# **2** Relevance of strategic foresight to policy priorities

Strategic foresight is a crucial tool for understanding and proactively engaging with the future. Governments face an increasingly intricate and uncertain landscape, requiring public policies to adapt to emerging dynamics and meet the evolving needs and expectations of society. Beyond merely enhancing policy coherence and shaping long-term strategies, strategic foresight helps foster **resilience within policy-making systems**. Resilience here refers to the government's capacity not only to withstand and manage challenges but to navigate transitions sustainably, equitably, and democratically.

# 2.1 Relevance of strategic foresight to policy priorities

In today's rapidly evolving landscape, governments must respond to emerging challenges that are more pressing than ever. Yet, policy makers are often driven by immediate events rather than guided by forward-looking strategies (Burrows and Gnad, 2018<sub>[1]</sub>). There is a continuous pressure to seek out quick wins to fulfil political agendas and manage crises rather than prepare for uncertain futures. Consequently, governments tend to defer decisive action on long-term trends such as climate change, population growth, demographic changes, urbanisation, and unsustainable consumption patterns, all of which have interconnected impacts. This highlights not only the need for more comprehensive and systemic strategic foresight analysis in government, but the importance of integrating derived insights into everyday policy-making processes.

## 2.2 The rising importance of multi-level strategic foresight

The European Commission has embarked on a decisive path to bolster strategic foresight capacity both internally and across Member States, aligning this approach with ongoing Resilience and Recovery Plans. From the establishment of foresight networks to the publication of annual foresight reports for the European Union, many initiatives have been set in motion that showcase key opportunities and vulnerabilities (see Box 2.1).

#### Box 2.1. European Commission's strategic direction on strategic foresight

Since 2020, the European Commission has strongly supported strategic foresight. The Commission has established an <u>EU-wide Foresight Network</u> that draws on Member States' public foresight capabilities. The first meeting of the EU "Ministers of the Future" took place in May 2021 after European Commission Vice-President for Interinstitutional Relations and Foresight – Maroš Šefčovič – announced the establishment of an EU-wide foresight network and asked each EU Member State to appoint a Minister of the Future. The Commission is also building close foresight co-operation and alliances with other EU institutions, notably in the context of the <u>European Strategy and Policy Analysis System</u> (<u>ESPAS</u>). Strategic foresight has become part of the Commission's Better Regulation toolbox and is included in forecasted impact assessments. Since 2020, the Commission has also produced annual strategic foresight reports.

#### 2020 Strategic Foresight Report

The 2020 Strategic Foresight Report, "Charting the course towards a more resilient Europe" discusses the first structural lessons learnt from the COVID-19 crisis, and explains how foresight can help strengthen Europe's long-term resilience in an era of fundamental and rapid change. It does so by analysing the EU's resilience across four dimensions: social and economic; geopolitical; green; and digital. The report introduces resilience dashboards that act as monitoring tools for policy makers.

#### 2021 Strategic Foresight Report

The 2021 Strategic Foresight Report, "The EU's capacity and freedom to act", presents a forwardlooking and multidisciplinary perspective on important trends that will affect the EU towards 2050, including: climate change and other challenges, technological transformations, pressure on democracy and values, as well as shifts in the global order and demography. It also identifies 10 areas in which the EU can strengthen its capacity and freedom to act.

2022 Strategic Foresight Report

The 2022 Strategic Foresight Report, "Twinning the green and digital transitions in the new geopolitical context", focuses on the interplay between Europe's twin transitions. It also takes into account the disruptive and changing geopolitical landscape in which these transitions are happening. It highlights the key role played by digital technologies in Europe's five strategic and highest greenhouse gasemitting sectors: energy, transport, industry, construction, and agriculture. It also outlines 10 key areas of action for maximising synergies and reducing tensions between these transitions towards 2050.

#### 2023 Strategic Foresight Report

The 2023 Strategic Foresight Report, "Sustainability and wellbeing at the heart of Europe's Open Strategic Autonomy" sheds light on the most relevant and intertwined social and economic challenges the EU will encounter on its path towards sustainability. On this basis, it proposes 10 areas in which the EU needs to take action to successfully navigate the transition. This should ultimately bolster Europe's open strategic autonomy and global position in the race towards net-zero economy.

Source: https://commission.europa.eu/strategy-and-policy/strategic-planning/strategic-foresight\_en

Beyond the EU, there are a variety of national and international initiatives and networks (see Box 2.2) that share emerging strategic foresight practice and leverage collective intelligence about the future.

