Governing the Innovation Process: Tools of Meta-Governance–The Kotitori Model in Tampere Finland

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ABSTRACT

Local governments in pursuit of their objectives have become increasingly dependent on the private and third sector actors. New Public Governance (NPG) is an approach to understand the production and delivery of public services in a fragmented and pluralist society. The development of health care and social services and the creation of service innovations have been a part of the ongoing change. Local governments have started to search for new approaches to service delivery in co-operation with private firms and third sector organizations. This study focuses on the role of local government as a meta-governor in creating and developing a service innovation called the Kotitori model in Tampere, Finland. Meta-governance is needed to govern complexity and plurality in a network society. Local authorities can exercise power by using meta-governance tools while sharing the responsibility for public governance with other actors. The results of this study suggest that tools provided by NPG theory can be identified in the process of developing a service innovation. Thus, it may be that local governments should use both hands-on and hand-off meta-governance tools in order to exercise successful meta-governance. The results also suggest that adequacy of the different meta-governance tools differs according to the stage of the innovation process. In this sense this study provides also new insight to the theory of NPG.

Keywords: Finland, Innovations, Local Authorities, Meta-Governance, New Public Governance (NPG)

INTRODUCTION

Local governments in Finland as indeed in other European countries have become increasingly dependent on the private and third sector actors when attempting to pursue their objectives. Local governments across Europe and other western countries are continuously adopting new modes of service delivery and service system governance. These arrangements such as out-sourcing, contracting out, public-private partnerships and hybrid organizations aim at determining the best options in public service delivery (Billis, 2010; Kylänen et al.,

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2012; Vuori, 2011). However, while networks are increasingly utilized as the form of governance, collaboration between the public and private sectors has also started calling for more formal and institutionalized procedures, while earlier collaboration was created more or less through various fairly loosely defined forms (Tynkkynen, 2013).

All in all this change can be described as the New Public Governance (NPG) approach (Osborne 2010). The conceptual framework of the NPG was introduced in 2006 and has thereafter gained increasing popularity among the methods of service delivery (Osborne, 2007; 2010). NPG can be defined as the “the third wave” of the management reforms which have developed from the traditional Public Administration (PA) and the New Public Management (NPM) approaches (Klijn, 2008; Osborne, 2007, 2010; Salamon, 2002; Torfing & Triantafillou, 2012). However, the NPG approach does not reject old models entirely, but takes advantage of the best features and supplements them with new solutions such as co-production of services and public-private partnerships (Peters, 2011a; Salamon, 2002). NPG evolved around participatory and interorganizational forms of governance based on interdependency, collaboration and trust, and focuses on processes and outcomes in public policymaking and public service production and delivery (Torfing & Triantafillou, 2012).

One of the drivers behind the aim to reform service systems and their governance structures is the rapid demographic changes occurring in the most of the European and other western countries. Due to population ageing it is probable that the service needs and also the costs of services will increase in the future, which means a growing need for service innovations, especially in the services for elderly people.

Finland is currently one the most rapidly ageing countries and thus the reforms in the delivery of the publicly funded services are currently high on the political agenda. This population ageing has been predicted to be particularly marked among those aged 85 and over (Official Statistics of Finland, 2009), hence the proportion of those reaching very old age (i.e. 90+) will also increase.

The development of health care and social services and the creation of service innovations have been a significant part of the ongoing process of governance change in Finland. Consequently the role of local governments is changing, as they are increasingly involved in the innovation and development processes in the fields of health care and social services. The local governments in Finland have started to apply and experiment with novel public procurement practices and to search for new approaches to service delivery in co-operation with private firms, third sector organizations and service users (Jäppinen, 2011; Tynkkynen, 2013). In order to succeed in these developments, coordination of the various interests of the professionals, service users and other stakeholders is essential (Ståhle et al., 2004).

The role of local government in the governance of such innovation networks can be deemed significant. This task of network management and governance can be described in the framework of meta-governance (Sørensen, 2007; 2009), which has also been defined as the “governance of governance” (Kelly, 2006). It includes the construction of networks, establishing the rules of the game and allocation of resources for different actors. The objective of meta-governance is to make sure that networks will act in compliance with the needs and objectives of the meta-governance entity (Haveri & Pehk, 2007). The public sector can also use meta-governance in order to maintain control in a changing business environment by combining different governance tools, i.e. markets, hierarchies and networks, in the service delivery (Billis, 2010; Kelly, 2006).

This study focuses on the role of local government as a meta-governor in creating and developing a service innovation called the Kotitori (literally “home market”) model. The main idea of Kotitori is to provide a “one stop shop” of public and private home help services with easy access for older people and their relatives. Traditionally, publicly and privately funded home care services have been
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