CREATING BREAKTHROUGH PRODUCTS IN A PUBLIC POLICY CLASSROOM
THEMES

• Role of Design in Public Policy (e.g., Junginger 2016)
• Role of Design in a Public Policy Classroom—what does this mean?
THE SETTING

INTRODUCTION TO HERTIE
THE COURSE

PROJECT COURSE

• Students required to work in teams on a real project in one course

• This Course

  • Christian Kastrop of the OECD served as Policy Sponsor

  • He had supervised several aggregate studies of the effects of the “Base Erosion and Profit Shifting” (BEPS) initiative

https://www.flickr.com/photos/oecd/13380027805/in/photolist-mom97z-ntU9KY-nesdAc-nvFqmY-nxHKQx
MAIN ASSIGNMENT

• Explain the impact of BEPS on a country you choose

• Then make policy recommendations

• Simple, right?

Inclusive Framework on BEPS
A global answer to a global issue

September 2017
SEARCHING FOR GOOGLE’S MONEY

1. Google claimed revenues of $201 million in Australia last year, but to have made a $3.9 million loss. That’s because it bills its advertising, worth an estimated $900 million to $1 billion, from Ireland.

2. The ‘Double Irish Dutch Sandwich’
   That advertising money, and billions more from elsewhere in the world, goes to Google Ireland Limited (2) which pays it to a Dutch subsidiary (3), which pays it back to another Irish company, Google Ireland Holdings, thus avoiding Irish tax (4).
   This manoeuvre is called the Double Irish Dutch Sandwich.

3. Google Ireland Holdings is a "dual resident" company:
   - for US tax purposes it is an Irish corporation
   - but for Irish tax purposes Ireland Holdings became a resident of Bermuda.

4. Bermuda is where Google Ireland Holdings says its “mind and management” are located. Bermuda has no corporate income tax.

5. IRELAND

6. THE NETHERLANDS

7. AUSTRALIA

https://i.pinimg.com/736x/64/3b/ec/643bec98339f8d1ca242764d1ff5fede--google-google-the-irish.jpg
CHALLENGE

- What is the “product” you wish to design for the final class when the policy partner will review your work?
APPROACH

USE CAGAN AND VOGEL (2002)
KEY CONCEPTS (CHAP. 5)

• Integrated New Product Development (iNPD)
  • horizontal, inter-disciplinary
  • focus on what customers, other stakeholders want
  • begin with qualitative discovery
TEAMS

- Groups of Four
- First task: choose a country
PRODUCT PLANNING STAGE

• Identify Opportunities
• Understand Opportunities
• Conceptualize Opportunities
• Realize Opportunities
STRUCTURE OF SEMINARS

- 30 Minutes: Discuss Teamwork
- 45 Minutes: Discuss Readings
- 60 Minutes: Groupwork
- 30 Minutes: Discuss Groupwork
EXAMPLE OF GROUP ASSIGNMENT

Take Patent boxes as your object of study. Please apply the Cagan and Vogel approach to patent boxes for YOUR country. You should be prepared to discuss as a class the points that appear in bold.

1. Identify Opportunities
   - SET Factors—Social, Economic, Technology: what are they?
   - Product Opportunity Gap
     - what is the “opportunity gap” in our field?
     - Product Opportunity Statement: **prepare a product opportunity statement**

2. Understanding Opportunities
   - Value Opportunity: What are they?
   - Actionable Insights
     - **Prepare a short story that focuses on a particular user.** Stress focus on user. But who are the users?

If time (and useful for your final papers):
  hulk

3. Conceptualizing the Opportunities
   - Move towards product concepts that are useful, usable, and desirable
   - What is OUR product? Who is our customer?
   - You do not have to present your “product” for your country, but be prepared to discuss whether you have one and whether this approach helped.
ETHNOGRAPHIC RESEARCH

• The good
  • Students managed to speak with key policy-makers
  • Extra class held with main tax person for IT firm

• The bad
  • Difficult to do when students all in Berlin

• The ugly
  • Mining firms especially refused to speak; bias in sample
FINAL PAPERS AND PRESENTATIONS

• The sponsor came from Paris for the final presentations

• Most successful—a skit by the Dutch team with three stakeholders
  • Government
  • Business
  • NGO
“Indicate how you intend to evaluate your teamwork. At a minimum, someplace in the piece discuss the definition of ‘good’ and ‘bad’ teamwork in Cagan and Vogel. If you use other indicators, discuss them.”

–EVALUATION OF GROUP WORK ASSIGNMENT
“To be honest, much of the learning from the class came from the doing the research and interviews for the project itself, not from class time.”

—ANONYMOUS COURSE EVALUATION
TEACHING PROJECT COURSES

LESSONS

• Framework useful for teaching but...
  
  • Topic was too complex (though this is what design is for, right?)
  
  • Distance from interviewees too great
  
  • The “product” was too diffuse
NEXT STEPS

• Project course on “Citizen Budgets”

• Two project sponsors

  • International Budget Partnership

  • Federal Ministry of Finance (pending)
EXAMPLE 2

LESSONS

PUBLIC POLICIES AS INNOVATIVE PRODUCTS

• clear utility of the approach, though perhaps with different labels

• “Product Opportunity Statement” could be another POS with “Policy” the first word

• At the same time, great focus on the scope of the problem before discussing the solution

• Proposal—Combine the approach with some insights from behavioural economics
Comments Welcome!