Innovative Local Government as a Determinant of Regional Development

Joanna Prystrom
PhD, Faculty of Economics and Management, University of Bialystok;
joanna.prystrom@gmail.com

Introduction

Innovation plays today a very special role in the creation of the condition of individual economies. We can dare to say that they are ubiquitous, because innovativeness can be met both on sphere of economic, social or political, etc.

It is obvious that the innovative capacity is determined by various factors, such as human resources, financial resources, and innovation policy and institutional environment.

Good management and leadership can play an important role in public sector innovation. Walker (2006), in a study of 120 local authorities in the United Kingdom found that political leadership can encourage the adoption of innovative services. According to the MEPIN study (Bugge et al., 2011) addressing the Nordic countries, internal management was the most important driver of innovation, but public sector innovation happens more likely when it is supported by the senior management. (European Public Sector Innovation Scoreboard 2013, pp. 12-13)

The aim of this publication is to raise the essence of innovative local government, which as part of the environment instytaucjinanego determining innovation, also determines the opportunities to achieve development of the region.

Innovation in region’s development

Continuously progress of the globalization process, political – theological voltage, population movements, progressive deterioration of the environment, ever-changing customer expectations, economic competition, this makes difficult for economies and functioning of these entities to survive in this turbulent environment.

Among this type of behavior can be distinguished inter alia flexibility to the prevailing conditions as well as the innovation, which - can confidently say that – associated with that flexibility.

We can also dare to say that innovation is ubiquitous on virtually every aspect of life - economic, political, theological or social. Therefore, the spread approaches and explanations for the phenomenon of innovation is extremely broad. Therefore, span approaches and explanations for the phenomenon of innovation is extremely broad.

Attempts to explain the development of the definition of innovation undertaken, inter alia, P. Drucker, J. Schumpeter, Ph. Kotler, P. Romer, R. Lucas, or G. Silverberg.

The father and precursor of innovation is recognized Schumpeter, who at the beginning of the twentieth century popularized the concept in economics. Economic development presented as a process driven by innovation positive changes unfolded over a period of time. In his view, innovation meant a new combination of existing opportunities and characterized by a highly important function of the development, mainly in relation to the state of the economy. (Fagerberg, Mowery, Nelson 2005, p. 6)

For example, innovation J. Schumpeter gave the introduction of a new product, modifying existing, introduction of new production methods, obtaining new sources and opportunities to
use intact so far areas and markets, or new ways of organizing business. (Schumpeter 1932, p. 66)
Innovation is both an introduction to the manufacture of new or improving existing products, the introduction of new or improve the existing production process and the introduction of a new organization of any industry, for example “create a monopoly or be broken”. Through innovation Schumpeter understood as the opening of a new market, in which a specific process, product or service has not yet been known to anyone, the use of a new method for the sale or purchase or acquire and use new sources of raw materials or semi-finished products. (Schumpeter 1960, p. 104)

**Figure 1**
*What innovativeness makes for economy and functioning of these entities?*
Source: own elaboration.

Innovation is understood and dealt with extremely wide. This applies to all walks of life, ranging from new solutions for the economic and social spheres, ending with the new currents of thought and culture. In the colloquial meaning of “innovation” means something new and different from existing solutions. Quite often it may be associated with the need to change for the better. Generally speaking, innovation is the introduction of something new, of a newly introduced, the new reform. Such translation is valid both in terms Polish, as well as in other countries. This is due to the strong influence of Latin sources, because the word innovation in Latin is “innovatio” or renewal. (Prystrom, 2008, p. 153)
A similar range of classification by type of innovations, among which can be found other innovations economic, political, medical, pharmaceutical or automotive. Other divisions are distinguished by innovation demand, supply-side, organizational, production or marketing. Yet another division says eg. on innovation, creativity and imitation.
Therefore, the diversity of approaches to explain the essence of innovation and broad generic classification gives the opportunity to freely interpret this phenomenon. Innovation because there may be something completely new, as well as the use of already used solutions but in another area or application. It is obvious that innovations carry both positive and negative effects of the impact. Among the negative effects of innovation activity can be mentioned technological progress, which often affects a degrading effect on the natural environment, or the replacement of the work done so far by the human, today by robot / computer. However, on the other hand, there appear to be innovative manufacturing, but not limited to modern production methods and agents, e.g., based on a method of recycling. Given the variety of explanations comes innovation and their typology, the discussion on the impact of innovation, you can dedicate a separate material. Despite this, you can dare to say that the spread of the positive effects of innovation outweighs the negative, and therefore it will be paid to the further part of the attention.

