GLOS
SARY
DESCRIBING THE SYSTEM OF EUROPEAN DESIGN POLICY
WHAT IS DeEP?

DeEP aims at creating an understanding of the impact of design innovation policies by building frameworks and indicators to evaluate these actions both at a macro (regional, national, European) and micro (specific initiative) level. The role of design in innovation policies is very fragmented across Europe. Only few governments have developed clear national or regional strategies to include design in innovation policies. On the other hand, it is possible to recognize the effort of all European countries and regions to implement design programmes, although often tacitly, while others occupy a middle position with tacit and explicit design innovation policies. Furthermore, the difficulties in evaluating the impact of design innovation policies are compounded by this lack of frameworks. This lack of evaluations can lead to design innovation policies less effective and disconnected from the SMEs’ activities.

DeEP wants to fill this gap by developing and testing theoretical frameworks and practical tools aimed at evaluating design innovation policies (i.e. the direct impact of specific initiatives on the innovation process of SMEs).

The main output is the DeEP Evaluation Tool, an instrument for policy makers, enterprises, and other stakeholders involved/interested in design innovation policies to evaluate the effectiveness of these policies and to allow policy makers to strategically develop new design innovation policies across Europe.
What is THE DeEP Glossary?

This document contains the vocabulary developed as part of the DeEP research work. It clarifies the meaning of key words used, and adjusted to the purposes of European design innovation policies where original work has been developed.

This Glossary attempts to provide a common vocabulary and background to the fragmented field of Design Policies, to aid knowledge sharing and to ensure clearer communication also within all EDII Funded Actions.

Definitions have been developed starting from the relevant literature (please refer to the bibliography provided at the end of the document). Where appropriate this literature has been further detailed with a context-specific clarification relevant to DeEP and to the field of design policies.
### GLOSSARY INDEX

[Alphabetic Order of terms]

<table>
<thead>
<tr>
<th>A</th>
<th>Agenda Setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Beneficiaries</td>
</tr>
<tr>
<td>C</td>
<td>Capabilities</td>
</tr>
<tr>
<td>D</td>
<td>Design Capability</td>
</tr>
<tr>
<td></td>
<td>Design Policy</td>
</tr>
<tr>
<td>E</td>
<td>Effect</td>
</tr>
<tr>
<td></td>
<td>Effectiveness</td>
</tr>
<tr>
<td></td>
<td>Efficiency</td>
</tr>
<tr>
<td></td>
<td>Evaluation</td>
</tr>
<tr>
<td></td>
<td>Ex-Ante Evaluation</td>
</tr>
<tr>
<td></td>
<td>Ex-Post Evaluation</td>
</tr>
<tr>
<td>F</td>
<td>Feedback</td>
</tr>
<tr>
<td>I</td>
<td>Impacts</td>
</tr>
<tr>
<td></td>
<td>Indicators</td>
</tr>
<tr>
<td></td>
<td>Inputs</td>
</tr>
<tr>
<td>M</td>
<td>Monitoring Evaluation</td>
</tr>
<tr>
<td>O</td>
<td>Outputs</td>
</tr>
<tr>
<td></td>
<td>Outcomes</td>
</tr>
<tr>
<td>P</td>
<td>Policy</td>
</tr>
<tr>
<td></td>
<td>Policy Adoption</td>
</tr>
<tr>
<td></td>
<td>Policy Cycle</td>
</tr>
<tr>
<td></td>
<td>Policy Eco-System</td>
</tr>
<tr>
<td></td>
<td>Policy Evaluation</td>
</tr>
<tr>
<td></td>
<td>Policy Formulation</td>
</tr>
<tr>
<td></td>
<td>Policy Implementation</td>
</tr>
<tr>
<td></td>
<td>Policy Intermediaries</td>
</tr>
<tr>
<td></td>
<td>Policy-making</td>
</tr>
<tr>
<td></td>
<td>Policymakers</td>
</tr>
<tr>
<td></td>
<td>Political System</td>
</tr>
<tr>
<td>R</td>
<td>Results</td>
</tr>
</tbody>
</table>
GLOSSARY

