

## Sitra's strategy, update 2021

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## 1 Background to Sitra's strategy

Sitra's operations are guided by the Act on Sitra, the Finnish Innovation Fund (717/1990; in Finnish). Sitra is an independent fund subject to public law, directly accountable to the Finnish Parliament. A Supervisory Board appointed by the Finnish Parliament monitors its management and makes decisions on its operational principles. Sitra's role as a societal influencer is to act as a responsible, independent future-oriented organisation.

Pursuant to the Act on Sitra, the Finnish Innovation Fund, the purpose of the fund is to promote the stable and balanced development of Finland, quantitative and qualitative economic growth and international competitiveness and co-operation by acting particularly to implement projects with impacts that increase the efficiency of the use of economic resources, enhance the level of research and education or explore future development options.

Recently, Sitra's position as a public institution and Sitra's governance structure have been reformed significantly with legal amendments (1366/2018 and 1553/2019).

### **Our core task: Sitra builds a successful Finland for tomorrow**

The core task is a compact statement about why we exist. The vision describes our view of the desired future. The strategy is our plan for performing the core task and realising the vision. The impact objectives set out our choices on the societal changes we seek. The strategic focus areas specify the targeting of our operations in practice. In everyday operations, our strategy is implemented through three extensive project entities, or themes, and two functions. The principles guiding Sitra's operations and choices are outlined in this strategy document.

## 2 This is how we build the future

Sitra is a future fund driven by its vision and strategy. Our foresight and insight activities and strategy work are continuous. Our vision and strategy define and guide the societal impact we pursue and the focus areas of our operations.

Our goal is that Sitra is a responsible and independent future fund that exercises influence both nationally and internationally and acts as a think tank, a promoter of experiments and operating models and a builder of co-operation.

Building a fair and sustainable future requires comprehensive, systemic changes. Sitra is well positioned to initiate such changes as the future fund has a diverse set of means available as well as strong competence related to societal changes. We create preconditions for future well-being and sustainable development by launching and accelerating the simultaneous transformation of operating models, structures and interaction between various parties. We produce information, highlight sustainable well-being viewpoints in public discussion and propose alternative solutions. We carry out and fund experiments, with which the usefulness of actions and solutions can be anticipated, explored and developed in practice. The combination of attitude and paradigm changes and practical solutions opens up an opportunity for more permanent changes that generate genuinely sustainable well-being.

Sitra's task and the impact we seek require us to engage in extensive national and international co-operation: for Sitra, all stakeholders are potential partners in change. As Finland is part of the interdependent world, our operations are based on a global perspective. However, Sitra primarily seeks to influence Finnish society. The creation and establishment of new mindsets, operating models and solutions require both Sitra and Finland as a whole to take a strong leading role on the international stage. As an independent, impartial and responsible organisation, Sitra can act at different levels of society. We build our national and international operations in a manner that best enables us to promote our objectives.

## 3 Megatrends and operating environment analysis

The future fund's strategy work is based on an understanding of potential future developments and megatrends. Megatrends are directions of development, consisting of several phenomena, that describe wide-ranging processes of change. They often occur at the global level and development is often believed to continue in the same direction. Megatrends shed light on phenomena that currently stand out in the operating environment.

In early 2020, the coronavirus crisis quickly spread around the world and made the interdependence of the world, in which surprises and uncertainties are increasing, more concretely visible.

The crisis has had significant effects on people's everyday lives and on the operations of organisations and societies, as well as on the global operating environment. It has highlighted Sitra's fundamental role as a societal change agent and made its work to build a fair and sustainable future in line with the objectives described in its strategy even more vital.

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The coronavirus crisis can accelerate some changes that are already in progress, but the developments illustrated by the megatrends have not disappeared all of a sudden. With respect to climate change and the ecological sustainability crisis, the emphasis is on issues related to achieving a fair and fast transformation. When it comes to the economic system, people are now more prepared to rethink things. The impacts of changes in population structure will grow stronger in the near future. There is also a need to understand changes in people's mindsets and world views.

Rather than understanding individual megatrends, it is more crucial to understand the broader phenomena to which they are related and the manner in which they are linked to other trends. The tensions between megatrends and related uncertainties constitute an opening where the direction of development is more open than usual. Today's decisions and actions will have an impact on the direction of development – will this direction be the same as before? Will development proceed in a new, previously unseen direction? Or will a state of tension remain?

