TAIEX SRSP Workshop on Policy Coordination and Performance Assessment of Public Policies



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VALTIONEUVOSTON KANSLIA

Strategic Policymaking in Finland
- What does it involve and lessons learned

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Strategy Department
Workshop Zagreb, Croatia 20.2.2020



Long term endeavour

From bureaucratic, rule bound Governance to inclusive, effective and strategic system

Essentials

- To see the big picture > Foresight and Strategy
- To see the interconnections of social issues> Effectuve Policy coordination
- To ”come back” to decisions made > Follow up and monitoring policies
- Communicate and visualize > Communication and interaction between various actors

Gradual move to strategic Governence system

- Systematic and long term development work based on **diagnosis of the needs for change**
- From result orientation to **purpose** orientation
- From decisions to **changes**
- Strong and independent Ministries > strengthening the **coordination** function of COG
- Adopting **Systems thinking**

Strategic planning – Strategic policy-making

KEY ELEMENTS

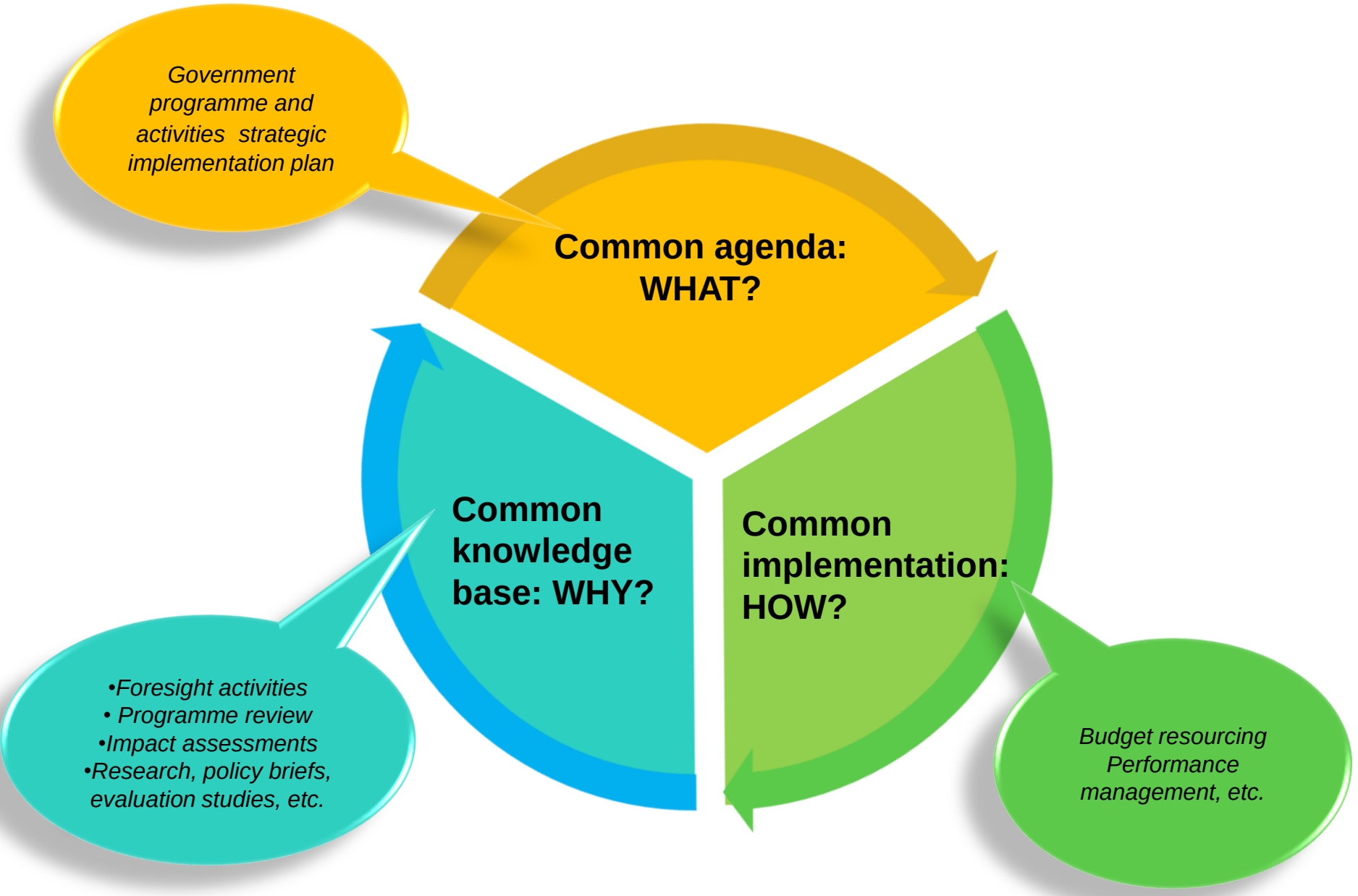
- Strategy documents
- Process
- Actors: political and civil servants
- Fora
- Feedback mechanisms: monitoring and evaluation system

