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Innovation Policy Counseling 2.0: How Open and Community-Based Innovation Processes Promote Political Decision Making

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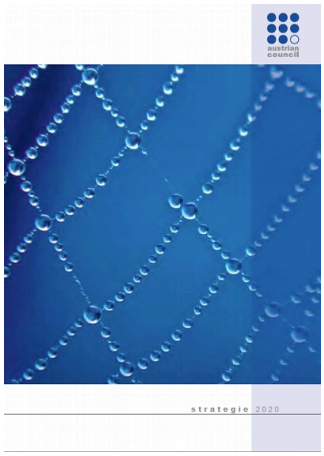

Austrian Council - Strategie 2020

On August 24, 2009, the Austrian Council for Research and Technology Development - a policy advisory body for the Austrian Government - presented its RTI (research, technology & innovation) strategy document Strategy 2020 to the Austrian federal ministers responsible for science and research, Doris Bures (Federal Ministry for Transport, Infrastructure, and Technology) and then-minister Johannes Hahn (Federal Ministry for Science and Research). The document contained proposals and recommendations for developing the Austrian innovation system, with the goal of positioning Austria as a successful and internationally recognized nation of innovation by 2020.

This article describes the unconventional development process of Strategy 2020 and offers some reflections on community-based innovation and participatory decision-making approaches.

www.forschungsstrategie.at

By the end of 2008, the Council finished a first working draft of its Strategy 2020. To support the strategy process, plans were drawn up for a Web-based discussion to deepen and intensify the process through virtual interaction with the stakeholders and the RTI community. This interaction was designed to open the discourse to the public, aiming to broaden the knowledge pool from which new insights and ideas could be generated. With this approach, the Council left the beaten track: Instead of discussing the draft strategy exclusively with the ministries or selected experts, they opened the process and invited everyone interested to join the discussion.

A concept was then developed to provide a basis for technical implementation of the discussion platform. Choosing among a variety of methods and tools for organizing knowledge and for designing participatory or consultation processes, the Council decided on a new tool based on Web 2.0 technologies and developed for this purpose. The eConsultation-Platform, by the Austrian start-up Cbase (www.cbase.at), was designed and developed in direct cooperation with the Council. In fact, the Council acted as a sort of "lead user" for designing and developing the tool.

On May 14, 2009, the Council published the draft of "Strategy 2020" on www.forschungsstrategie.at (see Figure 1). All interested parties were invited to submit their comments, debate the individual chapters of the strategy document, and vote on the proposed recommendations by June 7.

Figure1: Screenshot of the discussion of "Strategy 2020" with voting and commenting functionalities (source: www.forschungsstrategie.at)

The community participated in the discussion very intensely: Approximately 50,000 visits were recorded, with visitors remaining on the site for more than 16 minutes on average. More than 400 users registered and took part in the discussion, offering both constructive criticism and a host of innovative proposals in the form of more than 700 comments and more than 7000 votes.

In addition, key institutions in the innovation system such as the Chamber of Labor (AK) , the Chamber of Commerce (WKO) , the Federation of Industrialists (IV) , the Austrian Institute of Technology (AIT) , the Austrian Science Fund (FWF) , the Austrian Research Promotion Agency (FFG) , and Universities Austria (UNIKO) also issued statements in response to the draft strategy.

Twenty-two individuals from the RTI community also contributed VIP blogs. Besides the four ministries responsible, these included the president of FWF, the managements of FFG and Austria Wirtschaftsservice (AWS) , the presidents of the Austrian Academy of Sciences , Universities Austria, the Chamber of Commerce, and the Chamber of Labor, as well as the director of the Austrian National Library .

The comments from the consultation process, the contributions generated by the public debate, as well as the statements received from the stakeholders, were reviewed and summarized. These summaries formed the basis for the Austrian Council's intensive debates about individual evaluations of the external inputs. A substantial number of these inputs were incorporated into the strategy document. In addition, the Council provided feedback to the community on actions taken and a minority report recording all statements made throughout the process.

Open and community-based innovation

The eConsultation platform was inspired by community-based innovation approaches that are a segment of the open innovation field. In the past few years, our understanding of innovation processes has changed substantially. Until recently, the internally represented expertise of an organization was thought to be sufficient for activating its creative potential and producing

innovations. Today, the innovative potential of organizations increasingly depends on knowledge from outside the organization itself, due to the fact that the knowledge spectrum outside of an organization is always broader than that internally available.

Gathering knowledge from outside the organization

Since knowledge today is the only meaningful resource, as Peter Drucker (1993) put it, a modern organization cannot expect substantial further developments without being open to external sources of knowledge. This creates new spaces which, in turn, support innovative developmental leaps. Thus, the generation of new knowledge - as maintained by Nonaka and Konno (1998) in their concept of "Ba" or by Scharmer (2007) in his "Theory U" - increasingly demands the opening up of formerly closed innovation processes. This mind-set is expressed in common key words like "open innovation," "community-based innovation," "user innovation," "crowdsourcing," etc. (see Howe, 2008).