A key factor influencing the future is our response to the ecological sustainability crisis: climate change, the overconsumption of natural resources, decreasing biodiversity, the varying availability of resources and waste-related problems. There is a growing urgency for ecological reconstruction, which means transitioning to a society that improves the state of the environment and human well-being. The next 10 years will be crucial to our success in reconstructing society to make it sustainable and resilient while adapting to the changes brought about by climate change and decreasing biodiversity. This transformation is a matter of increasing urgency and the associated tensions are escalating.

#### SITRA'S MEGATRENDS 2020

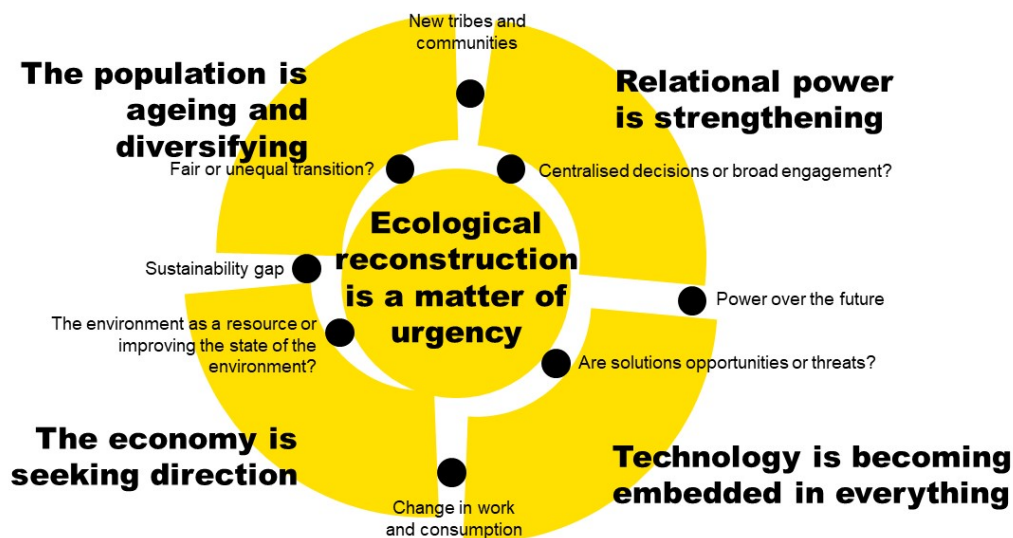


Figure 1. Megatrends – the big picture

Examining the ecological sustainability crisis in relation to other directions of future development provides information about tensions between megatrends. The first tension is

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trying to find a balance between quick decisions and the strengthening of engagement and democracy. The situation is made challenging by a shift to poly-nodal power relations: power is determined in networks by, among other things, the level of economic, technological and cultural interaction. Social systems are being put to the test as to which of them is the most effective at responding to the ecological sustainability crisis and the challenges of a complex world. Some people view democracy as being too slow and distant for deciding on things in a situation where time is running out. At the global level, it is hoped that strong leaders will bring simplicity to the confusing situation but, at the same time, there are increasing efforts to influence things at the grass-roots level.

The second tension is about fairness: how can we find the right balance between quick action and the need to reduce inequality? The population is ageing and becoming increasingly diverse with regard to people's backgrounds, opportunities and habits. At the same time, views and opinions are becoming sharper and more confrontational, leading to a desire for constructive discussion about values. Ecological reconstruction and the new forms of inequality brought about by technology, geographical polarisation and changing working life require the continuous development of competence and new paradigms. What is crucial is how we achieve a renewal of culture and the fundamental structures of society, such as the education system, and how we prevent increasing inequality.

The third tension is related to the economy and its structures. There is growing consensus about the problems of the economic system with respect to the concentration of wealth and environmental impacts, among other things. At the same time, however, it is difficult to redefine the economic system. Can we redefine economic structures quickly enough and shift to improving the state of the environment instead of viewing the environment solely as an economic resource? Will we engage wholeheartedly in ecological reconstruction or persist with our old ways of thinking?