Governance challenges in Finland- international cooperation and comparisons as a mirror

- **Being strategic**
  - Ability to prioritize: cannot do everything at the same time
  - Foresight capacity: what is behind the corner – longer perspective
- **Coordination and horizontal policymaking**
  - Complex and interconnected questions: wicked problems - solving one problem causes another problem elsewhere
  - Overcoming gaps: the Centre of Government and sectoral ministries; the state and the people; politicians and civil servants, the past, present and future….
- **Evidence-based policymaking**
  - Knowledge is the connecting key between civil servants and politicians
  - Civil servants have lost their monopoly in knowledge production

OHRA-project 2013-2015, PAKURI-project 2018-2019

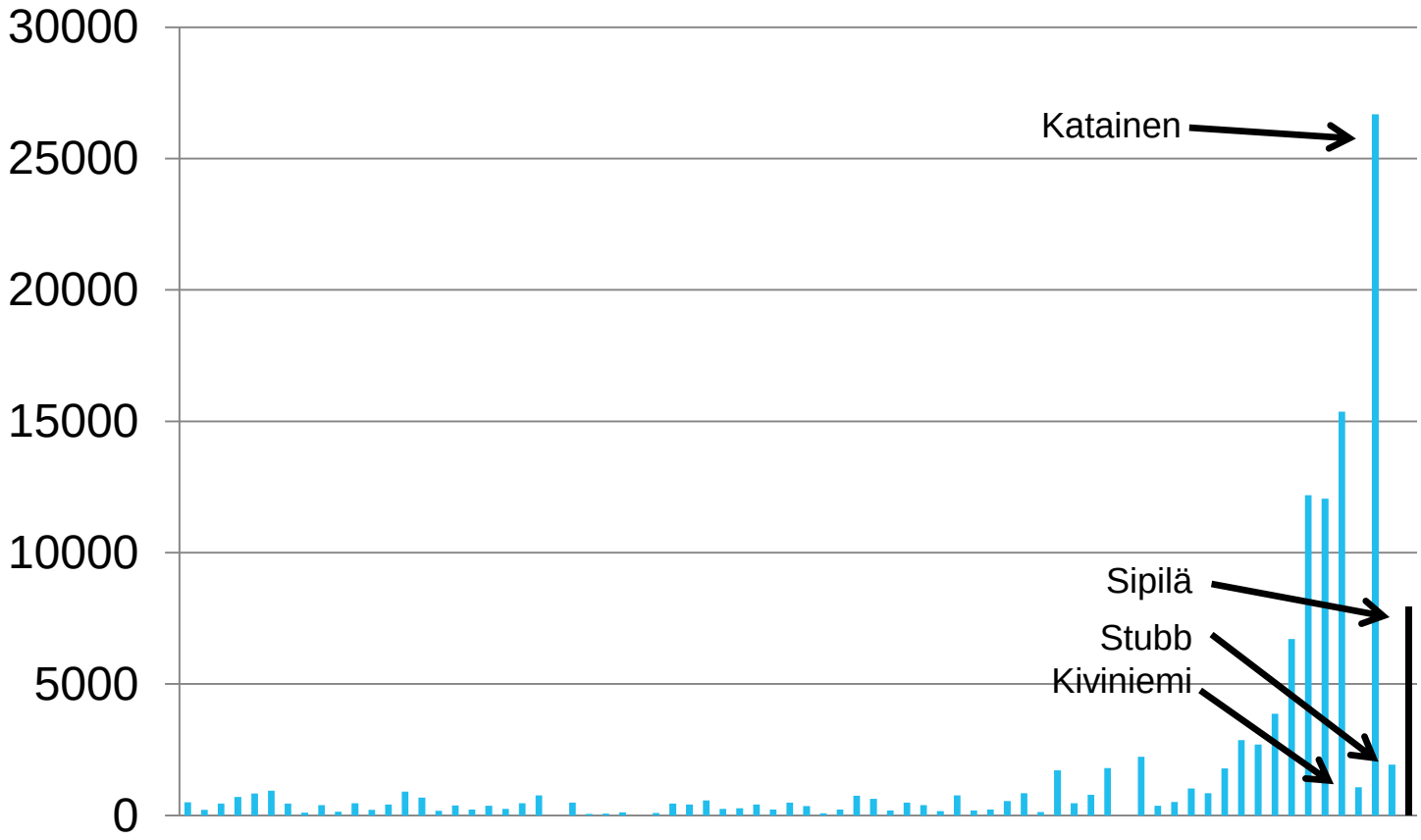
- Management development > reform of policymaking
- Too much of everything: disintegrated processes, laws and regulations, policy papers, strategy papers…
- Integration of the political and the resource process is success factor of the society; disintegration causes weakened political results and loss of resources
- ”Everything starts with the Government Programme” > from over 900 policy objectives to 3-5 prioritized policy goals 2015, 7 horizontal key policies in 2019


