

# Experimentation Guidelines for the Latvian Public Sector

These guidelines were developed by Demos Helsinki in close collaboration with the Latvian State Chancellery's Innovation Laboratory and Observatory of Public Sector Innovation

(OPSI). Demos Helsinki has drawn from their experience and work with the Finnish Prime Minister's office in developing the experimentation culture.

### **Demos Helsinki**

Demos Helsinki is a globally operating, independent think tank. It conducts research, offers consultancy services, and reimagines and experiments futures with a global alliance, Untitled. It works with curious governments, cities, companies, universities, and other partners sharing a mission to build a fair, sustainable and joyful next era.

### **Innovation Laboratory**

The State Chancellery's Innovation Laboratory of Latvia is the brand established by the State Chancellery to promote public sector innovation. The lab solves challenges by using design thinking and co-creation approaches.

### **The Observatory of Public Sector Innovation (OPSI)**

OPSI is a global forum for public sector innovation at the OECD. In a time of increasing complexity, rapidly changing demands and considerable fiscal pressures, governments need to understand, test and embed new ways of doing things.

OPSI works with governments to understand and encourage new approaches to address society's complex problems by empowering public servants with new insights, knowledge, tools and connections to help them explore new possibilities.

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# The contents:

## Introduction

### SECTION 1: 21st Century Government is Experimentalist

1. We need to reimagine government
2. Role of experimentation in the public sector
3. Experimentation is about working towards a desirable future through innovations

### SECTION 2: Choosing the ambition level and the right type of experimentation

1. Experiments come in different forms and shapes
2. Experiments vary in their ambitions for change
3. The case for transformative approach to experimentation in Latvia

### SECTION 3: Building Experimentalist Governance in Latvia

1. Enabling experimentation in the Latvian public sector
2. Principles for successful experiments
3. Five phases and tools of experiments

## Towards an experimentalist government

## Introduction

The world in which we live today poses challenges that many governments are unequipped to deal with. There is a need to rethink how governments operate. Therefore, governments all over the world are looking for new kinds of approaches to improve their capabilities to serve people and address looming global challenges such as climate crises.

Experimentation offers one particularly promising way for navigating under these uncertain and rapidly changing circumstances of the 2020s. .

**In this publication, we define an experiment as a structured process of trying out policy ideas in order to enable learning and iteration before scaling takes place.**

Experimentation offers governments opportunities to create effective, people-centred policies and services by enabling engagement and co-creation with a wide range of stakeholders throughout the process. It mitigates risks by enabling the testing of solutions before significant investments have been made. Using experimentation helps create evidence-based policies and enables quick learning in early phases by revealing what works and what does not.

There is a need to create a common approach of addressing public governance and public service challenges also in Latvia. Latvian civil servants and public organisations are eager to meet those challenges through experimentation. There are already policy experiments conducted in Latvia. However, while preparing this publication together, we identified that the next important leap is to explore the opportunities of transformative experiments that are linked to the strategic objectives of the Latvian government.

The approach of transformative experimentation will not materialise overnight. This publication serves as a very first attempt to start building experimentation culture in the Latvian public sector as well as creating a common understanding and point of reference. It aims to enable the Latvian public sector to utilise the methods of experimentation and encourage an experimentation culture throughout the public sector. The guidelines also introduce examples and best practices from around the world to inspire and support the development of experimentation culture in Latvia.

Managing and running experiments can be a lean process integrated into the existing structures and daily activities of civil servants. This publication describes ways to enhance experimentation culture and includes guidelines to conduct experiments, both aiming to enable Latvia to grasp the opportunities of experimentation right away. However, a transformative experimentation approach, as described in this publication, requires broadening these capabilities, addressing different cultural and structural barriers, as well

as securing sustained political will and support for experimentation in the later phases as well.

The publication has four sections:

1. **21st Century Government is Experimentalist** describes why governments need experimentation, what experimentation means and how the Latvian public sector can benefit from an experimentalist approach.
2. **Choosing the ambition level and the right type of experimentation** describes different kinds of experiments and suggests the transformative approach of experimentation to be utilised in Latvia. Together with the first section, this is especially aimed to inspire managers of public institutions to change the culture and practices of Latvian public sector towards experimentation.
3. **Building Experimentalist Governance in Latvia** describes how to enhance experimentation culture throughout the government and to conduct and implement experimentation. This section is a more practical part that is relevant to all civil servants who want to utilize experimentation in their work. If the experimentation approach is familiar, the reader can jump straight into the third section.
4. **Appendix** includes experiment case examples and examples of the methods

Experimentation is about taking action and learning together in structured ways, before scaling up ideas. It can be challenging yet rewarding. Let's get started!

## SECTION 1: 21st Century Government is Experimentalist

### 1. We need to reimagine government

Over the coming decades, societies all over the world are expected to undergo significant changes and transformations. Alongside the contemporary challenges of the climate crisis, developments like digitalisation, increasing global mobility and demographic changes will penetrate virtually every layer of our societies.

A wake-up call to challenges that will require governments to develop their *modus operandi*, COVID-19 is a practice round to a century of transformations. During the crisis, governments have been forced to implement policies without solid knowledge on their impact. Not having previous experience or a knowledge base to rely on, governments have had to turn to the rationale of trial and error, in other words, to develop experimentative responses.

COVID-19 constitutes only a taste of the unpredictable, global crises that the future holds, especially as a consequence of climate change.<sup>1</sup> As the public governance landscape is characterised by uncertainty and unpredictability, it requires operating models with the capacity to navigate such environments.

However, there's no comprehensive understanding of practices and governance needed for uncertain futures. That is why governments throughout the world are developing anticipatory approaches – enhancing capabilities to utilise future and foresight methods in a systematic way. That is also why governments are looking for the opportunities of experimentation – experimentalist government refers to looking and experimenting continuously for new solutions and being ready to correct policies and operations based on new information.

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<sup>1</sup> IPCC (2014), [Impacts, Adaptation and Risk: Summary for Policymakers](#)

## 2. Role of experimentation in the public sector

Governments globally are recognising the value of integrating systematic experimentation into their core functions, as a tool for navigating – and innovating – in increasingly unpredictable governance landscapes. Over the last decade, countries around the world have been actively exploring new ways to start using experimentation as a tool in their public sector work to help tackle a wide variety of issues and challenges, ranging from quality of education and crime reduction to questions about the most suitable welfare model.

Experimentation within the public sector helps civil servants in different levels of public governance navigate under uncertain circumstances through building an evidence base and trying out different solutions to a problem in practice. The solutions that lead to desired outcomes can then be scaled, while avoiding ineffective ones altogether. Therefore, experimentation allows for resources to be allocated to programmes and policies that yield the best results, which improves resource efficiency within the public sector. Experiments can help the government accept a certain degree of uncertainty and learn how a large-scale project might work in practice by systematically evaluating preliminary results. In that way, experimentation serves as a means of promoting learning within the public sector.<sup>2</sup>

In addition, experimentation enables involvement of relevant stakeholders in the policy processes in a new way. This involvement can provide governments with a diversity of perspectives and increase citizen participation and, consequently, improve the prospect of human-centred policies.

Strategically producing learning through systematic experimentation and accumulating knowledge on what works – and also, what does not – gives governments a head start as they navigate in complex landscapes: the faster one fails, the faster one can succeed<sup>3</sup>. And while trying out new ideas is inevitably characterised by a certain degree of risk, so is the option of continuing with the status quo in a time that calls for action and change.

