

# Agenda

1. **Welcome & Opening remarks**, Ira Alanko, Ministry of Finance and (virtually) Elsa Pilichowski, Director for Public Governance, OECD
2. **Implications of this work for Europe**, (virtually) Sébastien Renaud, Deputy Head of Unit for Governance and Public administration, Directorate General for Structural Reform Support (DG REFORM), European Commission
3. **The anticipatory innovation governance model and overview of the OECD's findings followed by Q&A**, Angela Hanson, Observatory of Public Sector Innovation, OECD
4. **Commentary on the report**, Seppo Määttä, Director General, Prime Minister's Office
5. **Outlining next steps for Finland**, Katju Holkeri, Ministry of Finance
6. **Closing remarks**, Juha Majanen, Permanent Secretary, Ministry of Finance



# Anticipatory innovation governance model: towards a new way of governing in Finland





## **ANGELA HANSON**

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PUBLIC SECTOR  
INNOVATION

# Meet the team



Piret  
Tõnurist



Joaquín  
Collao



Rodrigo  
Dal Borgo



Angela  
Hanson



Jack  
Orlik



Josh  
Polchar



Julia  
Staudt



# Agenda

- 1. The Observatory for Public Sector Innovation's Innovation Facets**
- 2. Anticipatory Innovation Governance**
  - The OECD's anticipatory innovation governance model
  - Finland's leading role in anticipation
- 3. Project assessment and pilots**
  - The OECD's assessment
  - Four pilot case studies
- 4. Project findings**
  - Learnings from the pilot for the model
  - Action points for Finland
- 5. Questions & Answers**



# The OECD Observatory for Public Sector Innovation

We put innovation at the heart of government. Founded in 2013 based on the growing need for governments to adopt new approaches to address society's complex problems, OPSI strives to:



## **Uncover what's next**

We analyse global trends and explore new possibilities for governments

## **Turn the new into the normal**

We provide the tools, know-how, skills and methods to implement theory into practice

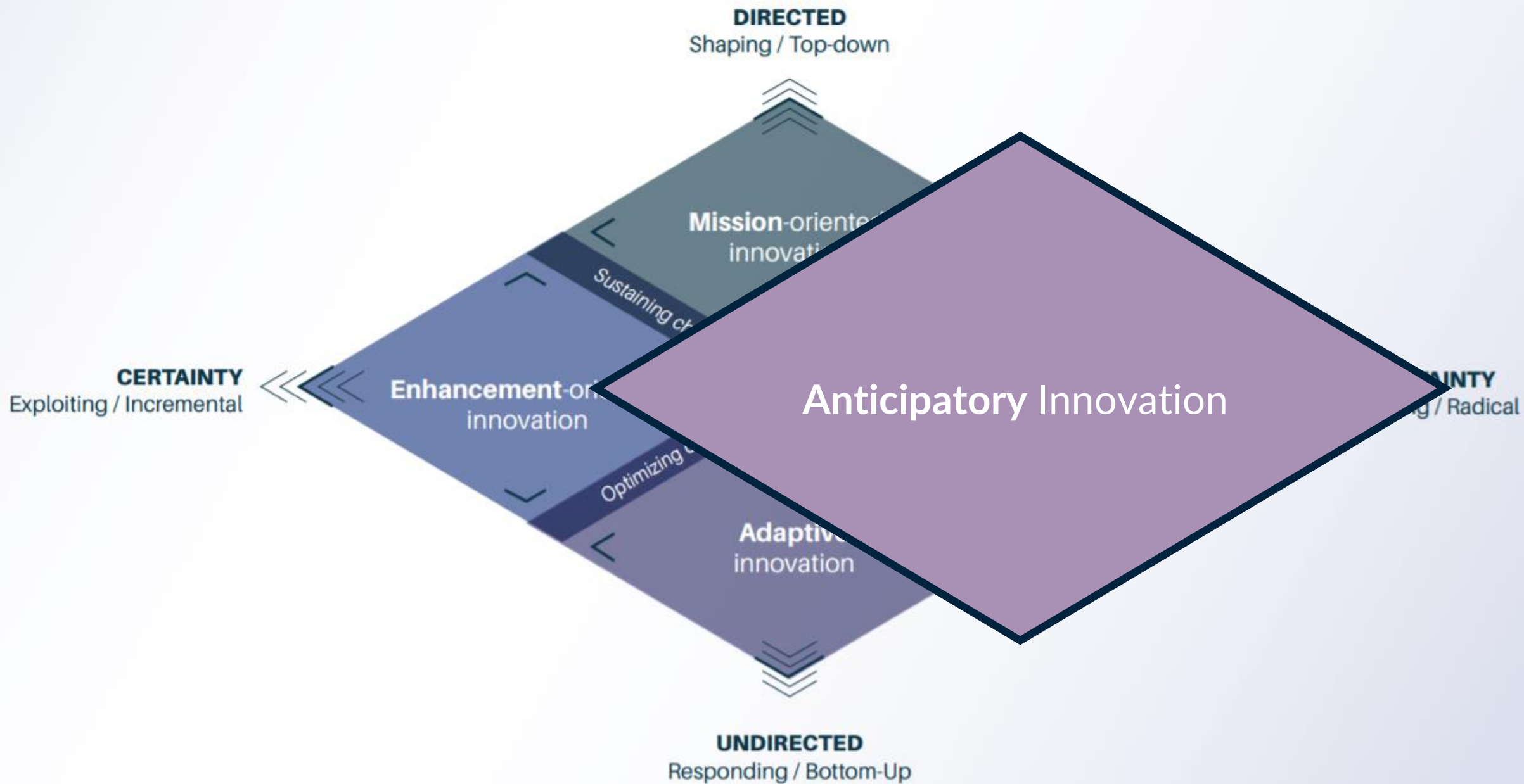
## **Provide trusted advice**

We develop guidance and tailored advice on ways governments can support innovation for better outcomes



