

JOURNAL

PROJECT

WESH – We.Service.Heerlen

📍 Heerlen, The Netherlands

TOPIC

Digital transition

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# We.Service.Heerlen (WESH): Journal 4

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WESH Journal no. 4 is the final journal of the We.Service.Heerlen project. This journal describes the reflection and legacy of the project, as well as the plans for continuation.

## 1. Executive summary

### Project's progress

After agreeing to extend the WESH project for four months, a public 'closing conference' was held at the end of 2022. Here the Municipality of Heerlen announced that the Heerlens Heitje platform and digital currency would be continued at least during 2023. A new Project Manager was recruited for managing participating entrepreneurs, engagement of citizens and project monitoring. For the sustainability of WESH on the long term, the municipality is looking to connect or integrate Heerlens Heitje into ongoing community related projects. For example with local initiatives that help to engage citizens and reward them for certain healthy and sustainable behaviour.

### Lessons learned

During the project period WESH has generated many valuable lessons:

1. How to delegate city management tasks effectively to citizens.
2. By premiering the usage of a public cryptocurrency within a city.
3. Executing a collaborative project. Such as how to align multiple ecosystem partners, work cross-departmental within the municipality and how to engage citizens and local entrepreneurs on a city platform.
4. Effectively rewarding citizens for certain behaviour or participative activities.
5. By creating a policy instrument to strengthen the local retail, in times of e-commerce.

### Recommendations to urban authorities

Following the lessons learned, the following recommendations can be given to other European urban authorities:

1. Give more control to neighbourhood residents about their own public space, which generates engagement and ownership.

2. Introduce a local financial rewarding system, for example to implement social budgeting regulations.
3. Create a public-private-academic partnership for local innovation projects, by defining and scoping solutions to actual problems collectively, as in innovative procurement.
4. Take a participatory approach in initiatives that stimulate desired behaviour, which can be achieved on a digital platform with feedback features for civic reflection.
5. Investigate introducing a local coin or voucher system, in order to boost the local economy.

### Final reflection and evaluation

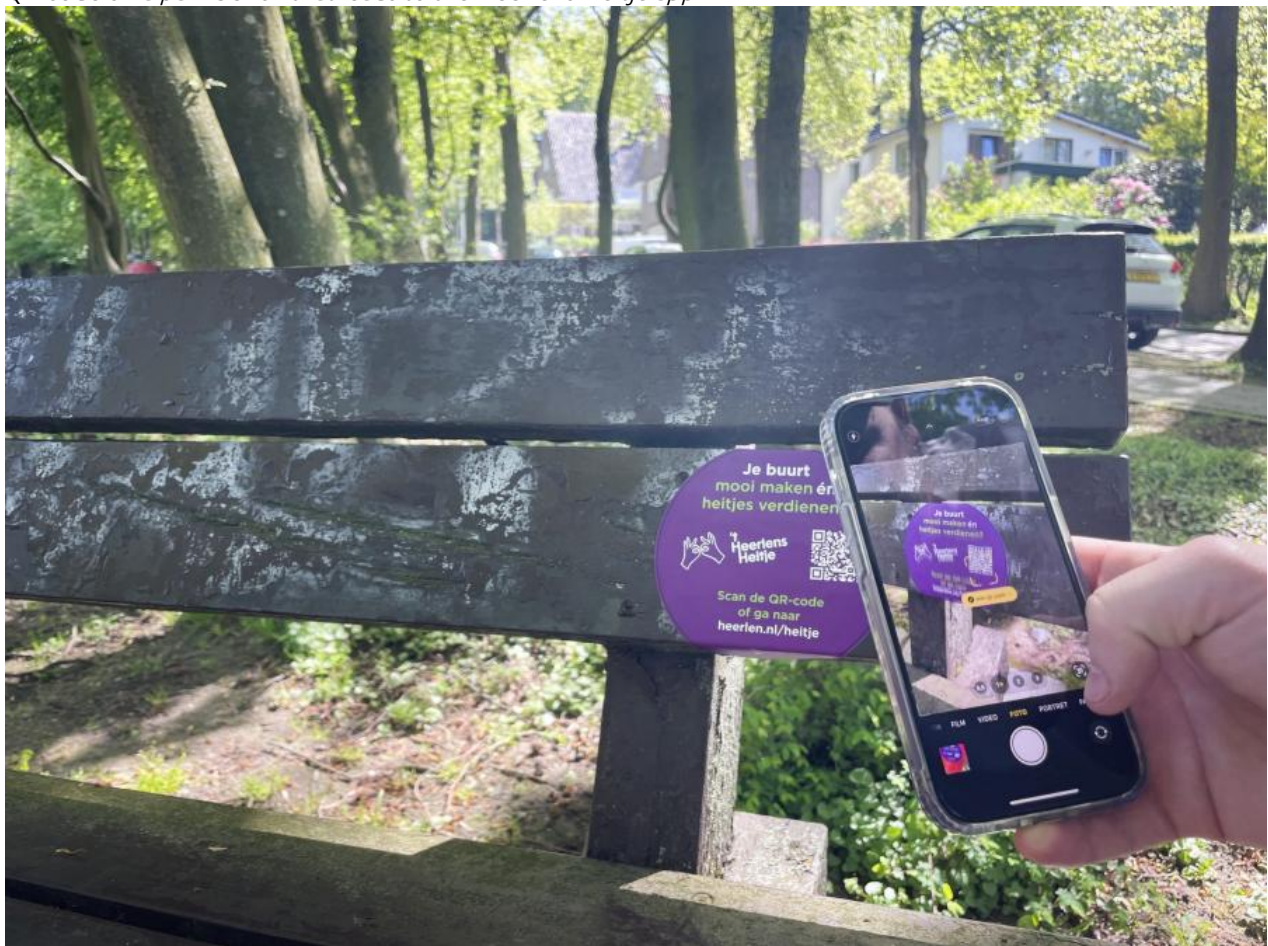
During the project period of WESH, there were some major achievements and breakthrough moments:

1. The city leadership arranged an exemption at the Dutch tax authorities for the experiment.
2. Paradoxically, the wages were lowered from 15 to 5 Euros per hour, to follow the easier voluntary work requirements and thereby stimulating more participation.
3. Creating more and varied tasks on the platform, to attract more citizens.
4. Receiving international recognition for the initiative.

### Project legacy

Bridging the gap between public authorities and citizens is on the political agenda across Europe. Initiatives that stimulate civic participation, crowd engagement and voluntary work, can create more trust among citizens and understanding of public services. Digital tools enable evidence-based decision-making and civic interaction and participation. WESH is an example on creating a more responsive, transparent and participatory decision-making process for society. The project is true governance innovation, by crowdsourcing core city management activities via digital technology.

*QR code on a park bench that leads to the Heerlens Heitje app*



Source: Municipality of Heerlen

## 2. Project's progress

### Project period closure and future perspective

Initially the WESH project period would have ended on 31 August 2022. After discussing the project's underspending with the UIA secretariat in early 2022, mainly due to COVID-19, it was collectively agreed with the

UIA representatives and the project partners to extend the project period until the end of the year. On 8 December 2022 a so-called [‘closing conference’ was held at the Brightlands Smart Services Campus](#) for both the project partners as well as the local community. During the conference the partners looked back on the various achievements and figures during the project period of WESH. The Municipality of Heerlen also provided insight on the project’s continuation as they announced that the initiative would be extended at least for a year. Heerlen’s Alderman Gelderblom underlined the importance of WESH for the community, the public space as well as the local retail. In his vision WESH proved to be the starting point of developing digital services and tailored solutions for the city. He declared that WESH created a new stance of collaborative project development with the regional startup community on the Brightlands Smart Services Campus. For 2023 he wants to stimulate new initiatives in housing monitoring, circular construction and the circular economy.

### **Update since project end date**

During the first half of 2023, the Municipality of Heerlen has been taking a decisively leading role in executing the continuation of Heerlens Heitje. For the continuation of the initiative the initial municipal project team was dissolved and a new dedicated Project Manager was recruited. Along the coordination of Heerlens Heitje within the municipal organisation, the newly acquired Project Manager would also be in charge of account management of participating entrepreneurs, as well as engagement of citizens and monitoring of the results. Roles that were previously coordinated by city centre management organisation Heerlen Mijn Stad, neighbourhood association GMS and CBS Statistics Netherlands respectively. Their participation became limited when the financial support for their hours ceased when the EU project period ended.