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<sup>2</sup> Swedish Economic Forum Report (2018): [Navigera undre osäkerhet entreprenörskap, innovationer och experimentell policy](#)

<sup>3</sup> Edmonson, Amy (2011) [Strategies for Learning from Failure](#), Harvard Business Review article.

## Summary

There is an increasing pressure on governments to operate under highly uncertain circumstances and to implement policies in the absence of predictability. The public sector on national, regional and municipal level, is in dire need of operating models that function efficiently under rapidly changing circumstances. In an increasingly unpredictable governance landscape, not utilising experimentation can be compared to walking into a dark room without a flashlight. By starting small and trying out what works in practice, experimentation can decrease the risk and reduce cost involved in implementing new ideas.<sup>4</sup>

Without an experimentation approach:

- Potentially impactful initiatives are likely to be left unexplored, due to being considered too risky or radical – or just different from what one is accustomed to
- Governments may invest a lot of time planning the perfect reforms, which at best do not have the intended impact when implemented, or at worst can have serious negative unanticipated impacts

With an experimentation approach:

- Governments can benefit from systematic testing and assessment to produce knowledge about what works, and thereby create a system for quick learning and strengthen evidence-based policies
- Governments may safely explore solutions to challenges that are characterised by a high degree of uncertainty with regard to both the desired outcomes of the experiment as well as the probability of achieving them
- Governments can strengthen human-centric policies by co-creating policies and services together with different stakeholders

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<sup>4</sup> Center of Public Impact, (2018): [A Manifesto for Better Government](#)

### 3. Experimentation is about working towards a desirable future through innovations

Experimentation itself is nothing new. It is about creating, developing and testing innovative ideas. Galileo's famous experiment on gravity and the classic example of trial and error of Thomas Edison's lightbulb highlight some of the early examples of experiments. Innovation, in turn, is concerned with solutions that are novel, implementable and impactful<sup>5</sup>. Arriving at innovation requires navigating the unknown. Experimentation provides both tools for identifying which directions are worth pursuing further as well as territory for iterative development in practice.

Experiments can take many forms and serve different purposes. Exploratory experiments, such as prototypes, serve the purpose of exploring unknown problem spaces, while rigorous randomised experiments can provide reliable data on the outcomes of interventions.

**An experiment is a structured process of trying out policy ideas in order to enable learning and iteration before scaling takes place**

In the public sector, experimentation can help ground policy decisions based on evidence rather than beliefs or hunches. New programs, policies, and services can be tested in the real world, often with a small subset of organisations or people, in order to gain knowledge of their impact. For example, if the government is looking to conduct an experiment on improving academic performance through offering more nutritious school lunches, it could run a pilot program and compare the results between two small groups of schools.<sup>6</sup>

Governments globally are recognizing the value of integrating systematic experimentation into their core functions. Over the last decade, countries like Finland, Canada, and the United Kingdom have been leading the way in the development of experimentation models for the public sector, and others are following: countries around the world are actively exploring new ways to start using experimentation as a tool in their public sector work to help tackle a wide variety of issues and challenges, ranging from quality of education and crime reduction to questions about the most suitable welfare model.

Within public governance, experimentation allows for a systematic and robust assessment of aspects that concern both the impact and the implementation process of policies<sup>7</sup>. As such, experiments are not inherently value neutral – rather, experiments build upon

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<sup>5</sup> OPSI (2018) [Innovation is a many-splendoured thing](#)

<sup>6</sup> IGC (2015) [Do higher salaries lower petty corruption? A policy experiment on West Africa's highways](#)

<sup>7</sup> Center of Public Impact, (2018): [A Manifesto for Better Government](#)

normative ideas about the ideal state of society – and should therefore be developed, evaluated and commented publicly in order not to undermine democracy.

### **The key elements of experiments**

There are a number of elements that characterise experimentation as a methodological approach.

**Goals:** An experiment should be conducted on the basis of a clear goal with regard to i) the concrete learning outcome of the specific experiment and ii) the broader societal challenges that the experiment is intended to contribute to solving.

**Systematic learning:** An experiment should have a clear plan on i) how knowledge is gathered during the experiment, ii) where – as well as to whom – this knowledge is communicated. Learning is also dependent on pre-determined evaluation criteria that enables one to draw conclusions on the basis of the experiment. If the experiment does not go as planned, the hypothesis is proven to be wrong, the experiment has not failed, since it has enabled learning.

**Measurability:** To enable systematic learning, experiments should be assessed on the basis of clear and specific evaluation criteria, remaining open to failure.

**Scalability:** While experiments should be implemented on a selected sample before scaling, there should be a clear and realistic plan on how an experiment, if proven successful, will be scaled – that is, how the policy that has been tested in the experiment will be scaled in practice.

**Limited time-frame:** An experiment should be limited to a specific period of time and have a predetermined end date.

### **Consequently, it is *not* experimentation if...**

- its aim is only to validate an existing hypothesis, not to explore unknown solutions
- it is only considered an experiment after it has failed
- there is no openness with regards to the outcomes, but rather a strong conviction of what the result has to be already before initiating the experiment
- it is continued indefinitely without a set time-frame
- it is implemented on a whole population rather than a selected sample
- it causes a reluctance to communicate openly about the results – especially if the experiment fails to produce desired outcomes – this undermines both transparency and learning

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### **BENEFITS of experimentation:**

1. **Enables engagement and co-creation**  
Policy-making outcomes are improved as relevant stakeholders are involved from an early stage in the policy-making process.
2. **Mitigates risk**  
Experimentation exposes weaknesses early on, which allows for making changes to – or ending – reforms and policies, for example, before significant investments have been made.
3. **Reaches beyond the obvious**  
Oftentimes, the best solutions can be found outside of the comfort zone. In the absence of fear of failure, the space for creative thinking and innovation expands.
4. **Reveals what works – and what does not**  
Experimentation provides reliable information on whether or not a plan works in practice, which can facilitate political decision-making.
5. **Steers operations in the desired direction**  
Experimentation is iterative in its nature and involves feedback loops throughout the process. Thus, the direction of a project can be adjusted as needed within a short time-frame.

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### **Ethical considerations**

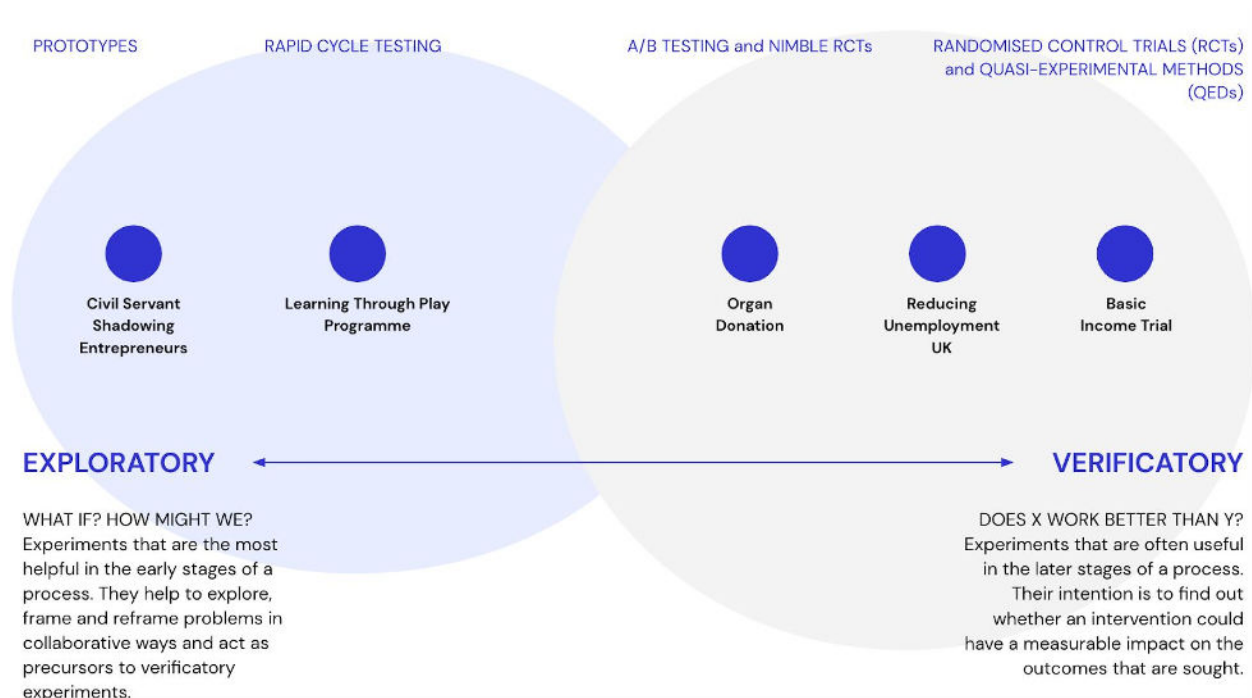
Paying close attention to the ethical implications of experiments is particularly important in the public sector, because of the government's responsibilities towards its citizens. The experimentation team should be clear on ethical considerations as early as the preparation phase (see more: Section 3.3: Five phases of experiments) as well as throughout the entire process. The questions below act as a starting point for considering the ethical implications of experiments:

- What could be some of the negative consequences or outcomes of the experiment? How could they be prevented?
- Do the potential benefits of the experiment outweigh the potential harms?
- Who are those directly affected by the issue (i.e., the stakeholders) and how are they going to be engaged in the planning process?
- Do the stakeholders participate through informed consent?

## SECTION 2: Choosing the ambition level and the right type of experimentation

### 1. Experiments come in different forms and shapes<sup>8</sup>

Experiments can be based on a variety of different types, tools and approaches. One helpful way to distinguish and make sense of this variety is to look at the purpose of an experiment. Does it help us to **explore** or **verify** the effectiveness of different options? Exploratory experiments can be used when the nature of the problem (and thus the corresponding solution) is unclear. On the other hand, verifactory experiments are more suitable when there is already some preliminary evidence about the effectiveness of the planned intervention. Below, exploratory and verifactory experiments are further elaborated through cases and specific experimentation methods.



Experiments can vary in whether they seek to explore or verify the effectiveness of different options.

<sup>8</sup> Note to the reader: Our work for the experimentation typology presented in this section builds on and is inspired by multiple sources, such as [Nesta's continuum of experimentation](#), [OPSI's innovation facets](#), and the [Design for Government report](#).

## Exploratory experiments

Methods that help us to explore different directions are especially useful at earlier stages of development when there are significant levels of uncertainty around the policy problem and the potential solutions. Exploratory experiments can be used to frame and reframe problems in collaborative ways. Once the intervention ideas have been developed and clarified, rigorous large-scale testing can be used to establish strong validity. Thus, exploratory experiments are often precursors to verificatory experiments. Examples of commonly used exploratory methods include prototyping and rapid cycle experiments.

### Prototyping

Prototyping enables thinking through action early on. It makes ideas tangible, and thus exposes our assumptions and gaps in knowledge about the problem, solutions and its context, and thus “frontloads the risk of failure”. If an idea is unworkable, a different direction can still be taken before using significant resources. Any potential room for improvement is uncovered when meaningful changes are still possible. Prototyping can function as a way of engaging stakeholders and end-users in the development process. Prototypes can vary greatly in terms of the level of fidelity, ranging from low-fidelity paper prototypes to high fidelity live prototyping.

#### CASE

##### **Civil Servant Shadowing Entrepreneurs 2019–2020, Innovation Laboratory Latvia & Ministry of Economics**

**Type of experimentation:** A prototype developed using design thinking and co-creation methods

**Problem & approach:** In order to tackle the lack of understanding and interaction between public officials and the end users of their policies, as well as make design thinking and user-centred approaches more accessible, the State Chancellery’s Innovation Lab created and ran a shadowing experiment in collaboration with the Ministry of Economics. During the two-year pilot scheme, altogether 75 companies and 56 government institutions participated in the experiment. Its aim was to allow public officials to step into the shoes of entrepreneurs in order to gain new experiences and help create a more efficient and effective business environment. Businesses from different fields participated, including fisheries and automotive technology companies, which resulted in a wide range of shadowing experiences from attending board meetings to overseeing production lines.

**Results:** The responses from both the public officials and the participating businesses demonstrated strong satisfaction in the experiment and indicate that it has the ability to promote understanding, dialogue and collaboration. In addition, the businesses reported that the experiment enabled specific and long-standing problems, such as sourcing financing, to be solved faster than with more traditional communication methods. The government is currently reviewing the received feedback in order to map out how to further develop the initiative before implementing it in 2021.

Source: [Embracing Innovation in Government Report](#)

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### **New Remuneration System for Health Workers 2020, Ministry of Health, Innovation Laboratory Latvia**

**Type of experimentation:** A prototype developed using design thinking and co-creation methods

**Problem & approach:** In 2020, the Ministry of Health and the State Chancellery's Innovation Lab set up a think tank in order to comprehensively assess the problems of the existing remuneration system for health workers and develop a new, more transparent and uniform version. A wide range of experts from different fields, including health workers and policy-makers, were invited to participate in the work of the think tank. As end users of the new remuneration system, their input played an important role at all stages of the process. During the problem definition phase, the participants evaluated the existing remuneration model and identified its problems. During the ideation phase, they focused on developing different kinds of solutions for testing. The new remuneration model is expected to become fully operational in 2023.

**Results:** Based on the results of the testing, different parts of the solutions can be used for creating a well-functioning and effective remuneration system that also takes the needs of different medical institutions into consideration. However, at this point, the solutions focus only on the financial aspects of remuneration. It is important that healthcare institutions also start focusing on non-financial aspects, such as working environments and career development, to ensure employee retention and quality of work.

Source: [Par jaunas ārstniecības personu darba samaksas kārtības izstrādāšanu](#) (2020)

## Rapid cycle testing

Rapid cycle testing utilises small-scale experiments to learn what is and what is not working and why, and uses this information to adjust a given intervention. In essence, this approach tightens the feedback loop and creates a learning cycle that helps to adjust the intervention swiftly to find out if it increases impact and effectiveness. This process can bring stakeholders together and enable collaboration with regard to the design, implementation and testing of these adjustments. The rigor of these experiments can vary and build up to more robust RCTs and utilisation of control groups.

### CASE

#### Learning Through Play Programme

2015, US, University of California Berkeley, Childhaven and Children's Home Society of Washington

**Type of experimentation:** Rapid cycle experiments, organised in three rounds.

**Problem & approach:** Abuse and neglect can impact the development of the executive function of children, and affect their ability to filter distractions, prioritise tasks, and control impulses. Childhaven, a Washington-based organisation on a mission to prevent child trauma and prepare children for a lifetime of well-being, worked with academic partners to develop a science-based strategy to help their students improve these critical skills through a play programme. In this programme, a playful game was developed based on scientific evidence on how to improve these important skills and introduce them to classrooms.

**Results:** The intervention was first tested with 4- to 5-year-olds in a classroom setting for 10 weeks. This initial trial suggested that strengthening basic emotion regulation skills could help develop other executive function abilities. The following 20-week intervention in other classrooms showed mixed results, and warranted further inquiry was needed to identify the aspects that contributed to positive behaviors.