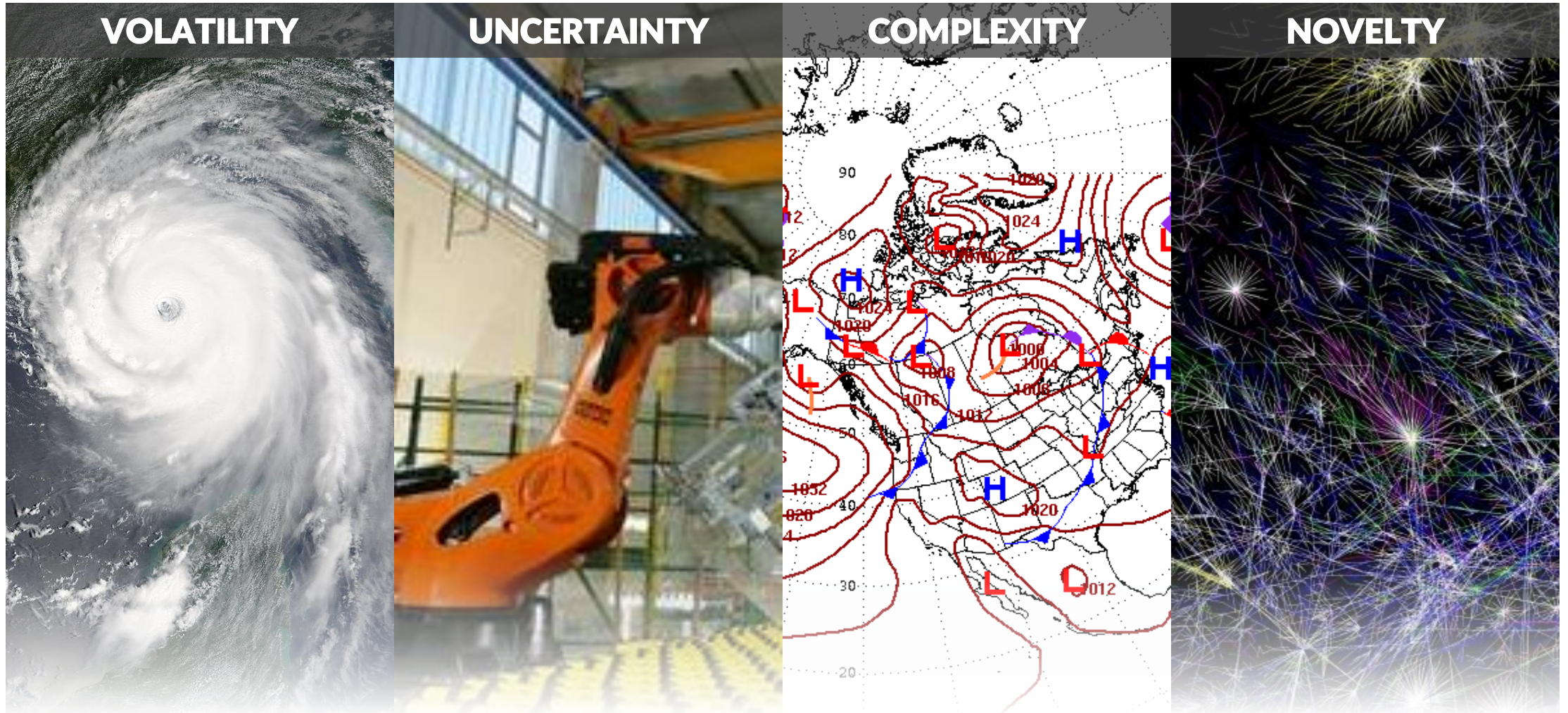
# The Innovation Facets



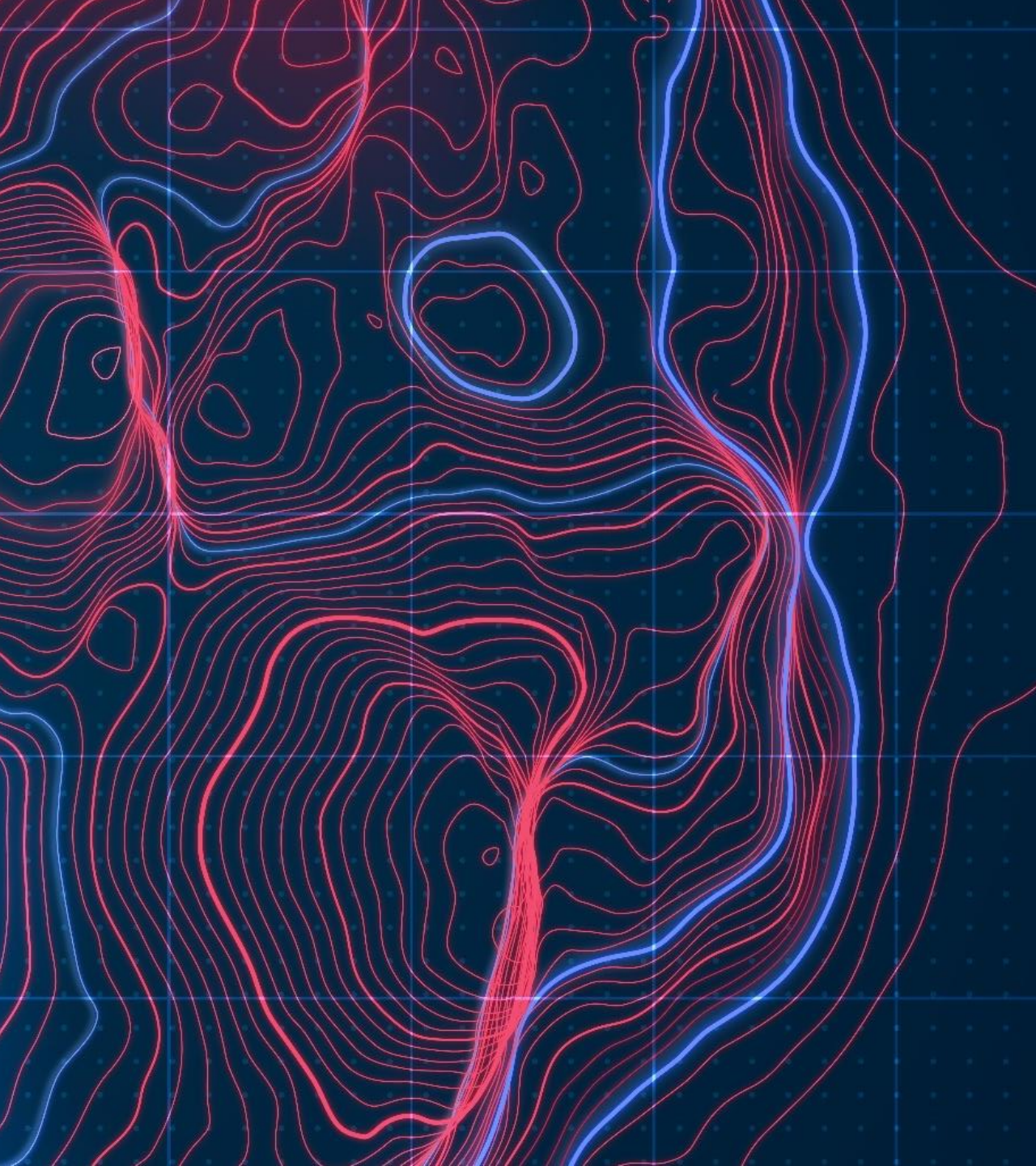




# Anticipation is the answer to a VUCA world







# **Better anticipation**

## Better decisions

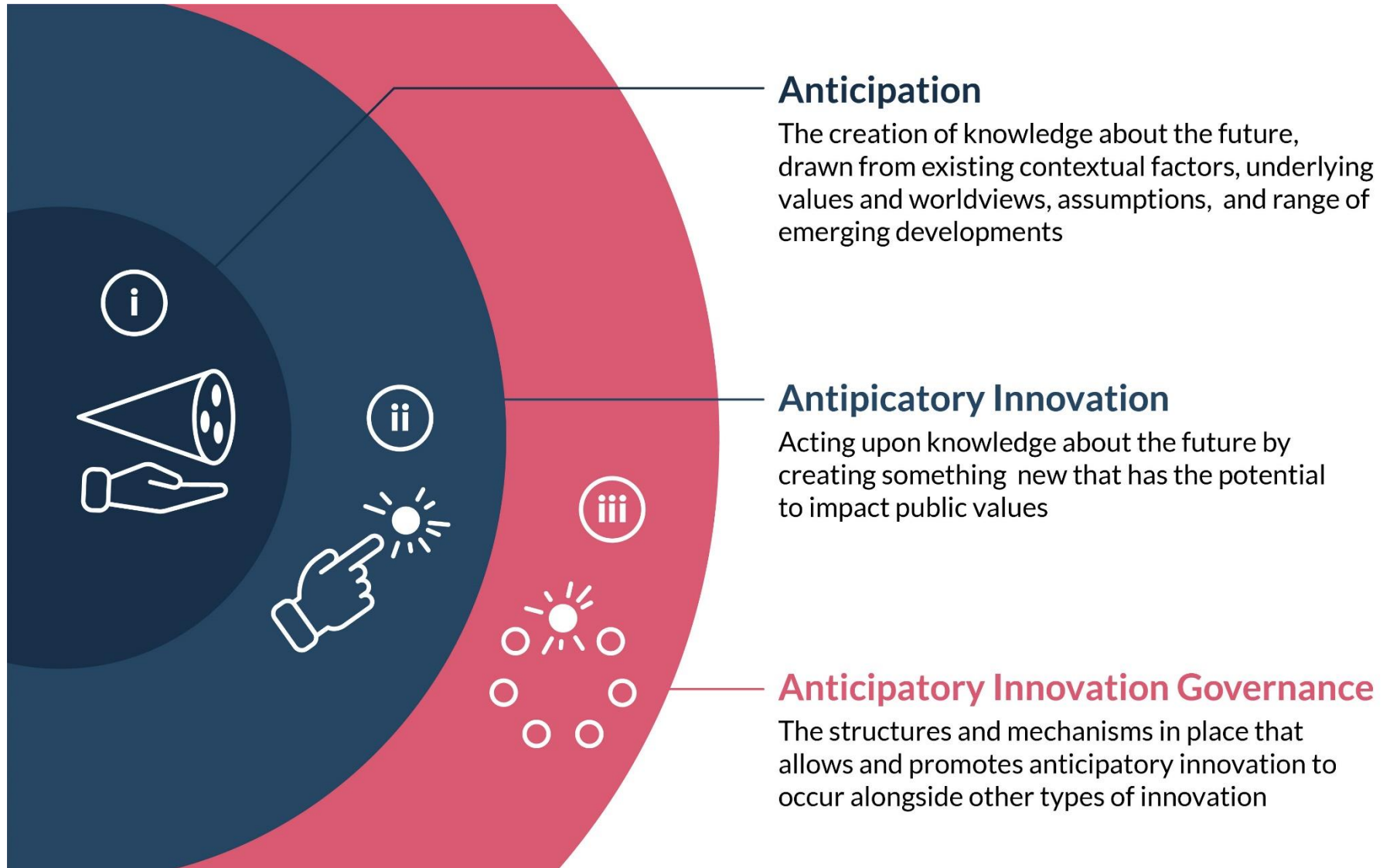
All organisations are anticipating all the time.