### **Long term sustainability**

For the sustainability of WESH on the long term, the municipality of Heerlen is currently looking for ways to either connect with or integrate the digital currency Heerlens Heitje into ongoing community related projects. Heerlens Heitje’s easy access platform as well as the functionality of a wallet with digital credits, has been deemed interesting features for rewarding citizens and stimulate participation. Over the last decade or so, the Municipality of Heerlen has been experimenting extensively with initiatives that help to engage citizens and reward them for certain desired activities or behaviour. The digital currency can be used for these projects additionally to the WESH chores for tidying up the public space. Examples of potential local community projects that engage citizens are Buurthelden or ‘neighbourhood heroes’ and Buurtdeals. In Buurthelden children can earn credits for buying toys by collecting litter in their neighbourhood. In [Buurtdeals](#) citizens help to create new public facilities within their community, by deciding and supporting the development of an empty plot into an outdoor gym, a vegetable garden or a public barbecue. Examples of local potential projects that stimulate desired behaviour are the [EnergieKnip](#) and [VitKnip](#), loosely translated as EnergyWallet and VitalityWallet. These projects work with a voucher or credit system similar to the blockchain technology of Heerlens Heitje, to stimulate sustainability and vitality respectively.

*Mission accomplished by a mother and son in Heerlen*



Source: Municipality of Heerlen

### 3. Generated knowledge

#### Lessons learned

As an urban innovation project, WESH has generated many valuable lessons. Not only as an innovative method to delegate city management tasks from the municipality to its citizens, but also on how to use a public cryptocurrency within a city. Or on the various aspects of a collaborative projects, such as the process of aligning multiple ecosystem partners, working cross-department within the municipal organisation as well as engaging both citizens and entrepreneurs to participate on a city platform. More importantly however, are lessons that affect citizens. The project demonstrated for example how to effectively engage and reward citizens for certain behaviour

or participative activities. Then again, it generated lessons such as how to create a policy instrument for municipalities to strengthen their local retail economy, in times of e-commerce and unexpected closure (i.e. COVID-19). We will discuss each of the most important lessons learned from the WESH project below.

#### Lesson #1: delegating city management tasks to citizens

For long city management tasks were deemed the core business of public authorities. Over the past decades, public authorities have been outsourcing more and more of their public services and facilities to private operators. IT and HR are organisational outsourced examples, sports and social support are public service ones. WESH was a novelty in itself, as it premiered outsourcing of the maintenance of the public space, a core municipal task, to its citizens. The public outsourcing, or crowdsourcing, has led to more understanding by the public of the tasks performed by the municipality. Tidying up the neighbourhood has brought more pride and control of the community over its surroundings. Still, Heerlen's citizens were a tough crowd to please. Hypothetically, the rewarding system of Heerlens Heitje was planned as the trigger for also engaging people that were rather uninterested in the state of their public space. But the idea itself generated rather unexpected negative feedback from some of them. Such as why they would help out their municipality in painting the park benches, whereas they would first expect that the municipality would maintain the surrounding grass and public gardens better.

#### Lesson #2: using a public cryptocurrency within a city

Over the last years numerous cryptocurrencies emerged, as an alternative for centrally regulated currencies and eventually mostly used for speculative purposes. For city services there were innovative initiatives that included city cards (e.i. digital ID), electronic vouchers and e-wallets. WESH premiered a usable cryptocurrency within a city, that was regulated by a public authority. This raised questions on the purpose and role of a local authority in a

local financial system. Even more so, on the consequences for taxing transactions and income, as well as on the relation to the official regulated currency: the Euro. For residents of a certain country, the municipal boundaries are in most cases non-existent and non-consequential administrative borders. Therefore, questions were soon raised about why non-residents were not allowed to perform tasks as well as how to scale up a dedicated Heerlen's currency to the neighbouring city of Sittard-Geleen. These discussions lead to more understanding of the effects of cryptos on public organisations on various governmental levels in the Netherlands, as well as the adoptive principles of adjacent city councils.