The fourth tension concerns the role of technology and data, and specifically who decides on how they are used and who benefits from them. Technology continues to develop rapidly and is becoming embedded in society and daily life. Data is increasingly accumulated and its value and significance are growing. The paradox is that while technology can offer new solutions in areas such as energy production and the more efficient use of resources, it simultaneously leads to a significant increase in the demand for energy and resources. There is an increasing need to assess the extent to which technology promotes the transition to the post-fossil era and to what extent it hinders it.

The overview of social changes and tensions may seem challenging, even frightening. However, merely being able to identify these tensions suggests it is possible to influence the future. We can find new ways to strengthen democracy, make decisions quickly and reform our society. At the same time, we can ensure that everyone is heard and the transition is fair. A changing economic system may contribute to the improvement of the state of the environment and well-being in the long term, and technology may offer solutions, provided that it is managed appropriately. There is a wide range of alternative futures available, some of which in many ways promise to make things better than at present. Our eventual future depends on our current choices and actions.

#### 4 Sitra's vision of a fair, sustainable and inspiring future

What kind of a successful Finland of tomorrow do we want to build and how do we respond to the challenges brought about by megatrends? Sitra's vision for 2035 is based on extensive efforts to create visions for the next era of well-being, carried out between 2016 and 2018. During 2020, the vision has been updated and crystallised.

**Sitra's vision is that Finland and Finns prosper by building a fair, sustainable and inspiring future that ensures people's well-being within the limits of the earth's carrying capacity.**

The basis for well-being is the set of Nordic ideals combined with the European value base: non-discrimination, equality, appreciation of nature, comprehensive "Bildung", the rule of law, democracy and fairness. We tackle shared global challenges through multilateral international co-operation, with internationality creating stability and prosperity for us all.

Sustainable well-being is based on an ecologically sustainable, competitive and fair economy, which creates sustainable growth and new equal opportunities for people, companies and all participants in society. For individuals, this means, for example, that everyone has the opportunity to pursue lifelong learning and development. Innovative technology contributes to the well-being of people and the environment.

Sustainable well-being is also built on democracy and engagement, which promote people's trust in each other, different societal bodies and the future. The core values of democracy include freedom of speech without hate speech, enabling pluralistic and lively discussion in society. Wicked problems are jointly solved by political decision-makers, the general public, the public and third sectors, the business world, scientists and researchers.

Building a fair and sustainable future requires knowledge, skills, enthusiasm, bold decisions and extensive co-operation. Sitra's future-oriented work lays a foundation for this, benefiting all Finns. The goal of Sitra's operations is that, in 2035, Finland will be fair, sustainable and capable of renewal. The future is made together.

#### 5 What kind of impact and change are we pursuing?

Our impact objectives describe what kind of societal impact and changes we pursue with our operations; in other words, how we promote the realisation of our vision. The strategic focus areas specify the targeting of our operations in practice. Our impact objectives and focus areas are common to all of our operations and we promote them in projects and initiatives, with varying degrees of emphasis.

Finding solutions for the ecological sustainability crisis remains at the core of our strategy, and a new focus area in this work is the strengthening of biodiversity. The renewal of the economy aiming at sustainability and competitiveness can be seen more clearly in our strategic choices and in all our operations. From now on, we will promote a fair data economy under a new theme. In addition, we are introducing a new theme that focuses on strengthening democracy and engagement. Future knowledge, future-oriented thinking, the boosting of capacity for change and the increase in co-operation will continue to form the solid foundation upon which our efforts to change society and build a fair and sustainable future are based.

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We have five goals we work for every day:

1. The ecological reconstruction of society and everyday life ensures adaptation to the earth's carrying capacity.
2. The economy is renewed in a manner that aims at increased competitiveness in compliance with the principles of sustainable and responsible development.
3. Engagement and influencing opportunities strengthen democracy.
4. The possible directions of future development are well known in Finland, different kinds of future are widely discussed and action is taken on the basis of future knowledge.
5. Society's capacity for change and co-operation increases.

