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**T07P04 - The Rise of Policy Labs**

**Everybody else is doing it so why don't we?  
Analysing the rise of the policy lab**

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**Abstract**

Governments are increasingly turning to public sector innovation (PSI) labs to take new approaches to policy and service design. This turn towards PSI labs, which has accelerated in more recent years, has been linked to a number of trends. These include growing interest in evidence-based policymaking and the application of 'design thinking' to policymaking, although these trends sit uncomfortably together.

According to their proponents, PSI labs are helping to create a new era of experimental government and rapid experimentation in policy design. But what do PSI labs do? Can we identify distinct types of labs? What approaches do they use to address contemporary policymaking? And how do they either fit into the landscape of policymaking as usual, or challenge it?

The rise of PSI labs has thus far received little attention from policy scientists. Focusing on the problems associated with conceptualising PSI labs and clearly situating them in the policy process, this paper provides an analysis of some of the most prominent PSI labs. It examines whether labs can be classified into distinct types, their relationship to government and other policy actors, and the principal methodological practices and commitments underpinning their approach to policymaking. Throughout, the paper considers how the rise of PSI labs may challenge positivist framings of policymaking as an empirically driven decision process.

Governments are increasingly turning to public sector innovation (PSI)<sup>1</sup> labs to develop new approaches in policy and service design. A recent EU report estimates that more than 60 PSI labs have been established in member states alone, with notable examples including Mindlab in Denmark and the UK Policy Lab (Fuller and Lochard 2016). The proliferation of PSI labs has prompted claims by their proponents that they are ‘on the path to becoming a pervasive part of the social infrastructure of modern public organisations’ (Carstensen and Bason 2012, 5). In this view, governments are left with little choice ‘but to innovate’ (Puttick 2014, 20). But what do these PSI labs do? Can we reasonably classify them into types using some set of criteria? What approaches do they use to addressing contemporary policy-making? And how do they either fit into the landscape of policy-making as usual, or challenge it? We begin this paper with a consideration of why we have witnessed the rise of PSI labs, then turn our attention to addressing these questions about types of labs, what approaches they take, and how they fit with standard models of the policy process.

## **The rise of labs**

The rise of PSI labs is linked to a number of trends. These include growing interest in evidence-based policymaking, and the application of design thinking to policymaking (Bailey and Lloyd 2016; Mintrom and Luetjens 2016; Bason 2013; Fuller and Lochard 2016). But these two trends sit together uncomfortably: While evidence-based policymaking emerged out of the scientific model of knowledge creation used in evidence-based medicine (Clarence 2002) ‘design thinking’ constitutes an approach to policymaking that places greater emphasis on creative and iterative methods and on citizens as ‘co-creators and co-producers of services and policies’ (Rebolledo

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<sup>1</sup> We use the term Public Sector Innovation (PSI) lab to refer to the related concepts of ‘public policy’ and ‘public innovation’ labs, which appear to be used interchangeably in the literature.

2016, 44). The participatory dimension of design resonates with principles of networked governance, community governance, and co-production (see, e.g., Voorberg, Bekkers, and Tummers 2015), and has appealed to policymakers seeking ways to better engage with citizens and stakeholders.

Other PSI labs have originated from the pursuit of ‘open government’ agendas (Acevedo and Dassen 2016), which Gryszkiewicz et al. (2016, 7) define as ‘a set of government initiatives to promote transparency, empower citizens and use technologies to strengthen governance’. A key national priority in countries including the US, UK and Australia, ‘open government’ has frequently manifested in efforts to make data held by government agencies ‘machine readable and accessible’ (Yu and Robinson 2012, 192) in order to promote transparency and innovation in the delivery and management of public services (Wirtz and Birkmeyer 2015).

While PSI labs are sometimes seen as heralding ‘a new kind of experimental government’ (Puttick, Baeck, and Colligan 2014, 5) the immanent logic behind their rise has echoes of public sector reform discourses from the late 1980s and early 1990s, which framed public sector organisations as bureaucratically structured to resist change (Schuurman and Tönurist 2017, 7) and spawned government reinvention labs in the United States in the 1990s. The reinventing government labs were part of a broader effort to institutionalise a more ‘entrepreneurial state’ (Saint-Martin 2001:574) through the adoption of private sector management structures and practices, and the introduction of market competition in the delivery of public services. Tönurist, Kattel and Lember (2015, 6) relate the turn towards PSI labs to broader New Public Management (NPM) trends such as the spread of agencification and ‘the search for less hierarchical management...increased customer-orientation, flexibility, innovation and risk-taking behaviour.’

It is not yet clear how PSI labs are positioned within the pluralised landscape of policy entrepreneurs (Fraussen and Halpin 2017) which followed the general trend to NPM ideas and

government reinvention (Osborne and Gaebler 1992). Critical commentators such as Williamson argue that the ‘labification’ of the public policy field is symptomatic of the reluctant state and its tendency to displace responsibilities onto ‘a messy patchwork of outsourced providers, commercial actors...and a range of other non-state actors’ (2015b, 253).

