Systems Change based on Anticipatory Innovation Governance in Finland

Project kick-off event

28 August 2020
Q&A on Teams chat

We are recording!

Slides shared by email
INTERNATIONAL PEER PERSPECTIVES

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The Observatory of Public Sector Innovation

- Provide neutral, trusted advice to governments
- Surface global trends in public sector innovation
- Empirics-led research and innovation reviews
INTERACTIVE QUESTIONS

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How would you rate the Finnish public sector capacity to deal with transformative change?

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IMPLEMENTING STRUCTURAL INNOVATION IN THE FINNISH PUBLIC SECTOR:
BUILDING A MODEL TO STEWARD SYSTEMS CHANGE BASED ON ANTICIPATORY INNOVATION
WHAT IS PUBLIC SECTOR INNOVATION?

- It is new to the context
- It is implemented in the real world
- It has impact on public value
THE OECD DECLARATION ON PUBLIC SECTOR INNOVATION

1. Embrace and enhance innovation within the public sector
2. Encourage and equip all public sector servants to innovate
3. Cultivate new partnerships and involve different voices
4. Support exploration, iteration and testing
5. Diffuse lessons and share practices

The OECD Declaration is a set of five principles and actions. Access the full text and supporting materials:
https://oe.cd/innovationdeclaration

#declaretoinnovate
NEED FOR A NEW APPROACH TO GOVERNANCE (I)

We need for a different approach to policy making

- Policy problems today are characterized by **diversity, complexity and uncertainty** (outcomes are unknown and risks impossible are incalculable)
- Traditional model of policy design has platoed: quickly evolving and uncertain policy problems need a different approach to problem solving, policy design and capacity to learn
NEED FOR A NEW APPROACH TO GOVERNANCE (II)

Existing practices are not enough to prepare for what the futures might bring

- Strategic foresight methods are designed to imagine possible futures, not to ensure that any particular future results from the process
- Resilience is good, but can be too accommodating, miss opportunities for transformation and inspire overconfidence in prepared solutions
NEED FOR A NEW APPROACH TO GOVERNANCE (III)

The way forward: governments need to develop more adaptive, anticipatory and systemic policy solutions

- to keep options open and avoid irreversible interventions (adaptive policy-making)
- to tie future possibilities to innovation happening today (anticipatory innovation governance)
- to look beyond simple linear causations and prepare and address cascading effects (systems thinking)
REACTIVE GOVERNMENT
Position of 'wait and see' or called forward when 'hazards' (moral, ethical or even physical) materialize.

'End-of-pipe' interventions, and often fail to anticipate or address long-term systemic implications

PROACTIVE GOVERNMENT
Government as a 'technology maker'

Government anticipating various futures and actively exploring and shaping them in practice.
Who initiates transformative change in the Finnish public sector?

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PURPOSE OF INNOVATION

How might we achieve X?
- Achieving ambitious societal goals
- Aligning activities inside of an organisation towards a common overarching goal
- Inspiring external interest and investment in societal goals
- It can drive systemic change beyond any incentives (e.g. subsidies or grants) involved

How might we do X better?
- Cost reduction and operational efficiency
- Increased reach of government programs and services
- Reliability of services

How might emerging possibilities fundamentally change what X could or should be?
- Picking up on weak signals and engaging with them before a new course or paradigm is locked in
- Exploration with emergent issues that might shape future priorities and future commitments
- Testing assumptions and exploring radically different possibilities
- Reduction of surprise

How might our evolved situation change how we do X?
- Develop a diverse range of choices to solve emergent challenges
- Enable those close to the problems to create effective solutions that make sense for their circumstances
- Take advantage of newly available possibilities unknown to the organisation
- Match the pace of change outside the organisation to meet changing expectations
- Build and exercise a capacity for responsiveness in services and policies

OPS

www.oecd-opsi.org
What type of innovation does the Finnish public sector need?

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Anticipatory innovation governance is a broad-based capacity to actively explore options as part of broader anticipatory governance, with a particular aim of spurring on innovations connected to uncertain futures in the hopes of shaping the former through the innovative practice.
Anticipatory Innovation Governance

The structures and mechanisms in place that allows and promotes anticipatory innovation to occur alongside other types of innovation.

Anticipatory Innovation

Acting upon knowledge about the future by creating something new that has the potential to impact public values.

Anticipation

The creation of knowledge about the future, drawn from existing contextual factors, underlying values and worldviews, assumptions, and range of possible future scenarios.
The aim is to create an innovation stewardship model in the Government of Finland incorporating the anticipatory innovation function. Once implemented, the designed governance model should enable the Finnish government to adapt to transformative change in a systemic manner.
Can you do exploitation and exploration at the same time?

**Strategic intent**
Current activities invariably have bigger financial portfolios, thus, in organisational terms they outweigh new, smaller radical projects.

**User focus**
Feedback from current users and customers can steer organisations away from radically new products and services as they usually (at least initially) underperform established products and services.

**Resistance to change**
Especially to radically new innovations inside organisations if they are directly in conflict with established practices. Usually innovations that create totally new areas of engagement are more easily adopted.
What is the main challenge the Finnish government is facing today in dealing with transformative change?

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1. Realistic assessment and common understanding of the current system and its strengths, weaknesses and gaps in managing transformative systems change

2. Anticipatory innovation governance model for Finland

3. Support successful implementation of structural reforms in Finland through the anticipatory innovation governance model
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<th>2020</th>
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<td>Systems map and initial assessment report</td>
<td><strong>International case studies</strong></td>
<td><strong>Model testing</strong></td>
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<td>Testing anticipatory innovation mechanisms and sectoral case studies</td>
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<td>Final report</td>
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Which 3 areas in Finland need anticipatory innovation the most?

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COMMENTS AND DISCUSSION
CLOSING

MARCO DAGLIO

HEAD OF OBSERVATORY OF PUBLIC SECTOR INNOVATION, OECD