## Box 2.2. International strategic foresight communities

#### The OECD Government Foresight Community (GFC)

The OECD GFC, established in 2014, brings together leading strategic foresight practitioners in the public sector from countries and international organisations around the world. The community aims to strengthen foresight capacity by drawing on collective experience and bringing futures insights to bear on key challenges of our times. The main activity of the GFC is the annual meeting, held in October of each year.

#### The European Strategy and Policy Analysis System (ESPAS)

ESPAS is an inter-institutional EU network that builds foresight and anticipatory governance in Europe and hosts an annual meeting in November. The network is currently preparing its Global Trends Report (2024) and a new horizon-scanning project identifying 'weak signals' of change. ESPAS also hosts a "Young Talent Network" to develop foresight literacy among young professionals in the EU.

#### Summit of the Future

The United Nations General Assembly will host a Summit of the Future in September 2024 after the Secretary-General announced major commitments within the UN system to foresight and future generations in the "Our Common Agenda" report released in September 2021. An action-oriented Pact for the Future is expected to be agreed by Member States through intergovernmental negotiations on issues they decide to take forward.

#### **World Futures Day**

UNESCO hosts the World Futures Day in December of each year, bringing together international organisations, Member States and civil society to discuss possible visions for the future. The event aims to promote inclusive and transdisciplinary discussions on futures-building in UNESCO's futures literacy approach.

#### Asia Pacific Futures Network (AFPN)

Due to the rapid growth of futures studies and strategic foresight in the Asia-Pacific region, AFPN was founded in 2015 as a platform and community for practitioners. It mainly consists of a yearly meeting for futurists to analyse, synthesise, and reflect on emerging issues and trends; create new knowledge and experiences for anticipatory action-learning education and research; and strengthen the link between futures theory and practice in Asia.

#### **Dubai Future Forum**

The Dubai Future Forum, established in 2022, is an annual event hosted by the Dubai Future Foundation. It brings the world's top futurists to Dubai to anticipate challenges, imagine opportunities, share foresight, and shape the future.

Source: OECD.

Besides gathering strategic foresight experts from around the world, **the attention to structured**, **long-term and robust methods to analyse megatrends has increased**, **with a variety of sources available** (see Box 2.3). These are increasingly used as inputs to policy-making. They identify new policy horizons, develop scenarios, and stress-test current policies. The awareness and practical use of scenario-planning has also increased substantially with COVID-19 – many countries including <u>Finland</u> and <u>the Netherlands</u> used scenarios to actively explore uncertainty beyond the immediate crises response and inform policy choices and responses accordingly.

#### Box 2.3. Megatrends analysis

#### **OECD: Strategic Foresight Toolkit for Resilient Public Policy**

This report by the OECD's Strategic Foresight Unit describes a methodology to support multidisciplinary strategy and public policy development and stress-testing. The five-module process enables organisations to identify their core assumptions about the future; explore how they may be challenged by possible disruptions; create scenarios; use them to stress-test their long-term strategies; and, finally, develop future-ready actions in the present day to position themselves for long-term resilience and success. The main part of the report provides an overview of the 25 disruptions that make up the core building blocks of the toolkit. These disruptions are grouped across six domains: environment, green technology, technology, social, geopolitics and economy.

#### **United States: Global Trends 2040**

Published every four years since 1997, the U.S. National Intelligence Council's Global Trends report assesses the trends and uncertainties that will shape the strategic environment for the United States. It helps prepare policy makers for an array of possible futures over the next two decades. The current report – <u>Global Trends 2040</u> – analyses structural forces in demographics and human development, environment, economics and technology. It then examines how these structural forces and other factors, combined with human responses, affect emerging dynamics in societies, governments, and the international system. Finally, it identifies five plausible scenarios for 2040: renaissance of democracies; a world adrift; competitive co-existence; separate silos; and tragedy and mobilisation.

#### **European Commission: Megatrends Hub**

The European Commission's Competence Centre on Foresight has developed a <u>Megatrends Hub</u>. It contains 14 evidence-informed emerging disruptions in a wide range of sectors and the interlinkages between them. Among the topics covered are: diversifying inequalities; increasing significance of migration; aggravating resource scarcity; increasing influence of new governing systems; continuing

urbanisation; increasing demographic imbalances; climate change and environmental degradation; diversification of education and learning; changing nature of work; accelerating technological change and hyper-connectivity; growing consumerism; shifting health challenges; expanding influence of East and South; and the changing security paradigm.