### **Lesson #3: aligning ecosystem partners and municipal departments**

Most European innovation projects rely on cross-border or multinational collaboration between regions of EU member states. Being a Dutch city right on the German border and only 20 kilometres from Belgium, Heerlen is very aware of the challenges and opportunities that national borders present. The city has extensive experience in Interreg projects. In fact the Meuse-Rhine region - to which Heerlen belongs - is [one of the very first Euroregions in Europe](#), dating back to 1976. The UIA projects however, have a rather unique feature. Their consortium partnerships are mostly regional, strengthening the complementary ties of public, private and research partners within the local innovation ecosystem. For WESH this meant that the mostly regional partners, who would normally only collaborate out of necessity and merely bilateral, were aligned in a multistakeholder partnership. This created more mutual understanding of stances on social challenges and knowledge of each other's current activities. This even led to new collaborations and joint operations within the ecosystem. For example between the municipality and the Brightlands Smart Services Campus on housing monitoring, as well as between Netherlands Statistics (CBS) and Heerlen Mijn Stad on data-driven insight in retail usage. Within the municipality of Heerlen, WESH proved to be a trailblazer for cross-department working of digital services, by breaking the silos common of the spatial, social and economic policy spheres.

### **Lesson #4: engaging and reward citizens**

Closing the gap between government and citizens is on the political agenda all over Europe. The current polarisation of public debates, fuelled by social media and political contradictions, have underlined the need for ensuring involvement or at least reducing distancing of vulnerable groups in society. WESH has proven to be an interesting way to both engage citizens, as well as rewarding them for their help and preferential behaviour. This has led to new initiatives within the city for stimulating sustainable and active behaviour. Still however, a thin line remains between nudging and patronising, which has to be understood and acted upon very carefully. In its core WESH was meant to engage those citizens, who would have a certain distance and even distrust in public authorities. Since statistics have shown that Heerlen has the lowest share of volunteers in any Dutch city, the potential was determined relatively large. In reality the citizens who were mostly participating were intrinsically motivated people, the so-called 'usual suspects' of local community participation and voluntary work.

### **Lesson #5: stimulating the local economy**

The public launch of WESH in March 2021, came at a rather dire moment. Europe was gripped by COVID-19. Lockdowns and curfews were in effect. In the Netherlands people were only allowed to go outside for necessary activities and groups were limited to four people. Non-food shops were closed and the state provided financial support for their survival. Europe introduced its REACT EU fund, to counter the battered retail economy in city centres. As the restrictions loosened by the summer, WESH started to take off for both engaged citizens and participating shops. For the municipality of Heerlen and the municipal Economic department in particular, the initiative proved to be an interesting policy measure to stimulate the local economy. Countering the high shop vacancy rate, mainly due to e-commerce and the population decline of the Parkstad region, has been a headache question for local policy makers. Heerlens Heitje created a community spirit of the shop owners and boosted their sales, as over €15,000 of the earnings were spent during the project period.

### **Recommendations to urban authorities**

Following these lessons learned, there are recommendations to be given to other urban authorities across Europe who wish to implement similar innovative projects. Firstly, it is recommended for municipalities to give more control to neighbourhood residents about their public space. It turns out to be effective on the short-term engagement, but it creates more ownership on the long run as well. Secondly, it is recommended to introduce a local financial rewarding system, in which credits can only be spent locally or at certain locations. Financial budgeting regulations for supporting low-income households can be much more effective if they are offered via a local currency or digital credit system. Thirdly, it is recommended for cities to create a public-private-academic partnership for local innovation projects. Municipalities tend to hold on to their usual client-customer relationship with suppliers, instead of defining and scoping solutions to actual problems collectively, as in innovative procurement. Fourthly, it is recommended to organisations that take a participatory approach that stimulating desired behaviour can be achieved quite well on a digital platform. A feedback loop of the end-users has proven to be effective in reflecting on participative actions taken. Fifthly, it is recommended to investigate the introduction of a local coin or voucher system, in order to boost the local economy. The participating shop

owners of Heerlens Heitje have given positive feedback about their experiences during the project.

### *Preparing the chore toolboxes for Heerlen's citizens*



Source: Municipality of Heerlen

## 4. Conclusion

### **Final reflection and evaluation**

During the project period of WESH, there were some major achievements and breakthrough moments. These pushed the implementation forward or in a sense even prevented the project's derailing. For a final evaluation of WESH, we will reflect on some of the main accomplishments of the project. These include arranging a breakthrough tax exemption for the experiment, lowering wages to voluntary work to stimulate engagement, creating more and varied tasks and thereby receiving international recognition for the initiative. Each of these four reflections will be detailed below.