But none are making the most of the present to prepare for and shape the future.

Anticipatory innovation helps to address this problem.



# Bridging the gap





# The OECD anticipatory innovation governance model



## Authorising Environment



## Agency





# Model elements

**Agency** defines the tools, methods and information resources that enable public servants and organisations to anticipate and innovate in practice.

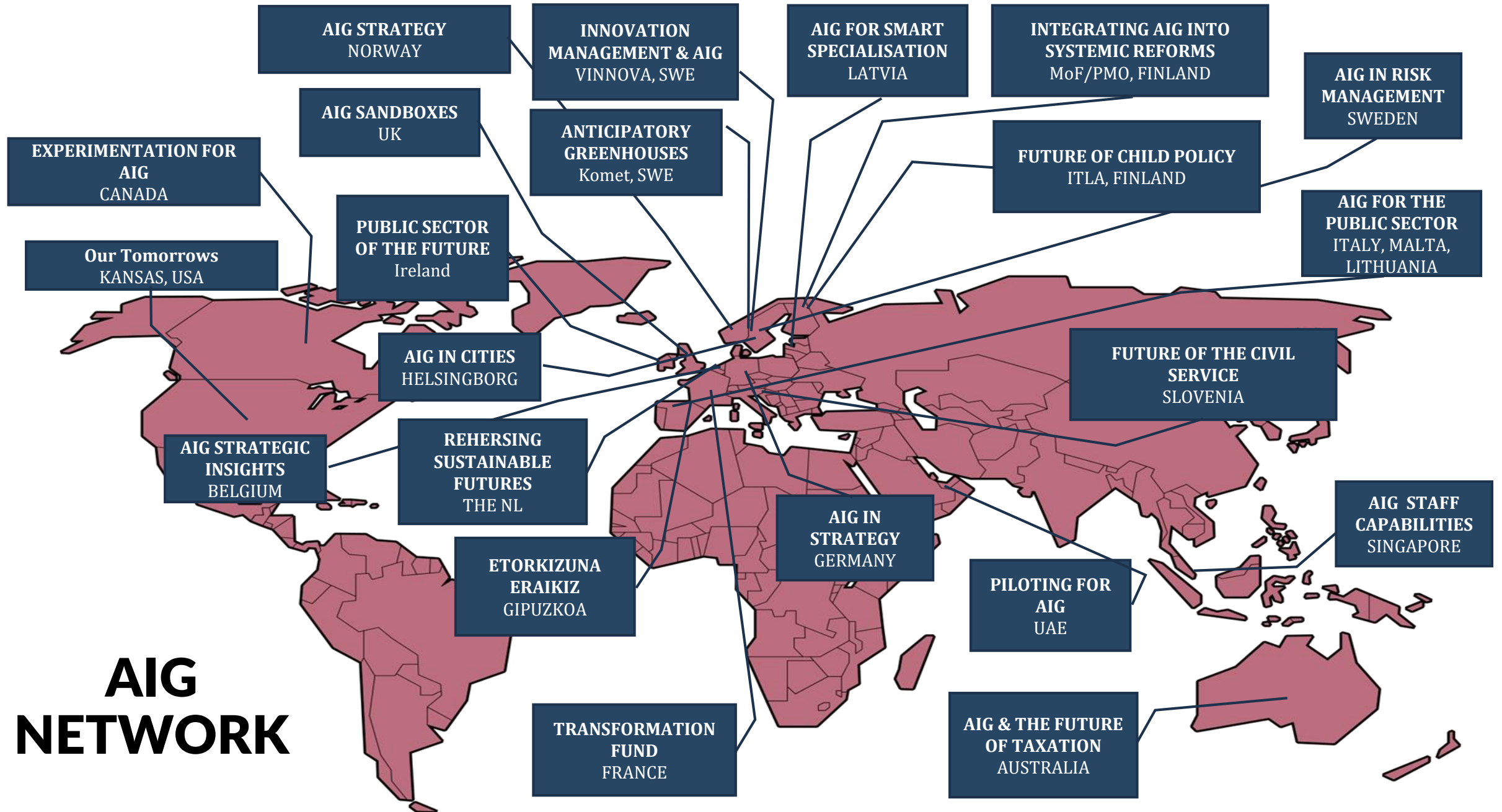
- Alternatives exploration and experimentation
- Data and measurement
- Sense making
- Organisational capacity
- Tools and methods
- Institutional structures

**Authorising environment** is the system within the public sector that validates anticipatory innovations – provides feedback that there is demand, value, and use for the work.

- Vested interest and cognitive biases
- Public interest and participation
- Networks and partnerships
- Legitimacy
- Evidence and evaluation
- Learning loops