Government programme and activities strategic implementation plan
Common agenda: WHAT?
Common knowledge base: WHY?
Common implementation: HOW?
•Foresight activities
• Programme review
•Impact assessments
•Research, policy briefs, evaluation studies, etc.
Budget resourcing
Performance management, etc.

Strategic policymaking reform 2015

- Changes in the Government's political leadership practices and instruments
- Tradition of coalition Governments; importance of the Government Programme > Over the years became long and detailed, not indicating clear Government policy priorities.
- The most important guideline for the Ministries became a burden:
  - Weakened implementation as "everything was a priority".
  - Resource allocation did not have clear guidelines.
  - Lack of flexibility in changing situations.

Number of words in the Government programmes 1917–2015



The Government strategy process 2015-19

Spring 2015

Government programme 2015-19

Autumn 2015

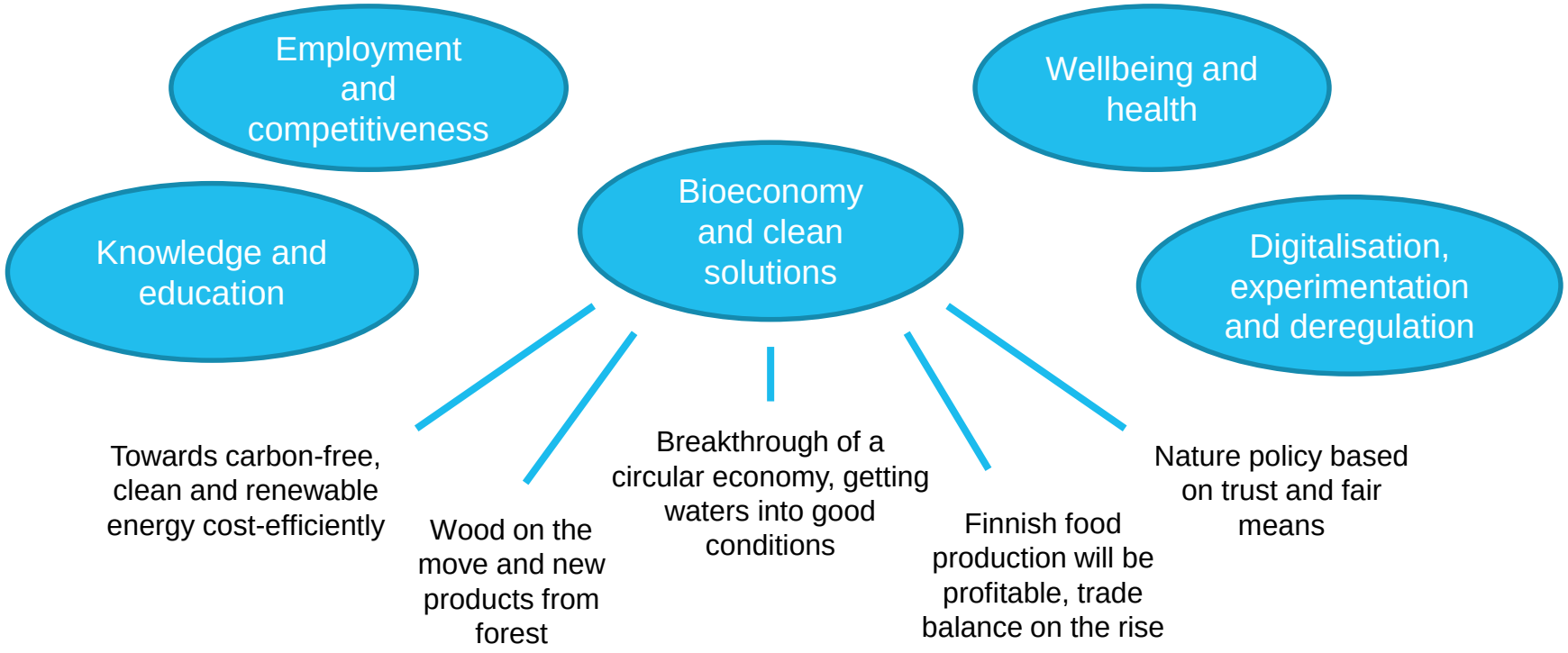
Government Action Plan
Government Fiscal Plan for the Gnt term

Annual check points

- Gnt retreat to evaluate strategy (early spring)
- Action Plan and Fiscal Plan (spring) reviewed


Vision: Finland 2025
- built up together
Skills and education
Employment and competitiveness
Wellbeing and health
Bioeconomy and clean solutions
Digitalisation, experimentation, regulation
REFORMS

Five key areas with 26 key projects and several big reforms