Source: [Developing Child Center](#)

## Verificatory Experiments

Verificatory experiments are best suited for when there is preliminary evidence to support that the planned intervention, big or small, could have a measurable impact. Examples of commonly used methods for verificatory experiments include RCTs, Nimble RCTs and A/B testing.

### Randomised control trials (RCTs) & quasi-experimental methods (QEDs)

Randomised evaluations are often rigorous experiments that seek to estimate the impact of a given intervention with a high rate of certainty. They give us valuable information on whether the planned intervention has *caused* the impact observed. For example, randomised control trials (RCTs) compare two or more groups of people: a control group that has *not* been subject to the intervention to the group(s) that has been subject to the intervention. To minimise the numerous sources of potential bias, participants are randomly assigned into these two groups. At the end of the trial period, the outcomes of the different groups are compared and conclusions are drawn based on the effects of the interventions. Quasi-experimental methods (QEDs) are similar to RCTs but use sophisticated statistical methods to create a comparison group in cases where true randomisation is not possible.<sup>9</sup>

#### CASE

##### Basic Income Trial 2017–2018, Finland, Finnish Prime Minister's Office

**Type of experimentation:** RCTs involving 2000 people

**Problem & approach:** Automation and robotisation are thought to have a major influence on employment and the institution of work. Simultaneously, employment of residents remains one of the key targets of most governments. This apparent conflict puts governments in a challenging situation in which alternatives are needed but are very challenging to test. As part of PM Sipilä's key project of elevating experimentation into one of the government's key goals, the Finnish government launched the first-ever national basic income trial. Two thousand randomly selected unemployed citizens received a monthly lump sum of money.

**Results:** The experiment was found not to increase (or decrease) employment. It was, however, found to be connected to a number of positive aspects of well-being. The experiment did not lead to direct policy outcomes but accelerated societal debate on

<sup>9</sup> Sabarwal and White (2018): [Quasi-Experimental Design and Methods](#).

the future of social welfare and the future of work. The consequent government initiated a social welfare reform.

Source: [Kela](#)

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### Reducing Unemployment UK 2013–2014, UK, JobCentre Plus & Behavioural Insight Team

**Type of experimentation:** RCTs with a staggered roll out

**Problem & approach:** The UK government looked to increase the employment rate from 68% to 72%. By using insight from behavioural science, the team devised interventions that aimed to improve people’s chances of succeeding in finding work. In practice, this meant shifting from monitoring past activities of job seekers to supporting them in making future plans for finding a job. First, the experiment was limited to one job centre, where the intervention increased employment figures by 5%.

**Results:** After these initial promising results, the intervention was replicated at 12 other job centers. Here, the effect has been smaller but still significant with a 2% increase in employment. This RCT led to the re-training of 25,000 customer service professionals around the country.

Source: [OECD publishing](#)

### A/B testing & Nimble RCTs

**A/B tests** enable us to use the logic of the RCT approach for testing, most often online, the effects of small tweaks at a design and implementation level. The basic idea is to create multiple versions of an interface (for example, a website or an email) and change a small part of it (such as a header, phrasing or a button). Then, users are randomly directed to the different versions and data is gathered on how the users interact with the content. The response rates are then compared to see which version was the most effective. Similarly, nimble RCTs are quick, often smaller scale tests that look to examine shorter-term outcomes and operational questions.<sup>10</sup>

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<sup>10</sup> Karlan, Dean (2017) [Nimble RCTs A Powerful Methodology in the Program Design Toolbox](#)

## CASE

### Organ Donation Trial

2013, UK, Government Digital Service, Department of Health and the Behavioural Insights Team

**Type of experimentation:** A/B tests

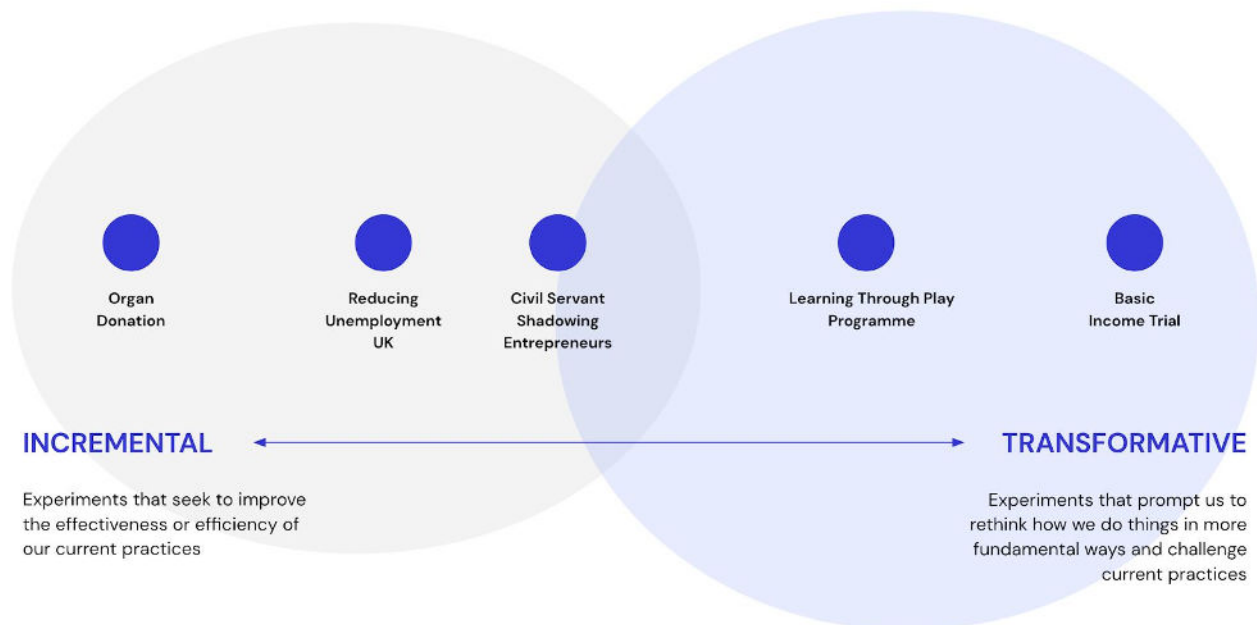
**Problem & approach:** Nine out of 10 people support organ donation, but only three out of 10 are registered as an organ donor. At the same time, it is estimated that three people die daily because of organ shortages. The BI team in partnership with the Department of Health and the Digital Service looked to close the gap between intention and action. The trial looked to test the effect of including different messages on a high traffic webpage on GOV.UK that encourages people to join the NHS Organ Donor Register.

**Results:** Using A/B testing, the team compared nine different messaging options to see which would be most effective in encouraging people to join the registry. The results showed that if the best-performing option were used for a whole year, it would lead to 96,000 extra registrations, compared to the control. The other messaging options were found to be less effective.

