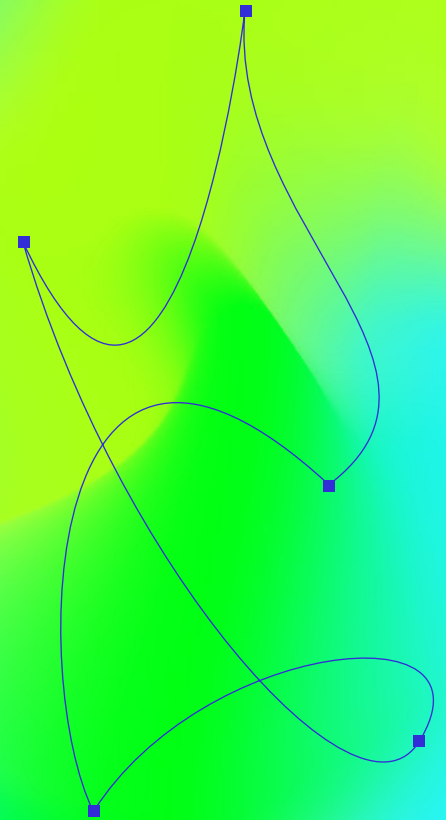


Characteristics of a 21st Century Government



Authors

Mikko Annala
Johannes Anttila
Iacopo Gronchi
Juha Leppänen
Silva Mertsola
Johannes Mikkonen
Mikael Sokero
Micaela Stierncreutz
Aino Tuovinen
with Marcos Bonturi.

Layout

Petteri Tuukkanen /
Berry Creative

Photography

Unsplash

Contents

04

Call to reimagine governments

06

Outdated characteristics

08

The four characteristics of future government

11 Building wise governments

Case: ENAP - Brazilian School of Public Administration

13 Building collaborative governments

Case: GovTechLab of CAF Latin American Development Bank

Case: My First Salary, Serbia

16 Building imaginative governments

Case: Strategy for the Finnish Public Governance - The Finnish Ministry of Finance in collaboration with Association of Finnish Municipalities

18 Building humble governments

Case: Towards 21st Century Steering - Finnish Prime Minister's Office

20

We look forward to building the future governments with you



Call to reimagine governments

The current COVID-19 crisis has exposed public governance gaps around the world. Unfortunately, the pandemic is only a harbinger of many foreseeable disruptions and risks that loom ahead – the climate crisis comes first and foremost to mind. COVID-19 could well represent a warning signal, a practice round to a century of transformations.

As COVID-19 spread and intensified, many governments both at central and local levels had to quickly re-define how they make policy; to find ways to work across siloed structures; to explore radically different ways of delivering services to citizens.

More importantly, the crisis has confirmed that governments need to play a major role as catalysts for collective societal action in order to secure the wellbeing of people. Governments' role is essential →

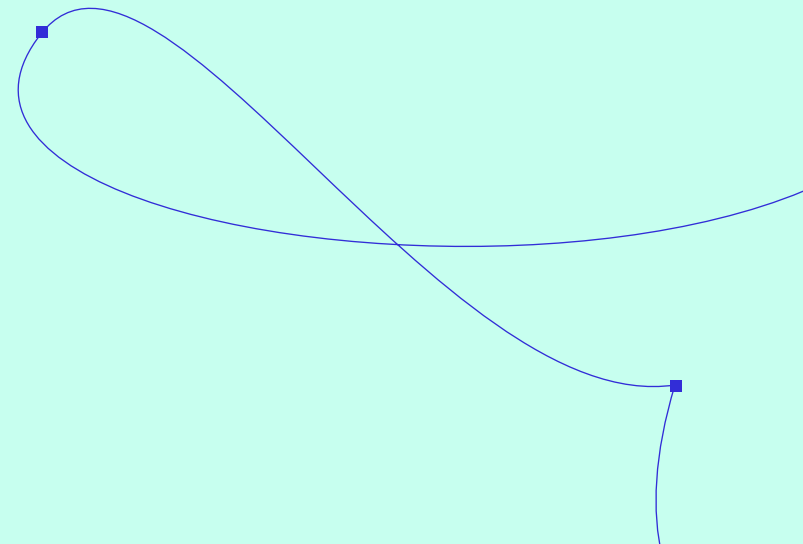
if we are to succeed in addressing global challenges, including climate change, digitalisation and other technological transformations, increased geopolitical tensions, political fragmentation and polarisation, and changing demographics.