- Reform of social welfare and health care; cutting local government costs; regional administration reform; central administration reform

Government Strategy Secretariat

- ”Owner” of the Gnt strategy process, managing the process as a whole
- Support to Government Strategy work
- Follow-up and assessment of the GP
- Coordination of Key Projects and other horizontal policymaking
- Support to reforming the Government’s working methods

The fora for the government

Fora to share and use foresight information!

Political level

- Government Strategy sessions biweekly
- Ministerial working groups for each of the strategic priority area, one for reforms

Civil servant level

- Meetings of the permanent secretaries
- Coordination groups (comminities of interest)
- Ad hoc constellations

Feedback mechanisms
- What you monitor affects the way you monitor

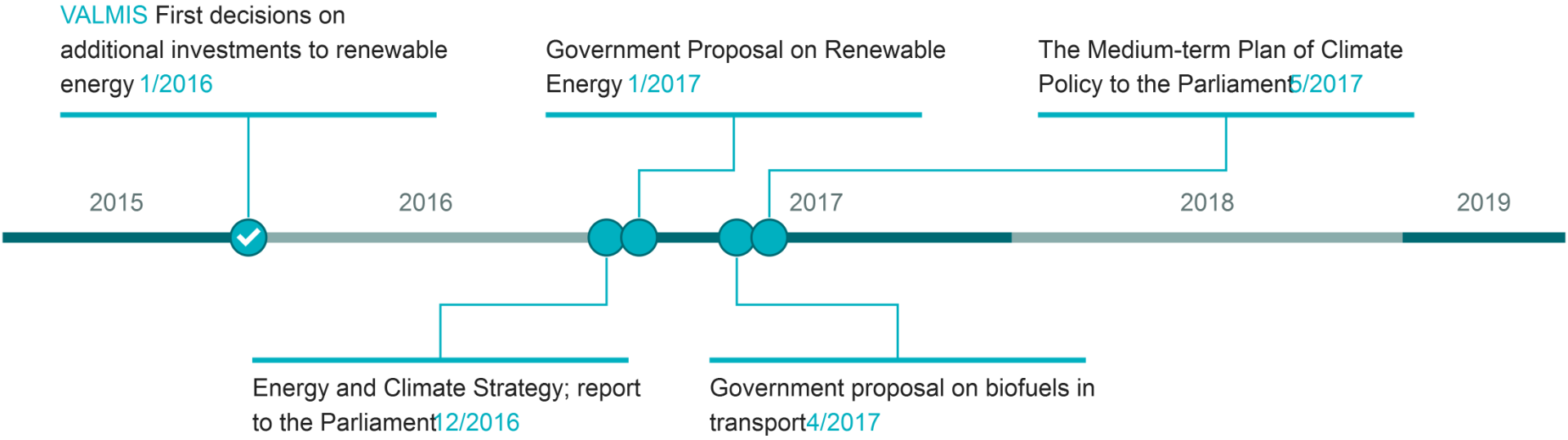
- The new Strategy process provided the Cabinet as a whole
  - **Space and time reserve** for adopting information on the progress of its priority policies
  - Possibility to focus the monitoring on prioritized most important objectives **at the level of PM and the whole Government**
  - **Monitoring and reporting capacity** through the Government Strategy Secretariat
- Individual ministries are in charge of more detailed monitoring in their respective sectors. The Government concentrates on whole of Government issues

