

Smarter Municipalities: Recommendations from DFIR

In 2023, Danish municipalities spent approximately DKK 228 billion on childcare, public schools, eldercare, and other welfare services, but only an estimated DKK 200 million on research and development (R&D). This amounts to less than one per mille of the total budget being invested in improving municipalities' capacity to deliver citizen-centered welfare. This discrepancy stems from the lack of a cohesive system in Denmark to support research and development in the municipal sector. By contrast, such a system exists to encourage private companies' investments in R&D. A far more systematic effort aimed at the sustained mobilization of R&D in municipal practices would help ensure more sustainable, efficient, and high-quality welfare services for the benefit of citizens.

The Danish Council for Research and Innovation Policy (DFIR) initiated the project *Research-Informed Welfare Innovation in Municipalities* in 2023. DFIR will publish its findings in the first half of October 2024 in a report that includes six recommendations on how to establish a more effective system to ensure a higher degree of research-informed practices in municipal welfare and education tasks.

The report is based on a series of interviews, consultations, and informal meetings with representatives from the research community, including both leadership and active researchers, as well as representatives from municipalities, agencies, the Ministry of Higher Education and Science, foundations, think tanks, and trade unions. The process also involved a study trip to Norway and a debate held during *Folkemødet* 2024.

The project focuses on municipal tasks within childcare, education, social services, employment, and healthcare. Not all these areas are traditionally considered core welfare services but are grouped here under the umbrella term welfare for the sake of simplicity.

DFIR believes there is significant potential for a much stronger and more systematic interplay between R&D on one hand and municipal practices and daily operations on the other, allowing research to better inform and be informed by practice.

To achieve this goal, DFIR has formulated six recommendations:

1. Clarify and strengthen municipalities' mandate to engage in research and innovation activities.

There is ambiguity regarding municipalities' mandate to participate in research and development activities. Currently, municipalities have an undefined obligation to contribute to health-related research but not in other areas. DFIR recommends giving municipalities a clear mandate to take an active role in Denmark's research and innovation system.

2. Introduce a new paradigm for allocating public funds to mission-driven and welfare-related research and innovation.

The current research funding system primarily allocates resources based on traditional scientific criteria. This approach widens the gap between research and practice in terms of translating knowledge and embedding research in practice. These conventional allocation criteria do not effectively promote changes in practice, particularly in operational organizations like municipalities.

To address this, there is a need for a new paradigm for distributing public funds to welfare innovation. This paradigm should maximize societal impact, sustainability, and practical relevance.

3. Consolidate funding for practice-oriented research and innovation in welfare through a new public fund.

Public funding sources for welfare research and innovation are fragmented, spread across different mechanisms and instruments. A significant portion of the investments in this area comes from private foundations.

Public funding should be consolidated through the establishment of a new fund. The vision for the fund would be to base calls and fund allocations on municipal needs and challenges. The fund should adopt a mission-oriented approach, focusing on fostering a robust research culture and mobilizing research-informed knowledge and innovative solutions in the municipal sector. Additionally, the fund should serve as a prioritization mechanism. In a field where many good ideas and projects emerge locally in municipalities, foundations, and research institutions, there is a need

for an institutional framework to identify the most critical and promising priorities.

4. Strengthen career paths and adjust merit mechanisms for researchers engaged in practice-oriented research and development.

Practice-oriented R&D does not always address municipalities' actual needs. Therefore, the systemic capacity for Danish welfare research and innovation should be enhanced, both in terms of volume, quality, and relevance. This includes strengthening career paths and developing competencies for researchers engaged in practice-oriented and application-driven R&D who collaborate with external stakeholders. Universities should continue to promote recognition of diverse research-related activities as meritorious. DFIR also recommends creating more joint positions between municipalities and research institutions.

5. Strengthen municipalities' capacity to engage in knowledge, research, and innovation collaborations.

If municipalities are granted a mandate to participate in the research and innovation system, they should focus on enhancing their ability to translate research-based knowledge into innovation. Incentives and funding should be provided to enable municipalities to engage in research and innovation activities and, importantly, to ensure that successful initiatives and systemic changes are implemented. A new research funding fund with its mission-driven approach could support municipalities in prioritizing and participating more strategically in R&D activities, avoiding unnecessary "projectitis."

6. Establish a structure to bridge research and innovation environments with municipalities.

The connection between knowledge environments and municipalities is insufficient and hindered by various barriers. It is unnecessarily difficult for individual municipalities and the sector at large to systematically identify and articulate research and innovation needs. Similarly, research environments struggle to conduct research with sufficient potential for lasting knowledge mobilization in the municipal sector.

There is limited Danish experience with structured bridging between municipalities and research institutions. Inspiration can be drawn from both research on this topic and international models (e.g., in Norway and the Netherlands) to explore structures and organizational models for collaboration between research environments and municipalities, as well as among municipalities themselves.

DFIR Annual Conference 2024

This year, DFIR's annual conference is held under the theme Research-Informed Welfare Innovation in Municipalities. The conference will spotlight how research, practice-oriented knowledge, and innovation can contribute

to creating sustainable solutions that make municipalities' work both smarter and better. Panel discussions will explore how to strengthen the interplay between research and municipal practice to achieve impactful results—for municipalities, citizens, and society as a whole.

The conference will take place on October 29, 2024, at Scandic Sluseholmen in Copenhagen.

Learn More

Read more about the Research-Informed Welfare Innovation in Municipalities project [here](#), where you can also find the final report and the program for DFIR's Annual Conference 2024.

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