

Beyond creativity: public innovation as a strategy in Chile. Lessons from five years of measurement

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Abstract

*Public innovation is essential for improving service delivery and governance. In 2019, Chile launched the **Public Innovation Index (IIP)** with the Inter-American Development Bank (IDB) to measure innovation capabilities in institutional resources, practices and processes, and collaboration and openness. Five years later, the IIP has become a key diagnostic and strategic tool. The 2023–2024 assessment showed a 12% increase in participation and a 9.2% rise in innovation capacity, with notable progress in interinstitutional collaboration and citizen participation. However, challenges remain, such as cultural resistance to innovation and limited funding. This article reflects on Chile's experience of measuring public sector innovation, emphasising the importance of capacity-building, international collaboration and user-centred approaches. The findings offer insights for governments aiming to enhance their innovation measurement frameworks and improve public services.*



1. The public innovation panorama in Chile

Public innovation has become a key priority for governments striving to improve service delivery, enhance efficiency, and respond effectively to the evolving needs of society. This focus is particularly evident in the rise of collaborative innovation, whereby public authorities increasingly engage diverse stakeholders – such as private sector actors, citizens and non-profit organisations – in the innovation process. The shift from traditional, top-down approaches to more collaborative frameworks reflects a broader understanding of governance that values networks and partnerships as essential drivers of public sector innovation (Torfing, 2016).

Chile provides a compelling example of this new paradigm, having made significant strides in public sector innovation over the past decade. A cornerstone of this progress has been the establishment of the **Laboratorio de Gobierno** (Government Laboratory), a programme dedicated to fostering innovative solutions through experimentation and collaboration. Acting as a facilitator for testing new ideas and methodologies, the laboratory seeks to

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improve public service delivery while aligning with global trends in public innovation. Its work underscores the growing recognition of experimentation and co-creation as powerful tools for addressing complex governance challenges (Laboratorio de Gobierno, 2021).

As part of the evolution of Chile's Laboratorio de Gobierno, the need arose to develop an index to measure the innovation capabilities of public services. This index became a critical tool for diagnosing the current state of innovation in the public sector, identifying strengths and areas for improvement, and guiding the design of more effective public policies. Through this initiative, Chile aimed to not only enhance efficiency and creativity in public administration, but also establish a model of reference for other nations facing similar challenges in their governance systems (Laboratorio de Gobierno, 2021).

The purpose of this article is to analyse and deepen understanding of Chile's experience of measuring innovation capabilities through the **Public Innovation Index** (IIP), reflecting on the insights gathered throughout the process. By examining these insights, the article seeks to offer valuable perspectives for other governments and contexts interested in strengthening their innovation capacities, addressing complex challenges, and improving the effectiveness of public services through more collaborative and co-creative approaches.



2. The Chilean public innovation index

Launched in 2019, the IIP was designed to evaluate the capabilities of Chile's public services to generate innovative solutions that meet its citizens' needs. This initiative, developed in partnership with the Inter-American Development Bank (IDB), focuses on measuring capacities across three dimensions: institutional resources, practices and processes, and collaboration and openness. These dimensions encompass both enabling factors, such as basic institutional resources, and conditioning factors such as interinstitutional coordination and citizen participation, both of which directly impact innovation outcomes (Laboratorio de Gobierno, 2021).

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The index relies on a self-administered digital questionnaire completed by public servants. This participatory approach not only collects data, but also raises awareness about innovation within the public sector. The results provide actionable insights, highlighting both strengths and gaps in innovation capabilities. For instance, previous assessments revealed strengths in digital resources and user participation as well as significant weaknesses in ecosystem management and interinstitutional collaboration.

Addressing the challenges of measuring public innovation

Measuring public innovation introduces several challenges. One major problem is the potential for measurements to disincentivise experimentation, as excessive focus on outcomes may discourage risk-taking – a core element of innovation. The Chilean model addresses this by emphasising capacities rather than results, creating a framework that supports trial and error within controlled environments. Another challenge lies in avoiding the bureaucratisation of innovation. Over-standardisation risks limiting creativity to specific departments rather than fostering an organisational culture of innovation. Chile's index mitigates this by incorporating collaborative and system-wide perspectives.