Source: [Applying Behavioural Insights to Organ Donation](#) report

## 2. Experiments vary in their ambitions for change

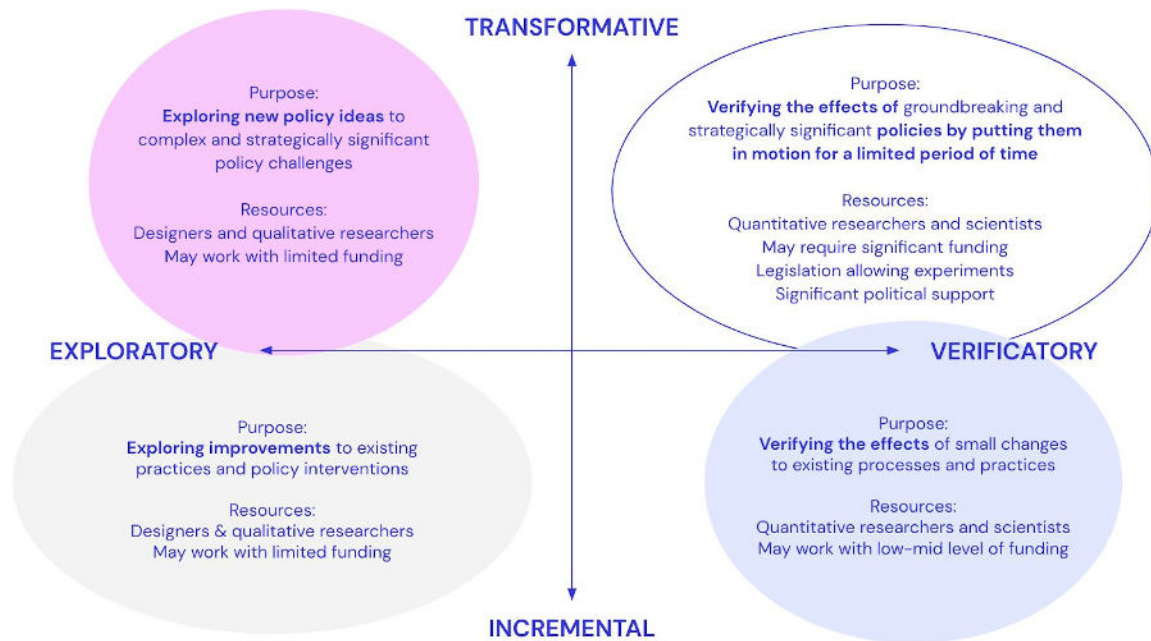
Experiments do not only vary in terms of whether they help us explore or verify the effectiveness of different interventions. They also seek to initiate change on different scales. Some experiments look to improve the efficiency or effectiveness of current practices, which often results in **incremental changes**, which can have significant impacts. However, experiments that look to enable **transformative change**, which prompt rethinking of how pertinent issues are framed and solved in more fundamental ways, are even more powerful. These experiments can significantly challenge our ways of thinking and current practices, and are particularly helpful in governing in the face of the challenges of the 21st century.



Experiments can vary in their change ambitions – that is if they seek to enable incremental or transformative change.

To help illustrate the point, let us take a look at some of the cases mentioned above. In the Organ Donation example, the experiments helped the UK government to try out and improve how citizens are reached and encouraged to join the organ donation list. This is an existing practice, and with small communications changes, the team was able to improve sign-up rates, and therefore save lives in the long term. The experiment did not, however,

look to explore or verify more transformative ideas in how the organ donation system works, or look at more fundamental questions about underlying beliefs regarding organ donations. On the other end of the spectrum, the basic income trial in Finland was used to examine more fundamental questions: what would it mean for the welfare model, people’s work practices, and their wellbeing to receive a fixed amount of income every month? This radical idea enabled societal debate and dialogue about the future of work and welfare, which would have not happened if the experiment had looked at incremental improvements to current welfare practices.



Selecting the type of experiment depends on its purpose and the resources available.

### 3. The case for transformative approach to experimentation in Latvia

The Latvian public sector has experienced several significant changes during the last 30 years such as the transition from a centralized system to a decentralized one, changes in its accounting systems from RAAP to GAAP and establishment of a civil service. However, the Latvian public service is in need of further renewal of its operating models that function effectively under a continuously changing landscape. Experimentation offers a concrete approach as a tool for navigating – and innovating – fit for purpose policies in these circumstances.

The OECD's ongoing country scan assesses that the Latvian public service is in the early days of its innovation journey, and consequently, innovation efforts are often fragmented and ad hoc, led by individuals rather than supported systematically within strategic objectives. Many of the challenges and barriers, real and perceived, could be improved through additional examination, building on successes, and stronger communications about the role of innovation and experimentation within a professional public sector. A number of investments, including in the Innovation Lab and design thinking training, have been well designed and received and can serve as a focal point for an experimentation culture and community.

Experimentation has already begun in Latvia. For example, in the summer of 2020, the Riga Municipality launched an experiment on Tērbatas Street. The street was closed for traffic and was transformed for one month to serve pedestrians, cyclists, traders and with a diverse cultural programme on weekends. The aim was to find out whether Tērbatas Street can function as a pedestrian and bicycle street, and to consider the effects on local entrepreneurs and the wellbeing of residents. The experiment, its risks and benefits, are currently under evaluation and the decision on whether any streets of Riga will be closed for traffic will be taken by councillors.<sup>11</sup> The experiment has had a mixed reception from the public and civil servants alike, but it demonstrates that experimentation is already in motion in Latvia.

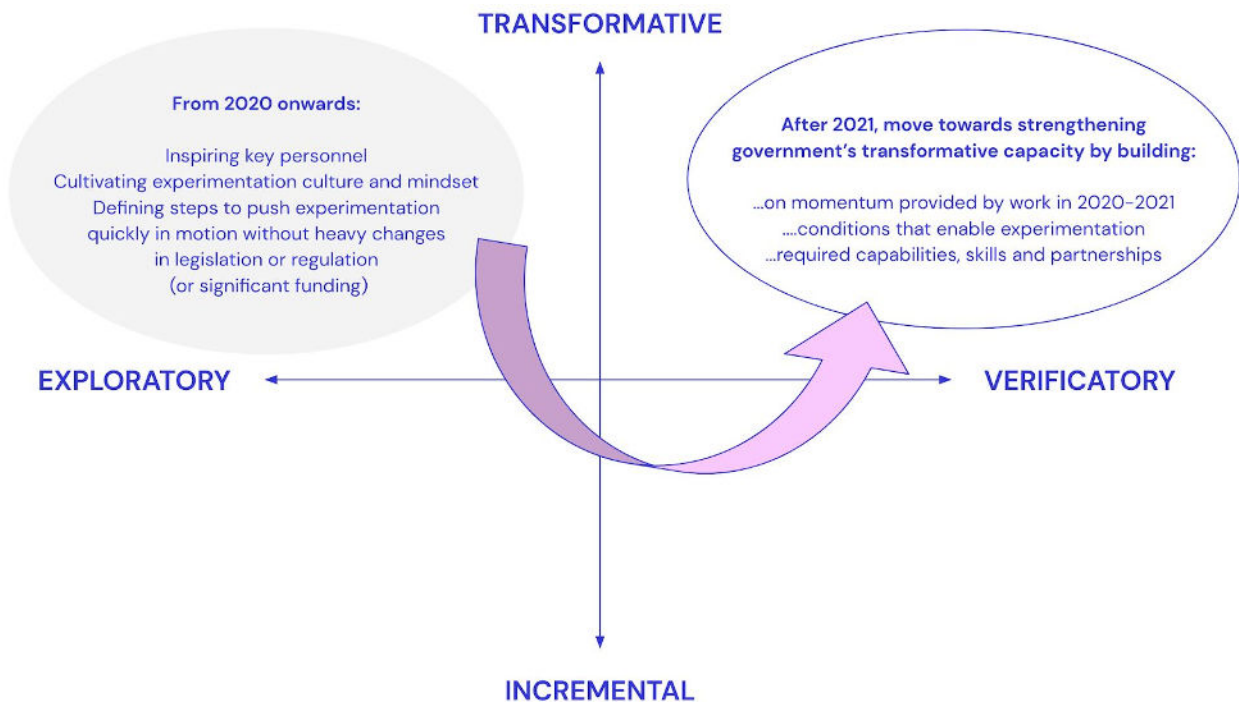
However, for experimentation to fulfill its potential in Latvia, we've identified that there is a willingness to shift the focus from exploring incremental level improvements to current practices towards experiments that have transformative potential, and are linked to strategic objectives of the government. This publication serves as the beginning of enabling this kind of approach. In addition, it would require furthering capacities in experimentation,

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<sup>11</sup> [Riga Municipality](#) (07.07.2020) [Tērbatas iela uz vienu mēnesi klūs par vasaras ielu](#)  
Archyde (16.7.2020): [The experiment ends – Tērbatas Street will be open to traffic from Monday](#)

and addressing cultural and structural barriers, as well as securing sustained political will and support.