In our view, success in this endeavor will require that experts, government officials and decision-makers around the world take stock of the cataclysmic moment that we are living. The current crisis has laid bare the woeful lack of preparedness of our existing structures and the capacities of governments. This crisis should be seen as a turning point – a beginning to re-think the characteristics and re-grow the capabilities of fit-for-purpose government in the 21st century.

Viewed as a turning point, COVID-19 has provided us an **opportunity**. It has forced us all to focus on how governments should operate. Through reimagining the foundations of the key characteristics of governments, we are able to not only make corrections in the current machineries of government, but build new approaches, better-equipped for our century.

In this discussion paper, written together with Marcos Bonturi, former director of Public Governance at the OECD, we at Demos Helsinki share our recent learnings in the field of public governance. ■

“COVID-19 could well represent a warning signal, a practice round to a century of transformations.”





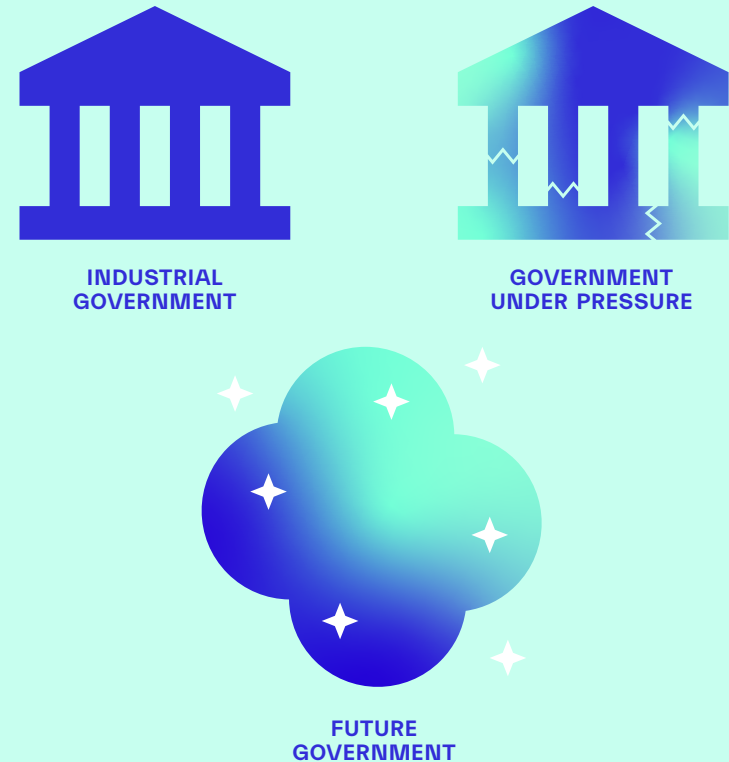
Outdated characteristics

Our current governments are sculpted by the tides of history – they are collections of institutions, processes and functions resulting from past events and political compromises, as well as previous experimentations. In many societies, the build-up of the nation-state as the main locus for collective action and the main arbiter of different societal interests was successful in producing wealth and wellbeing during the last century.

Time, however, does not stand still. The environment in which governments operate has never been completely predictable and clear-cut, but now, as the pandemic illustrates, it is even less so. At the same time, the growing list of difficult challenges and changing contexts means that many of the defining assumptions governments and societies are built on are in flux. →

Governments do try to evolve, but over the past couple of decades, progress with public governance reform has been limited. Slow and incremental changes are not sufficient, when, for example, ageing populations, changing economic structures and new technologies shape core institutions of our societies, such as work, taxation and welfare services. What is needed is a reconceptualisation of how the whole of society can be equipped to envision and work together towards a better future. It is necessary to move above and beyond the prevailing characteristics and prerogatives of current governments. We should be ambitious in thinking of the possibilities – in imagining, to be precise – new kinds of institutions that will transform how societies operate, interact and collaborate.