### **Reflection #1: Tax exemption**

The first reflection is the discussions with the Dutch tax authorities, which proved to be tougher than anticipated. The authorities were unwilling to accept a digital local currency, because taxing for wages and expenses seemed impossible. Both of these financial transactions are legally obliged to levy taxes. The municipal leadership however, lobbied successfully at the Dutch national government for a tax exemption status for the experiment. WESH received an exemption for wage tax as well as VAT for each transaction. For this official tax exemption they agreed under the condition that the maximum earning - and thus spending - for each participant was set at 1,500 Heitjes per year. Plus that the actual amount of earnings would be registered by citizens in their annual tax return. This was a breakthrough moment for WESH, since it allowed Heerlen's citizens to participate much more easily.

### **Reflection #2: Lowering wages**

The second reflection concerns the wage shift paradox. The wage for the chores was lowered from 15 Euros an hour to 5 Euros an hour to stimulate engagement of citizens. Initially, the higher wage was set to increase the willingness of citizens to participate and the attractiveness of the chores that were listed in the Heerlens Heitje app. After the first months in action however, the municipal team learned about the reluctance of some citizens to register on the Heerlens Heitje app. The Netherlands was in the midst of a tax authority scandal, where ethnic profiling led to wrongful accusations and forced repayments. Citizens feared that their allowances would be cut when registering their earnings in the annual tax return. As a result of this hesitation, the WESH team lowered the wage for the chores from 15 to 5 Euros an hour. This amount is the maximum wage for voluntary work in the

Netherlands, which is excluded from taxing at all. This wage shift gave participants maximum freedom in joining the Heerlens Heitje app. The municipality still held on to the maximum cap of 1,500 Heitjes per participant per year, in order to give as many residents as possible the chance to participate.

### **Reflection #3: Varied tasks**

The third reflection is the variety of tasks. During the initial implementation, most of the tasks that were available on the platform were a variety of painting jobs, such as park benches, public trash bins, curb markings and concrete roadside posts. During Focus Group sessions with citizens, the WESH team concluded that the task list was too limited for citizens unable, unskilled or unwilling for performing paint jobs. Talks with the municipal workers of the Social Department led to adding new chores for the community, such as cleaning playground equipment, caretaking of elderly and providing neighbourhood surveillance at night. This led to a certain boost in participation and 500 jobs fulfilled accordingly by the summer of 2023.

### **Reflection #4: International recognition**

The fourth reflection is the international recognition that the project received. During the project period WESH showed interest for uptake from other European cities, such as Gothenburg, Dublin, Marseille and Brno. A prominent international highlight of WESH was the IEEE ([Institute of Electrical and Electronics Engineers](#)) Smart Cities conference, held late September 2022 in Cyprus. For the first time the international [IEEE Smart Cities Awards](#) were organised, where WESH was awarded as the best EU-solution in the global contest. Members of the WESH Project Team as well as the UIA Expert were invited to the ceremony and attended the academic Smart City conference. WESH's civic engagement platform Heerlens Heitje was awarded as a finalist among solutions from India, Morocco, Kazakhstan, Indonesia and the USA. The global jury praised the integrated, participative approach of WESH. They named WESH an example of governance innovation, which pioneers in crowdsourcing on a blockchain platform. The project was regarded as potential for decentralised city management. The communication to beneficiaries by the WESH partnership, benefitted from the recognition and showcased it as a milestone to the public.

### **Project legacy**

In our age of information we see increasingly polarisation of any public debate, which creates distrust and more distance between citizens and public entities. Bridging the gap between them is on the political agenda across Europe. Initiatives that stimulate civic participation, crowd engagement and voluntary work, can create more trust among citizens and understanding of governmental services. Digital tools enable public organisations to make more decisions based on evidence. They also allow them to interact, reflect and make use of the collective wisdom and strength of the crowd, in order to implement policy and city management services much more effectively. Means to improve trust and engagement, are becoming essential in the systemic changes we are facing as a society. Not only because the challenges they pose are increasingly complex, but because they are existential and dependent on close collaboration and contribution by all actors. An innovation project such as WESH, has been exemplary and experimental in guiding public entities to create a more responsive, transparent and participatory decision-making process for society. In that sense WESH has showcased true governance innovation, by crowdsourcing core city management activities directly to citizens with via digital technology.

*Picking up a chore toolbox at the local community centre*



Source: Municipality of Heerlen

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