The main tools for reporting and communication

1. Timelines for the **milestones** of the Key Projects
    - Each Key Project has 1-8 milestones that are depicted in a timeline. They are updated monthly and published in the Internet.
2. Reporting of the overall total picture to the Government
    - The full picture of how the Key Projects as a whole are progressing reported to the Government regularly. The assessment is based on various sources of information including the timelines, ministerial working groups and strategy sessions.
3. **Impact indicators** to measure goals
    - Indicators are used to assess how the Government Goals are met. There are about 30 indicators selected in cooperation with experts and civil servants and agreed by the Government. The indicators are updated 2-4 times a year.

Key Project 1:
Towards carbon-free, clean and renewable energy cost-efficiently

OBJECTIVE: The share of renewable energy more than 50 % in 2020s, use of imported oil for domestic use cut by half



MAIN ACTIONS:

1. Energy and Climate Strategy 2030
2. Additional resources to energy support plans
3. The Medium-term Plan of Climate Policy

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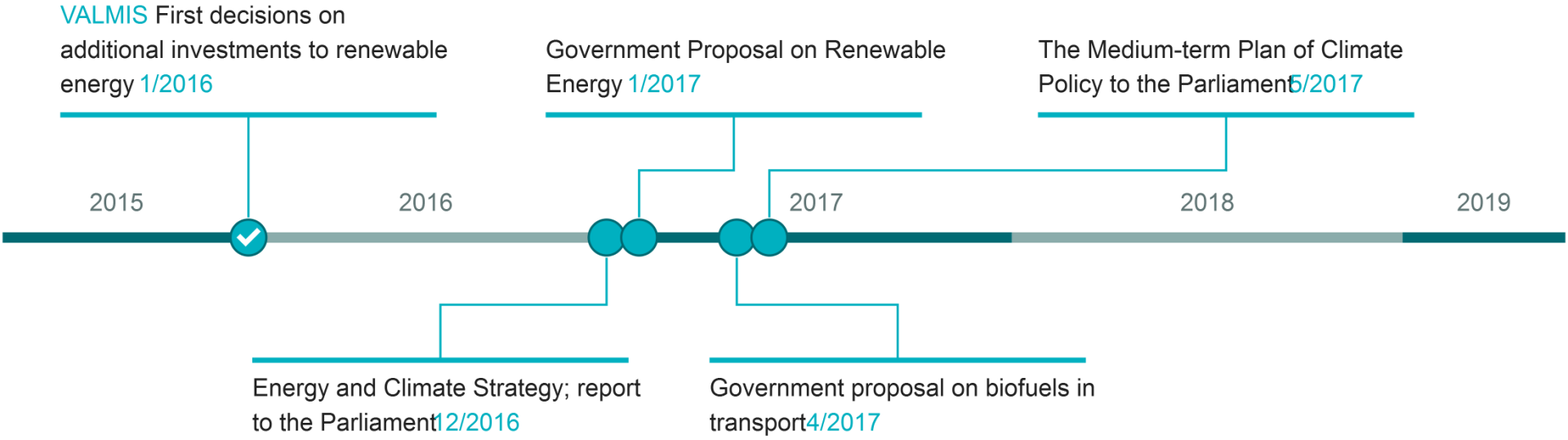