Starting with experimentation does not necessarily require vast changes and can be accelerated by inspiring key personnel and cultivating an experimentation culture and mindset. Next section offers some suggested actions for enabling experimentation culture and steps on how to conduct experiments within existing legal and administrative structures of the Latvian government.



Approach of Transformative Experimentation

## SECTION 3: Building Experimentalist Governance in Latvia

### 1. Enabling experimentation in the Latvian public sector

Experiments do not necessarily require the formation of new structures or the establishment of new formal public administration roles. Managing and running experiments can be a lean process integrated into the existing structures and daily activities of civil servants. However, innovations and experiments in Latvia are often led by individuals and there is a lack of a systematic structure that supports experiments. We have identified several challenges and bottlenecks within existing structures, culture and capabilities in Latvian public sector that prevents utilising experimentation with full potential.

1. Bottlenecks related to culture and mindset	2. Structural bottlenecks	3. Bottlenecks related to skills
<p>Intolerance of failure within the government: blame for failure discourages experimentation</p> <p>Public resistance and distrust towards exploratory and new methods, which can result in the public resisting their implementation</p>	<p>Experimentation is not supported systematically and there are no systemic support structures</p> <p>Experimentation is not linked to strategic objectives, but rather scattered and championed by individuals</p> <p>Legal and policy frameworks are inflexible (or may be perceived as inflexible) and regulation might prevent the use of experimentation and collaboration of different actors</p>	<p><b>Exploration skills:</b> concerned with motivating the team to explore new horizons and creativity for exploring non-obvious alternatives</p> <p><b>Legal skills:</b> Making sure that the experiment can be conducted within the boundaries of law</p> <p><b>Learning and analytical skills:</b> Being able to identify insight and being transparent of when and where the experiment is succeeding or failing is a critical skill required within any experiment and in order to analyse the outcomes of the experiment</p> <p><b>Co-creation skills:</b> Experimentation links many stakeholders together, often both within and outside the organisation. Co-creation and the engagement of different actors introduces complexity and currently, many stakeholders may not have the skills to manage the complexity</p> <p><b>Data skills:</b> Ensuring that relevant data sets are identified pre-experiment, and when needed</p>

		additional data (i.e., qualitative data) is gathered  <b>Strategic communication skills:</b> to communicate with the public regarding experiments and their results
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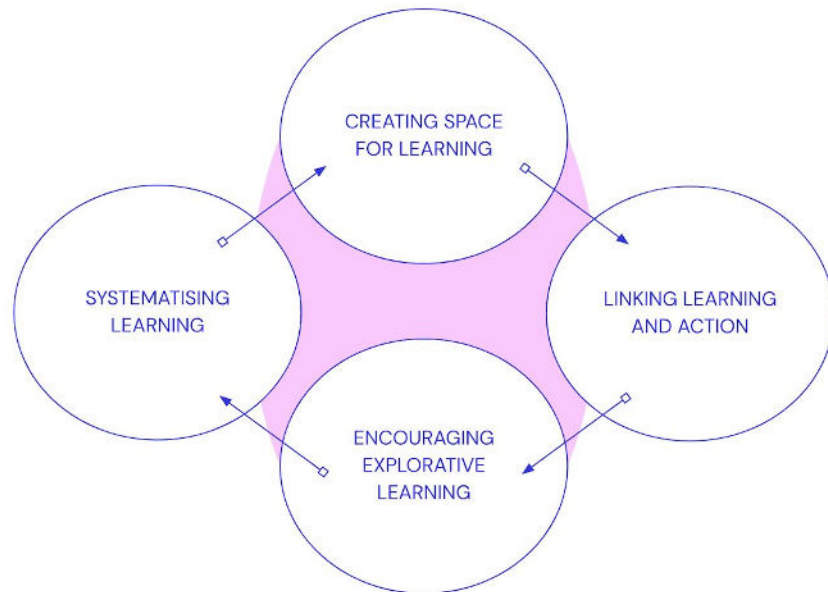
## Cultivating experimentation culture and mindset

In order to start finding the solutions for the identified barriers and pursuing a mission-oriented approach to experimentation in Latvia, an encouraging space and culture needs to be created.

Experimentation culture means that civil servants and decision-makers feel safe to express and try non-conventional ideas without facing immediate and debilitating criticism. It refers to the possibility of talking openly about failures in order to ensure learning and progress. In a government with experimentation culture and mindset, hundreds of ideas are tested. Inventors of courageous ideas can be celebrated, because the feasibility of their ideas can be put to test. Eventually, the better ideas start benefitting society at large.

**The core factor of an experimentation culture is thus to accept failure.** Failure that leads to learning is not only accepted, but anticipated and encouraged. In experimentation not everything goes as planned because experiments are about testing new solutions and ideas, which nature we don't have a total understanding of. Tolerating failure enhances the possibilities of civil servants to report important learning that happened through failure.

Accepting failure can be strengthened by enhancing evaluation throughout different experiments, creating reflection habits and sharing learnings within public organisations and throughout the government.



#### Key components of culture that enhances learning

Culture, mindset or government structures cannot be changed overnight. Changing culture requires that there are people enthusiastic about experimentation at all levels of employment, in several different public organisations and, there is support from political decision-makers. There are several practical steps that any public organisation in Latvia can implement in their operation in order to enhance experimentation culture in Latvia.

**The Innovation Lab of the State Chancellery of Latvia** plays a key role in enabling experimentation in Latvia and **can lead the culture of experimentation by:**

- Including the support of experimentation explicitly in the mission and mandate, and identifying priority areas for utilising experimentation in the government
- Linking experiments to the policy objectives of Latvian government and remaining in dialogue with decision-makers about how experimentation could be utilised. This link is critical in order to secure broad support for experimentation
- Identifying a leading figure to vouch for experimentation among politicians and decision-makers
- Systematically collecting and sharing experimentation case studies from all the public organisations in Latvia, which demonstrate the value and process of experimentation
- Engaging forerunners and experimenters, forming a community around them and communicating their work

- Organising regular events related to experimentation
- Monitoring and supporting progress of experimentation throughout the government
- Equipping civil servants with guidelines, tools and capacity-building for experimentation. For example, promoting these guidelines and other collections of tools and making them accessible to government officials. This should be done in close collaboration with the Latvian School of Public Administration
- Initiating and supporting a community of practice for civil servants active in experimentation
- Creating shared spaces for experimentation (and learning) with stakeholders inside/outside of their organisations

With the support of the State Chancellery, **all public organisations in national and municipal levels can enhance creating experimentation culture by:**

- Identifying what kind of a role experimentation could play within the organisation, and what key objectives it may help achieve
- Elaborating how experimentation processes fit into the existing organisational culture and practices, and what needs changing for it to become more common
- Enabling and encouraging teams and civil servants to bring forth new experimentation ideas and organise regular reflection sessions with the teams running the experiments
- Identifying and rewarding teams and civil servants who are ideating, initiating and running experiments
- Helping experimenters to connect with relevant stakeholders (e.g., the State Audit) and decision-makers
- Defining processes to accumulate learnings produced in experiments

In addition, **individual civil servants also can proactively contribute to building an experimentation culture by:**

- Building their capacity and develop skills required for experimentation (see Bottleneck related to skills)
- Initiating and implementing experiments by utilising these guidelines, paying special attention to stakeholder engagement and communication within and outside of government
- Actively connecting and building relationships with other active experimenters in the public sector

Additionally, in order to maintain the new culture, it is crucial to solve the structural and procedural bottlenecks of experimentation. This work includes allocating experts to work on

legislative guidelines and procurement guidelines to be aligned with experimentation processes. However, the most important action is to carry out experiments. It is important to show that experimentation is possible and it is taking place. It does not have to be perfect, but it has to happen. The next chapter describes phases and tools for conducting experiments.