The following concepts, words and phrases have been included in this Glossary, grouped under the following headings:

DESIGN POLICY CYCLE  pag. 06
Policy Cycle
Policy
Design Policy
Policy-making
Agenda Setting
Policy Formulation
Policy Adoption
Policy Implementation

POLICY ACTORS/SUBJECTS  pag. 10
Political System
Policymakers
Policy Intermediaries
Beneficiaries
Policy Eco-System

POLICY EVALUATION CYCLE  pag. 15
Evaluation
Policy Evaluation
Ex-Ante Evaluation
Monitoring Evaluation
Ex-Post Evaluation

EVALUATION ELEMENTS/RESULTS  pag. 17
Inputs
Outputs
Outcomes
Results
Impacts
Feedback

PRINCIPLES OF EVALUATION  pag. 12
Policy Evaluation
Effect
Effectiveness
Efficiency
Capability
Design Capability
Indicators
‘What are the main characteristics of policy making? Basically, three features can be identified. Firstly, policy making occurs in presence of multiple constraints, e.g. shortage of time and resources, public opinion, and of course the constitution. Secondly, policy making involves the existence of various policy processes. Governments are no unitary actors but consist of different departments that overlap and compete with each other. Thirdly, these policy processes form an infinite cycle of decisions and policies. (…) Given this nature of policy making, it is convenient to conceive of policy making as a process model, which is also often labeled policy cycle. It models the policy process as a series of political activities, consisting of (1) agenda setting, (2) policy formulation, (3) policy adoption, (4) implementation, and (5) evaluation.’

(Knill & Tosun, 2008 p.9)

DeEP:
The policy cycle is a conceptual model describing the stages involved in making policy and its cyclical, iterative nature. There are many variations in the number and types of activities within the cycle – for DeEP, we will use the following stages:
1 – agenda setting
2 – policy formation
3 – policy adoption
4 – policy implementation
5 – policy evaluation

Figure 1. The Policy Cycle adopted by DeEP
There are numerous definitions of policy. Thomas Birkland (2001) argues that a singular interpretation does not exist.

Dye states that policies are “whatever governments choose to do or not to do” (1972: 18). Brooks argues that “public policy is the broad framework of ideas and values within which decisions are taken and action, or inaction, is pursued by governments in relation to some issue or problem” (1989: 16).

Cochran et al. refer policies to governmental actions and the intentions that determine such actions (2006).

‘A policy is a plan of action, though the plan is not always implemented. A policy covers both an aim or goal (say, to discourage obesity) and a series of decisions, past or future, designed to achieve that objective (for example, reducing advertising of fast food).’ (Palgrave, 2012)

Two dictionary definitions:
‘…a course or principle of action adopted or proposed by a government, party, business or individual.’ New Oxford Dictionary of English.
‘…the formulation of ideas or plans that are used by an organization or government as a basis for making decisions.’ Collins Dictionary.

DeEP:
Policies are the way in which a Political System shares a set of rules, activities, and processes necessary for the transformation of existing conditions into preferred ones.

**DESIGN POLICY**

Innovation analysts and policy makers have, traditionally, paid little attention to design policies and provide little in the way of critical appraisal of policies for design, whether constituted as independent design policies or as part of wider innovation policies. Until very recently the overwhelming focus of innovation policy has been on the role of research and development (R&D) and the public sector science base and, to a lesser extent, technology and engineering policy […] design has been either absent or a poor ‘second cousin’ to innovation policy. Also, from a business and management innovation perspective, research into design is also scarce (…) Analytically, the design policy debate has been largely instrumental, seeking to support policy makers in the shaping of policies to promote design, rather than asking deeper questions about the validity and the efficacy of policies. As a consequence we know little about the ‘mental models’ (i.e., implicit approaches and assumptions) which underpin design policy making…’ (Hobday, Boddington & Grantham, 2012, p.272)

Raulik-Murphy and Cawood give a definition of design policies “as the process by which governments translate their political vision into programmes and actions in order to develop national design resources and encourage their effective use in the country” (2009: 7).