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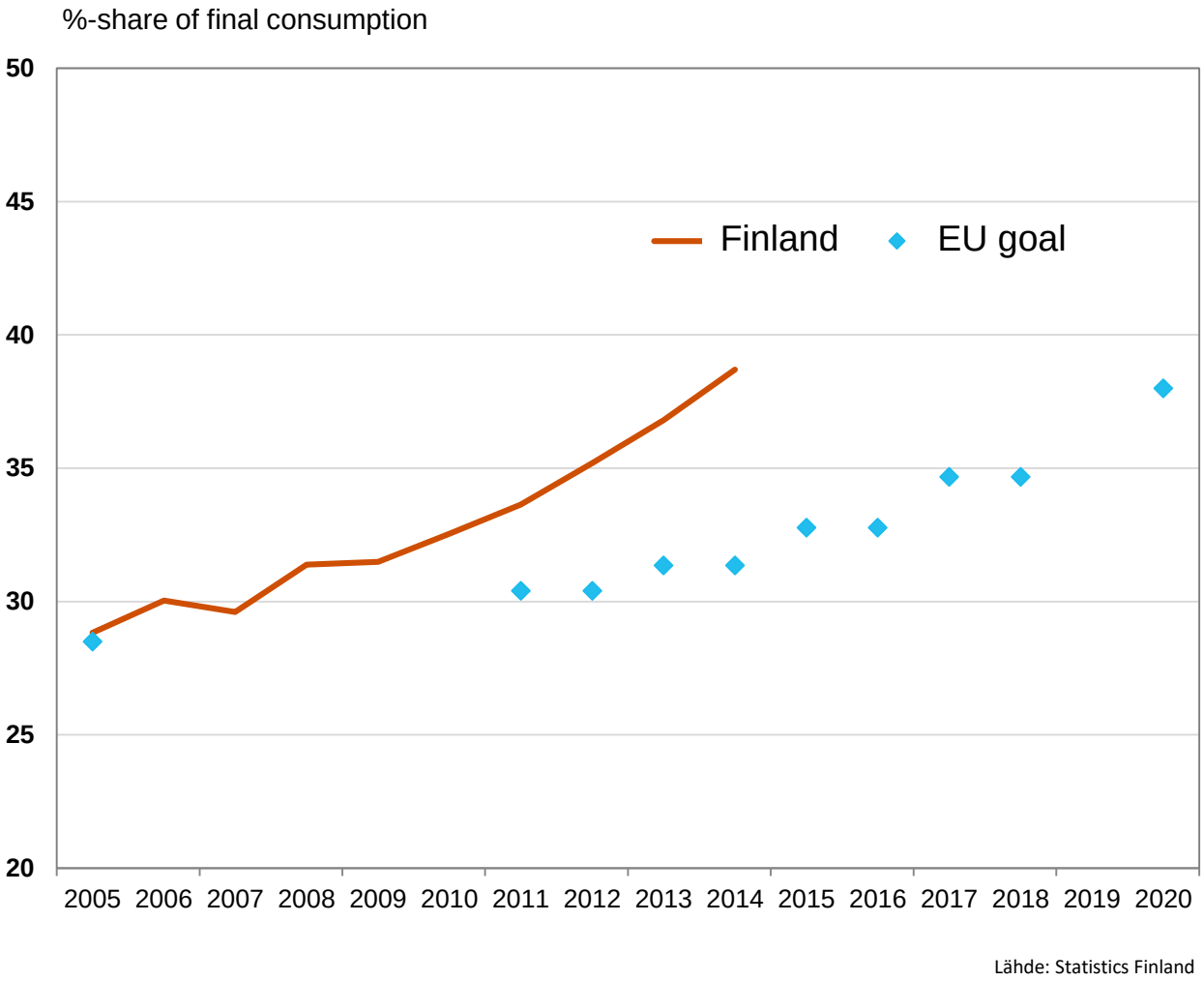
Share of renewable energy consumption is about 40 % while our target is 50% in 2020s



Lähde: Statistics Finland

NOW

”The share of renewable energy has grown. Finland reached the EU goal for 2020 already in 2014.”