#### Singapore: Driving Forces Cards

Singapore's Centre for Strategic Futures, <u>Driving Forces Cards</u>, is an extensive collection of materials that offer alternative ways to think about what the future might look like in 2040. There are 17 driving forces cards: superpowers in motion; globalisation and growth; financial fragility; geopolitics of the energy transition; redistribution of (un)natural endowments; global demographic shifts; mind the metropolis; firms in flux; labour interrupted; families we choose; the augmented self; shifting knowledge infrastructure; data and digital connectivity; alt-networks; weapons of mass disorientation; tribal world; evolution of governance. There are five wild cards, outlining surprising events that could have transformative implications: 20,000 minerals under the sea; geological reckoning; advances in immortality; solar superstorm of the century; and biological chaos.

#### Sitra: Megatrends 2023

Finland's Sitra <u>Megatrends 2023</u> work covers five thematic areas and where they could be going in the future: eroding nature's carrying capacity; growing well-being challenges; intensifying battle for democracy; gearing up competition for digital power; and cracking economic foundations. The megatrends report also has a section on practical tips for engaging with megatrends and integrating them into strategic thinking in different settings.

#### **RBAP Horizon Scanning Initiative**

The United Nations Development Programme (UNDP) Regional Bureau for Asia and the Pacific (RBAP) has prepared an interactive report as part of their <u>2022 Regional Horizon Scanning Initiative</u>. This second edition builds on the inaugural edition of the September-December 2021 Regional Horizon Scanning Initiative. It explores signals and risks identified while scanning for additional weak signals and emerging trends in the Asia Pacific. The 2.0 Horizon Scan is grounded in collective intelligence through the crowdsourcing of signals and trends, and validation and prioritisation through AI-driven conversations with RBAP, external experts and the Horizon Scanning 2.0 Advisory Group. Signals of change are collected and analysed from a short-, medium- and long-term perspective, and assigned a risk score (likelihood and impact).

#### **ESPAS Emerging issues for EU policy-making**

In 2022 the ESPAS network (European Strategy and Policy Analysis System) launched the process which looks at "signals of change" – emerging trends and issues that may appear marginal today but could become important for the EU in the future. The process is led by the Joint Research Centre and European Parliamentary Research Service. The latest <u>issues paper</u> highlights three trends on BRICS+ (Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, and the United Arab Emirates) expansion and alternatives to multilateralism, new sources of extreme inequalities and radical food production methods.

Source: OECD.

# 2.3 Strategic foresight in policy-making processes

To build institutional resilience and adaptability to rapidly evolving scenarios, it is crucial to strengthen the strategic foresight capacity of the civil service in policy-planning activities. Integrated strategic foresight skills can empower the public sector to anticipate challenges and analyse policy trade-offs. Strategic foresight has a variety of uses in government including:

- Creating shared goals. Dialogue about the future to create shared language about collective objectives, visions and aspirations. Strategic foresight can help mobilise and mediate stakeholders' participation and co-creation around plausible and desirable futures, and help them agree upon policy goals. For example, the Provincial Council of Gipuzkoa, Spain developed a programme entitled *Building the Future* (*Etorkizuna Eraikiz*) to promote and improve open and collaborative governance in the region. On the national-federal level, examples of Lithuania's and Spain's large-scale foresight projects demonstrate the importance of citizen and expert consultations (Monteiro and Dal Borgo, 2023[2]). Brazil has also used future scenarios in the project *Brasil 2035*, developed to contribute to achieving equity and social cohesion (IPEA 2017).
- Reframing issues. Broadening or questioning which factors are considered relevant in a decision
  or strategy. As such, strategic foresight can help decision makers' self-reflection, enabling them to
  articulate questions, debunk implicit biases and identify assumptions that sustain their daily
  routines. For example, in 2019, the French Ministry of Defence, through its Agence de l'innovation
  de défense, created the <u>Red Team.</u> This group of science-fiction writers and illustrators conceive
  and explore scenarios for the future of armed conflicts. They uncover the blind spots and invisible
  blockages that stand in the way of imagining situations outside those presently existing in
  handbook examples.
- Early warning. Identifying emerging risks and opportunities, how to measure them and when to respond. Foresight approaches provide useful early insights for decision makers, creating more high-quality, robust and reliable evidence to use in uncertain contexts. Many governments have built up anticipatory intelligence tools to integrate into their decision-making systems (see Box 2.4). For instance, the UK innovation agency, <u>NESTA</u>, has used machine-learning approaches to produce actionable intelligence for policy purposes.

#### Box 2.4. Anticipatory intelligence

Anticipatory intelligence is the process of gathering emergent knowledge for decision-making. It is an intelligence process that aims to broaden the understanding of possible developments and encourage adaptability and proactivity towards alternative and competing scenarios.