Innovation is determined by various factors such as human capital, R&D activity or the financing of innovative activity. It is also necessary correct approach of the government / authorities to support, promote innovative activities among the people of its community. One of the most important determinants of innovation can be defined a properly functioning institutional environment, for which the element can be considered a local government.

**Innovative local government - an introduction to the atlas of good practice**

The concept of self-government in general comes down to being a local authority, which manages the affairs of socio-economic development of the region. In each country there is innie division and naming structures of local government, hence the common name adopted for all regions of the world, as the local government.

Innovative local government is a government that counts with the essence and power of innovation. It knows how to promote and support innovative activity. It also counts with the possibility of seeking proven solutions in other regions, which could be relevant application to the same local government. It's also one that he seeks to promote innovation and improve public institutions and quality of services provided to the public.

The nature and the overall importance of innovation is known to almost everyone. It is also the fact that innovation is considered one of the most important forces mechanism of socio-economic development. Innovation, new ideas and development that are to bring a particular group of customers “better”. Innovation is ubiquitous on virtually every aspect of life. Innovative activity enables enterprises to their development, entering new markets or increase the share on the previously occupied or carry chance to increase employment. Increased number of innovative businesses has the potential to combat the problem of unemployment. If the growing number of employees, increasing their ability consumer. If both society and individual companies will be informed about the possibilities of mutual support, the situation also has a chance to be improved.

Unfortunately, too low awareness of the opportunities associated innovation, restricts make this type of activity. Very important role to play in this case, the institutional environment and innovation policy. On the horizontal region, behind these determinants corresponds to the local government.

Approaching the attempt to present selected examples of innovativeness of local government, it is worth paying attention to the generic classification Innovations, used for discussion on public sector innovation.
### Table 1

**Different definitions of Public Sector Innovation across chosen Member States**

<table>
<thead>
<tr>
<th>Country</th>
<th>Perceived definition of PSI</th>
<th>Innovativeness of economy (among all respondents)</th>
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<tbody>
<tr>
<td>Denmark</td>
<td>There is a shift from managing human resources to building innovation capacity. The public sector is seen as a platform to solve problems in the Danish society. It is not just about reducing costs, but also involving the users, working with them and cross departments, in order to develop joint solutions. It is not just serving the public sector itself but it is a platform for society as a whole. More focus is given to the quality of the services delivered in order to achieve better outcomes.</td>
<td>GCI 2015-2016: 10/140 GII 2015: 10/100 IUS 2015: 2/28</td>
</tr>
<tr>
<td>Finland</td>
<td>A means to tackle grand challenges (i.e. ageing population) and to address the issues faced by the Nordic welfare model</td>
<td>GCI 2015-2016: 5/140 GII 2015: 6/100 IUS 2015: 3/28</td>
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<tr>
<td>France</td>
<td>Integrating novelty in administrative management and in the relations towards public service users, PSI is meant to address three challenges: • Higher demand for innovation of the public service users, mainly due to new innovation habits coming from the private sector or commercial services; • Budgetary cuts in public expenditures; • Higher demand for innovation of the administrative staff, focusing on a modern public management.</td>
<td>GCI 2015-2016: 20/140 GII 2015: 21/100 IUS 2015: 10/28</td>
</tr>
<tr>
<td>Ireland</td>
<td>Flexibility and the delivery of streamlined services as part of the reformed Public Service</td>
<td>GCI 2015-2016: 19/140 GII 2015: 8/100 IUS 2015: 8/28</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Stimulating knowledge and innovation in realising societal objectives and solving societal challenges, of which innovative service provision is one aspect. • Stimulating innovation to improve the process of public service provision.</td>
<td>GCI 2015-2016: 6/140 GII 2015: 4/100 IUS 2015: 5/28</td>
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<tr>
<td>Spain</td>
<td>Public Sector Innovation can take three forms: • Incremental innovation, through the introduction of new management and operational tools (i.e. computerisation) • Radical innovations, or ‘ruptures’ in only a specific sector • Systemic innovations, implying changes that affect the system as a whole, or large parts of it</td>
<td>GCI 2015-2016: 35/140 GII 2015: 27/100 IUS 2015: 19/28</td>
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<tr>
<td>United Kingdom</td>
<td>The view of PSI has shifted away from the notion of systems innovation, processes and technology, towards a focus on capabilities and leadership. While improvements may be generated through innovative ways to deliver services (either through process or technological innovations), the key to their effectiveness is their successful implementation, which can only be achieved through institutional capabilities and strong leadership. There is also a move towards designing a different relationship with the public, towards involving users in the co-design of services -by giving more focus on user experience, capabilities and leadership.</td>
<td>GCI 2015-2016: 9/140 GII 2015: 2/100 IUS 2015: 7/28</td>
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Innovativeness of local government units can be linked with the innovativeness of the public sector. Innovation in the public sector is to integrate implemented new or new knowledge within the system dependent on public decisions, in order to improve existing or introduction into service of new forms of activity, services and practices, the ultimate and most visible result will be higher effectiveness public service and a better standard of living, at least in the main areas. (Innowacje w sektorze prywatnym ..., p. 8)