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over competition. This aligns with global best practices, as seen in tools like the Innovation Capacity Framework of the Organisation for Economic Co-operation and Development (OECD) and Denmark's Innovation Barometer, which emphasise multidimensional approaches to innovation challenges.

International comparisons

Globally, several tools have been developed to measure public sector innovation, each offering unique perspectives. **Denmark's Innovation Barometer**, for example, provides granular insights into innovation drivers and barriers across public institutions. The **OECD's Innovative Capacity Framework** explores systemic and organisational

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innovation enablers, highlighting the importance of context-specific factors.

Chile's IIP distinguishes itself by integrating capacity-building into its measurement framework. Unlike other tools that primarily benchmark innovation outputs, the Chilean index fosters a deeper understanding of the systemic and organisational conditions necessary for sustainable innovation. Its focus on enabling environments and reflective practices offers a replicable model for other countries aiming to enhance their public sector innovation capacities.

3. Key results after five years of measurement

After five years of continuous measurement, the IIP in Chile has proven to be a vital instrument for diagnosing and fostering innovation capabilities within public institutions. The fifth cycle of the index, covering the 2023–2024 period, marked significant milestones that underscore its impact on Chile's public sector innovation landscape (Laboratorio de Gobierno, 2024).

Increased participation and coverage

Fifty-six public institutions participated in this last measurement, 12% more than in the previous cycle. Notably, the inclusion of a public hospital (Hospital de La Florida) and a government subsecretariat – the Subsecretariat of Housing and Urban Development – highlighted the expanding reach and inclusivity of the initiative.



Since its inception in 2019, the index has involved 63 public services, enabling the identification of long-term trends and the sharing of institutional learning.

Growth in innovation capabilities

The index reported a 9.2% increase in the average innovation capability score across participating institutions, recording a high of 40.2 points – the highest recorded since the tool’s creation. The number of institutions demonstrating “mature” or “model” levels of innovation capability rose significantly, with 29% and 9%, respectively, achieving these statuses, compared to 24% and 4% the previous year. This progress highlights a growing commitment to fostering innovation and

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implementing innovative practices within the public sector.

Advances across dimensions

The index evaluates public sector innovation through three core dimensions: institutional resources, practices and processes, and collaboration and openness. Key results from this cycle include:

- 1) Institutional resources.** This dimension saw an 8.9% growth, driven by advancements in strategy and governance, which improved by 27.3%; and talent management, which increased by 4.9%. Digital resources remained the most developed capacity, with sustained high performance due to digital transformation mandates.



2) Collaboration and openness.

This dimension experienced the most notable increase, recording 17.7% growth. Improvements in user participation (+10.7%) and interinstitutional coordination (+14.7%) indicate growing efforts to integrate citizens and collaborate across institutions. The management of external stakeholders capacity saw the highest growth (+41.4%), reflecting a shift toward co-creation with societal actors.

3) Practices and processes. While growth in this dimension was more modest (+0.6%), the number of reported innovation initiatives increased substantially, with institutions presenting an average of 5.3 projects – the highest since the index’s launch. However, there remains room for improvement in procedural evaluation and the adoption of experimental methodologies.

Expanded focus on innovation outcomes

The index also tracked 299 validated innovation initiatives, showcasing a dynamic and growing public sector. These projects emphasised efficiency, with 23.6% aimed at optimising resource use, 22.5% focused on improving service quality, and 20.5% targeting increased user satisfaction. This evidence highlights the public sector’s commitment to delivering tangible benefits to citizens.

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Addressing persistent challenges

Despite these achievements, the index also identified areas requiring attention. These included cultural barriers to innovation (22.4%), difficulties in securing funding (19.6%), and interoperability issues between systems (19.2%). These insights underscore the need for sustained efforts to create an enabling environment for innovation.