Councellor of Energy
Petteri Kuuva
Ministry of Economy and Industry

NEAR FUTURE

”The Government goal is to increase the share of renewable energy to at least 50 % of all energy consumption in 2020s. Our new Energy and Climate Strategy describes the actions to reach it.”

Councellor of Energy
Petteri Kuuva
Ministry of Economy and Industry

Indicators to measure government programme goals



1. Employment rate
2. Number of employed
3. Working hours *
4. Price of work
5. Export (goods and services)
6. R & D expenditure
7. Investments of companies



8. Teache rs' IT skills
9. NEET-youth
10. Academic publications*
11. *Eduction and working life: cooperation**
12. Companies' share of universities's R&D funding
13. Share of foreign personnel in the universities' teqching staff



14. Life styles
15. Preventive services to families
16. Structure of services to elderly people
17. Social and health expenditure
18. Waiting times for social and health services
19. Support for partly disable people to work



20. Use of renewable energy
21. Greenhouse gas emission outside emission trade
22. Use of domestic wood
23. *Waste to landfils or recycling**
24. Import and export of food
25. Number of sustainable development commitments regarding carbon-neutral society and resourse-wise econmy



26. Use of e-governemnt services
27. Expected growth with digitalisation
28. *Deregulation**
29. Satisfaction of civil servants to government leadership

*Indicator underdevelopment

Glass half full or half empty

- **The Government**:

  we met the major political objectives = 72 % employment rate, cutting the growing trend of public dept, radical climate change policy introduced, verifiable cut of red tape and deregulation e.g. opening hours of shops and traffic services… cultural change in policymaking…

- **The opposition**:

  72% is a result by the previous Gnt and the development of the world economy, despite attempts to be strategic, the major reform of the Government (social and healthcare services) has been a mess and is still pending a few weeks before next elections...

Prime Minister Antti Rinne's Government Programme 2019

- ”We want to reform our political culture and decisionmaking”
- Six pledges to citizens on policy reforms
- Pledge on continuous learning in Government:
  - ”Amid constant changes, we do not imagine we know in advance what will work and what will not. Instead we will **seek out information and conduct experiments** so that we can act in ways that benefit our citizens.”
- Other pledges on new type of interaction, long term policy-making…..

Pledges From the Government Programme 2019

1) **Pledge for continuous learning in government**
2) **Pledge for a new kind of interaction**
3) **Pledge for long-term policy-making**
4) **Pledge for knowledge-based policy-making**
5) **Pledge for non-discrimination**
6) **Pledge for fair and equal treatment across generations**