#### Anticipatory intelligence and resilience

- Resistance: Anticipatory intelligence can support resilience in policy-making by mobilising
  action to proactively counteract threats to the system. For instance, at the peak of the
  COVID-19 crisis Finland created Fast Expert Teams to mitigate the negative consequences of
  events that limit face-to-face communication. The initiative matched agile cross-border teams
  of experts from universities, private and public organisations, and ministries with complex
  problems arising from the pandemic.
- Recovery: Anticipatory intelligence can help the system move out of its critical state and get back to its basic level of operation after a crisis. For example, the government of Canada's <u>Talent Reserve</u> is a management tool that matches available talent with pressing needs across

government. Through data-tracking and central co-ordination, the tool enables qualified talent to be identified, tracked and allocated to higher priority areas in need.

- Retention: Anticipatory intelligence can ensure that the core functions and features of the system are preserved and sustained in the wake of stress or crisis. During the pandemic, the UK <u>National Shielding Service</u> provided basic support to millions of citizens that were clinically vulnerable, ensuring the delivery of care and food supplies through the use of effective datasharing among departments.
- Resurgence: Anticipatory intelligence can help leverage opportunities to improve the system beyond the previously existing status quo. It does so by expanding promising or emerging features and leaving behind or replacing features that fell short during the crisis. Using digital tools and opportunities for cross-border collaborations, a series of *Hack the Crisis* initiatives held in countries such as the <u>Czech Republic</u>, <u>Denmark</u>, <u>Estonia</u>, <u>Germany</u>, <u>Lithuania</u>, <u>Portugal</u>, and <u>Spain</u> adopted crowdsource formats, including online collaborative platforms and virtual hackathons, to co-create solutions engaging with government organisations; citizens and civil society organisations; private companies and start-ups; and academia and research centres.

Source: (Monteiro, Tonurist and Staudt, 2023[3])

- Stress-testing. Taking an existing decision or strategy and testing how well it would fare in different future conditions. Strategic foresight can help steward ongoing policies and prepare for unpredictable changes or the long-term impacts of public policies. For example, the European Commission's Civil Protection and Humanitarian Aid Operations department (DG ECHO) and the <u>European Civil Protection Mechanism</u> use scenarios of critical events to help countries stress-test their risk management systems.
- Initiating policy and service innovation. Drawing inspiration from alternative ideas about the future to try novel policies, ways of working or alternative service models. Strategic foresight helps decision makers experiment and innovate. For example, <u>the Social Foresight Lab</u> in Germany allows citizens to experiment with future solutions by, for instance, introducing prototypes of potential social and technological developments on mobility, working and living into their everyday lives. The government of Finland used strategic foresight in its <u>AuroraAl programme</u> to explore what future life-event-based service provision in the country could look like (OECD, 2022<sub>[4]</sub>). And, Norway developed future personas for a similar programme in government (Karlsrud Haugse and Dahl, 2023<sub>[5]</sub>).

# 2.4 Strategic foresight in government institutions: Overview of existing models and challenges

Most OECD countries use strategic foresight to build stronger policies in the face of an uncertain future. While the functions of strategic foresight are clear, the models and application across countries differ. For example, in Finland, the Strategic Foresight Unit at the Prime Minister's Office steers strategic foresight from the centre of government and conducts whole-of-government strategic foresight studies (e.g. the "Government Report of the Future" in Finland). Similar models have now been adopted in the German and Spanish<sup>1</sup> federal governments as well as in Portugal (PlanAPP) and Singapore

<sup>&</sup>lt;sup>1</sup> In 2020, with leadership buy-in and a legal instrument (<u>Royal Decree of the 27th of January 2020</u>), Spain created the *Oficina Nacional de Prospectiva y Estrategia* (National Foresight and Strategy Office). This necessary structure to

(Centre for Strategic Futures). These central units also build strategic foresight capacity in public service and co-ordinate strategic foresight communities and networks. For example, the Centre for Strategic Futures in Singapore has adopted foresight as part of its strategic planning cycle, using <u>Scenario Planning</u> <u>Plus (SP+)</u> as a toolkit to cope with emergent trends or unexpected events. The Centre disseminates toolkits and develops new skills across government via workshops and courses for public officials called *FutureCraft* (Monteiro and Dal Borgo, 2023<sub>[2]</sub>).