Thus far, PSI labs have received very little attention within either the public management or policy sciences literature. Although there are now a handful of working papers (Tonurist, Kattel, and Lember 2015; Gryszkiewicz, Lykourantzou, and Toivonen 2016; Williamson 2015a) and journal articles analysing their development (Williamson 2015b; Schuurman and Tönurist 2017; Tönurist, Kattel, and Lember 2017). Much of what we know about this emerging field stems from overviews and practice guides produced by champions of PSI labs such as NESTA (Puttick, Baeck, and Colligan 2014; Puttick 2014), DESIS (Design for Social Innovation and Sustainability) (Manzini and Staszowski 2013; Selloni and Staszowski 2013), La 27<sup>e</sup> Région (Fuller and Lochard 2016), MaRS Solutions Lab (Torjman 2012) and Kennisland (Kieboom 2014).

This paper provides an analysis of some of the most prominent PSI labs: this rests on examining whether they can be classified into types, what approaches they take, and what, if any, challenge they present to positivist ‘ways of making and doing policy’ (Clarence 2002, 1) which privilege the role of social scientists as knowledge producers about ‘what works’ (Parsons 2002, 44–45).

Previous contributions have largely concentrated on the reasons why PSI labs have emerged and their relationship to broader paradigms of public sector innovation (Tönurist, Kattel, and Lember 2017; Gryszkiewicz, Lykourantzou, and Toivonen 2016). This paper focuses more particularly on the problems associated with conceptualising types of PSI labs and clearly situating them in the policy process. Are the approaches of PSI labs at odds with the instrumental rationality of dominant understandings of policymaking within policy sciences?

## Characteristics of PSI labs

Although there is a widespread perception that labs are now ‘popping up all over the world and...acquiring a star status among funders and governments’ (Kieboom 2014, 9), what PSI labs actually *are* is less clear. Conceptualisations vary substantially between different overviews, which may partly explain the enthusiasm that governments have shown for PSI labs. Pollitt and Hupe’s (2011) description of a ‘magic concept’ (such as governance, accountability and networks) applies here. Concepts are magic if they are ‘very broad, normatively charged and lay claim to universal or near universal-application’ (2011, 643). Additionally, they do not seem to have any opposites that people would want to support and they frequently feature in the titles of reform projects and policy documents (Pollitt and Hupe 2011, 643). These elements of conceptual elasticity, normative attractiveness, and global marketability pervade attempts to document the ‘labs phenomenon’ (Gryszkiewicz, Lykourantzou, and Toivonen 2016, 2).

This is not helped by the multiplicity of different but related terms used to refer to the same labs. To take a very prominent example, MindLab, which was established as a joint initiative between the Danish Ministries of Business and Growth, Taxation, and Employment in 2002, has variously been described as an innovation unit or i-team (Puttick, Baek, and Colligan 2014), an i-lab (Tönurist, Kattel, and Lember 2017), a public policy lab (Fuller and Lochard 2016), a government innovation lab (Selloni and Staszowski 2013), a change/design lab (Torjman 2012), and a social innovation lab (Kieboom 2014). The latter two terms are particularly indeterminate categories that incorporate many entities that have little to do with public sector innovation. For instance, Amsterdam’s Slow Research Lab - a platform to ‘investigate an expanded terrain of individual and collective potential that brings balance to the pace at which we encounter the world’ (‘Slow Research Lab’ 2016) - is featured alongside MindLab and NESTA’s Innovation lab in an overview of design/change labs published by MaRS Solutions Lab (Torjman 2012, 11).

We use the acronym PSI lab to refer to labs that can be described as either ‘public policy’ or ‘public sector innovation’ labs. These tend to include only entities involved in policy or public service design. More often than not, these labs fall under the auspices of government departments or agencies, although what distinguishes a ‘public policy’ from a ‘public sector innovation’ team is not at all clear. It is possible to imagine examples of public sector innovation that are not specifically about public policy, but in practice, the two terms seem to be used interchangeably: several of the labs identified by Fuller and Lochard (2016) as ‘public policy labs’ also feature in NESTA’s report on public sector innovation teams (Puttick, Baeck, and Colligan 2014) and in an earlier map of government innovation labs published by the Parsons DESIS Lab (Selloni and Staszowski 2013).

Beyond this conceptual confusion, there appear to be a number of important characteristics of labs. Schuurman and Tönurist point to the status of labs as ‘change agents within the public sector’, suggesting they are structurally set apart from the rest of the public sector and operate with a large degree of autonomy in setting their targets and working methods (2017, 9). In a review of innovation labs and teams carried out in conjunction with Bloomberg Philanthropies, NESTA lists 20 quintessential examples of PSI labs (Puttick, Baeck, and Colligan 2014).

Although most of these labs are principally funded by government, they vary in their proximity to executive power.