## 2. Principles for successful experiments

Successful experiments are a result of the collective effort of creative minds, characterised by an openness and willingness to learn.

### The four key principles of experimentation

#### Ideation

Experimentation is about creating, developing and testing innovative ideas. Thus, creativity is at the very core of experimentation. The ability to imagine and generate ideas constitutes a key prerequisite for experimentation and serves as the starting point for any experiment.

#### Co-creation

Great innovations are the result of exploring different directions in close interaction with the stakeholders. This kind of collaboration opens up opportunities for outcomes that are not possible to achieve without [a diversity of perspectives](#). Indeed, the insights of stakeholders increase relevance and put people at the centre of the process. This aspect can distinguish a good innovation from a groundbreaking one.

#### Risk-taking

Oftentimes, the best solutions are not the most obvious ones. However, in order to reach these less obvious ones, we need to accept – and embrace – a certain degree of risk. Instead of avoiding risks, experimentation turns risk-taking into an opportunity, and allows for using uncertainty in one's favour.

#### Openness and learning

Learning, which is a key element of experimentation, starts from accepting the fact that many things will not go according to plan. Openness enables us to learn positively from failure. Remember that, essentially, the only failed experiment is the one where no learning happens.

### 3. Five phases and tools of experiments

The phases outlined below equip any Latvian civil servant to design and implement an experiment. While these phases may differ based on the type of experiment being conducted, the main features of the process remain the same. The process is often not linear, meaning that new information and learning may prompt the team to revisit earlier phases of the process.

O. Preparing	1. Identifying	2. Exploring	3. Testing	4. Validating
Identify experimentation objective and goals	Explore root causes, existing evidence and best practices related to the selected societal challenge	Engage stakeholders in exploring the challenge and potential experiment ideas further	Create a risk assessment, avoidance and prevention plan	Implement the experiment
Form an experimentation team	Develop experimentation idea(s) and select experiment	Develop ways of testing your hypotheses on a small scale	Implement small-scale test(s)	Evaluate the results of the experiment
Identify key stakeholders and partners and plan their engagement	Define learning outcomes of the experiment	Define ways to collect data throughout the experiment	Define an implementation plan for the experiment	Share the results throughout the relevant organisations
Prepare a communication and documentation plan			Develop a plan of how to make use of the upcoming results	Identify next steps

#### O. PREPARING

##### Identify experimentation objective and goals

Experimentation is most powerful when it is linked to a clear objective that is relevant to society and links to the governmental agenda. Start by identifying the goal of experimentation (eg., To improve math scores of children in elementary school by 30% by 2025.)

##### Form an experimentation team

Successful experimentation starts with the formation of a capable team. It is important to note that establishing new formal roles is not required and existing employees can carry out most tasks without radical role changes. Forming a team is more about involving people

with certain interests, perspectives and capabilities who can execute the experiment. Chapter 3.1 describes the skills often needed for implementing experiments. Particular attention should be paid to team diversity in order to maximise the territory of exploration, but at the same time minimise risks with a wide knowledge base. For missing competences, outside expertise could be procured. To find an outside resource, work with the procurement specialist in your organisation and consult the Procurement Monitoring Bureau for appropriate procurement instruments (e.g., Innovation partnerships or Competitive Dialogues).

### **Identify key stakeholders and partners and plan their engagement**

Successful experimentation requires engaging with those who are able to provide a diversity of perspectives and experiences about the field of the experiment. In the preparation phase, it is important to identify key stakeholders and partners who can support understanding the context and the field of experiment and those who enable the implementation of it. At this stage, a plan should be developed on how to motivate and engage key stakeholders.

### **Prepare a communication and documentation plan**

Clearly communicating about the experiment inside and outside of the government is of utmost importance. In your team, and with the involvement of communication professionals, plan what and how (e.g., what channels) will colleagues and the public be informed about why experimentation is needed, what is the process and how results will be shared. Additionally, make a plan of how decisions and the process will be documented, in order to prepare for a smooth auditing experience.

## **1. IDENTIFYING**

### **Explore root causes, existing evidence and best practices related to the selected societal challenge**

Conducting an experiment requires a clear understanding of the selected societal challenge. This part of the process includes exploring the root causes of the challenge, so as to avoid experimenting only on the symptoms of problems. It is important to identify and use knowledge that others have already accumulated (e.g., past experiments that are related) and identify solutions that have worked in other contexts (e.g., benchmarks). Here it is important to draw on diverse information sources, including qualitative and quantitative information, noting assumptions and gaps in knowledge about the problem and its causes. Special attention should be given to gathering knowledge on the challenge from those who are on the frontlines, or those directly affected by the challenge.

## Develop experimentation idea(s) and select experiment

In order to start ideating experiments, a hypothesis needs to be formulated. A hypothesis here refers to a statement that encapsulates the observable outcomes of the assumptions, if they are correct (e.g., if the employment service centre moves from monitoring to making 'future plans', then more people will succeed in finding work.) Based on the hypothesis, the team, with stakeholders where appropriate, can ideate initial experiment idea(s). It can also determine which type of experiment would best correspond to the desired outcomes; is the point to **explore new ideas** or **modify existing policies or operations**?

To choose the experimentation idea, the possible options should be evaluated based on, for example, using the APEASE framework (Affordability, Practicability, Effectiveness Acceptability, Side-Effects and Safety, Equity)<sup>12</sup>

## Define learning outcomes and assessment of the experiment

Learning outcomes describe what the experiment is able to demonstrate upon its completion. Clear articulation of expected outcomes and how they will be assessed serves as the foundation for evaluating your solution.

### Possible tools for the phase:

- Defining and digging deeper into the problem, e.g.:
  - [Purpose identifier](#)
  - [Problem definition tool](#)
  - [Root cause analysis](#)
  - [5 Whys](#)
  - [Problem tree analysis](#)
- Defining and digging deeper into the problem from the perspective of human experience, e.g.:
  - [Empathy mapping](#)
  - [Contextual inquiry](#)
  - [Observation](#)
- Gathering and synthesizing existing knowledge, e.g.:
  - [Benchmarking](#)
  - [Evidence reviews](#)
- Ideating, e.g.:
  - [Fast idea generator](#)
  - [Idea generator](#)

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<sup>12</sup> Public Health England (201) [Achieving behaviour change A guide for local government and partners](#)

### Example: Improving children's skills in mathematics through experimentation

#### PHASE 1: IDENTIFYING

The team gathered and analysed existing evidence, and identified that they had gaps in knowledge in the experience of children and teachers at school. The team explores the problem further by shadowing teachers, interviewing students and doing light ethnography in schools. Based on the analysis of research and statistics, experimenters had at first thought that children were not learning mathematics at school because of the inadequate amount of math taught in schools. However, the information they gathered from shadowing and interviewing led them to reframe the problem. Now that the problem has been set and the hypothesis articulated, the group of experimenters start to explore potential solutions. In order to come up with a variety of different solutions, experts engage teachers and pedagogy experts in the ideation.