Other countries, like Canada, deliberately use **strategic foresight capacity in a more decentralised and independent manner.** Policy Horizons Canada reports to the Minister of Employment, Workforce Development and Disability Inclusion, but has an oversight body comprising experts from across and outside the policy system. Strategic foresight upskilling is a core initiative at Policy Horizons, which provides public servants introductory modules on foresight practice as well as advanced modules with innovative approaches to policy development and connected learning resources available online. Singapore also distributes foresight capabilities across the policy system. It encourages its central foresight unit staff to move among policy teams of all ministries. This mobility has led to a broad understanding of the approaches, needs and methods of strategic foresight at all levels of decision-making within government.

In many other governments, including the Netherlands, **strategic foresight capacity is more distributed**, with each ministry and agency having their own strategic foresight experts and the central unit (the Netherlands Scientific Council for Government Policy [WRR]) providing strategic foresight expertise only on request or to specific cross-government projects (see Box 3.8). In most OECD countries, strategic foresight units tend to be sectoral and are often connected to defence or specific fields such as demographic change, sustainability or finance. For example, Sweden has a longstanding tradition of carrying out "perspectives analyses", a type of future-oriented analysis of potential threats and vulnerabilities in their armed forces, but has not built foresight capabilities more broadly at the central level or in other policy areas. Germany has an even longer tradition of foresight work in their military as well as in departments such as the Ministry of Education and Science, and the Environmental Agency. While some of this work feeds into decision-making, most of the analysis is carried out by external consultancies and remains disconnected from internal policy-making realities.

The absence of central co-ordination of futures thinking implies that policies concentrate on the short-term. When crises and unforeseen events occur, the government does not have enough agility to think through various scenarios in emerging circumstances (this criticism has been made of the United States (Scoblic, 2021<sub>[6]</sub>)). Often, strategic foresight is carried out with external expertise and in one-time initiatives. For example, the government of Slovenia and the OECD explored the future of a public-sector talent management system and developed a prototyping and innovation process to use the scenarios (OPSI, 2021<sub>[7]</sub>). However, the administration struggled to keep the practice going as limited resources had been allocated to developing internal capacity in strategic foresight itself. When this capacity exists more systematically it is possible to seize opportunities for a more transformative policy change when opportunities arise (e.g. after farmers' protests in 2019, the German Chancellery and Ministry of Agriculture used the summit on the fitness-for-future of agriculture to create a Commission on the Future of Agriculture. This paved the way for a scenarios process and a collective vision of the future of agriculture, which was delivered in 2021 (Warnke et al., 2022<sub>[8]</sub>)).

Strategic foresight capacity across government contributes to better responses to complex, crossgovernment challenges. In the case of climate change, Finland, Germany and the UK, among others, have used trend analysis and scenarios to identify future pathways to net-zero societies (Monteiro and Dal

Note: ensure demand and mandate was inspired by consolidated systems around the world, such as in Singapore and Finland, where strategic foresight units are at the centre of government and close to senior decision makers.

Borgo, 2023<sub>[2]</sub>) Governments also use strategic foresight from international organisations (for example, megatrend analysis from the European Commission and the OECD, world energy scenarios from the World Energy Council [WEC] or the European Commission's critical event scenarios for stress-testing policies and public services).

Whether centralised, decentralised or hybrid, strategic foresight systems are often supported by complex ecosystems with legislative, executive and audit roles for strategic foresight (SOIF, 2021<sub>[9]</sub>). For example, legislation sometimes plays an important role in integrating foresight into policy-making. It can be very effective in setting "requirements for long-term thinking" in governments. Some examples are the Public Service Act 2020 (New Zealand), and The Well-being of Future Generations Act 2015 (Wales). Similarly, in Lithuania, the Law on Strategic Governance (2020) helped institutionalise strategic foresight in the country and develop the Lithuania 2050 project (Monteiro and Dal Borgo, 2023<sub>[2]</sub>). The analysis conducted by the School of International Futures (SOIF) showed how Canada, Finland, the Netherlands, New Zealand, the United States, Malaysia, Singapore and the United Arab Emirates systemically integrated long-term thinking for policy-making across government (SOIF, 2021<sub>[9]</sub>). Most of those countries have an effective and recurrent practice of foresight across government, though some have integrated it poorly into the policy arena; this implies an impact gap, which was mentioned earlier.