These labs are also said to ‘represent islands of experimentation where the public sector can test and scale out public-service innovations’ (Tönurist, Kattel, and Lember 2017, 8). This emphasis on experimentation is also reflected in NESTA’s definition of PSI labs as ‘structures that use experimental methods to address social and public challenges’ (Puttick 2014, 4–6). NESTA adds that they should be established, ongoing structures for facilitating experimentation rather than ‘one-off events, or time-limited projects’ (Puttick 2014, 4), a point echoed in other overviews

(Kieboom 2014, 13). Hence, their relationship to government is clearly an important characteristic of labs, as is their focus on experimentation.

While labs are generally regarded as experimental in some sense, they vary significantly in the approaches, methodologies and techniques they adopt. These range from user-centred design methods, to new analytical techniques in data science, to harnessing behavioural insights and employing more traditional social science methods such as randomised assignment experiments. What distinguishes organisations as PSI *labs* in this view—and which differentiates them from other policy actors—is simply their use of (any) ‘experimental methods’ (Puttick 2014, 6) rather than the particular disciplinary or methodological approaches they employ.

Many conceptualisations, however, explicitly define PSI labs in terms of design thinking and the involvement of users/stakeholders. For example, La 27<sup>e</sup> Region’s overview of public policy labs in EU member states defines PSI labs as ‘dedicated teams, structures, or entities focused on designing public policy through innovative methods *that involve all stakeholders in the design process*’ (Fuller and Lochard 2016, 1 emphasis added). Similarly, Bason and Schneider (2014, 35, emphasis added) argue that PSI labs are:

...created to tackle complex public/social problems that more traditional governmental structures fail to resolve, *in particular, using design* to experiment and propose innovative public services and policies and at the same time reform and change the way government operates.

Such characterisations reflect ‘the omnipresence’ (Kieboom 2014, 21) of design thinking in the lab field. Mintrom and Luetjens go so far as to suggest that the role of PSI labs ‘is to create motivation and commitment *to design thinking* for policymaking’ (2016, 400 emphasis added). It is therefore not surprising that design-led labs feature prominently in the lists of PSI labs outlined in practitioner overviews. Further, design-oriented definitions frame PSI labs as new types of institutions for catalysing *collaborative* innovation. They are conceptualised as horizontal structures for promoting ‘divergent thinking’ (Torjman 2012:6) and involving citizens and other

stakeholders ‘in a process of co-creation, crafting new solutions *with* people, not just *for* them’ (Carstensen and Bason 2012, 6). This is in contrast to the ‘hierarchical model’ (Torjman 2012, 9) of traditional public sector organisations, which is argued to ‘reinforce path-dependent patterns’ (Fraussen and Halpin 2017, 106) at the expense of the competencies required for dealing with complex, interdependent and dynamic societal challenges (O’Rafferty, de Eyto, and Lewis 2016).

To the extent that PSI labs are underpinned by such a design thinking philosophy, the increasing importance attributed to them by governments may challenge positivist framings of policy design as ‘an intendedly rational process involving a linear path from problem definition to the analysis of options and the development of policy solutions’ (Mintrom and Luetjens 2016, 393). This is because ‘design thinking’ is often represented as ‘an entirely different decision-making model for policy’ (Bailey and Lloyd 2016:6); one that can be contrasted with scientific disciplines and their analytical modes of reasoning (Junginger 2013; O’Rafferty, de Eyto, and Lewis 2016). In line with this thinking, Behavioural Insights Teams are omitted from several lists such as the inventory of European policy labs developed by Fuller and Lochard – presumably because they do not ‘construct public policies in an innovative, *design-oriented* fashion’ (Fuller and Lochard 2016, 2 emphasis added).

We return to the question of the implications of design thinking for understandings of policymaking as an empirically driven decision process towards the end of this paper. This tension is central to our question of whether PSI labs represent potential challenges to positivist models such as evidenced-based policymaking.

### **Sampling PSI labs**

For the remainder of this paper, we set aside the indeterminacy surrounding the conceptualisation of PSI labs in favour of a more inductive approach to classifying labs, by



sketching their contours along a several dimensions, including: the level of influence and control that governments have over PSI labs and the principal approaches they rely upon. Following this, we examine the degree to which they support or challenge prevailing theories of policy-making.

To pursue this approach, we constructed a list of prominent PSI labs based on previous inventories in practitioner overviews (Torjman 2012; Puttick, Baeck, and Colligan 2014; Selloni and Staszowski 2013; Fuller and Lochard 2016; Acevedo and Dassen 2016) and the emerging academic literature (Gryszkiewicz, Lykourantzou, and Toivonen 2016; Williamson 2015b; Tönurist, Kattel, and Lember 2017). One of the challenges in researching this field is the high birth and mortality rates of PSI labs (Tönurist, Kattel, and Lember 2017, 20). Design for Europe (2017) maintains an inventory of design-led PSI labs worldwide which, in May 2017, featured 147 labs, including 49 that had been established since 2013. Tönurist, Kattel and Lember (2017, 16) estimate that PSI labs have an average lifespan of 3-4 years, which they attribute to their small size, semi-autonomous status within the public sector, and reliance on political patronage. We therefore limited our selection of PSI labs to entities that were active in December 2016 and which had been featured in at least two previous inventories. After cross-referencing previous lists and applying these criteria, we were left with a remaining sample of 20 PSI labs:

1. Barcelona Urban Lab, Barcelona
2. Datos Abiertos (Digital Nation Mexico/Open Mexico), Mexico
3. Finance Innovation Lab, London
4. Fonds d'expérimentation pour la jeunesse (Experimental Fund for Youth), Paris
5. Futurelab, London
6. GovLab, New York
7. Human Experience Lab/Design Thinking Unit (in PS21), Singapore
8. iZone (NY City Innovation Zone, Department of Education), New York
9. Kennisland, Amsterdam
10. La 27e Région, Paris
11. LabPLC (Laboratory for the City), Mexico
12. MaRS Solutions Lab, Toronto
13. Mayor's Office of New Urban Mechanics, Boston
14. Mindlab, Copenhagen

15. NESTA Innovation Lab, London
16. Public Policy Lab, New York
17. SILK (Social Innovation Lab Kent), Kent
18. Sitra, Helsinki
19. TACSI (The Australian Centre for Social Innovation), Adelaide
20. UK Policy Lab, London

These 20 PSI labs by no means encompass the entire range of structures that are being established by governments to develop new policy ideas and public sector reforms. For example, Behavioural Insights Team (BITs), popularly called ‘nudge units’ and known for their use of RCTs (Lourenço et al. 2016; Strassheim and Korinek 2016) have been omitted because they were not mentioned in inventories other than NESTA’s i-Teams report. Three additional PSI labs (DesignGov in Australia, The Studio in Ireland, and the Helsinki Design Lab) were referenced repeatedly but were excluded because they are no longer active. DesignGov, or the Australian Centre for Excellence in Public Sector Design, was an 18-month pilot initiative of the Australian Public Service ‘to test how design-led innovation could be applied’ (Roberts 2014, 22) to complex inter-agency problems. Modelled on Denmark’s Mindlab, it operated until December 2013. The Studio was a collective of planners, architects, area managers and community developers formed in late 2010 to grow innovation capacity within Dublin City Council through co-creating new ideas and ways of working. It closed in April 2014, when its members returned to other departments (The Studio DCC 2014). The Helsinki Design Lab (HDL) was initially established by Sitra, Finland’s innovation fund, in 1968 as a summer school to bring young designers, engineers and architects together to rethink the role of design as a more socially oriented practice (Torjman 2012, 7). Forty years later, HDL was reconvened as a mission-driven organisation purposed with applying strategic design practices to the problems facing governments. This iteration lasted until June 2013 (Helsinki Design Lab 2013), although Sitra has maintained its commitment to applying design thinking to policy challenges through its internal programmes.

These examples of de-commissioned labs illustrate how PSI labs are often ‘themselves experimental initiatives undertaken by members of a public administration’ (Fuller and Lochard 2016, 1).

Drawing on information gathered from each lab’s own website, reports, previous overviews, and additional ethnographies of individual labs and projects (e.g. Kimbell 2015, 2016; Carstensen and Bason 2012), we next analysed where PSI labs are located in relation to government, the various approaches they rely upon (e.g. evidence-based or design-led), and the type of policy-related activities they work on. Data was available for each of these dimensions, except in some cases in relation to governance structures.

### **PSI labs and government control**

Locational models of policy advisory systems typically map policy actors along two different dimensions: whether they are located inside or outside of government, and; whether they are subject to ‘high’ or ‘low’ government control. This latter control dimension signals the proximity of actors to executive power (Vesely 2013, 201). It is underpinned by the assumption that actors more proximate to executive power are better able to exert influence over policymaking processes, as decision-makers will expect their proffered advice ‘to be more or less congruent with government aims and ambitions’ (Craft and Howlett 2012, 82).

Drawing on these two dimensions of location and control, Vesely (2013) distinguishes between four different types of policy advice actors: *proximate internal* actors who are part of the government sector and subject to high government control (e.g. central public administration organisations and their ministries); *peripheral internal* actors who are part of the government sector but subject to low government control (e.g. government agencies such as bureaux of statistics);

*proximate external* actors who are not part of the government sector but are linked to it via legal obligations (e.g. policy consultants); and, *peripheral external* actors such as business associations, trade unions and community interest groups who are subject to relatively weak government control.

However, one of the main criticisms of traditional locational models of policy advice systems is that they rest on an ‘insider-outsider’ logic (Fraussen and Halpin 2017, 105) the position of emerging policy actors that resist easy compartmentalisation as either governmental or non-governmental actors (see for example Craft and Howlett 2012, 83–85). This problem may be particularly acute in the case of PSI labs given their alleged status as boundary organisations ‘that straddle sectoral borders and combine elements of activities from different domains and fields’ (Williamson 2015b, 256). An alternative approach is pursued by Capano (2011) in distinguishing governance modes in higher education. Rather than locating policy actors according to their location inside or outside of government, Capano distinguishes actors along two dimensions of government control: the level of governmental specification of the means to be used by actors, and the level of government control over the goals to be achieved.