This journey will take decades, but it is urgent that we put together the building blocks now. In this publication, our goal is not to map the journey. Instead, we hope to provide food for thought and contribute to the necessary discussion and decisions on the contours of the ideal characteristics of a 21st century government. This goes to the core of what we consider our main function at Demos Helsinki, and it is the very starting point for what we do: working our way towards the governments of the future. ■



The COVID-19 crisis has shown clearly that the governments designed during the industrial era do not have tools fit for purpose. Cross-cutting challenges of the current society create a need to rethink some of the key principles, approaches and tools that the public governance is operating with.



The four
characteristics
of future
government

Based on our recent work in the field of public governance, we have identified four characteristics that describe a desirable future government. These characteristics are not a picture of a future government. Rather, they are traits that, among others, we believe will be beneficial for future governments.

We argue that to steer societies throughout the coming decades of transformations, governments need to focus on all of these four characteristics. This section provides insight and examples on how to do it.



CHALLENGE
IN CURRENT
GOVERNMENTS

Governments are not able to anticipate the future and are not equipped to focus sufficiently on challenges that require long-term attention.



Rigid structures and siloed operations within governments hinder optimal collaboration and innovations.



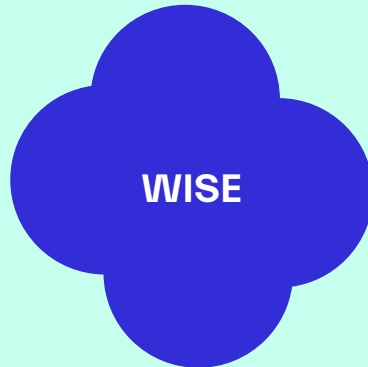
Governments and civil services are incapable of imagining new potential societies and thus are prone to emphasise obvious, safe solutions.



Governments are prone to avoid risks and assume that they know the future for sure, although the world is rapidly changing and complex.



REQUIRED
GOVERNMENT
CHARACTERISTIC





Building **WISE** governments



The 21st Century Government has to operate in increasingly uncertain circumstances. Simultaneously, most of the pressing challenges that loom upon our societies, such as climate crises, require long-term attention. Wise governments are not limited to reacting to shocks when required, but they are also always capable of maintaining the focus on the most important goals. In order to strengthen wisdom in governments, we need to amplify

institutional arrangements that support commitments to long-term goals; build new capabilities to foresee alternative futures; and foster a culture of experimentation that enables us to explore different ways of contributing to the main purpose. Wise governments are purpose-driven, which requires being genuinely willing to create alignment with others to be able to follow the shared purposes. ■

CASE

ENAP - Brazilian School of Public Administration

Like many bureaucracies around the world, the Brazilian public administration is facing consistent challenges in terms of developing core capabilities in strategic planning; enabling the diffusion of experimentation in government; and upskilling its human resources at scale.

As the main school of government in Brazil, the National School of Public Administration (ENAP) is engaging with these issues through a number of programmes aiming to link capacity-building for public servants and problem-solving and service development for government in smart ways. An example of this is the work developed with the Office of the Chief of Staff of the Presidency. We

promoted the engagement of high-level public servants with predictive and adaptive decision-making methods through more than 20 workshops, aiming to foster networked collaboration and strategic planning capabilities. A second example is the development of a new monitoring system for the control of the federal government's budget. Based on design research, ethnographic design and several interviews with public servants who used the 33-year-old system, we partnered up with the Ministry of Economy to build a new prototype of the new budget module, striking a way to allow shared learning, knowledge and competencies on how to redesign the system and how to apply methodologies on E-government projects. ■



