-do-tanks co-create with the stakeholders policy agenda regarding smart services



Open Innovation Platform System



“Adaptive Space”

- Discovery Connections of Brokers
- Development Interactions of Connectors
- Diffusion Connections of Energizers
- Disruptive Connections of Challengers

Source: Michael J. Arena, CTO of General Motors Corporation, “Adaptive Space” (2018)

Innovation within the Government

Running Innovative organization working with open innovation platform

- Running an innovative organization within a ministry to implement policy agenda and policy prototypes made by policy labs, operating in an agile way, focusing on the experimentation of policy prototypes
- Running a supportive organization for innovation, making a decision on using policy experimentation, allocating resources for the implementation of policy agenda and prototypes, etc.

Resource Allocation

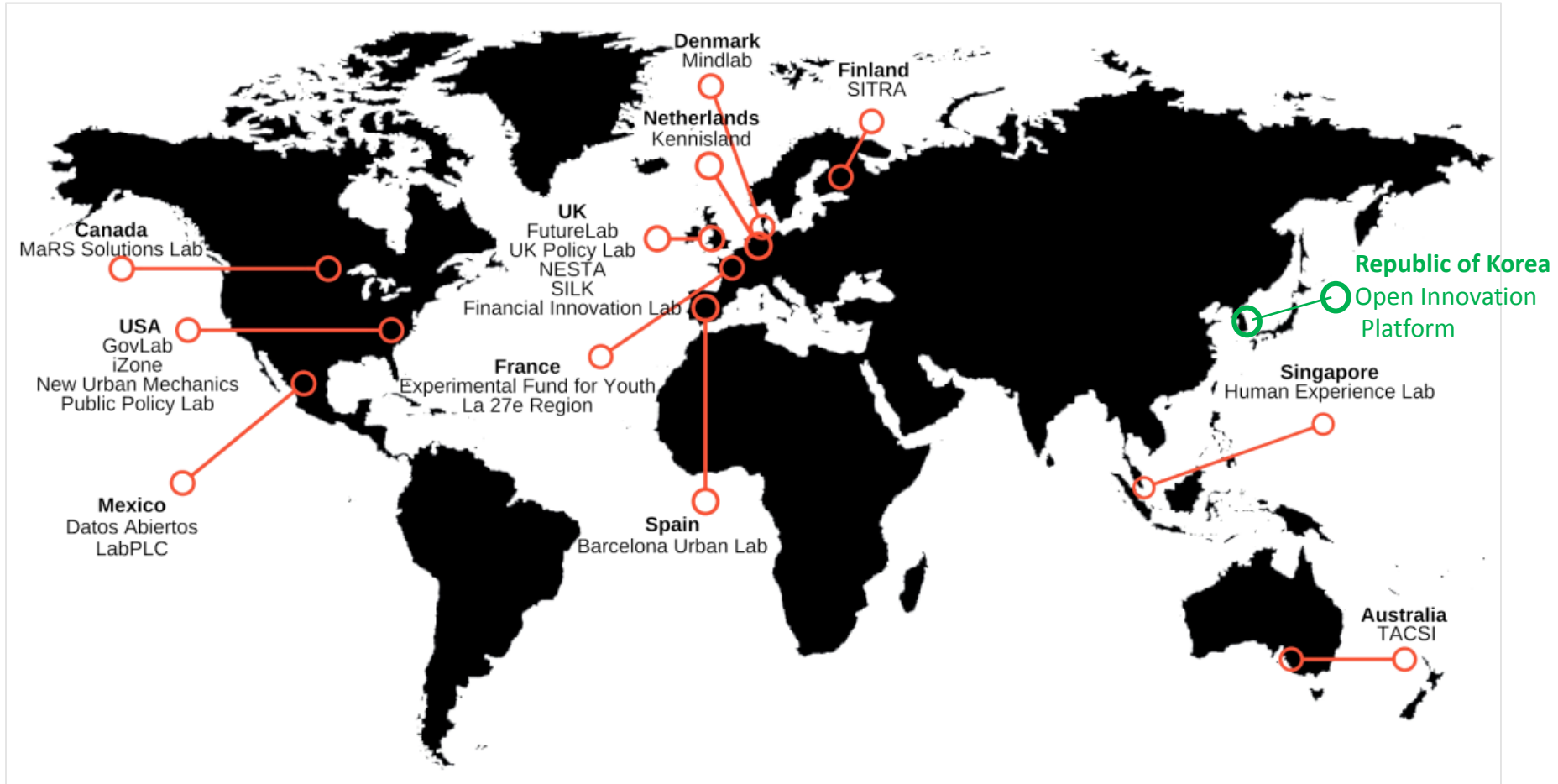
- Budget allocation for testing innovative idea and implementing policy prototypes (“innovation budget”)
- Budget allocation for implementing collaborative policy prototypes and agenda regarding cross-ministerial issues (“collaboration budget”, Kim, 2016)

Civil service training on the tools and methods of policy lab

- Design thinking, system thinking
- Data analysis and visualization of data
- Citizen-centered perspectives
- Training courses for running a policy lab

Source: adopted form Cho, Jeong et al. (2018)

Global Trends of Policy Lab in 2020~



End of Document