HOW TO CREATE AN ECOSYSTEM FOR PUBLIC SECTOR INNOVATIONS IN THE WESTERN BALKANS: A FOCUS ON CROATIA

The public sector plays a critical role for the process of developing an ecosystem for social innovation in Croatia, as the lessons learned from Zagreb reveal.

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OVERVIEW

In the Western Balkans policies dealing with a number of issues including social care, health, poverty reduction, education and employment are primarily the responsibility of national governments, with less involvements from other actors including public and private sector and/or civil society organizations. However, this also varies depending on the country and the level of public discussions and involvement. While public administration is involved in public service provision (but not necessarily advancing social innovation), civil society is active in looking for innovative approaches to service delivery and cooperation with other sectors. Private sector actors are slowly opening up towards social impact investment through start-up initiatives or accelerator programs supporting entrepreneurs. There are also other non-state actors including a growing sector of social entrepreneurs, social cooperatives, and start-ups.

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They are involved in the area of social business and/or social impact through initiatives supported and/or launched by donors (e.g. UNDP in Montenegro, Macedonia and Kosovo; OECD etc.) [1].

Public sector innovations in Croatia for example are still very much at their early stage with some attempts to increase knowledge and capacity of public sector administrators about the importance of social innovations. Those initiatives have been organized by civil society organizations like Social Innovation Laboratory (SIL) and some others (NGO for creative development, SLAP and Cluster for Eco and Social Innovations and Development, CEDRA). There was an attempt to increase awareness about social innovation by the Association of Cities that has few years ago established an "Award for Social Innovations". The award was only active for about two years and was transferred into the "Smart Cities Innovation" award focusing on different categories of smart cities: smart communities, smart environment, smart mobility, smart administration etc.

When talking about the development of an eco-system for supporting social innovations in the public sector, one of the most progressive attempts has been an effort for establishing innovative services and engaging citizens in the design and delivery of public services. This challenges the traditional model of public service provision, as it changes the roles of citizens, communities and the government. Co-design, often interchanged with the terms co-creation, co-production and co-developing, can be defined as "a creative approach that supports and facilitates the democratic involvement of people in addressing social challenges" [2].

Co-production, as in the case of the City of Zagreb, was prompted by a set of pressures, including growing citizens' desire to be involved in public affairs, and awareness that new public service delivery models are needed as a response

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to increased expectations among citizens, emerging social challenges and their pressure on public budgets. One way of responding to the growing demand for public services is to consider citizens as partners and collaborators rather than only passive recipients. In this way, co-production represents a model for public service reform [2].

DEVELOPING AN ECOSYSTEM FOR URBAN INNOVATIONS IN THE CITY OF ZAGREB

In January 2017, Social Innovation Laboratory started a social innovation experimentation program with the City of Zagreb officials using the "design-thinking" approach to develop social innovations (as innovative services) on a city district level. Goal of an almost a year-long program was to raise the capacity of city employees and officials about social innovation and a social innovation process through the co-design/co-creation methodology that enables key stakeholders in creating innovative solutions to local challenges. Long-term goal of this experimentation process with the City of Zagreb was to position the city as a relevant actor in facilitating social innovation processes and supporting participative development of an urban social innovation ecosystem.

One of the most important outcomes of this process was also to use the results but also the process itself as a basis for developing (co-creating) new city policies that would support and sustain the creation of urban innovations on a city district level. City policies may include: new or a better use of funding schemes; education for city employees on social innovations; training programs for all stakeholders in the City of Zagreb; subsidies for private owners of abandoned properties in the city center etc.
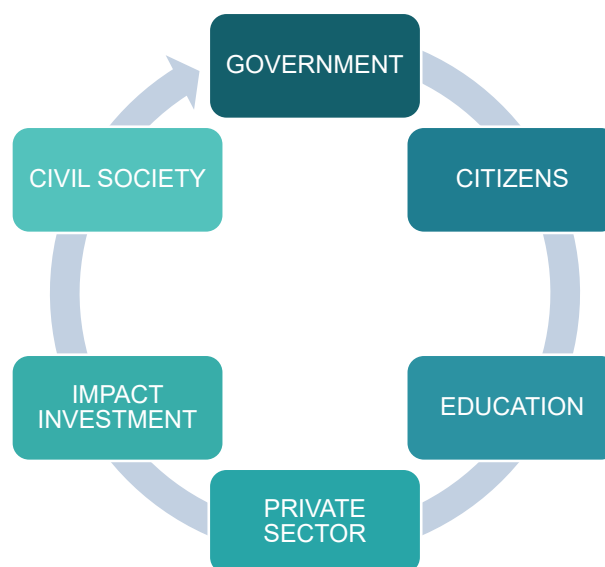
Detected needs and challenges
The City of Zagreb plays an important role in developing a social innovation ecosystem, which has not yet emerged fully in the city despite some sporadic initiatives and activities. Social Innovation Laboratory will continue working with the city on involving decision makers in the process and addressing the benefits of engaging in such an ecosystem. This overview addresses what is presently lacking as well as potentials for establishing a healthy