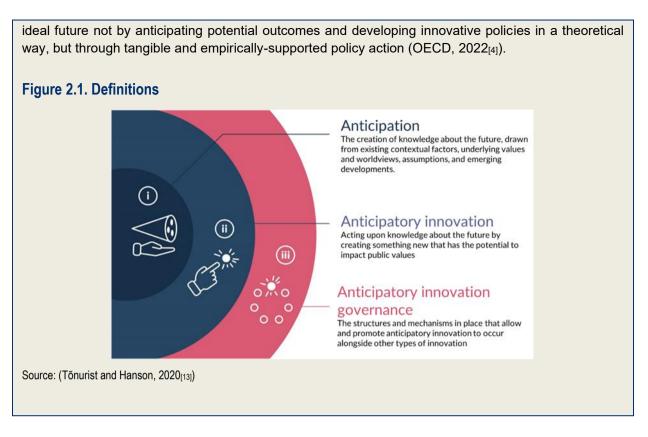
The most apparent obstacles to government adoption and use of strategic foresight are short-termism and risk aversion; scarcity of specialised skills in public administration; and organisational and sectoral silos (Monteiro and Dal Borgo,  $2023_{[2]}$ ; OECD,  $2021_{[10]}$ ). This creates systemic problems. In Germany, a study on institutionalising strategic foresight in the federal government found that the siloed thinking that hinders knowledge exchange between different units creates a barrier to the application of strategic foresight (Warnke et al.,  $2022_{[8]}$ ). This allows for "selective perception" to occur, meaning that each administrative unit is unaware of issues beyond its specialisation and responsibility. It also allows for "negative coordination", that is, isolated decisions are made within units that do not value continuous co-operation. For example, Italy and Finland have struggled to share their strategic foresight products in a timely manner across the system, diminishing their usefulness (OECD,  $2022_{[4]}$ ; OECD,  $2021_{[11]}$ ), due to siloed policy-making processes.

To address these barriers and gaps in strategic foresight use, sufficient resources, clear ownership, and strong mandates for strategic foresight are necessary across different levels of government and relevant institutions outside of government (Fuerth and Faber, 2012<sub>[12]</sub>). Foresight experts who operate transversally in government and provide policy makers with relevant and accessible guidance help implement their discipline more robustly and embed it in the policy cycle. Impact assessment exercises and regular interaction with users to gather their feedback improve strategic foresight processes. The OECD has addressed this through its anticipatory innovation governance model.

#### Box 2.5. Anticipatory innovation governance

Anticipatory innovation governance actively explores possibilities, experiments, and continuously learns as part of a broader governance system (Tõnurist and Hanson, 2020<sub>[13]</sub>). This means developing a governance system to continuously identify, test and disseminate innovations to innovatively shape uncertain futures.

Anticipatory innovation governance needs to be included in the everyday practices of government to influence policy reforms and structural changes. It requires governments to steward innovation processes and policy-making differently. Rather than policy determining the activities of individuals and groups within a system, policies are shaped by observations and experiments in a real-world environment with people who would be affected by government intervention. This feeds into effective policy and has a better chance of anticipating potential side-effects. Governments move towards their



# 2.5 Multi-level strategic foresight as an approach for resilience

#### Strategic foresight in a multi-level governance structure

Regional foresight is likely to be more effective across governance levels when embedded in a multi-level (e.g. regional, national, subnational) governance approach. It should also take global developments into account. Regional and national foresight can no longer operate effectively without considering, for instance, the relevance of regionally-based innovation clusters or European Science, Technology and Innovation policies, especially with regard to the EU's resilience policies (see Box 2.6).

#### Box 2.6. Insights from multi-level innovation governance for multi-level strategic foresight

The OECD defines **multi-level governance** as the interaction between levels of government and a broad range of stakeholders, including private actors and citizens, when designing and implementing public policies with subnational impact. This is particularly the case when it comes to regional development policy and public investment. This interaction is characterised by a mutual dependence among levels of government and runs vertically (among different levels of government), horizontally (across the same level of government) and in a networked manner with stakeholders (citizens, private actors, civil society organisations, research and development [R&D] units, etc.). Multi-level governance practices are part of every country's governance system regardless of its institutional form (federal or unitary, centralised or decentralised).

In the field of innovation, **multi-level governance is** defined as a complex process of collaboration across different government levels (supranational, national, regional, local). It also encompasses collaboration among innovation promotion agents on territorial development strategies. Its aim is to

open up regional innovation strategies – such as the European Commission's <u>Smart Specialisation</u> <u>Strategy (S3)</u> – to actors in production and knowledge systems, and to do so simultaneously at various scales (Larrea, Pertoldi and Estensoro,  $2019_{[14]}$ ). In defining and developing S3 and other regional strategies, it is important to encourage the various levels of government to **collaborate with territorial actors and "be on the same page"**. Interesting examples come from Belgium in <u>SMARTPILOTS</u> and the <u>Bio Base Europe Pilot Plant (BBEPP)</u> in Ghent. They show how regions can find synergies between the EU's <u>Cohesion Policy</u> and its key R&D funding programme, <u>Horizon Europe</u>, by building a research and innovation infrastructure that is attractive to small- and medium-sized enterprises (SMEs) and research actors alike.