Innovation in the public sector are mainly focused on the shape of services and the manner of their provision, which is important for society. (Ibidem, p. 27)

Figure 2
INNOVATIVE LOCAL GOVERNMENT – examples
Source: own elaboration.

Innovative local government is a government that counts with the essence and power of innovation. It knows how to promote and support innovative activity. It also counts with the possibility of seeking proven solutions in other regions, which could be relevant application to the same local government. More over, it is also one that he seeks to promote innovation and improve public institutions and quality of services provided to the public. Figure 2 presents examples of local governments from around the world, whose activities and achievements include them among some of the most innovative. Unfortunately, in this publication the author is forced to show only selected examples that could serve as good practice for other regions and units.

Table 2 summarizes the innovation performance of selected examples of local government and regions around the world. Can be noticed that among them were units of the countries perceived as one of the most innovative and at the same time competitive and most developed in the world, as well as other regions, such as Medellin, Colombia or South Africa, where the level of development and innovative capacity is much lower.

That innovation is manifested both in the interest of the standard of services for the inhabitants of the region or in the ecological struggle with the negative effects of globalization, as well as in supporting innovation activity in the local community. Accordingly, it is extremely important anywhere in the world.

Unfortunately, due to limited space, the author decided to only move about innovative local government and presented briefly some examples of innovative local government. It confirmed it is in order to develop a kind of atlas of good practices with the same topic.
### Table 2
**Innovative local governments – chosen examples**