This points to a more fruitful approach to situating PSI labs in relation to governmental control: We chart them along two dimensions: (1) the extent to which they are funded by government; and (2) whether they are subject to direct oversight by government. From the available information, we can clearly identify a continuum in relation to funding with some labs wholly government-funded while others receive some government funding, and yet others, none at all. This was helped in large part by the financial transparency displayed in NESTA’s ‘i-teams’ report and on individual lab websites such as that of GovLab. There is, however, little publicly available information on the level of government oversight of individual PSI labs. Consequently, we have used their ownership structure (government, mixed or independent) as a proxy for the level of

government oversight, combined with data on their sources of funding, in order to determine each lab's relationship to government.

**Table 1: PSI labs by dimensions of government control**

Direct government oversight of lab	Level of government control over funding		
	<i>No government funding</i>	<i>Partly-funded</i>	<i>Wholly-funded</i>
<i>Yes</i>		<u>Government-led labs</u> <ul style="list-style-type: none"> <li>• Fonds d' experimentation pour la jeunesse</li> <li>• Mayor's Office of New Urban Mechanics</li> <li>• LabPLC</li> <li>• La 27e Région</li> <li>• MindLab</li> <li>• Sitra</li> </ul>	<u>Government-controlled labs</u> <ul style="list-style-type: none"> <li>• Barcelona Urban Lab</li> <li>• Datos Abiertos</li> <li>• Human Experience Lab/Design Thinking Unit</li> <li>• iZone</li> <li>• Policy Lab (UK)</li> <li>• SILK</li> </ul>
<i>No</i>	<u>Independently-run labs</u> <ul style="list-style-type: none"> <li>• Finance Innovation Lab</li> <li>• MaRS Solutions Lab</li> <li>• GovLab</li> </ul>	<u>Government-enabled labs</u> <ul style="list-style-type: none"> <li>• Futurelab</li> <li>• Kennisland</li> <li>• NESTA Innovation Lab</li> <li>• Public Policy Lab</li> <li>• TACSI</li> </ul>	

As Table 1 shows, there is considerable variation in the structure of PSI labs along these two dimensions. Although a majority of PSI labs (12/20) are subject to some level of oversight by government, only six labs are entirely government-funded (Barcelona Urban Lab, Datos Abiertos, The Human Experience Lab, iZone, Policy Lab UK, and SILK). These six labs are also overseen by governments and for this reason we describe them as *government-controlled labs*. At the opposite end of the spectrum are three PSI labs that are neither government-funded nor subject

to any direct government oversight of their operations (Finance Innovation Lab, MaRS Solutions Lab, GovLab). We describe these PSI labs as *independently-run labs* and in many ways, they resemble think tanks - ‘independent, non-interest based, non-profit organizations that produce and principally rely on expertise and ideas to obtain support and influence the policy-making process’ (Fraussen and Halpin 2017, 106). Indeed, PSI labs have sometimes been imagined and promoted as ‘employing a think and do-tank approach’ (Bellefontaine (2012, 1).

In between government-controlled and independently-run labs are two borderland categories of PSI labs that best exemplify the characterisation of PSI labs as ‘semi-autonomous spaces’ (Tönurist, Kattel, and Lember 2017, 20) and new kinds of ‘intermediary’ (Williamson 2015b, 261) policy actors. On one side are labs whose operations are subject to direct government oversight (for example, Sitra reports to the Finnish Parliament and senior civil servants sit on its Board of Directors) and rely partially on government funding, which we refer to as *government-led labs*. Examples include some of the most well-known PSI labs, such as MindLab and La 27e Région. On the other side are labs that are also partly funded by government but subject to little or no direct government oversight of their operations (other than contractual requirements stipulated in funding agreements). We describe these labs as *government-enabled labs* and, again, this category includes some of the most oft-cited examples of PSI labs such as NESTA’s Innovation Lab, the Public Policy Lab in New York, and TACSI. They approximate the position of commissioned experts and consultants within policy advisory systems, since their ongoing viability depends heavily on their capacity to secure government contracts for policy research and advice.

Analysing the level of government control of PSI labs along our two dimensions yields a categorisation that is helpful in placing these labs in varying relations to executive power.

Whereas locational models of policy advice systems have historically privileged the position of actors that are more proximate to executive power, proponents of PSI labs have contested the

value of proximity to government (Puttick 2014, 17). Mulgan describes this as the ‘radical’s dilemma’: working at a distance from government may better enable PSI labs to develop more coherent alternatives to the status quo, at the risk of being ignored and marginalised; while working more centrally within government may enable PSI labs to more directly influence the levers of power but at the risk of ‘being co-opted and shifted from radical to incremental change’ (Mulgan 2014). Others have similarly noted that organisational autonomy is one of the most important elements in enabling PSI labs ‘to pursue discontinuous and disruptive innovations without the direct interference from the traditional organisational structures’ (Tönurist, Kattel, and Lember 2017, 15). This suggests that government-controlled labs are more likely to be heard but also to face greater constraints, while independently-run labs will likely face lesser constraints but have to work harder to be heard by those in power.