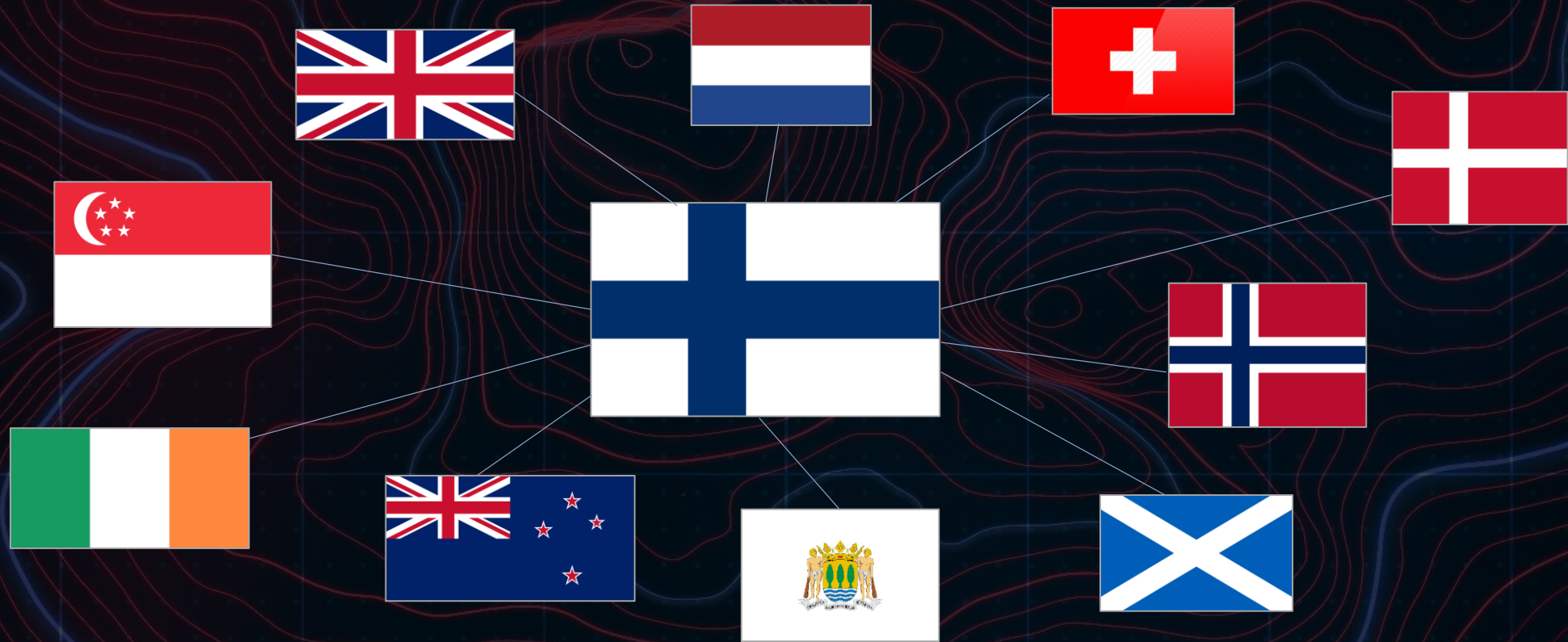


# AIG NETWORK



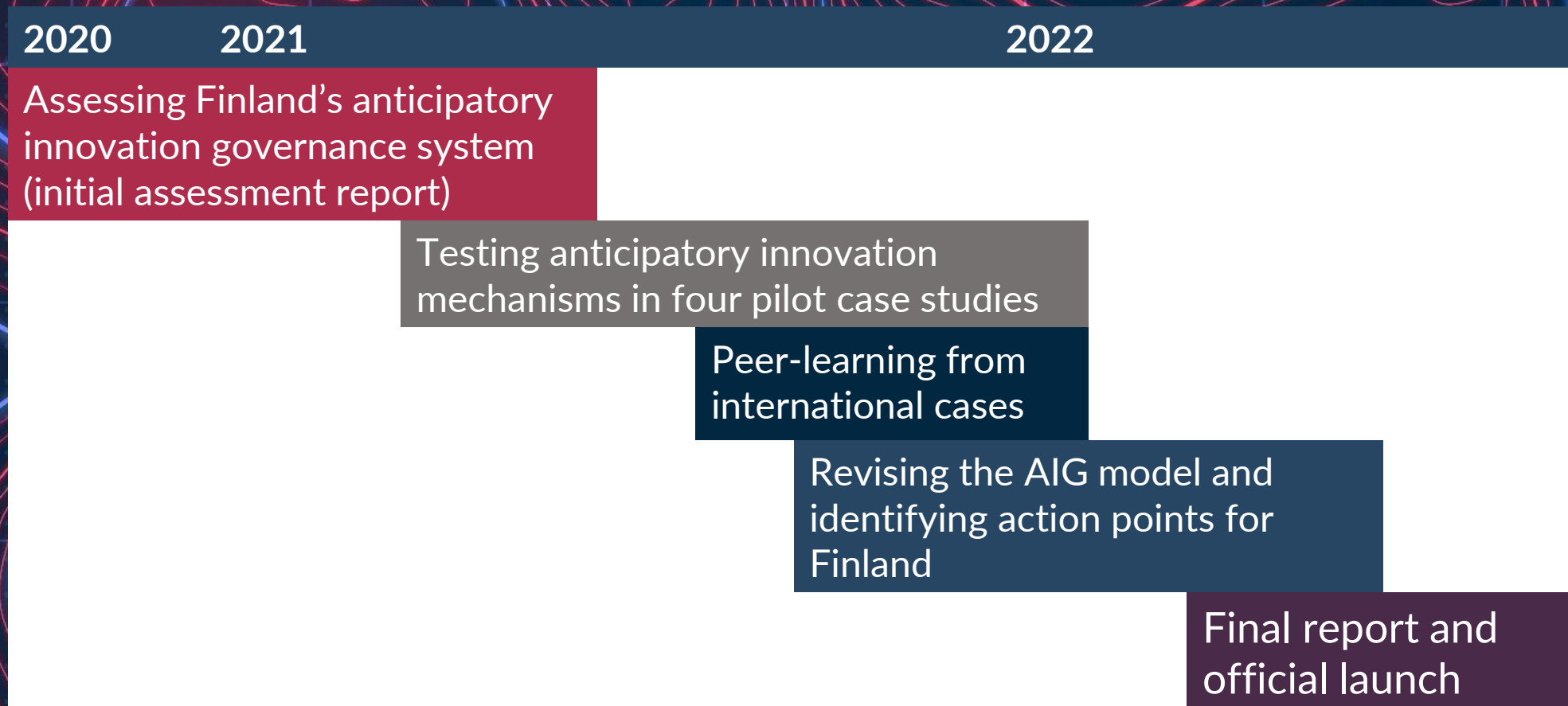


Finland is a pioneer in anticipatory innovation governance and an inspiration to peers





# Project Elements and Timeline





# The OECD's assessment of the Finnish governance model



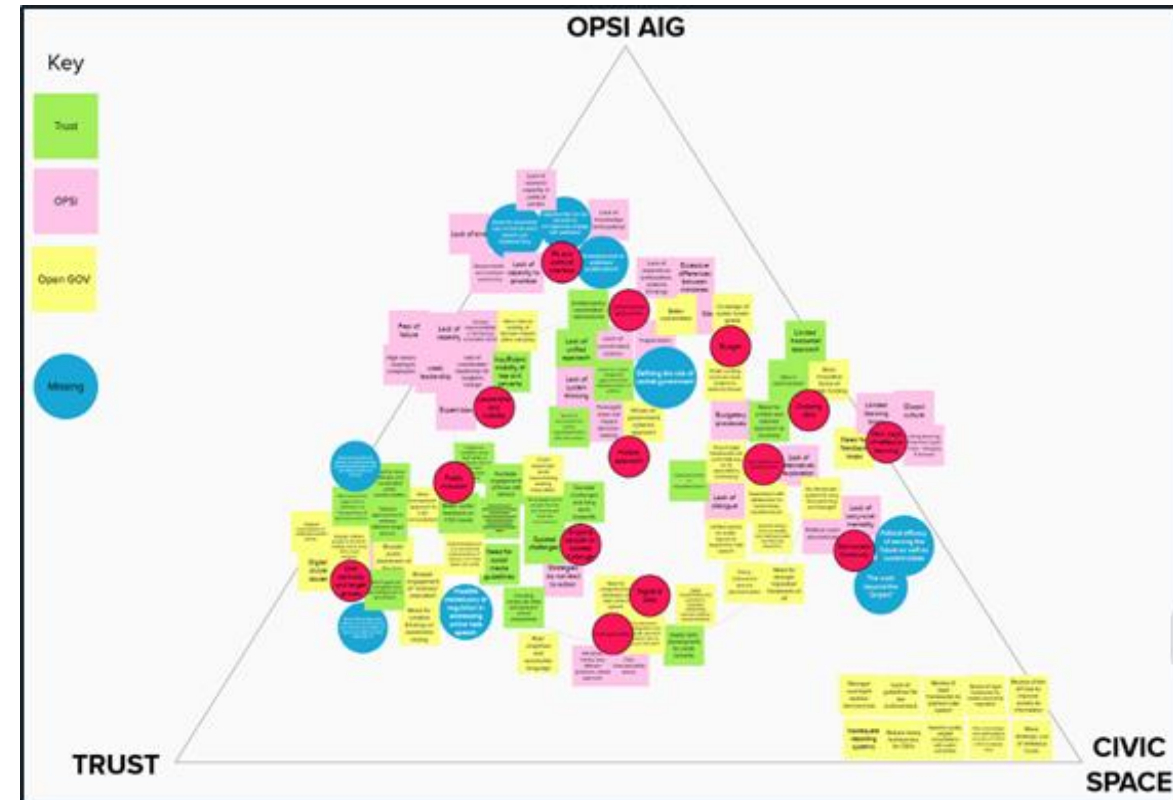
# Steps of the assessment (I)

- **Desk research**, including previous OECD reports on public governance in Finland, grey literature (policy brief, reports etc.) on public sector innovation and innovation systems, and Finnish government reports.
- **Semi-structured interviews with over 50 public sector leaders, policy makers, experts, media representatives, and key stakeholders** across jurisdictions and sectors to understand the system elements, key challenges, and experiences of actors within the system. The interviews took place between November 2020 and February 2021 and were all conducted virtually. The interviews were recorded, transcribed, anonymised and coded in NVivo.



# Steps of the assessment (II)

- **Ten different validation workshops** with a cross-section of public sector innovation leaders, experts and practitioners to corroborate and substantiate the preliminary findings were held between January and April 2021.
- **Two additional workshops** were held: the first in December with the Steering2020 project team to compare initial findings and the second in February 2021 with the OECD's open government and trust teams that were conducting scans and case studies in parallel in Finland.



Source: OECD assessment report.



# Analysis based on the ALG mechanisms





# Thematic issues

1

## **Public Interest and participation:**

How to make anticipatory innovation more democratic?

2

## **Futures and foresight:**

How to pass the impact gap of strategic foresight and align futures with strategic planning and needs of decision-makers and vice versa?

