

OPEN INNOVATION IN THE PUBLIC SECTOR

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Open Innovation as a solution to public sector challenges

Open innovation, or Open Innovation, has gained recognition and acceptance in recent years as an effective tool for fostering creativity, improving collaboration and promoting problem solving in a variety of sectors. Although initially associated primarily with business, **Open Innovation has also proven to be effective in the public sector.**

Open innovation in public administration can be defined as collaboration and the inclusion of an open approach to **solving problems and promoting innovative solutions.** Rather than relying solely on the internal resources of the administration, public bodies are open to the participation and contribution of citizens, businesses and other external actors to promote innovation.

Among the various benefits of open innovation are the following points:

- **Promoting transparency and accountability.** Open citizen participation in the decision-making process improves transparency and accountability in the public sector, thus strengthening citizens' trust in public institutions.
- **Access to external expertise and resources.** By opening up to external cooperation, the public sector can access specialised knowledge, advanced technologies and additional resources that can improve the quality of public services and create more efficient solutions.
- **Increased citizen participation.** It enables the involvement of a wide range of actors, including citizens, experts, businesses and organisations, in the formulation of public policies and the resolution of challenges. This promotes inclusiveness, diversity of perspectives and decision-making.
- **Improving efficiency and reducing administrative costs.** Open innovation reduces costs by enabling collaboration with external actors who can share resources and knowledge. In addition, by leveraging the ideas and solutions of others, greater efficiency in solving complex problems can be achieved.

Three current examples of Open Innovation in the public sector are Tartu in Estonia, the city of Barcelona and Ecuador.



Figure 1. Autonomous hydrogen car developed in co-operation with the University of Tartu
Source: Municipality of Tartu

The **Estonian city of Tartu** decided to implement a [collaborative and co-creative innovation strategy](#) working hand in hand with the private sector, nearby universities and other municipalities in the Baltic country. This "**city as an open innovation platform**" approach has allowed the city to develop a flexible and agile mindset to innovate and provide solutions to the challenges facing the municipality.

The first step in deploying its Open Innovation strategy is the **early search for and identification of a challenge facing the city**, such as sustainable mobility or the digital divide. Once the challenge has been identified, external actors such as private companies or universities are brought in to work together to find a solution.

To support external actors in finding solutions to the challenge, the City of Tartu offers public spaces to test their solutions, access to data from local authorities that can be useful, and even provides constructive feedback on the solution approach. The result is, on the one hand, **an increased likelihood of success of the project** and, on the other hand, **a positive impact for the city itself**. In this way, Tartu manages to solve various local challenges and challenges and also generates economic activity in the surrounding area through the creation of new jobs and the payment of taxes.



Figure 2. Implementation of mobility services
Barcelona personal mobility services
Source: Barcelona City Council

Barcelona, for its part, has implemented the [Smart City](#) concept. This approach seeks to improve the quality of life of its inhabitants through the integration of technology and innovation. In recent years, the city has opened calls and competitions for companies and entrepreneurs to present technological solutions that address urban challenges, such as urban management, citizen participation or mobility. The result has been the generation of successful collaborations and has positioned Barcelona as a benchmark in urban innovation.

A success story of the inclusion of **Open Innovation in the Catalan capital is the [Smou app](#),** which integrates some twenty mobility services in the city. The app has 800,000 users, half of Barcelona's population, and accumulates more than 16.4 million operations.

Another territory that has taken a step forward in open innovation is **Ecuador**. In August 2022, the Ecuadorian government led the launch of the **[Citizen Innovation Lab](#) project**. The initiative aims to foster the generation of innovative ideas under three main objectives: **improving the well-being and prosperity of citizens, guaranteeing public services and strengthening democracy and trust in public administration.**

The Laboratory is made up of private actors, public representatives, universities and civil society itself.



Figure 3. Presentation of the project "Citizen Innovation Lab".

Source: Government of Ecuador

Despite international success stories and the numerous benefits of implementing this methodology, there are **certain obstacles that can hinder or delay** the implementation of Open Innovation. On the one hand, the possible **resistance to change** both from people working in the public sector and from citizens as a whole. On the other hand, **the lack of resources of the administration itself.**

In these cases, it is essential to raise awareness of the benefits and potential of open innovation for all the agents involved. In addition, it is advisable to create support policies and allocate part of the public budget to the generation of innovative ideas and to address the different social challenges.

In short, the implementation of Open Innovation in the public sector simplifies administrative management, fosters collaboration between actors and promotes the creation of innovative solutions to efficiently address public sector challenges.

Main picture: Eloi Smith in Unsplash