### **PSI labs approaches**

Having classified the 20 PSI labs according to their relationship with government, we next examined the main approaches they employ in their work drawing on their own descriptions (e.g. on their websites) of their methodologies as well as other analyses of the types of approaches and tools they use. We identified four types of approaches predominantly taken in terms of the methods and techniques employed by these 20 PSI labs: design-led, open government/data, evidence-based, and mixed.

Where there were discrepancies between descriptions or classifications of a PSI lab, we privileged information provided by the lab’s own staff to determine a dominant approach. For instance, while much academic analysis of the UK Policy Lab has focused on its application of design to policymaking (e.g., Kimbell 2015; Bailey and Lloyd 2016), its director identifies ‘three forces - digital, data and design - that promise to bridge the gap between citizens and the state’ (Siodmok

2014, 26). Our analysis of publicly available examples of the UK Policy Lab projects confirms that it combines elements of design thinking, evidence-based policy and open government (Cabinet Office n.d.). It was therefore classified as ‘mixed’. The Mayor’s Office of New Urban Mechanics, on the other hand, was classified as ‘design-led’, based on comments made by its co-founder, who explained that ‘the tenets and general approach of human-centered design, really infuses everything that we do.’ (Nigel Jacob, (cited in Staszowski 2016, 63–64).

*Design-led labs* emphasise the application of design thinking to policy and prioritise ‘user-centred’ methods such as ethnography, visualisation techniques, and collaboration with citizens and other stakeholders to clarify problem definitions and co-create solutions (see e.g. Bellefontaine 2012; Mintrom and Luetjens 2016; O’Rafferty, de Eyto, and Lewis 2016). *Open government labs* employ innovative approaches in data analytics such as applying new digital and web-based tools to open up and interrogate public data. While these labs may share an emphasis with design-led labs on participatory methods, ‘open government’ labs can be distinguished by their focus on increasing the accessibility of government data, and drawing on expertise from diverse participants to run and apply data analytics, for example through the organisation of hackathons. *Evidence-based labs* are those that focus on the application of rigorous evaluation techniques, principally randomised controlled trials (RCTs), and an adherence to the idea of evidence-based policy. Our fourth category, labelled ‘mixed’, was used for labs that showed no preference for one particular set of approaches.

Almost half of the labs in our sample can be classified as design-led (see Table 2). MindLab exemplifies this type of lab, with its focus on human-centred design and user-centred innovation in public service delivery and reform. The work of TACSI in Australia illustrates the ways in which co-design, in particular, can be used to engage people who may be labelled as ‘vulnerable’ or ‘disadvantaged’, such as families experiencing hardship, and to work with them to design new



social services that better meet their needs (Mintrom and Luetjens 2016, 397).

**Table 2: PSI labs approaches and types**

	<b>Independently-run</b>	<b>Government-enabled</b>	<b>Government-led</b>	<b>Government-controlled</b>
<b>Design-led</b>		Futurelab Kennisland Public Policy Lab TACSI	Mayor's Office of New Urban Mechanics La 27e Région MindLab	The Human Experience Lab/Design Thinking Unit SILK
<b>Open government/data</b>	GovLab	NESTA Innovation Lab		Barcelona Urban Lab Datos Abiertos
<b>Evidence-based</b>			Fonds d'experimentation pour la jeunesse	
<b>Mixed</b>	Finance Innovation Lab MaRS Solutions Lab		LabPLC Sitra	iZone Policy Lab (UK)

Four PSI labs in our sample were categorised as open government/data labs, an approach that is epitomised by GovLab, at New York University, when it proclaims: ‘We believe that increased availability and use of data, new ways to leverage the capacity, intelligence, and expertise of people in the problem-solving process, combined with new advances in technology and science can transform governance’ (GovLab n.d.). The open government agenda appears to be strong in Spanish-speaking countries, with labs in Latin America reportedly focusing more on citizen participation and open data than on experimentation or evaluation (Acevedo and Dassen 2016, 10). Another four labs fell into our mixed approach category.

BITs, which are spreading rapidly into executive offices and public sector departments in many nations, would appear in our ‘evidence-based’ category, had they been included in our sample. Having excluded BITs, we identified only one evidence-based lab: the Fonds d’expérimentation

pour la jeunesse. A French Government established fund, it aims to improve young people's educational achievement and social and professional integration. It is characterised by its use of rigorous evaluation methods, such as RCTs, and its objective to 'inspire evidence-based policies related to youth' (Mathieu Valdenaire, cited in Puttick, Baeck, and Colligan 2014, 29).