<table>
<thead>
<tr>
<th>Local government/region</th>
<th>Type of innovativeness</th>
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<tr>
<td>Eindhoven</td>
<td>High Tech Campus Eindhoven as an example of a region open to the creation of innovation. 103 hectares of the entire campus; 45,000 m² of facilities R&amp;D and rooms with controlled environmental parameters; 10,000 m² only for small companies seeking new markets; 185,000 m² of office space; more than 10,000 highly qualified employees; more than 135 companies; 60 new enterprises based on new technologies; more than 85 different nationalities; 4 of the patents created in one day. High Tech Campus Eindhoven is the smartest km² in the Netherlands with more than 140 companies and institutes, some 10,000 researchers, developers and entrepreneurs working on developing future technologies and products. The Campus helps to accelerate innovation by offering easy access to high tech facilities and international networks. The Brainport Model. Eindhoven’s answer to these challenges is a public-private partnership called Brainport Development. Its members include employers, research institutes, the Chamber of Commerce, the SRE, leading universities and the governments of the region’s three largest cities. A small professional staff meets regularly with stakeholders to identify their strengths, needs and objectives, then looks for opportunities for them to collaborate on business, social or cultural goals. Any stakeholder of Brainport has the opportunity to create new initiatives or partner with other stakeholders.</td>
</tr>
<tr>
<td>Berlin</td>
<td>Berlin is the largest and most diverse regions for science in Europe and has the greatest concentration of university and institutional research facilities in Germany. The Internationally renowned colleges and research institutes offer businesses the optimal conditions for research and development and ensure a large number of highly qualified potential employees and management professionals. Berlin – the capital of science. Berlin offers the most tightly woven network of university and non-university research institutions in all of Germany - an excellent basis for interdisciplinary work and cooperation with industry. Berlin is one of the largest and most diverse science regions in Europe: 4 Universities, 4 Colleges or institutes of art, 7 Universities of applied sciences, 26 private universities, 22 Technology parks and business incubators, 70 non-university research institutions, More than 170,000 registered students, about 49% are women (WS 2014/2015), 2014 more than 48,000 people worked at Berlin's universities. Roughly 200,000 people from around the world teach, research, work and study here. Approximately 17% of all students come from abroad, most of them from China, Russia and the USA. Many cooperative programs link Berlin’s institutes of higher education with partner institutes around the world. The German capital is fast gaining a reputation as a creative hub for sustainable and social businesses, making the most of cheap working spaces. Berlin possesses a burgeoning reputation as one of the most exciting startup hubs. Today Berlin is among the leading locations for creative industries and information technologies in Europe. Berlin has also success in public innovation and has best solutions to make public transport more energy efficient.</td>
</tr>
<tr>
<td>Singapore</td>
<td>Singapore has the best infrastructure in the world, including an airport complete with a butterfly garden, pool, movie theaters, hotels, spas, showers, and of course a four-story slide.</td>
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<tr>
<td>Bangalore, India</td>
<td>Region is known as the Silicon Valley of India, with a tech sector that brings in $17 bln in revenue a year. Venture capital has noticed, investing $300 mln in venture funding in 2012.</td>
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<tr>
<td>London, United Kingdom</td>
<td>London has the most economic opportunity of any city in the world, according to PricewaterhouseCoopers. One key is that London is a gateway to the world, with its six international airports.</td>
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### Table 2

**Innovative local governments – chosen examples - continued**

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<thead>
<tr>
<th>Local government/region</th>
<th>Type of innovativeness</th>
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<tbody>
<tr>
<td><strong>Stockholm, Sweden</strong></td>
<td>The Stockholm is a strong and innovative region. City provided a citywide fiber-optic network, allowing it to companies operating in the fast and inexpensive connectivity to the Internet. Stockholm was also the first city in the world that is running the 4G network and the city government invested 70 mln euros in so-called “e-government”, that Internet offices available for all residents, so you can with the city to settle any matter without leaving your home or office. Stockholm is the ecological capital of Europe. Its district (Sjöstad) is soon to be energy self-sufficient. Household waste and sewage end up located at the ends of the treatment plant, where it is processed for fuel for power plants (400 MW) at the other end of the estate.</td>
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<td><strong>Helsinki, Finland</strong></td>
<td>Helsinki makes the list for a super innovative transit system — one that will soon have “a real-time marketplace for customers to choose among transport providers and piece together the fastest or cheapest way of getting where they need to go”.</td>
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<tr>
<td><strong>Chicago, USA</strong></td>
<td>Chicago make a large investment in terms of the Internet network. The result is a pool, open network based on fiber optics, from which a reasonable fee may benefit the company. The city financed the project of Chicago Health Atlas, which is a website that provides important information to health with emphasis on geolocation. They created an Elevators Grid, which operates in real time, open platform for investment. Infrastructure, through which the city can better understand the needs of the individual information. The city is also funding a program of Illinois Open Technology Challenge, through which the office, developers and the community can jointly create digital tools that aim to provide citizens with basic needs and stimulating economic development. Chicago also provides for residents ... free hosting websites.</td>
</tr>
<tr>
<td><strong>Vienna, Austria</strong></td>
<td>Vienna makes the list for consistently having the highest quality of life in the world, thanks to excellent public transit, renowned museums, more international congresses than any other city, and inventing filtered coffee. It also enjoy some of the finest urban planning, with substantial housing amounting to less than 9% of the city’s total.</td>
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<tr>
<td><strong>Copenhagen, Denmark</strong></td>
<td>Copenhagen boasts some of the most efficient nationalized healthcare on earth, with both maternity and paternity leave.</td>
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<tr>
<td><strong>Medellin, Colombia</strong></td>
<td>Medellin, Colombia, was once one of the world’s most violent places, but the South American city is now a case study in urban revival. One example: Clever city planning, including the use of gondolas and escalators, has cut hours-long commute times to minutes.</td>
</tr>
<tr>
<td><strong>Cape Town, South Africa</strong></td>
<td>Region, makes it easy to get off fossil fuels, like by making solar water heaters available to citizens.</td>
</tr>
<tr>
<td><strong>Grenoble, France</strong></td>
<td>Grenoble is selected to the group of the most innovative city in Europe. City has the best “innovation ecosystem” by connecting the citizens, public organisations, teaching institutions and businesses. The city promotes innovation through their own service offers; however the main challenge is to create a favourable environment that allows others to innovate and to foster the interconnection between the public and private spheres.</td>
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Conclusions