Our focus areas:

1. Biodiversity as a prerequisite for well-being
2. Sustainable and fair ecological reconstruction
3. Finland as a trailblazer of a fair and sustainable data economy
4. People and networks participating and influencing decision-making
5. Technology and algorithms supporting democracy
6. Producing futures knowledge through societal foresight, insight and analysis
7. Strengthening national future-oriented thinking and future capability
8. Co-operation and dialogue at the core of futures knowledge and interpretation
9. Promoting society's capacity for change and related training
10. Enabling engagement in solving societal problems

## 6 Sitra's work to exercise influence

On the basis of our vision and impact objectives, we have chosen three strategic themes, in which Sitra's societal expertise and resources can be put to the best use. Sitra's themes are *Nature and a climate-positive society* (working title), *A fair data economy* and *Democracy and engagement*. Furthermore, the impact objectives will be promoted under *Foresight and insight* and *Societal training*.

### 6.1 Theme: Sustainability solutions

***We promote well-being by strengthening biodiversity and accelerating fair and sustainable ecological reconstruction.***

#### **Why is this important?**

The well-being of nature is the foundation of all life. This means that biodiversity loss, the climate crisis, the overconsumption of natural resources and environmental pollution are issues that define humanity's destiny. These challenges are intertwined and need to be tackled together. There is a lot of information available about the root causes and also a wide variety of solutions. However, the building of large-scale understanding and acceptance is only just beginning.

To tackle ecological challenges, we need ambitious systemic changes. This requires, for example, the decoupling of economic growth and the overconsumption of natural resources. At the same time, our ability to adapt must be boosted as all negative effects can no longer be mitigated. In addition to ambitious policy measures, we need more wide-

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ranging support and adoption of solutions among the public and private sectors and individuals. This would enable us to reduce negative development and strengthen positive development. The development of sustainability solutions and the efficient use of the national economy's resources will improve Finland's competitiveness and ability to adapt and recover.

### Objectives

The work carried out under the "Nature and a climate-positive society" theme promotes the transition towards a society that improves the state of the environment and enables everyone to adapt to the earth's carrying capacity.

### What are we doing?

The work carried out under this theme is guided by the following strategic focus areas in particular:

- Biodiversity as a prerequisite for well-being
- Sustainable and fair ecological reconstruction

New focus areas of our work include, for example, the strengthening of biodiversity, and sustainable and fair ecological reconstruction. At the same time, we promote adaptation to the ecological sustainability crisis. We highlight restorative economy measures and technologies, which protect and strengthen biodiversity. We support the development of Finnish expertise and the introduction of innovations that seem promising for the transition. We develop an operating environment in which business that is sustainable from the perspective of the earth's carrying capacity is always the most competitive option.

We drive ambitious climate policy, boost a fair and competitive circular economy and encourage people to take sustainability action. The European Union is an important arena and means of leverage, which we use as a framework and channel with which to increase the efficiency of change internationally.

## 6.2 Theme: A fair data economy

***We renew the economy by building a human-driven, fair data economy based on the European value base as an alternative to a state-driven or data monopoly-driven data economy.***

### Why is this important?

Our digital everyday life generates data, the refinement of which into knowledge demands a wide range of competence and resources from companies, but also enables them to innovate. The data economy is in the early stages of development and is supported by the EU's General Data Protection Regulation (GDPR). However, its practical advantages for individuals and companies have thus far been minor. At the moment, the main obstacles to a smoothly operating data economy are the data interoperability between different systems, the concentration of data in the hands of a few parties, deficiencies in the availability of data and individuals' limited opportunities to influence. The European Commission has outlined Europe's digital future in three key communications related to the digital strategy

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and, as a part thereof, the European strategy for data and the ethical use of artificial intelligence. The objective is technology that works for the people, a fair and competitive economy and an open, democratic, trust-based and sustainable society.

### **Objectives**

By acting at the core of the implementation of the European five-year strategy for data, we can influence measures, regulation and especially shared rules in a manner that improves Finland's competitiveness. Sitra's earlier work to empower individuals to use data-based services and particularly the development of Finnish companies' business and ecosystem competence can be scaled up to cover the whole of Europe. This will be done by using the existing projects of the stakeholder network and by acting as the network of networks that promote a fair data economy, bringing together societal decision-makers, NGOs and pioneering companies from different countries.

The fair data economy theme promotes the renewal of the economy with the aim of increasing competitiveness in compliance with the principles of sustainable and responsible development. State-driven or data monopoly-driven data economy models must be turned into human-driven models with the aid of regulation and shared rules that facilitate this transformation.

Another objective is to create new tools for individuals and for companies for managing a digital future and benefiting from it. For companies, this means the use of concepts related to business and ecosystem models and technological skills; for individuals, it means increased awareness and better influencing opportunities in the use of digital services.