Something old, something new…

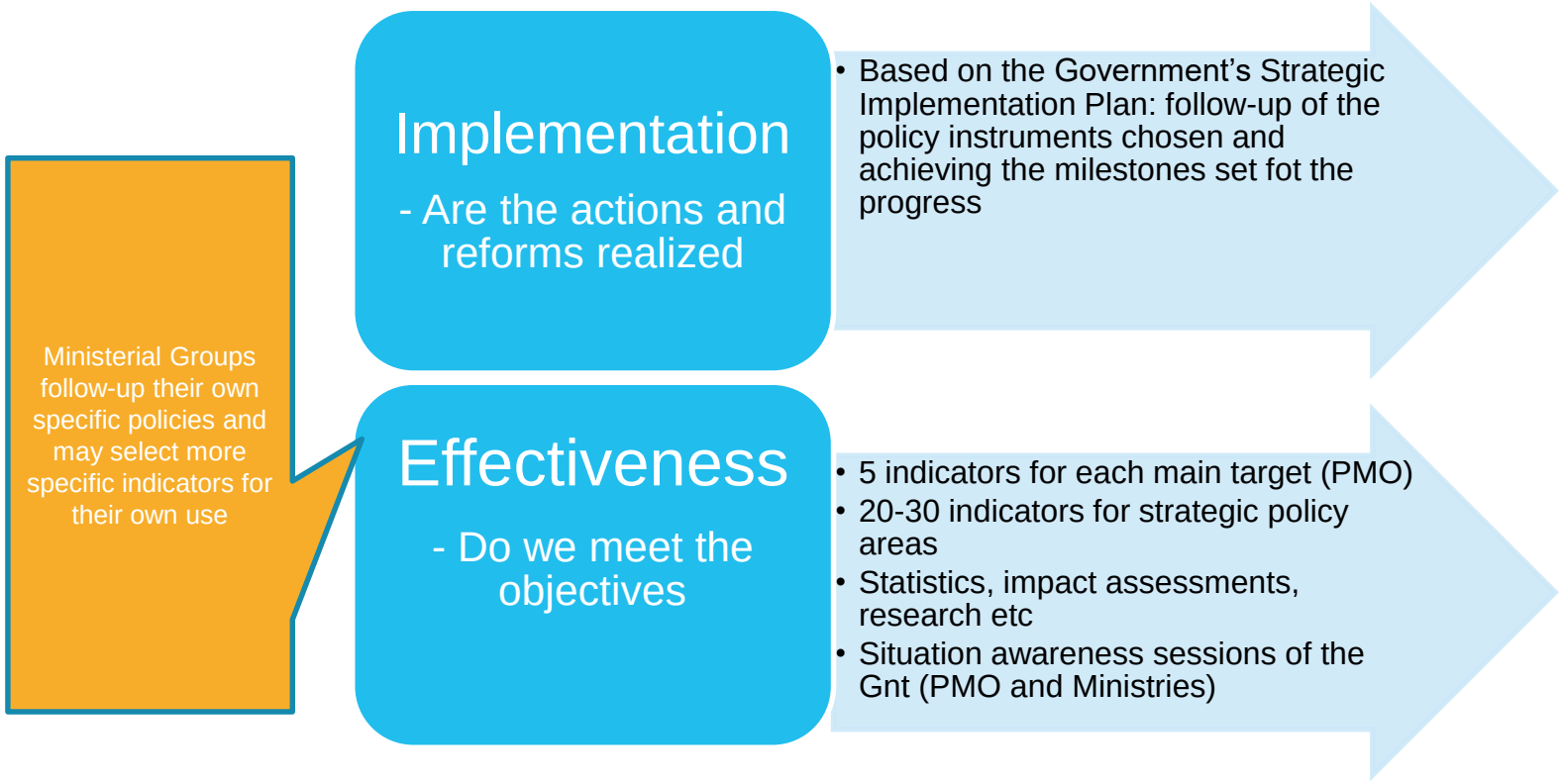
2015

- Strategic policy-making vs. focussing onindividual details
- 5 priority policy-areas
- Key project investment 1Mrd€
- 10 year vision and 10 year objectives in the GP
- Strategy sessions

2019

- Phenomen based policy-making
- 7 targeted phenomena
- ”Investement for Future 3Mrd€
- Increased use of Parliamentary committees
- Government ”Evening retreats”

Monitoring the Government programme



Why did we succeed – or did we?

- A thorough preparatory work by Governance experts and utilizing international cooperation for new innovations > finetuning is not enough, we need a total rethinking
- Wide dialogue with various stake holders : political parties and party leaders, media, trade partners, third sector > shared view of the need to change the policy making system
- Concerns of the decline of Trust in public institutions (OECD comparison) > political leadership practices have a role to play

Communicating and networking

- Informing widely about the potential of the new Strategy model: parties, media, stakeholders
- Survey on the usefulness of the new system – engaging
- Permanent Secretaries workshops
- ”The right hands” of party leaders

TRUST

- Key word is Trust: how to build it within the Government, between politicians and civil servants, between policymakers and people…
- Building trust is best supported by ensuring **enough of dialogue** between various actors
- **Renewing processes and procedures** endoreses dialogue
- Excessive regulation and rules is inherent in the traditional Weberian bureaucratic model with checks and balances. This ethos of mistrust needs to be abolished

Ask the right question: what's the real problem behind the problems

The most important is to keep the most important the most important

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