Source: (Enderlein, Walti and Zurn, 2010[15]; Michalun and Nicita, 2019[16]; Tortola, 2016[17]; OECD, 2021[18]; OECD, 2022[19])

#### Strategic foresight in support of resilience

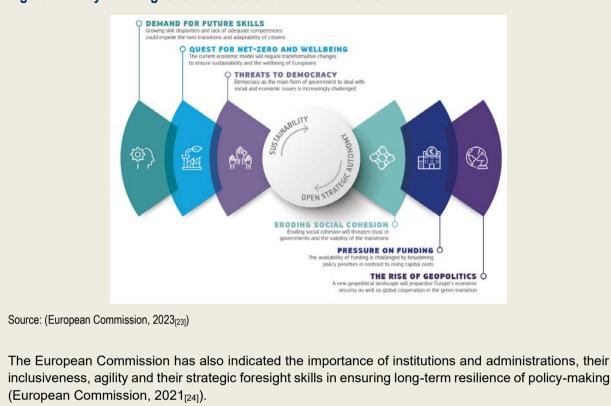
The European Commission argues that strategic foresight is uniquely suited to inform decision makers in driving the green and digital transitions, and strengthening resilience in the EU (European Commission, 2020<sub>[20]</sub>). The European Commission is promoting the EU's resilience in four areas (see Box 2.7): social and economic; geopolitical; green; and digital (European Commission, 2020<sub>[20]</sub>). As such, it plays a central role in recovery of the EU of the effects of the COVID-19 pandemic (European Commission, 2020<sub>[20]</sub>). First, strategic foresight helps explore diverse issues arising from alternative futures (Williams, 2021<sub>[21]</sub>). Second, explorations through scenarios, trends analysis, and stress-testing are used in devising roadmaps and contingency plans. These are constructed through strategic dialogue, feasibility assessments and targeted plan development (Ponce and Lustig, 2023<sub>[22]</sub>).

# Box 2.7. Key areas of resilience in the European Union

Since the early 2020s, the European Commission has been promoting the EU's resilience in four areas: **social and economic, geopolitical, green and digital** (European Commission, 2020<sub>[20]</sub>).

- The social and economic dimension of resilience is the ability to tackle economic shocks and achieve long-term structural change in a fair and inclusive way. The current economic model will require transformative changes to ensure its sustainability and the well-being of Europeans. Furthermore, eroding social cohesion will threaten trust in governments and the viability of the transitions.
- **Geopolitical** resilience relates to Europe bolstering its "open strategic autonomy" and global leadership role. Turbulent geopolitics and a reconfigured globalisation are especially relevant: this is challenging international co-operation on global issues such as climate change and the energy transition.
- Green resilience is about reaching climate neutrality by 2050, while mitigating and adapting to climate change, reducing pollution and restoring the capacity of ecological systems to sustain our ability to live well within planetary boundaries. Specifically, it refers to the increasing pressure to ensure sufficient private and public funding for sustainability, with the availability of funding challenged by broadening strategic policy priorities, demographic change and the economic transformation.
- **Digital** resilience is about ensuring that the way we live, work, learn, interact, and think in this digital age preserves and enhances human dignity, freedom, equality, security, democracy, and other European fundamental rights and values.

The most recent strategic foresight report (European Commission, 2023<sub>[23]</sub>) also points to the importance of a growing demand for skills and competencies for a sustainable future (the availability of workers equipped with appropriate technical and soft skills will be crucial for the EU's competitiveness). It also discusses implications of the war in Ukraine for democracy and the importance of growing socio-economic issues to governance.



#### Figure 2.2. Key challenges for the EU's sustainable transition

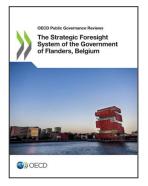
Source: OECD.

The European Union has set up resilience dashboards as a new tool to monitor resilience. They have been developed and co-created in discussions with Member States and other key stakeholders. The focus of this work is on the medium-to-long-term to best enable foresight-informed policies to mitigate vulnerabilities and strengthen capacities. While they reportedly draw on strategic foresight, actual data come with a time-lag and report on current situations without future development projections (the few notable exceptions include employment in industry with high automatisation risk and projected old-age dependency). Furthermore, as regional perspectives on the dashboard are missing, regional and municipal policy-making efforts are not captured.