Our analysis shows no clear relationship between the main approaches and the relationship to government. Design-led labs appear in every category of government oversight, except independently-run labs, although two of the three 'independent' labs (Finance Innovation Lab and MaRS Solutions Lab) were classified as 'mixed', and include design methods in their attempts to address complex challenges. Both open government and mixed approaches were also spread across the different types of labs. Our single example of an evidence-based lab was in the government-led category, although BITs would generally be located in the government-controlled category.

### **PSI labs and the policy process**

The data we assembled on our sample of 20 labs also includes information on how they interact with policymaking processes – if at all. In many cases, especially among the design-led labs, their activities are generally closer to service design, or even capability building, than policy design. The first programme developed by La 27<sup>e</sup> Région, for instance, involves a multidisciplinary team immersing themselves in residence within a public facility or service to observe current practices and experiences, rapidly test different options, and ultimately propose concrete improvements (La 27<sup>e</sup> Région 2017). TACSI has similarly largely focused on programme and service design activities; although it is now prototyping policy solutions as part of its philanthropically-funded 'Innovation Age' project (Burkett 2016). To some extent, PSI labs' lack of engagement with traditional policymaking processes may be intentional, as they seek to offer alternative ways of

addressing public problems. It is nonetheless surprising that, even among the available examples of work carried out by labs that call themselves a ‘Policy Lab’, there are very few illustrations of PSI labs engaging in policymaking activities (see, e.g. Kimbell 2015).

In this final part of our analysis, we sought examples of six types of policy activities based loosely on the commonly identified stages of the ‘policy cycle’ (Howlett, Ramesh, and Perl 2009). We classified the projects and activities carried out by PSI labs according to the following types of policy-relevant activity:

1. Identifying problems and informing the policy agenda (e.g. through research and/or data generation, analysis or dissemination)
2. Generating proposals and identifying potential solutions (e.g. through ideation, crowdsourcing, researching options)
3. Testing solutions (e.g. prototyping, experimental trials)
4. Decision-making (e.g. choosing solution/course of action, determining/producing policy)
5. Implementing policy instrument(s) and/or scaling solution
6. Monitoring and evaluating.

There was enough English-language information available about the activities of all labs in our sample in order to categorise them in this way, except for LabPLC. The most common types of policy-related activity we identified were generating and testing solutions – 16 and 17 out of 19 PSI labs, respectively, had demonstrated their involvement in these two kinds of activities. There were also numerous examples of labs participating in problem definition and evaluation. We found fewer examples (only 5) of PSI labs engaged in implementation and/or scaling activities, and barely any instances of PSI labs being clearly involved in policy decision-making. Exceptions to the latter were MindLab’s work with the Danish Ministry of Employment to reform youth employment services, moving from generating new ideas and co-designing initiatives to ‘specific changes to legislation to ensure that the policy objective was followed,’ according to Christiansen (2016, 51–52).

There is, of course, a degree of correspondence between the approaches that these labs take and the aspect of the policy process they focus on. Given that nearly half of the labs in our sample were design-led and a number of those classified as mixed also did some designerly work, it is not surprising that generating and testing solutions was the most commonly identified activity.

However, the lack of examples of policy decision-making and policy implementation is instructive. In democratic systems, decision-making is seen to be the purview of politicians and the institutions of government that are closely aligned with politics (parliaments). Hence, it seems that PSI labs are a new addition to the crowded landscape of actors that provide background information, can generate and test ideas, and can monitor and evaluate policy. What they do not appear to do is provide an alternative to the traditional ways in which policy decisions are made. Neither do they seem to move much beyond idea generation into implementation and the scaling up of solutions. An exception is Sitra, the world's oldest public innovation agency, which is unique in its structure, resources and age when compared with the other 19 labs discussed here. Sitra has 'achieved impact through scaling new services and practical programmes', such as its health service voucher scheme that was adopted by over 100 Finnish municipalities ((Mathieu Valdenaire, cited in Puttick, Baeck, and Colligan 2014, 29).

Perhaps design-led approaches, which are linked to the notion of greater user (or citizen) participation in defining problems and creating solutions, and often related to notions of collaborative governance, are simply incompatible with standard policy decision-making processes?

## **Discussion**

The speed at which PSI labs are being established calls for deeper consideration of their role in contemporary policy-making processes, particularly as the types and approaches of PSI labs are

just beginning to be understood. Whether they challenge conventional models of policy-making has rarely been examined. Our mapping of the characteristics of 20 leading PSI labs illustrates how the application of design thinking is integral to what many of these labs do, but the relationship of this to policy-making is unclear. This raises questions about the suitability of ‘designerly’ methods to *policy-making* and the relationship between ‘the labification of the policy field’ (Williamson 2015a, 4) and broader paradigms of evidence-based policymaking and experimentation in policy design (Stoker and John 2009; Sabel and Zeitlin 2010; Parsons 2002).