3

## **Budget and resource allocation:**

How to align budgetary steering processes with anticipatory innovation and complex challenges?

4

## **Alternatives exploration:**

How to create more room for sense-making, experimentation, innovation and iterative development in policymaking processes?

5

## **Individual and organisational capacities, skills and factors:**

Which capacities and skills are needed for anticipation in different government roles? Which biases need to be countered?

6

## **Policy cycles and continuity of reforms:**

How to address complex policy issues beyond 4-year government terms?

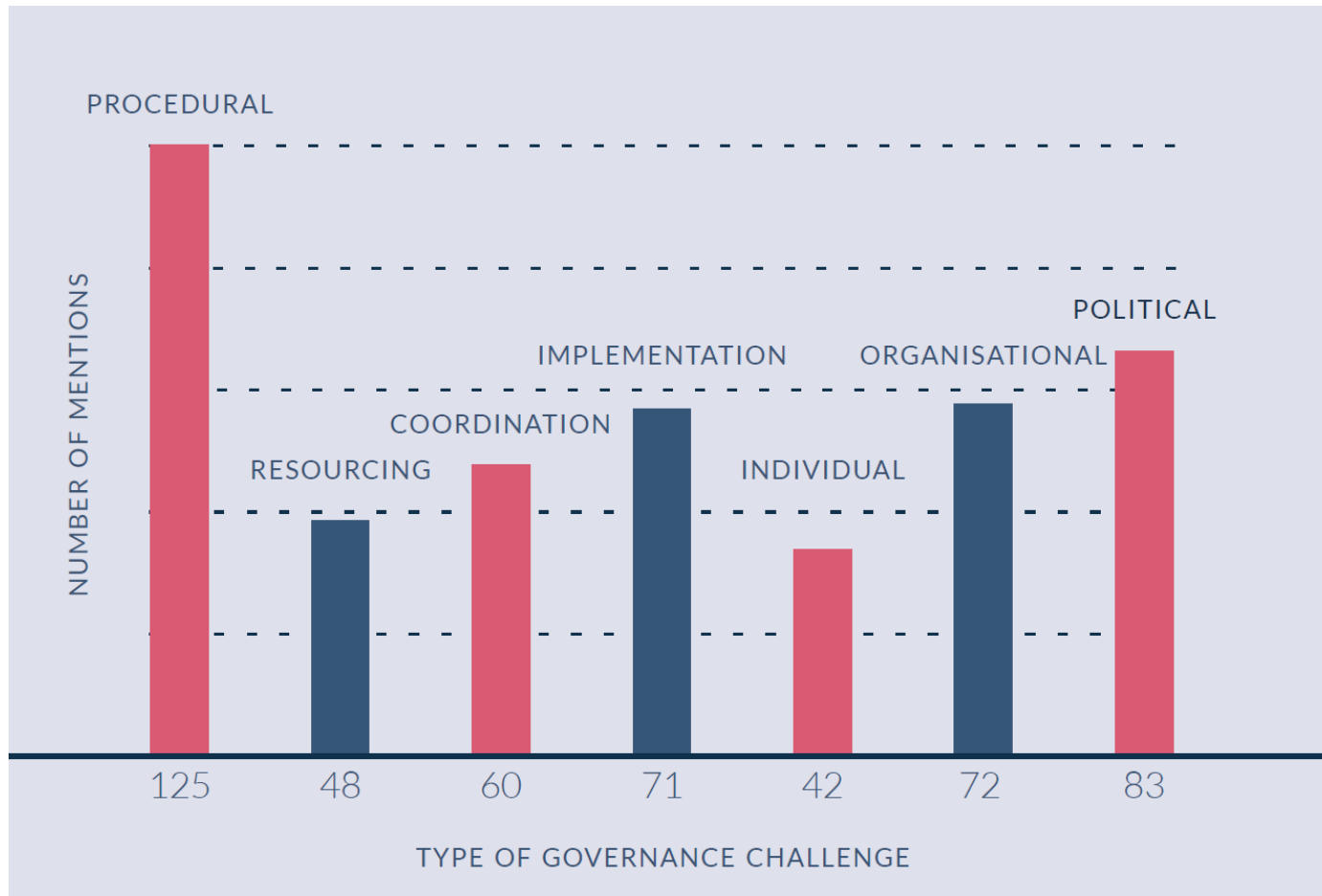
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## **Coordination across government challenges:**

How different policy steering system need to adapt to make working on complex challenges more effective?



# Identified governance challenge clusters



Source: OECD assessment report.

The most frequently mentioned clusters were associated with:

- Procedural issues
- Organisational challenges
- Policy implementation
- Policy coordination
- Resourcing
- Individual factors



# Main action points from the assessment

1

Integrating futures and foresight with core strategic processes, innovation and experimentation.

5

Allow for complex and long-term policy issues to be collectively understood and sustained across the policy cycle.

2

Systematically involving citizens and other stakeholders in future-oriented policy creation.

6

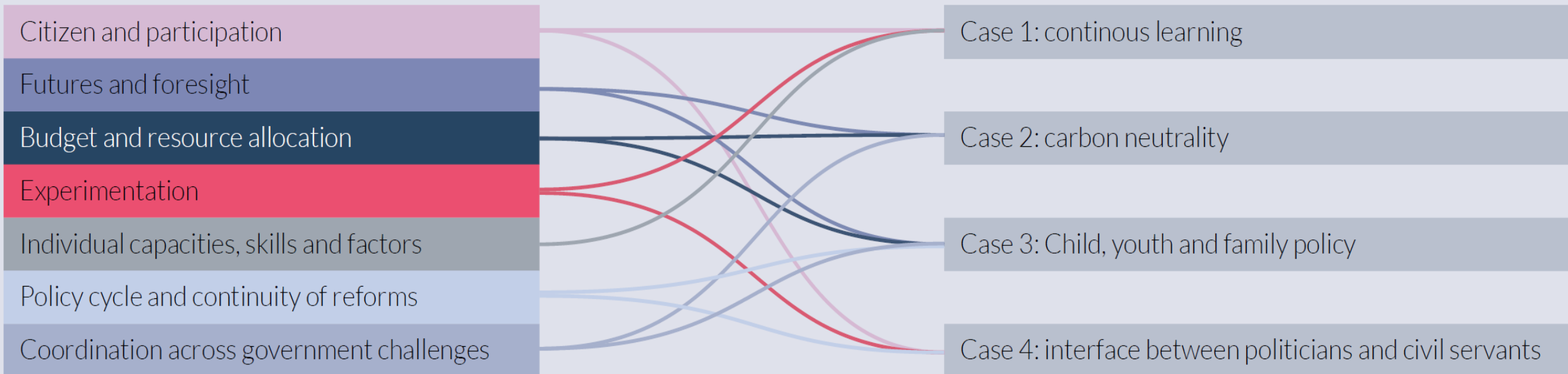
Countering governmental silos and creating new ways of collaboration to look at emerging problems in a cross-government manner.

3

Increasing access to and experience with anticipatory innovation approaches and tools.



# Pilot cases: October 2021 – April 2022



Source: OECD assessment report.