A strategic tool for transformation

The fifth cycle of the IIP solidifies its role as a strategic tool for guiding Chile's public sector toward a more innovative and responsive governance model. By diagnosing capabilities, offering tailored feedback and fostering a culture of innovation, the index serves as a critical



driver for modernising the state and enhancing public value. This progress also positions Chile as a regional leader in public sector innovation, providing valuable lessons for other nations seeking to strengthen their governance systems through innovation.

4. Closing remarks and recommendations for scaling

Measuring public innovation is not merely an exercise in data collection; it is a strategic endeavour to embed innovation into public administration. Chile's experience demonstrates how measurement can serve as both a diagnostic tool and a catalyst for systemic transformation. By addressing the inherent tensions of innovation measurement and focusing on capacity-building, the IIP provides valuable insights for governments worldwide. As global challenges grow increasingly complex, learning from such experiences becomes essential for fostering agile, responsive and effective public governance.

As countries around the world strive to enhance their public service delivery through innovation, the lessons learned from Chile's Laboratorio de Gobierno provide valuable insights for scaling measurement frameworks to other contexts. To effectively adapt these learnings, three key recommendations emerge: fostering collaboration between countries, investing in measurement initiatives, and maintaining a user-centred focus.

Chile's experience demonstrates how measurement can serve as both a diagnostic tool and a catalyst for systemic transformation



I. Collaboration between countries

International collaboration is essential for sharing best practices and developing standardised measurement frameworks for public innovation. By establishing networks among countries, governments can exchange knowledge, tools and methodologies that have proven effective in measuring public service innovation. Collaborative initiatives could involve joint research projects, workshops and conferences that bring together policymakers, researchers and practitioners from various nations to discuss their experiences and challenges in public innovation measurement. As Mulgan (2019) points out, sharing knowledge across borders can enhance the capacity of governments to innovate and improve public services, ultimately leading to better outcomes for citizens. Such partnerships can lead to the development of a comprehensive global index that benchmarks public innovation efforts across different contexts, enabling countries to learn from one another and adopt successful strategies tailored to their unique circumstances.

II. Investing in measurement initiatives

To effectively measure public innovation, governments must prioritise investment in data collection and analysis capabilities. This includes allocating resources for the development of robust indices that capture the multifaceted nature of public service innovation. The OECD (Das-Doyle, 2021) highlights the importance of investing in measurement frameworks

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that can provide actionable insights for policymakers, thereby facilitating informed decision-making and resource allocation. By investing in technology and training for public servants, countries can enhance their capacity to gather and analyse data on service delivery outcomes, citizen engagement and the impact of innovative practices. Furthermore, establishing partnerships with academic institutions and research organisations can facilitate the development of evidence-based measurement frameworks that reflect the specific needs and contexts of different countries.

III. User-centred focus

A user-centred approach is critical to ensuring that public innovation measurement frameworks are relevant and effective. Engaging citizens in the design and implementation of measurement initiatives can provide valuable insights into their needs and expectations, ultimately leading to more effective public services. As Bason (2010) argues, co-production and user engagement are essential for creating public services that truly meet the needs of citizens, fostering a sense of ownership and accountability. This approach emphasises the importance of co-production, where users actively participate in the innovation process, thereby fostering a sense of ownership and accountability. By prioritising user feedback and experiences, governments can create measurement frameworks that not only assess the effectiveness of





public services, but also drive continuous improvement based on real-world insights.

In conclusion, scaling the measurement of public innovation to other contexts requires a collaborative, investment-driven, user-centred approach. By fostering international partnerships, committing resources to measurement initiatives and engaging citizens in the process, countries can enhance their public service delivery and create more responsive and effective governance systems. The experiences of Chile's Laboratorio de Gobierno serve as a valuable model for other nations seeking to navigate the complexities of public innovation measurement and improve the quality of services provided to their citizens. ■

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