There is an often unacknowledged tension between design-for-policy (Bason 2014) and positivist approaches to policymaking as a scientific, or ‘empirically driven decision model’ (Wagle 2000, 208) informed by knowledge produced by social scientific methods such as modelling and statistical inference (Parsons 2002, 44). This desire for policy designs to be made on the basis of ‘rational’ evidence (Clarence 2002, 4) is reflected in the growing interest in using design experiments as a means of providing an initial evidence base about ‘what works’ in the early stages of policy interventions (Stoker and John 2009, 356). Grounded in the experimental research tradition in social sciences, design experiments are an iterative approach to testing policy interventions where ‘researchers and practitioners use the information about the implementation of an intervention to help re-specify and re-calibrate it until it works’ (Stoker and John 2009, 358). Echoing the work of Sabel and Zeitlin (2010) on experimental governance, the focus is on developing a practical understanding of what could work in the context of ‘implementation issues and real-world constraints’ (Stoker and John 2009, 362). As in design thinking, prototyping and testing solutions is a critical part of policy design experiments. However, the underlying epistemology of design experiments remains firmly rooted to principles of scientific inquiry and putting these at the heart of the policy decision-making process. This is in contrast to the designerly ways of knowing (Bailey and Lloyd 2016, 9), abductive logic and interpretive thinking styles (Bason 2013, x) of many PSI labs.

This tension between design thinking and positivist approaches is rarely acknowledged in overviews and practice guides, which try to position design-led approaches ‘within the wider context of efforts to bring innovative methods to the public sector, such as behavioural insights or other evidence-based approaches’ (Centre for Public Impact 2016, 3 see also Fuller & Lochard, 2016, 1). Some aspects of design-led approaches may be incorporated into the policy cycle in a way that does not disrupt the idea of policymaking as a rational, sequential and incremental process. For example, the description of design thinking by Mintrom and Luetjens (2016) suggests a very minimal role for a designerly approach, simply seeing it as an extra source of stakeholder engagement, and skimming over the creativity and divergence aspects which are fundamental to it. Yet design thinking also problematizes policymaking by challenging conventional practices and models of expertise.

Designerly methods seldom produce the kind of quantifiable, ‘the size of the effect of A on B is’, knowledge/evidence (Parsons 2002, 46) demanded by positivist models. In her ethnography of the Policy Lab (UK), Kimbell shows how design methods requiring visual and creative skills open up policy-making to more diverse inputs and forms of expertise that are at odds with the instrumental rationality of prevailing decision models and their reliance ‘on the validity of evidence produced by induction and deduction’ (2015:31). Bailey and Lloyd (2016) similarly observe an epistemological tension between creative approaches to knowledge production and mainstream policy-making ways of knowing that rely on managing knowledge in specific ways. The growth of BITs around the world is testimony to the strength of interest by governments in the rigorous application of experiments to discovering what works in improving services. This approach is in no way disruptive to policy-making as an evidence-driven process, and in fact is strongly supportive of the most rationalist of approaches to it. As Rebolledo (2016, 43) argues: ‘design may offer a fundamental reinvention of the art and craft of policy-making for the twenty-

first century’ that threatens positivist assumptions about the demand for ‘rigour, replicability and independence’ (Clarence 2002, 3) underpinning evidence-based policymaking.

This highlights the need for critical reflection on the suitability of design-led approaches to addressing *policy* problems. It is notable that very few of the PSI labs featured in this paper are openly engaged in *policy* design projects. Rather, they are predominantly undertaking service design work focused on delivering incremental improvements to local services for small communities. This underscores the potential limitations of ‘design thinking’ approaches to policy-making, which should be further considered in future studies. While community-based issues can be understood without years of training in sociology, law, economics or philosophy, the vocabulary and methodic practices of design may start to crumble when they are extended to system-wide challenges and understanding the complicated linkages between the market and the state (Chen et al. (2016, 3).

Further, it is largely taken for granted within the literature on both PSI labs and collaborative innovation that incorporating the perspectives of citizens and other end-users will ‘promote better policymaking’ (Mintrom and Luetjens 2016, 395) and ‘the probability of finding transformative ideas’ (Torjman 2012, 5). However, according to a recent systematic review of the literature on co-creation and co-production, while citizen participation may be a normative ideal there is no evidence to demonstrate whether it produces better public services or leads to greater innovation (Voorberg, Bekkers, and Tummers 2015, 1341).

This article has proffered an initial map of the field of policy labs, proposed a typology in regard to their relationship to government, highlighted the array of approaches that PSI labs deploy, and examined where they appear to be working in relation to the policy process. We have made some progress in understanding PSI labs by identifying that many of the most prominent labs occupy an in-between relationship with government, tend to use design-led approaches, and focus on

generating and testing service delivery solutions on a small scale. There is clearly a need for further research to explore these, and other, questions about the interactions and impacts of PSI labs in relation to policy-making processes and outcomes. As it stands, there are few indications that labs are moving beyond being a new source of idea generation for small scale testing of services, and into more paradigm changing work on policy decision-making that would fundamentally challenge how the policy process works.



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