DeEP:
Design policies aim at sharing a set of rules, activities, and processes to support design through the reinforcement of design capabilities at all levels of the policy cycle.
POLICY MAKING

Policy-making is the process by which governments translate their political vision into a set of rules, activities, and processes necessary for the transformation of existing conditions into preferred ones.

AGENDA SETTING

‘The first stage in policy making refers to the identification of a public problem, which requires the state to intervene. In fact, there are many problems, but only a small number will be given official attention by legislators and executives. Those public problems that are chosen by the decision makers constitute the policy agenda. In this context, Cobb and Elder (1972: pp.85–86) distinguish between the systemic agenda and the institutional agenda. The systemic agenda refers to all societal problems that demand public attention, hence forming the ‘discussion agenda’. The institutional agenda, by contrast, contains a set of problems that are up for the serious consideration of decision makers. Thus, the institutional agenda is the ‘action agenda’, which is more specific and concrete than the systemic agenda. Setting the agenda is an important source of power as it is policy consequential, i.e. legislative institutions grant an advantage to the first movers as compared to the second movers (Shepsle and Weingast, 1987)’. (Knill and Tosun, 2008: p.12)

POLICY FORMATION

‘The second stage in the policy cycle – policy formulation – involves the definition, discussion, acceptance or rejection of feasible courses of action for coping with policy problems. Generally, policy formulation is strongly related to policy adoption – the subsequent stage here – and in fact a clear-cut distinction between them is often impossible. However, we decided to present them separately since they still refer to different stages. Policy formulation deals with the elaboration of alternatives of action, whereas policy adoption refers to the formal adoption to take on a policy’ (Knill and Tosun, 2008, p.15).

POLICY ADOPTION

‘In contrast to preliminary stages of decision-making, the final adoption of a particular policy alternative is determined by government institutions. The adoption of a policy option is determined by a number of factors. Of these, two sets of factors are of major relevance. First of all, the set of feasible policies can be reduced by the necessity to build majorities for the approval of a policy option, which implies considerations about values, party affiliation, constituency interests, public opinion, deference, and decision rules (Anderson 2003: p.126). (...) Generally, however, policy adoption should be dominated by bargaining and compromise, and, therefore, the most plausible decision-making theory appears to be incremental rather than rational models (Hayes, 2001)’. (Knill and Tosun, 2008, pp.18-19)
POLICY IMPLEMENTATION

‘Implementation represents the conversion of new laws and programs into practice. Without proper implementation, policy has neither substance nor significance. Thus, policy success depends on how well bureaucratic structures implement government decisions. At the first glance, implementation appears as an automatic continuation of the policy-making process. Nevertheless, there often exists a substantial gap between the passage of new legislation and their application, which reveals that the relationship between decision making and implementation is tenuous at best (cf. Pressman and Wildavsky 1973; Hill and Hupe, 2005)’ (Knill and Tosun, 2008: p.19).

A top-down approach conceives the task of implementation as ensuring that policy execution delivers the policy outputs and policy outcomes specified by the policy-makers. By contrast, a bottom-up view of implementation welcomes the contribution of local officials in reshaping broad objectives to fit specific, variable and changing circumstances.
POLICY ACTORS/SUBJECTS

POLITICAL SYSTEM

‘Political systems are the formal and informal political processes by which decisions are made concerning the use, production and distribution of resources in any given society. Formal political institutions can determine the process for electing leaders; the roles and responsibilities of the executive and legislature; the organisation of political representation (through political parties); and the accountability and oversight of the state. Informal and customary political systems, norms and rules can operate within or alongside these formal political institutions’.