## 2. EXPLORING

### Engage stakeholders in exploring the challenge and potential experiment ideas further

In this phase, the challenge and possible solutions are further explored with key stakeholders by, for example, organising workshops or interviewing them, leading to more in-depth understanding of the challenge and the potential solutions.

### Develop ways of testing your hypotheses on a small scale

After significant exploration, the team should arrive at an experiment idea as well as a related hypothesis (see phase 1). At this stage, it is important to develop different ways of testing the hypothesis on a small scale by, for example, creating and testing low resolution prototypes.

### Define ways to collect data throughout the experiment

Lastly, the second phase also involves creating a data collection plan, stating how learnings will be gathered throughout the experiment. At this stage, it is important to involve researchers and scientists who are able to advise on experiment design and selection of metrics.

#### Possible tools for the phase:

- Ideating, e.g.:
  - [Fast idea generator](#)
  - [Idea generator](#)
- Evaluating ideas, e.g.:
  - [Idea matrix](#)

- Stakeholder engagement, e.g.:
  - [Co-creation sessions](#),
  - [In-depth interviews](#)

### Example: Improving children's skills in mathematics through experimentation

#### PHASE 2: EXPLORING

Experiments invite different actors (teachers, students, teaching material producers, leisure activity organisers, parents) to take part in the exploring and coming up with 90 different solutions (as well as corresponding hypothesis) to the problem such as "children's sports activities could be used creatively for learning mathematics", "school's resources could be increased for ensuring more mathematics lesson" and "virtual games that children play could be used for teaching mathematics."

### 3. TESTING

#### Create a risk assessment, avoidance and prevention plan

Not all risks can be known before conducting the experiment. However, be diligent in reviewing potential risks of the experiment and create a plan for risk avoidance and prevention before swinging into action.

#### Implement small-scale test(s)

Before implementing the experiment, it is recommended to test the hypotheses by conducting rapid (and/or small-scale) tests. It can happen, for example, through rapid prototyping and interviews in order to gather more knowledge about which solutions are worth further experimentation and development.

#### Define implementation plan for the experimentation

After better understanding which is the most suitable experimentation idea, it is time to plan how to implement it. The plan should be very concrete, specifying who does what and when and how often; utilising all the collected materials and plans.

#### Develop a plan on how to make use of the upcoming results

In this phase, the team also needs to finalise the plan on how to make use of the upcoming results to ensure that the experiment produces needed new knowledge and the results are well-documented.

### Possible tools for the phase:

- For crystallising the experiment, e.g.:
  - [Experimental method canvas part 1 and 2](#)
- For rapid testing, e.g.:
  - [Rapid prototyping](#)
  - [Paper prototyping](#)
  - [Storyboarding](#)
  - [Build & run prototypes](#)
- For quantitative tests, e.g.:
  - [Randomised Control Trials \(RCTs\)](#)
  - [Quasi-experimental methods](#)
  - [A/B testing](#)
  - [Nimble RCTs](#)

### Example: Improving children's skills in mathematics through experimentation

#### PHASE 3: TESTING

The problem statement and potential solutions are more clear now and the experimenters move on to testing some of the solutions. Because there are many potential ideas, the experimenters want to test their validity as fast as possible. They employ 'rapid testing methodology' and run, for example, the following experiments:

1. As a part of football practice, the coach shares with the students how professional teams use statistics in football trainings
2. They ask one school to introduce mathematics-related games as break activities

By observing and collecting data on these and other simple tests, the experimenters realize that many of the ideas are not very feasible. For example, the children in football practice are most interested in playing. But some of the ideas seem to take hold. For example, in another fast test, many of the students seem to be voluntarily engaging in fun break activities that help them learn math.

The learnings from the testing phase invite experimenters to return to phases of Identifying and Exploring. They draw a conclusion: children can be motivated to study mathematics by themselves, as long as there is an easy and fun opportunity and they can do it with peers.

## 4. VALIDATING

### Implement the experiment

After acquiring more detailed information during the testing phase and drafting a reiterated plan, the team is able to implement the experiment.

### Evaluate the results of the experiment

Once the experiment has ended, conclusions are made about the hypothesis of the experiment (e.g., confirming or disputing it) and thus evaluating its impact, based on the collected data.

### Share the results throughout the relevant organisation

At this point, the learnings that have been acquired through the experimentation process should be communicated and shared with relevant institutions and circulated throughout and outside the government, according to the most recent communication plan.

### Identify next steps

The final step is to identify what action should follow from the learnings: did the team learn enough to recommend the solution to be further scaled, should the idea be further tested in different contexts or should the experiment be altogether discontinued (in cases where it has proved unworkable)?

#### Possible tools:

- For testing on a larger scale, eg.:
  - [Rapid prototyping](#)
  - [Build & run prototypes](#)
  - [Pilots](#)
- For verificatory, e.g.:
  - [Randomized Control Trials \(RCTs\)](#)
  - [Quasi-experimental methods](#)
  - [A/B testing](#)
  - [Nimble RCTs](#)

#### Example: Improving children's skills in mathematics through experimentation

##### PHASE 4: VALIDATING

Having the initial promising data from the testing phase, it is easier to secure resources for building a validation experiment. Experimenters design an experiment where a total of 1,000 children get access to voluntary mathematics-related break time activities. The children's study results are compared to 1,000 peers who did not have an opportunity to

take part in such activities.

What was learnt from the experiment was that the problem was not the inadequate amount of mathematics lessons, but not utilising the other activities to engage students in learning, in addition to the lessons. The solution was to provide students a possibility to learn mathematics with their peers, in a fun way. After the validation experiment, there is a statistically significant, and reliable evidence, which shows that the experimented solution seems to work. This evidence is delivered to decision-makers and the public, and evidence-informed decisions are made to roll out the program in all schools of the region before further evaluation and decision to scale.

## Towards an experimentalist government

Experimentation offers significant opportunities towards more evidence-based, efficient and human-centric policies in Latvia. This Experimentation Guidelines represent one step on the path towards a cohesive approach to experimentation in Latvia's public sector. It defines the Latvian approach to experimentations as moving forward with experiments that have transformative potential, and are linked to strategic objectives of the government.

The guidelines assess and outline the theoretical basis for why experimentation is of utmost importance in the face of the 21st century challenges and presents a toolbox of available methods and processes. Implementing these new approaches, processes and tools will be an iterative process and journey of continuous learning.

The hard, but ultimately rewarding and important work continues now, with every public servant in Latvia. Grasping the opportunities of experimentation requires changes in the everyday practices and in mindsets. We encourage all readers to identify the concrete actions, big or small, that they can take today to make the most of experimentation. Those can include being vocally enthusiastic about experimentation, spreading the stories of frontrunner experimenters, getting support from political decision-makers but also forming experimentation teams and seeking funding for new experiments.

Experimentation means using new methods and developing new operation models in rapidly changing circumstances. Experimentation means remaining humble and open in the face of the unknown, setbacks and failure and learning through action. The ambitious approach of transformative experimentation enables the Latvian government to reap the benefits of a continuous capacity to innovate and ultimately better serve the people of Latvia.

**Let's get started!**