Bruna Santos

Director for Innovation of the
Brazilian Public Administration
School





Building **COLLABORATIVE** governments

★ **The 21st Century Government** has to deal with challenges and phenomena that are cross-cutting - they do not follow administrative boundaries or remain faithful to societal sectors. However, governments, created during the industrial age, are constructed of units - so-called silos - which tend to look at society and its phenomena from a chosen, limited perspective. That limitation hinders efficient tackling of various societal challenges: just as an example, strengthening gender inequality requires input that crosses educational, labour, social and many other policy domains. Collaborative governments develop new ways of working together in

order to address cross-cutting challenges and grasp the new opportunities related to, for example, new technologies. Building collaborative government means increasing user-centricity in services; introducing new incentives for accelerating collaboration beyond administrative boundaries; erecting new cross-sectoral units and challenging the existing institutional and organisational status quo. Collaborative governments acknowledge that policy development is no longer limited to governments but rather is increasingly a multi-stakeholder effort. It refers to the continual readiness to rapidly navigate change, while proactively learning from change itself. ■

CASE

GovTechLab of CAF Latin American Development Bank

Today, data is an essential enabler of public sector innovation. However, not all centers of government are ready to make the best of this potential, whilst managing risks. Indeed, many branches of public sectors across Latin America are facing a number of challenges getting on board, such as the weak technological capacity of government machinery; the excess of red tape bureaucracy and regulatory burden; and the high risk of corruption in public procurement.

In order to foster the diffusion of smart government solutions, better regulation and public integrity, the Digital Innovation in Government practice of CAF designed the GovTechLab platform as a new model for public-private partnerships. GovTechLab aims to incubate and accelerate

innovation in government by facilitating alliances between public agencies and tech-based, data-driven startups that are seeking to achieve social impact by solving public problems. The platform acts through four main lines of action: (i) providing analyses of regional govtech innovation ecosystems; (ii) providing advisory and technical assistance to governments in the region who want to foster the development of govtech collaborations within their ecosystems; (iii) venture investing through regional vehicles; (iv) enabling a marketplace environment that facilitates the match between startups supply and government demand. Core to all of GovTechLab activities is the recognition of collaboration beyond administrative boundaries as key to substantive improvement of public sector capacity to meet citizens' needs by leveraging the potential of data. ■



Carlos Santiso

Director of the governance practice of CAF



CASE

My First Salary, Serbia

The outbreak of COVID-19 hit the job market hard. Young people without prior work experience were at risk of suffering the most from the consequences of the constricted job market and the increased competition. The challenge in Serbia was to stop the further growth of the youth unemployment rate, which was high even before the pandemic (25.5%). At the same time, it was crucial to support companies that have seen a drop in revenue as a result of the crisis.

From an idea of the Serbian Chamber of Commerce, we in the government leveraged the capabilities of a whole ecosystem of public-private stakeholders. We launched a programme that offsets the costs for young people to work for selected companies by providing “a salary subsidy grant” for a period of nine months. The programme was aimed to assist both young people in translating their theoretical knowledge into practice, and companies in meeting their immediate business needs through a possibility to recruit professionals.

The end result has been the rapid deployment of “My First Salary”: a programme supported by a matchmaking digital platform that eases the connection between youth and employers by proper service design, use of data and AI recommendation algorithms. Most crucially, our capacity to deliver an effective solution was due to its co-creative approach. A diverse design & development team was formed to represent all the stakeholders, including young unemployed people and business leaders. A multidisciplinary team was set up to realise the portal under the supervision of the CEO leading the Office for IT and eGovernment. Involvement of key entities - such as the Ministry of Finance, the Ministry of Labour, youth organisations, and many more - was orchestrated by the Prime Minister’s Office. Overall, technology was merely used to facilitate the transaction between key stakeholders, while the key to success was cross-sectoral and inter-organisational collaboration. ■



Marta Arsovska Tomovska
Director, Public Administration
Reform Team, Office of the Prime
Minister, Serbia





Building **IMAGINATIVE** governments

★ **In order to succeed** in a rapidly changing environment, the 21st Century Government needs to imagine new societal visions and look for “out-of-the-box” approaches to achieve them. For example, changes in demography and work, and the need for preventive healthcare solutions demand government ability to imagine new social structures and institutions. Imaginative governments build systematic capabilities to rethink how government operations should be organised.