### **What are we doing?**

The work carried out under this theme is guided by the following strategic focus area in particular:

- Finland as a trailblazer of a fair and sustainable data economy

The focus area is implemented through the following actions:

- Development of a cross-sectoral data economy governance model.
- Development of fair data economy criteria; trust as a competitive advantage.
- Co-operation with European innovation ecosystems.
- Renewal of the data market to make it sustainable and competitive.
- Co-operation with the "Nature and a climate-positive society" theme to highlight and solve practical problems related to manufacturing and green development, for example, while adhering to the data strategy.

Under the fair data economy theme, we promote systemic change by changing structures, improving individuals' opportunities to have an influence on a data economy and by introducing many practical tools for companies and individuals acting in different roles in companies.

In line with to the EU's digital strategy, we act under the theme to lay a foundation for successful digital services of the future that create value for people, companies and society.



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To enable individuals to develop into active data economy participants, one of the objectives must be to ensure that Europeans are among the best in the world when it comes to data literacy. Data-related competence is needed in different branches of public administration and in the corporate world – in legislation, business, behavioural science, the media and industry.

### 6.3 Theme: Democracy and engagement

***We strengthen democracy so that everyone in Finland has the opportunity to participate in and influence the building of an inspiring future.***

#### **Why is this important?**

The start of the 2020s is witnessing many challenges to liberal democracy and democratic institutions, both in Finland and globally. Finland's post-war success story has been based on Finns' trust in each other and society's institutions. The best way of maintaining mutual trust and faith in the future and of coping with the tensions caused by the increasingly complex world is the equal and extensive participation of people in the development of society. The decisions made by the European Union influence Finnish legislation. For this reason, it is important that people feel that they can influence joint European regulation. We must ensure that stable democratic development and a well-functioning rule of law are among Finland's strengths in the future, too. People's participation and opportunities to have an influence play a key role when building trust in a data economy and making the transition to fair and sustainable society.

#### **Objectives**

The objective of the Democracy and engagement theme is to ensure that people's engagement and their opportunities to influence strengthen democracy and support the realisation of the principles of rule of law. The aim is to strengthen democracy so that people can be active participants and to secure society's capacity for change in a proactive manner.

The goal is to increase understanding of the nature of new societal divisions and to develop new perspectives and operating models to maintain and improve social sustainability in the communications and advocacy environment of the 2020s. One of the means to achieve this is freedom of speech, one of the core values of democracy. It ensures pluralistic and lively discussion in society and provides people with opportunities to participate in building a shared view of the future.

#### **What are we doing?**

The work carried out under this theme is guided by the following strategic focus areas in particular:

- People and networks participating in and influencing decision-making
- Technology and algorithms supporting democracy

The power of networks, combined with the increasing significance of data, information and knowledge as key production factors, influences changes in economic systems and even in social

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systems in a manner that is difficult to foresee. The tension between the operating models of the old power (hierarchies and institutions) and the operating and management models of the new power (networks) increases. The ongoing transition from the democracy of the analogue era into digital democracy requires the updating of democratic practices as well as preparedness for new and even surprising threats, such as the manipulation of networks, influencing through information, various confusion-based campaigns and development that we have recently witnessed in states that used to be strong democracies. In our work under this theme, we could produce new information and understanding about the operating models of relational power in networks and how network-based operating methods can be used in the development of Finnish institutions. The activities under the Democracy and engagement theme can reform and develop the structures of democracy, operating methods and the means of participation and interaction.

A parliamentary system in which political participation is restricted to political parties and NGOs has not developed on a par with technological development. If the goal is ensuring equal participation opportunities for everyone, the use of new technology is one way of finding new engagement solutions. Consequently, another key focus area of this theme is to create a deeper insight into society's use of algorithm- and data-based means of operating and influencing and to look for solutions for how understanding of human behaviour, new modes of interaction, technology and algorithms work together and can support democracy, engagement and co-operation. Sitra could bring together many kinds of parties, open up discussion on ethical questions and, as a result, carry out various experiments.

The Democracy and engagement theme will be prepared in the spring of 2021 so that project activities can begin in the summer of 2021. The preparation phase makes extensive use of the lessons learned in Sitra's project work.