# Four pilot cases



# Together with a steering group of each case the project examined how anticipatory innovation can be applied in practice

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Mechanisms for the anticipatory governance of continuous learning

Child well-being in Finland's welfare service counties

Carbon neutrality & evidence about the future in fiscal policy

Politico-administrative cooperation on cross-cutting, complex policy issues



# Continuous learning

Complex, decentralised system reliant on autonomous providers

Need for a robust model for horizontal and vertical governance of the system

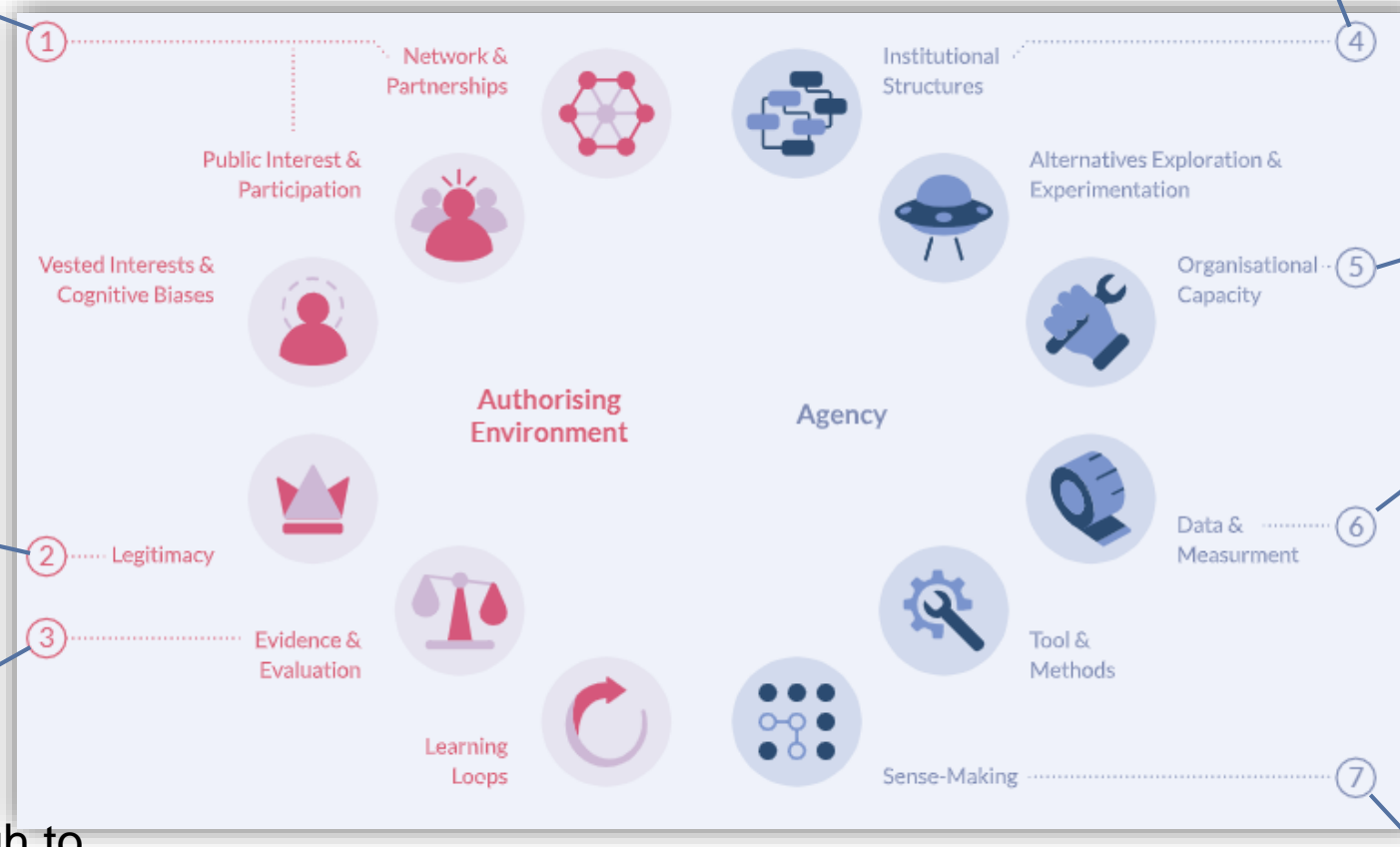
Source of legitimacy for the system is unclear

Collaboration and coherence

Fragmented data sources and their use

Evidence is not enough to ensure the prioritization of a complex issue

Collective sense-making of anticipatory information





# Carbon neutrality

Addressing cognitive biases of fiscal policy makers

Who legitimizes uncertain data in fiscal policy decisions?