Twenty-first century is a time of ongoing socio-economic challenges. That is why, innovation can be “an idea for tomorrow”, a new idea, plan, action, etc. The problems associated with unemployment, migrations, the process of convergence is constantly progressing environmental degradation and zmianiącymi to social expectations, are some of the many challenges faced by the authorities of the region. Analyzing the processes of socio-economic, you can dare to say that when it comes to the issue of local government, the future belongs to the self-sufficient regions and smart cities. In this turbulent environment, the chances of survival and development will have flexible units, active and innovative...

As there was mentioned, innovation is determined by many different factors such as the quality of human capital expenditures on R&D and innovation funding innovation policy or the institutional environment.

To the area of institutional environment that supports and promotes innovation we may include a local governments, which striving for the best socio-economic condition should bear in mind the role of innovation. The region should constantly watch other territorial units, in search of good practices for replication.

It needs to be highlighted that socio-economic development is not possible without innovative public and private sector. Innovation is ubiquitous today, virtually every aspect of life. Therefore, the aspect of innovation of local government, as part of the public sector also can be analyzed quite extensively. On the one hand, it is here for the same activity innovative sector, which is taking action aimed at satisfying the needs of members of the local government, or the inhabitants of a territorial unit. On the other hand, innovative local government can be seen as part of the environment instytucjonalnego, determining innovation in the region, or supporting institutions, funding, promotion, training or consulting, which offer everything that increases the innovative capacity of the economy and the functioning of these entities.

Research innovation capacity of the EU economies have been included in European Public Sector Innovation Scoreboard. There were taken into account aspects such as general public services, demence, public order and safety, economic affairs, environmental protection, health, education or social protection. Certainly, these factors increase the innovative capacity of individual regions and economies. When analyzing the results and comparing them with information about the smart cities’ rankings it can be said that the countries fall out successfully in European Public Sector Innovation Scoreboard, they can also boast a fairly large group of cities belonging to the group of smart cities. (*European Public Sector Innovation Scoreboard 2013; Cohen 2012*)

It is clear, however, that the implementation of the concept of smart cities and improving innovative capacity of the public sector in the country, has no chance of success without the active participation of pro-innovation initiatives of local governments.

Innovative local government striving to improve the innovative capacity of its own, thanks to which it will be able to offer its residents all sorts of innovative solutions. In addition to this must strive to support innovation activities among its citizens, businesses and institutions.

Alongside this should take care of the quality of human capital from the earliest age of its citizens, because armed with the right qualifications and skills people very often are the authors of many valuable ideas and studies.

Local government provides good local convenience, access to treatment, education, transport etc. On the other hand, should support, promote and encourage innovative activity of local businesses and residents, because innovation seems to be one of the most important driving forces in the of socio-economic of XXI century.
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