POLICYMAKERS

The subjects that are in charge for a government to set and direct the course of action decided for addressing a specific governmental issue.
(Webster’s New World College Dictionary, 2010)

POLICY INTERMEDIARIES

‘The implicit meaning of the word intermediary is that it is located between or among two or more parties, and although they help in the transmission/dissemination process, intermediaries do not initiate decisions to disseminate the content, products or services that transverse their networks or servers’.
(OECD, 2010)
**BENEFICIARIES**

‘The beneficiaries are the individuals or organisations (users at any level, intermediaries/multipliers, agents such as associations, regional authorities) benefiting in various ways from the implementation of policies. In the European programmes they are also often understood as the entities receiving financial grants’. (European Commission, 2010)

*Final beneficiaries*

‘A final beneficiary is an individual or an organisation directly positively influenced by the project outcome. Not necessarily receiving a financial grant and even not directly involved in the project, the beneficiary may exploit project outcomes for its own purposes’. (European Commission, 2010)

**DeEP:**

The main beneficiaries for DeEP are firms. This is both a starting point and a limitation for the research. In the future, it will be possible to apply the same process to other categories of beneficiaries.

**POLICY ECO-SYSTEM**

The actors, environment(s) and structures required to support design as an enabler of people-centered innovation at a regional or national level. The eco-system is characterised by the interactions between actors, and between actors and their environment.
After a policy is passed by the legislature and implemented by the bureaucracy, it becomes a subject of evaluation. The main question at this stage is whether the output of the decision making process – a given public policy – has attained the intended goals. Evaluation is often a formal component of policy-making and is generally carried out by experts who have some knowledge about the processes and objectives pertaining to the issue undergoing review (Gerston 2004: 124) (...). Policy evaluation provides a feedback loop, which enables decision makers to draw lessons from each particular policy in operation. This feedback loop identifies new problems and sets in motion the policy making process once again, creating an endless policy cycle'. (Knill and Tosun, 2008, pp.19-20)

Intended or unintended change due directly or indirectly to an intervention. *Note: In experimental studies with control group, the effect is the difference between the average result for the so-called treatment group and the average result for the control group. Related terms: results, outcome (Sida, 2007)
POLICY EFFECTIVENESS

The extent to which the intervention’s objectives are achieved, or are expected to be achieved, taking into account their relative importance, i.e. the extent to which an intervention has attained, or is expected to attain, its major relevant objectives efficiently in a sustainable fashion and with a positive institutional development impact. Effectiveness can be divided into: (i) external effectiveness, the ratio between products (output) and results (outcome), (ii) internal effectiveness, the ratio between products (output) and objectives of the promoters.

DeEP: The effectiveness of a design policy is measured by the positive change and/or transformation in the stock of design capabilities observed in design policies beneficiaries.

POLICY EFFICIENCY

A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results (Sida, 2007).

CAPABILITY

The ability of a subject to do something (Sen, 2009). The core focus of the capability approach defined by Sen is on what individuals are able to do (i.e., capable of).

DeEP: DeEP focuses mainly on enterprise and eco-system capabilities. Referring to firms, the capability is the ability to integrate resources and competencies to foster innovation. In particular, we refer to dynamic capabilities as the tangible and intangible assets, and the knowledge and processes needed for recognizing new business opportunities and orchestrating its resource portfolio in conditions of change (Teece et al., 1997; Zahra & George, 2002).
**DESIGN CAPABILITY**

The design capabilities set needed to carry out design activities. Competencies are recognised in three macro areas: Design Leadership, Design Management, Design Execution. Each of these is divided in one or more specific skill to detail the focus of the area.

**Design Leadership** (holistic view, how people give meaning to things) is encountered when design participates to the strategic choices of the firm/organisation, so that a design-driven innovation strategy is the core activity carried out through a people centered approach.

**Design Management** (visualizing/materializing, managing the process) is the ability of managing design resources, in terms of human resources, design process and creativity, economic resources.

**Design Execution** (applying new technologies) involves the presence of human resources with technical skills, design technologies and infrastructures, investments in the NPD process.

**INDICATORS**

Quantitative or qualitative factors or variables that provide a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor (OECD, 2002). An indicator is a synthetic and representative reflection of a greater, more complex sum of phenomena, preferably made measurable on a quantitative scale (OECD, 1998).

Ideally, indicators inform decision-making in the policy making process, while performing different roles:

- Conceptual use – indicators can be used as a tool to illustrate concepts, helping to change the understanding of an issue;
- Instrumental use – they can disclose a direct relationship between indicators and decision outcomes. For example, they can be used to measure the impact of certain decisions, and when used to measure effectiveness, they can be instrumental in changing policies (Hezri, 2003).
The systematic and objective assessment of an on-going or completed project/policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability.