Lacking evaluation on phenomenon based financing

Clear responsibility and urgency to act

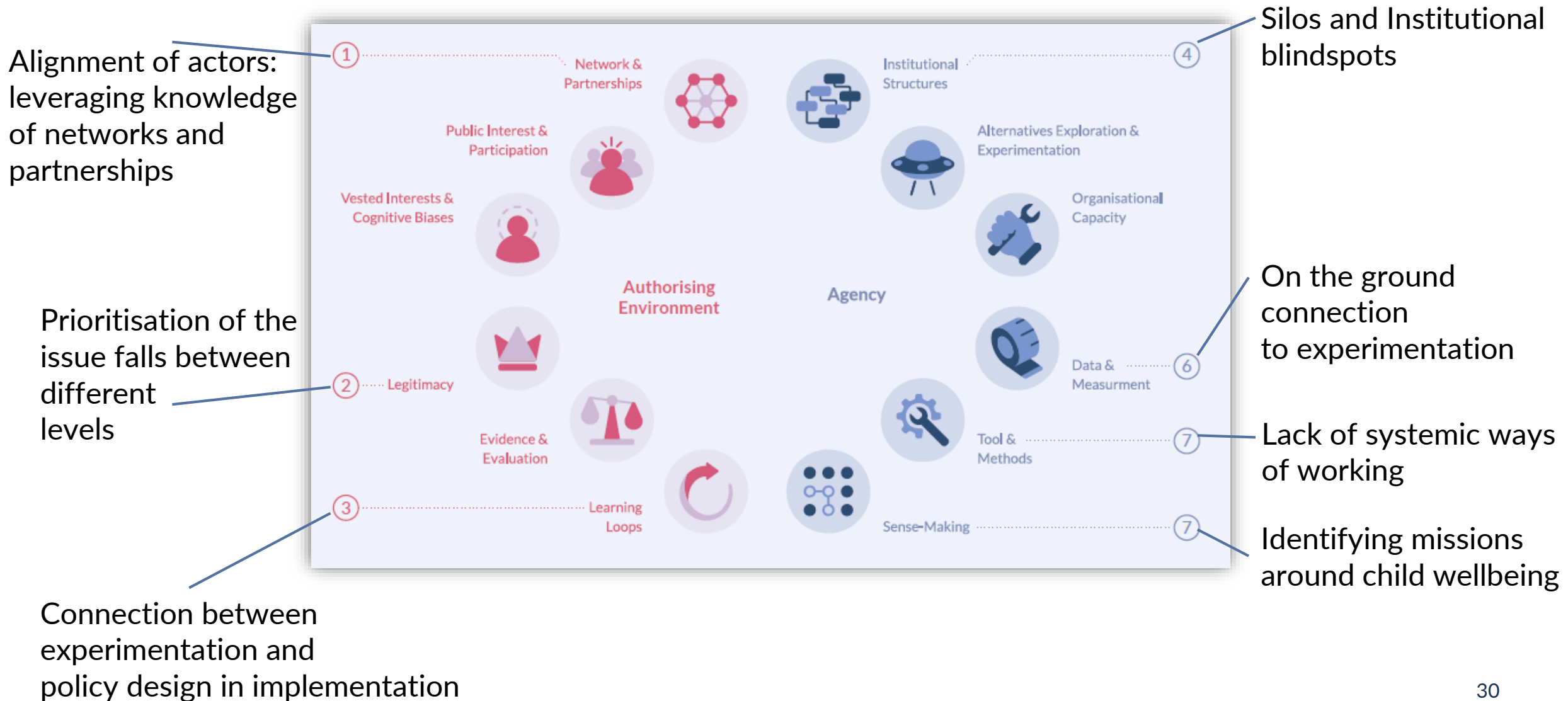
Collaboration and coherence

Capacity at individual and institutional level



Integration of anticipatory fiscal tools and methods into mainstream practices

# Child well-being





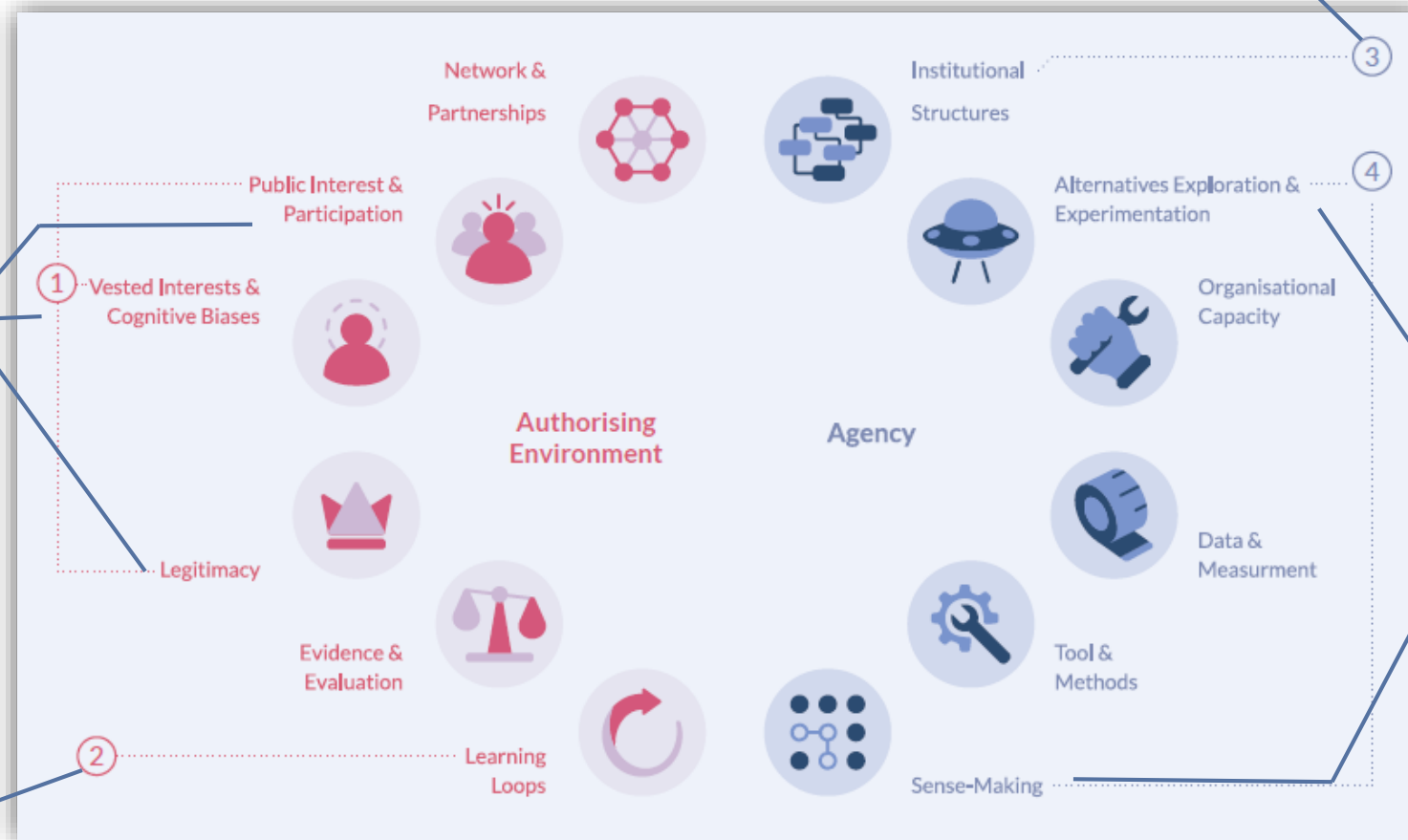
# Politico-administrative cooperation

Roles in government transitions

Trust between civil servants and politicians

Lack of systemic evaluation of reforms across government terms

Few future seeking moments





# **Learnings from the pilot for the model**



# Each of the pilot cases allowed for analysis of the anticipatory innovation governance model in practice

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## Mechanisms for the anticipatory governance of continuous learning

Leverage autonomy and knowledge of stakeholders

Promote shared understanding of relevant information

Establish meaningful, fair cooperation with stakeholders

Systematise use of diverse anticipatory approaches

## Child well-being in Finland's welfare service counties

Connect policy making and strategic steering to implementation

Support systemic use of anticipatory tools & methods

Create clear value chain from strategic visioning to experimentation

Identify missions around child well-being

## Carbon neutrality & evidence about the future in fiscal policy

Create space for alternatives exploration

Mainstream use of new tools and qualitative foresight methods

Promote shared understanding and sensemaking

Access networks of lead users

## Politico-administrative collaboration in the file of anticipatory innovation

Create space to discuss futures issues

Embed anticipation in politico-administrative interactions

Establish clear roles and shared understanding

Support continuity of reforms and collaboration

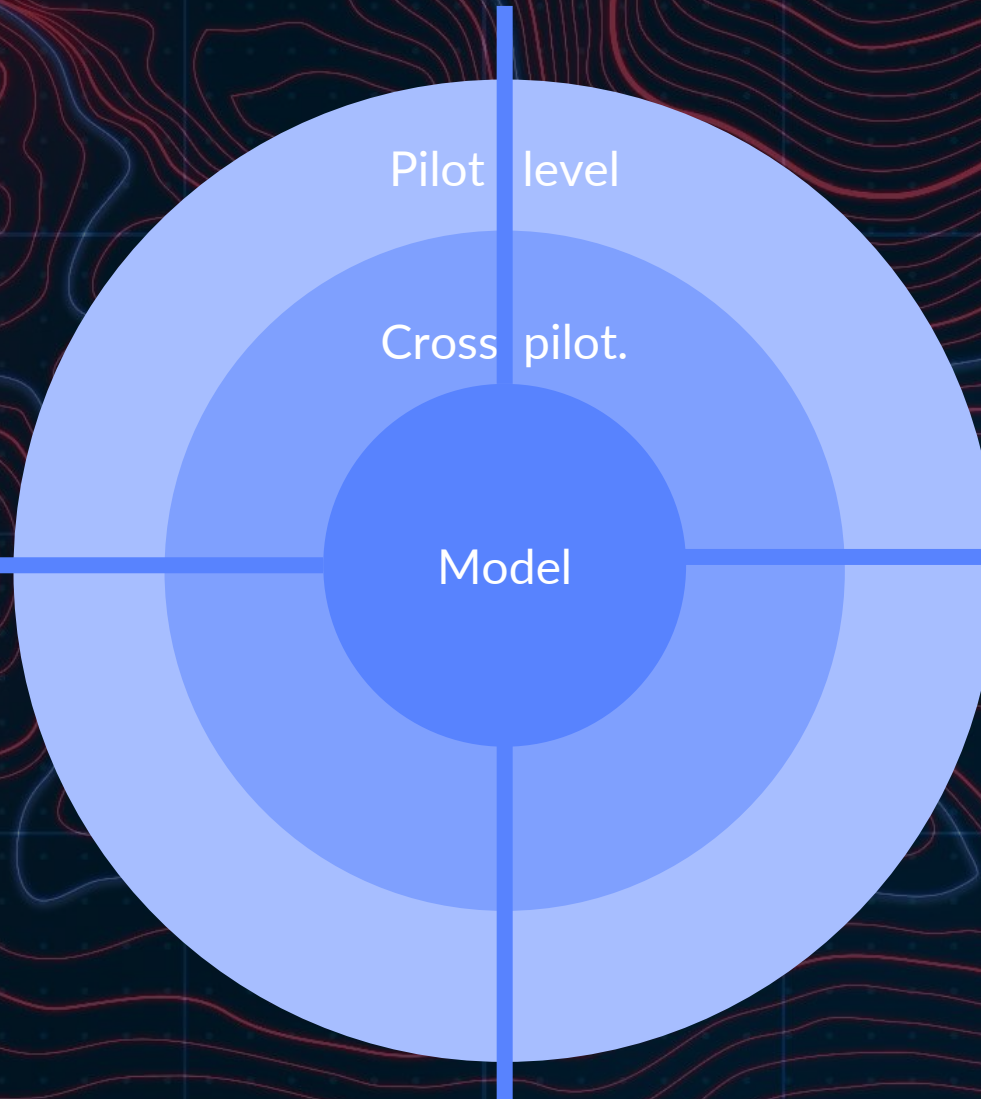
# Lens of analysis for revising the model