In the business context, the closed innovation paradigm traditionally saw new development processes and the marketing of new products taking place within a firm's boundaries. However, several factors have led to an erosion of this approach. Today we witness an increasing trend of direct cooperation between enterprises and academic institutions, suppliers and competitors, and also clients, customers, and the public, in order to expand a firm's knowledge horizon. Collaboration, especially with so-called "lead users," has become a crucial source of useful knowledge for a firm's product or process innovation (see Hippel, 1986).

These developments have only recently started to play a more prominent role in the context of governance and policy making. New approaches have been initiated in political decision making, taking into account the knowledge, ideas, and opinions not only of experts but also of the public (see Gadner et al., 2004; Gotze & Pedersen, 2009; Hilgers & Ihl, 2010; Johnson, 2010). In 2001 the European Union started a discussion about public sector reforms by means of "open innovation approaches."
As a result, the Web platform Your Voice in Europe was established, offering a variety of consultations, discussions, and other tools that enable EU-citizens to play an active role in the policy-making process (see EU-Commission 2001, 2002). Because new communication technologies like the Internet increase citizens' understanding of policy issues as well as the quality of their participation in policy making, the OECD has published Guidelines for Online Public Consultation. Web 2.0, particularly, has created new possibilities for consultation activities, which enable people to participate in the design of new policy measures and increase their role in public sector decision-making processes.

The logic of societal decision-making processes

Internet-based approaches raise fundamental questions about the organization of societal decision-making processes. Surprisingly, of the five commonly accepted approaches to decision making, only three are relevant for the organization of societal decision-making processes: the hierarchical, market-based, or egalitarian approaches. Fatalism and hermit-style approaches (the two other possibilities) are rather a form of protest if the process seems inappropriate from the viewpoint of a person in this mode (see Thompson, 2008; Prichard & Sanderson, 2002), and will play no part in this discussion. It is important to recognize that a society can decide on the importance of these principles in organizing societal decision-making processes and that different principles may be combined throughout a process.

The process designed for the online strategy discussion used these three principles simultaneously. Commenting on the document uses an egalitarian approach, as everyone can post comments, even anonymously, which are then discussed and voted on by the other participants. The voting mechanism, and also the survey, can be seen as a kind of auction and thus represent the market-based principle: Ideas receive positive and negative votes that signal the demand for the idea(s). The hierarchical principle comes in through the Council itself, which has to make the final decision on inclusion of the ideas put forward in the comments. Furthermore, the traditional stakeholders - which are part of the hierarchy - submitted statements that were posted on the starting page of the discussion and thus received more visibility than comments scattered throughout the discussion document.

Overall, it is important to stress that using more than one principle in the decision process increases the diversity of contributors and contributions and thus the likelihood of new solutions - solutions that would not have been considered if the market-based or hierarchical principle had been used exclusively at the expense of other principles (see Thompson, 2008).

Expanding the knowledge base

Connecting Minds - Online Consultation

Community-based innovation approaches in general, and the outlined process in particular, have high relevance for societal decision-making processes. In this respect the Austrian Council was clearly among the first movers - not just in the Austrian context - and has rekindled its own influence as a consultative institution. It is even more astonishing that the Council achieved this by inviting other "experts" to join the discussion and to bring knowledge and experience from various parts of the Austrian innovation system. This outcome seems to run against the expectations for "expert" councils, which are based on the assumption that better and more innovative ideas will be generated by distinguished experts in the field than by other groups. Nonetheless, it seems that there are no negative returns of a larger scale (i.e., increasing the number of participants) for online discussions of strategy documents. The massively reduced transaction costs, using Web 2.0 tools and the functionalities now available, simply allow a much larger group of people and institutions to fruitfully share their knowledge, develop broadly accepted strategies, and - hopefully - start implementing these ideas.

Eventually Strategy 2020 was well received and the Austrian Council was back in the arena of policy advisors. Strategy 2020 is one of three cornerstones of the yet-to-be-approved federal RTI strategy designed to put Austria on the path to becoming an innovation leader. It defines strategic objectives, tasks, and key areas of an integrated RTI policy and should thus be the first chapter in the book of implemented Austrian RTD strategies.

A more fundamental lesson can also be learned from the eConsultation of the Austrian Council: The eConsultation platform that was used creates an environment for bottom-up movements that may become more influential in coming years. All that is needed is a coordinator and the ability of a group to put ideas into a text to be discussed. If these two criteria are fulfilled, anyone can set up an eConsultation that may receive a lot of attention from online communities. Grassroots movements may be crucial for further development, given the inertia and resistance to reform in many public organizations and in the political circus. In contrast, proactive decision makers will open their discussions and absorb the momentum of participative decision-making processes,

gaining relevance and influence vis-à-vis institutions who still believe that most knowledge is found within their own walls.

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