Evaluation refers to the process of determining the worth or significance of an activity, policy or program. An assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention. (Source: OECD, 2002)

The word evaluation in itself is defined in many different ways. Van de Graaf and Hoppe (1996) consider it as determination of value. Vedung (2005: 13) defines it as a ‘careful, retrospective assessment of merit, worth, and value of the administration, output and outcome of government interventions, which is intended to play a role in future practical action situations’. Dunn (2004: 35) considers evaluation as an ‘applied endeavour which uses multiple methods of inquiry and argument to produce and transform policy relevant information that may be utilized in political settings to resolve public problems’.
POLICY EVALUATION

Policy evaluation is the process of determining quality, goal attainment, program effectiveness, impacts, and costs of a policy. The main goal of evaluation is to determine whether a policy effects are intended or unintended and whether the results are positive or negative for the beneficiary and the society. (Theodoulou and Kofinis, 2004: 191)

Theodoulou and Kofinis (2004) describe different perspectives in policy evaluation:

- Evaluation is the assessment of whether a set of activities implemented under a policy has achieved a given set of objectives;
- Evaluation is the effort that renders a judgment about program quality;
- Evaluation is information gathering for the purpose of making decisions about the future of the program;

Evaluation is the use of scientific methods to determine how successful implementation and its outcomes have been.

Crabbé and Leroy (2008: 1) define it as the ‘evaluation of a certain policy area, the policies of which are assessed for certain criteria, and on the basis of which recommendations are formulated’.

EX-ANTE EVALUATION

Ex-ante evaluation precedes decision-making, and pre-assesses the effects and consequences of planned policies in order to “feed” the information into the on-going decision-making process. If undertaken on alternative courses of policies and actions, ex-ante evaluation is useful to selecting alternatives. The steps inside this process are: (1) assessment of strategic objectives, implementation framework, and potential for fulfilling policy objectives; (2) evaluation of the criteria to select the programmes.

MONITORING EVALUATION

Ongoing evaluation identifies the (interim) effects and results of policies and measures implementation and realization while this is still under way. The essential function is to feed relevant information back into the implementation process when this can be used to adjust or redirect the process. The process covers the whole duration of a policy and resembles project management.

EX-POST EVALUATION

This assesses the impact of the policy intervention, and provides a feedback on the degree of accomplishment of the policy objectives.

Evaluation of a development intervention after it has been completed (OECD, 2002).
EVALUATION ELEMENTS/RESULTS

INPUTS

Inputs are related to the elements useful to designing the policy, and coming from the political system and agenda setting.

OUTPUTS

The products, capital goods and services which result from the implementation of a policy; it may also include changes resulting from the intervention which are relevant to the achievement of outcomes (OECD, 2002).

OUTCOMES

The likely or achieved medium-term effects of policies outputs (OECD, 2002).

*Outcomes vs outputs*
Policy outputs are what government does; policy outcomes are what government achieves. Outputs are the activities; outcomes are the effects, both intended and unforeseen. Outputs are measured easily and are already described in the policy. Outcomes are harder to ascertain: a reduction in recidivism or in the number of elderly people living in poverty. Outputs often have little effect on outcomes (Palgrave, 2012).
RESULTS

‘The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention’. (OECD, 2002)

‘Results are an external consequence attributed, in part, to an organization, policy, program, or initiative’ (TBS, 2004).

IMPACTS

Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended (OECD, 2002).

Evaluation of impact in the wide sense of the term (covering outcomes as well as impacts in the sense of long-term effects), usually with statistical methods. An impact evaluation tries to distinguish as carefully and reliably as possible between changes that can be attributed to the evaluated intervention and changes that would have occurred anyway (Sida, 2007).

FEEDBACK

The transmission of findings generated through the evaluation process to parties for whom it is relevant and useful so as to facilitate learning. This may involve the collection and dissemination of findings, conclusions, recommendations and lessons from experience (OECD, 2002).


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