Factors/  
reforms

Structures/  
processes

Actors/  
interactions

Capacities/  
practices





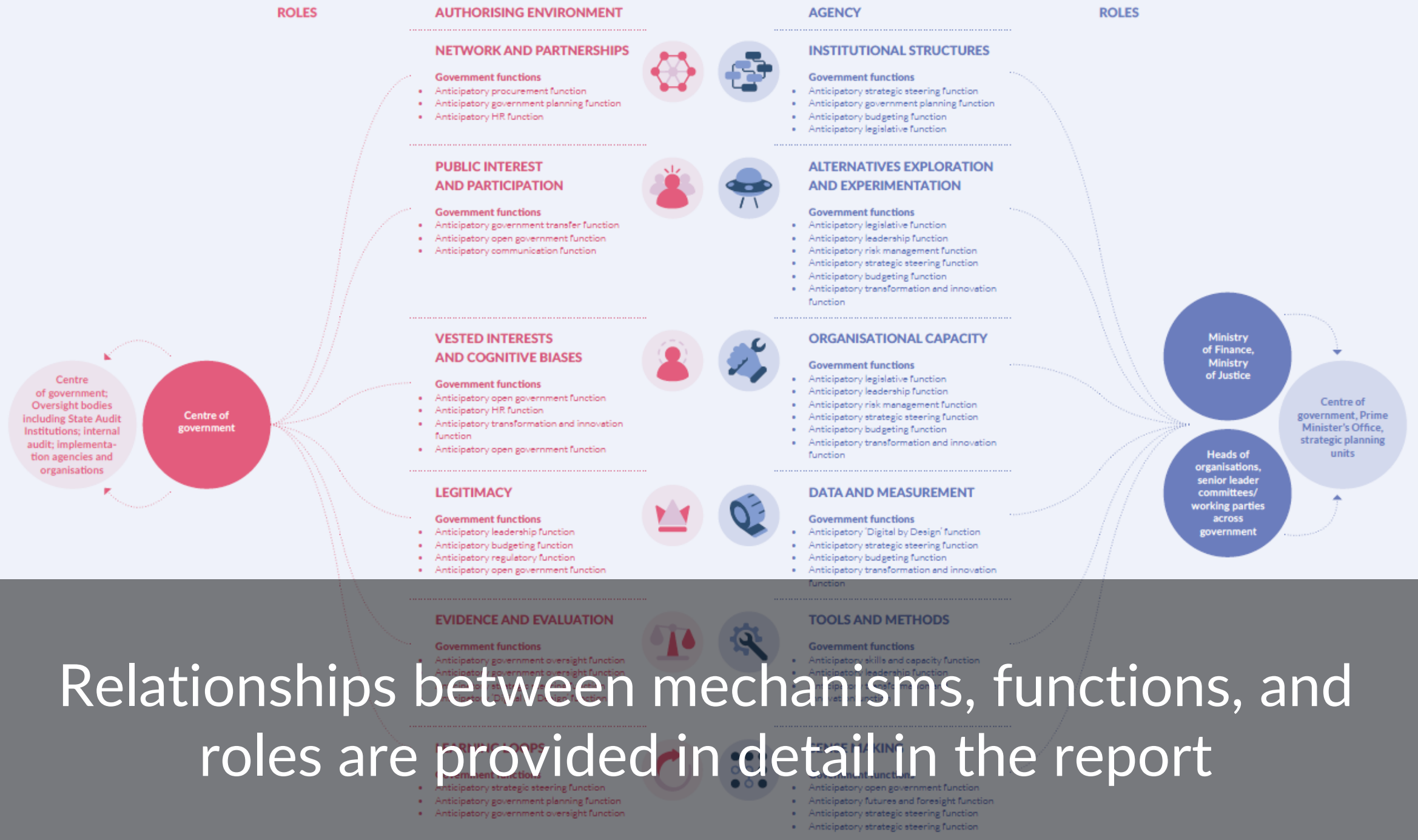
# **Anticipatory mechanisms exist, however:**

- **There is no concretely defined demand or supply for anticipatory information**
- **There are no ways to systematise it or incorporate it into organisational and operational solutions to tackle emerging challenges**

# Revision of the model included

- Mechanisms of anticipatory innovation governance
- Functions that those mechanisms need to fulfil and alternative ways that these functions could be achieved
- Instrument to assign roles and responsibilities for those functions





# These government functions need integration of anticipatory innovation capacity



Government transition function



HR function and skills and capacity development



Government planning function



Open government function



Strategic steering function



Future and foresight function



Budgetary function



Oversight function



Legislative function



# Additional functions needed





# GOVERNMENT TRANSITION FUNCTION

- Professionalise/systematise the **government transition process** to ensure the continuity of long-term reforms and avoid the loss of know-how and insights in the process.
  - Supported by a **knowledge repository** around long-term reforms and anticipatory issues, encouraging learning from one government to another, but also between public officials, politicians, and stakeholders.
  - Use technology to make data across government **interoperable and user and phenomenon centric**





# GOVERNMENT PLANNING FUNCTION

- A new function in government to **plan responses to emerging issues**, with a clear procedure to diagnose emerging issues and **design flexible, reflexive and impactful anticipatory organisational solutions** with clear ownership
- A **standing committee** or group across government for senior leadership to **discuss emerging, anticipatory issues** with the ability and **connected resources** to create demand for anticipation



# Action points for Finland





1

Systematise the government transition process to improve the continuity of long-term reforms and institutional memory.

- knowledge repository around long-term reforms and anticipatory issues
- more structured transition process including opportunities for trust-building and collective future-seeking





2

Develop new methods and governance approaches to plan responses to emerging issues.

- A cross-government committee for senior leadership to discuss emerging issues
- An agreed methodology to diagnose and make sense of emerging policy problems and assign ownership, responsibility and resources to issues in a flexible, but transparent manner





3

Establish structures for regular collective sensemaking, visioning and exploration of alternatives.

- A method for collective sense-making between different communities across government, including politicians and public officials
- Coordination from the centre and equal involvement of ministries with a stake the policy issues discussed





4

Test new approaches to allocate budgetary resources to emerging phenomena.

- Fiscal planning and investment prioritisation approaches more systematically explore and address uncertainty
- Resource allocation to encourage experimentation and cross-government working to address complex, wide ranging and unstable phenomena





5

Further enable regulatory approaches to support experimentation.

- Institute a 'right to challenge' function for strategies, policies and services with resourcing to explore alternatives





6

Design training, teams and roles to increase the understanding and application of anticipatory approaches.

- Targeted programs for public sector leadership, civil servants, foresight and innovation experts
- Redesigning the roles of leaders, particularly middle managers.
- Strengthen a work environment of psychological safety.





Institutionalise dialogue and deliberation to build trust between citizens, public officials and politicians in order to enable greater engagement with uncertainty.

- Guidelines to institutionalise citizen and other stakeholder participation methods and help public organisations to facilitate these efforts.
- Regular involvement in the governance process of both politicians and public officials to contribute to knowledge around future developments and collectively make sense of the insights





Connect the futures and foresight system to policy making.

- Training in futures and foresight (production, but also the use of futures analysis) for experts, policy makers and senior leaders
- Encouragement by the centre to bring strategic foresight out of “narrow circles” and involve more outside and international experts





9

Track and assess the use of anticipatory approaches.

- A more proactive role for the State Audit Office of Finland in following up on the value chain from futures and foresight, strategic steering to innovation and experimentation and implementation

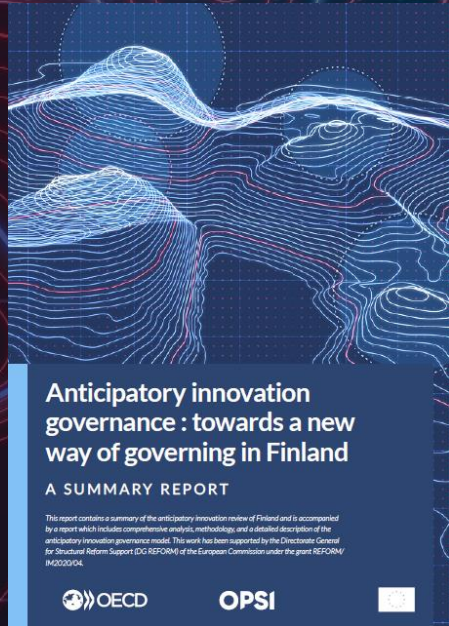


THIS PRESENT  
MOMENT  
USED TO BE  
THE UNIMAGINABLE  
FUTURE



# Your summer reading :

Summary 48 pages



[oe.cd/FINfuture](https://oe.cd/FINfuture)

Report 350 pages



<https://vm.fi/valtion-ennakoiva-ohjaus>



# Questions for discussion

- Where are the biggest windows of opportunity in the next year for incorporation of anticipation?
- Who should hear these recommendations? Who is in a good position to take action and sustain anticipation?
- What factors should Finland make sure to address or consider?
- What finding stood out to you and why?





**Thank you.  
Questions?**