# References

Burrows, M. and O. Gnad (2018), "Between 'muddling through' and 'grand design': Regaining political initiative – The role of strategic foresight", Vol. 97, <u>https://doi.org/10.1016/j.futures.2017.06.002</u> .	[1]
Enderlein, H., S. Walti and M. Zurn (2010), <i>Handbook on multi-level governance.</i> , Edward Elgar Publishing.	[15]
European Commission (2023), Strategic Foresight Report 2023 - Sustainability and wellbeing at the heart of Europe's Open Strategic Autonomy.	[23]
European Commission (2021), The 2021 Strategic Foresight Report - the EU's capacity and freedom to act.	[24]
European Commission (2020), 2020 Strategic Foresight Report. Charting the course towards a more resilient Europe.	[20]
Fuerth, L. and E. Faber (2012), Anticipatory Governance Practical Upgrades: Equipping the Executive Branch to Cope with Increasing Speed and Complexity of Major Challenges	[12]
Karlsrud Haugse, K. and M. Dahl (2023), Using strategic foresight in the area of future-oriented life events.	[5]
Larrea, M., M. Pertoldi and M. Estensoro (2019), <i>Multilevel governance for smart specialisation – Basic pillars for its construction.</i> , European Commission, Joint Research Centre, Publications Office.	[14]
Michalun, M. and A. Nicita (2019), "Multi-level governance and cross-sector practices supporting the European Union Strategy for the Adriatic and Ionian Region", OECD Regional Development Working Papers, No. 2019/09, OECD Publishing, Paris, <u>https://doi.org/10.1787/5f7dc4c8-en</u> .	[16]
Monteiro, B. and R. Dal Borgo (2023), <i>Supporting decision-making with strategic foresight: An emerging framework for proactive and prospective Governments</i> , <u>https://doi.org/10.1787/1d78c791-en</u> .	[2]
Monteiro, B., P. Tonurist and J. Staudt (2023), Anticipatory intelligence for policy purposes.	[3]
OECD (2022), Anticipatory Innovation Governance Model in Finland: Towards a New Way of Governing, OECD Public Governance Reviews, OECD Publishing, Paris, <u>https://doi.org/10.1787/a31e7a9a-en</u> .	[4]
OECD (2022), <i>Regional Governance in OECD Countries: Trends, Typology and Tools</i> , OECD Multi-level Governance Studies, OECD Publishing, Paris, <u>https://doi.org/10.1787/4d7c6483-en</u> .	[19]
OECD (2021), Decentralisation and Regionalisation in Bulgaria: Towards Balanced Regional Development, OECD Multi-level Governance Studies, OECD Publishing, Paris, <u>https://doi.org/10.1787/b5ab8109-en</u> .	[18]
OECD (2021), Italy Governance Scan for Policy Coherence for Sustainable Development.	[11]
OECD (2021), Policy Brief - Towards a Strategic Foresight System in Ireland.	[10]

OPSI (2021), The futures of public administration: scenarios for talent management in Slovenia.	[7]
Ponce, A. and P. Lustig (2023), Strategic Foresight: Using the 'ETUI Future Scenarios for 2050'to Respond More Effectively to Multiple Crises	[22]
Scoblic, J. (2021), Strategic foresight in U.S. agencies: An analysis of long-term anticipatory thinking in the federal government.	[6]
SOIF (2021), Features of effective systemic foresight in governments around the world.	[9]
Tõnurist, P. and A. Hanson (2020), "Anticipatory innovation governance: Shaping the future through proactive policy making", OECD Working Papers on Public Governance, No. 44, OECD Publishing, Paris, <u>https://doi.org/10.1787/cce14d80-en</u> .	[13]
Tortola, P. (2016), "Clarifying multilevel governance", <i>European Journal of Political Research</i> , Vol. 56/2, pp. 234-250, <u>https://doi.org/10.1111/1475-6765.12180</u> .	[17]
Warnke, P. et al. (2022), Studie zur Institutionalisierung von Strategischer Vorausschau als Prozess und Methode in der deutschen Bundesregierung	[8]
Williams, H. (2021), To resilience and beyond.	[21]



# From: The Strategic Foresight System of the Government of Flanders, Belgium

Access the complete publication at: https://doi.org/10.1787/e55125c5-en

#### Please cite this chapter as:

OECD (2024), "Relevance of strategic foresight to policy priorities", in *The Strategic Foresight System of the Government of Flanders, Belgium*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/57fd71b9-en

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <u>http://www.oecd.org/termsandconditions</u>.