They build spaces and opportunities for thinking differently. Imaginative governments recognise the new demands in the role and responsibilities of the public sector. They support civil servants in actively imagining novel ways to have an impact on societal transformations. Imaginative governments understand the need for interconnectivity and build cultural and structural changes that encourage smooth collaboration as creativity thrives through diversity. ■

CASE

Strategy for the Finnish Public Governance - The Finnish Ministry of Finance in collaboration with Association of Finnish Municipalities

During the past couple of decades, there have been many ambitious governance reforms taking place in Finland. Yet, these reforms have lacked a shared long-term direction and a common ethos. That's why the project to prepare a common strategy for public governance and services was set up, in accordance with Prime Minister Sanna Marin's government programme.

The public governance strategy will guide and strengthen the renewal of public governance as a whole from 2020 to 2030. The strategy was created, in collaboration with Demos Helsinki, in a future-oriented co-creation process, where various administrative sectors, municipalities, civil

society, researchers and multiple stakeholders imagined alternative futures for public governance and identified the changes that must be realised in the 2020s in order to have the world's best public governance in the 2030s.

The capability to imagine and trans-generational responsibility were identified as core goals of the strategy. The participatory process of preparing the strategy has therefore played an important role in strengthening cooperation between the state, municipalities and regions as well as the interaction between public governance and the rest of society, and in building a common understanding of the need and direction of public governance development. ■



Eeva Kaunismaa
Project Manager, The Finnish
Ministry of Finance



**MINISTRY
OF FINANCE**



Building **HUMBLE** governments

★ **In an increasingly complex** and uncertain environment the 21st Century Government needs to acknowledge that they cannot solve big problems alone. Governments do not have access nor capacity to distil all the information that is needed to build future-proof solutions. Successful problem-solving requires that different solutions are

experimented with in the contexts where they will have effect. To do this, a humble government invites a broad group of actors to co-create solutions, test them, revise them, and learn. By acknowledging its own limits, a humble government learns from failures, as it is willing to revise its direction as new information lights the way towards new directions. ■

CASE

Towards 21st Century Steering - Finnish Prime Minister's Office

The Government of Finland has one of the most transformative political agendas globally. The Government has acknowledged that its way of making policy must be revised in order for its ambitious policy goals to be reached. The Prime Minister's Office of Finland commissioned the Steering2020 project as a study of the history, current state and future of policymaking in Finland. As a part of this wider review of the Finnish policy-making and steering system Demos Helsinki, in collaboration with professor Charles F. Sabel from Columbia Law School, modeled a policymaking approach titled Humble Policy-making. Humble policymaking abandons the idea of top-down steering by proposing

a concrete model in which a broad range of actors are included in a process of iterative learning. In this model, a government does not behave like it knows the right solutions when it does not. Instead, it sets broad framework goals, and allows local-level actors to find out what works. This form of deliberative co-creation requires humility, as decision-makers must be willing to and allowed to change their mind as new information arises. The humble policy-making model builds on previous developments of strengthening strategic policy-making in Finland, which was done through the implementation of the move towards increasingly strategic government programs. ■



Sirpa Kekkonen
Counsellor, the Prime Minister's
Office of Finland



**PRIME MINISTER'S
OFFICE**



We look forward to building the future governments with you

The rapid evolution of the environment in which governments operate makes it urgent for them to re-think how they function. In the era of interconnected and consecutive crises, governance systems need to be redesigned. The bold and imaginative redesigns need also to be put into use: it is up to the governments to recognise their possibility and responsibility to act as vehicles and catalysts for change. But with outdated structures and processes and insufficient urgency to create genuine change in government and society, they can quickly become unarmed, even irrelevant.

By questioning the prevailing characteristics and imagining desirable ones, governments can strengthen the abilities to steer societal transformation. In this publication, we have suggested some future characteristics: wisdom, humility, collaboration and imagination. We wish that this can be a start of a globally shared imagination process that can help us all to learn and move forward.

We do not have the luxury of time. Let's get started. ■