#### 6.4 Function: Foresight and insight

***We produce futures knowledge through societal foresight, insight and analysis and strengthen people's future-oriented thinking and capacity to influence directions of future development.***

##### **Why is this important?**

In an uncertain world full of surprises, the role of foresight and insight is increasingly important. Foresight and insight may increase the understanding of various potential future developments, improve the preparedness of people and societies for future changes and strengthen faith in the future. Societal renewal requires the increasing and expansion of future-oriented thinking and discussion, better use of futures knowledge and broader discussions on and perspectives of the big picture and the relations between different matters.

##### **Objectives**

Our objectives are that the potential directions for future development are clearly identified in Finland, that different kinds of future are widely discussed and that action is taken on the basis of futures knowledge. In addition, we will work to increase society's capacity for change. By creating foresight and futures knowledge and by analysing and interpreting them, we can make a significant contribution to the realisation of Sitra's vision and impact objectives while challenging them constructively and developing insight.

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Our work emphasises the combination of future-oriented thinking and the capacity to create change as well as co-operation and dialogue when producing and interpreting futures knowledge. This means that the strengthening of future-oriented thinking and competence cannot rely merely on the production of information, but that impact can only be achieved by putting the information to good use in activities and decision-making. Our objective is to increase people's enthusiasm for what the future may bring.

### **What are we doing?**

The Foresight and insight function is guided by the following strategic focus areas in particular:

- Producing futures knowledge through societal foresight, insight and analysis
- Strengthening national future-oriented thinking and future capability
- Co-operation and dialogue at the core of futures knowledge and interpretation

We carry out societal foresight, insight, analysis and interpretation on the likely directions of future development and megatrends and surprising and new phenomena, such as weak signals. In public discussion, we highlight the changes required for a fair and sustainable future, associated with structures, practices, values and ideals.

To ensure the use of futures knowledge, we strengthen future-oriented thinking and the capacity to influence directions of future development. Future-oriented thinking and discussion needs to be expanded and we contribute to this by promoting pluralistic discussion about the future. Reform requires an extensive group of future-oriented change makers (including decision-makers). We make futures knowledge a part of everyday life, increase future-oriented thinking and competences and challenge future-related assumptions and paradigms boldly and constructively. We develop approaches and methods for future-oriented work and promote their widespread adoption.

We produce and interpret foresight, futures knowledge and methods of future-oriented work in co-operation and dialogue with change makers. We promote and maintain a pluralistic, dialogical culture of foresight and insight as well as discussion about the future, both of which are necessary in times of uncertainty. From the point of view of impact, the essential things are co-operation with external stakeholders, Sitra's role as a "broker" between producers and users of information, and the strengthening of the foresight and insight ecosystem as part of the national foresight network.

## 6.5 Function: Societal training

***We strengthen the ability and willingness to build a sustainable future together.***

### **Why is this important?**

Building a fair and sustainable future together requires the development of society's capacity for change and the creation of a solution-oriented culture that inspires people to co-operate. The nature of problems, the challenging operating environment and the fast and surprising changes justify the significance of developing society's capacity for change. No one can solve complex problems alone. Sitra supports decision-makers and change

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makers in building a shared situational picture and contributes to finding ways to identify and react to key future challenges and opportunities together.

### **Objectives**

The objective of the societal training function is to increase society's capacity for change and co-operation. Through its Leadership training for sustainable economic policy, the function also supports the reform of the economy with the aim of ensuring sustainability and responsibility.

### **What are we doing?**

The work carried out under the societal training function is guided by the following strategic focus areas in particular:

- Promoting society's capacity for change and related training
- Enabling engagement to solve societal problems

Solving complex problems fairly and the building of a sustainable future require everyone's engagement (individuals, organisations and decision-makers), a shared situational picture and the building of trust. That is why our work is based on creating networks, building bridges between different parties and contributing to joint learning and mutual understanding. The starting point of our ways of working and the methods we apply is an understanding of the comprehensive and systemic nature of societal challenges. We create multidisciplinary, multisectoral learning environments, opportunities and processes that enable joint thinking, learning and development. As a result, new kinds of thinking, capacities and solutions are created.

The development of society's capacity for change requires the continuous development of approaches and methods in co-operation with Finnish and international stakeholders. We also strengthen and support Sitra's capacity for promoting change.