and sustainable social innovation ecosystem. Detected needs have included:
01 A strong political will to be open and transparent, to listen, communicate and engage citizens.
02 Creating a critical mass of stakeholders.
03 Participation and co-creation, led by key actors (intermediaries; networks).
04 An entrepreneurial approach.
05 A partnership between researchers and other "unusual" suspects.
06 The creation of specific programs focusing on experimenting, educating, mentoring, financing.
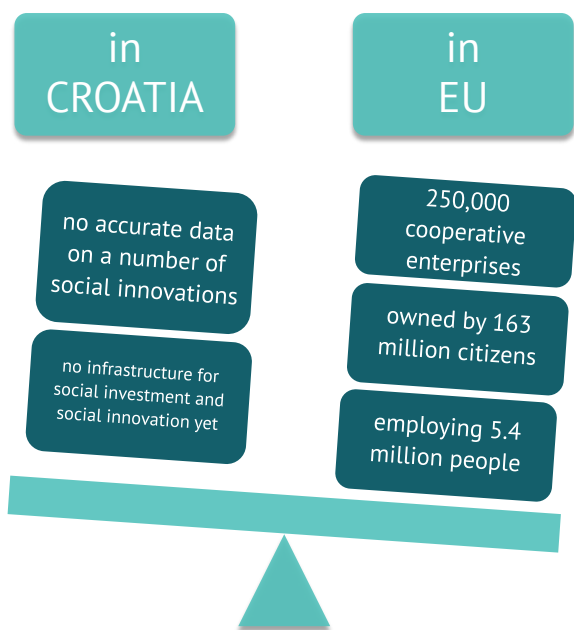
In order to address prerequisites needed for establishing a healthy ecosystem it is of crucial importance to involve decision makers at a city level in the social innovation processes. This process will help transform the city from a passive recipient of information to an active, supporting mechanism that nourishes social innovation and urban development and could stimulate organic growth of social innovation in Zagreb. Only then, sporadic initiatives and organizations working in the social innovation field and any other relevant actors could generate synergies with long-term effect on the society.

Key actors of the social innovation ecosystem in Zagreb [3]

Lessons from the process
Involving city officials to engage and practice social innovation primarily challenged slow and demanding bureaucratic procedures that previously affected collaboration on a horizontal city department level and vertical top down and bottom up stakeholder levels. Through a series of practical workshops and supporting activities, city officials were put in real-life scenarios and developed new services together with citizens, civil society, experts and businessmen.

in CROATIA

in EU

no accurate data on a number of social innovations

no infrastructure for social investment and social innovation yet

250,000 cooperative enterprises

owned by 163 million citizens

employing 5.4 million people

Comparison of data on social innovation/social enterprises in Croatia vs. Europe

Practicing social innovation methodology therefore has opened the door to building relationships of trust, mutual understanding and realization that a multidisciplinary approach was the only way to address existing and future urban challenges. Changing mindsets was a crucial first step in acknowledging the obstacles cities and decision makers were faced with. It prepared the ground for embracing a more structured social innovation methodology as something that should be formalized, integrated within the city and implemented though every day operations. Experimenting with social innovation through a hands-on approach within the public sector has proved to be an effective method of learning that could organically lead to systemic change and a redesign of transparent and efficient public services that respond to citizen needs.

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