

# Ready for the Future: Strengthening Foresight Capacity in the Government of Iceland

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**Report on Foresight Workshops held in Reykjavik, Iceland on 15 and 16 November 2018 by the Strategic Foresight Unit of the OECD**

## Summary

This report summarizes the outcomes of strategic foresight workshops held by Iceland's Futures Committee and additional experts and public servants, and facilitated by the Strategic Foresight Unit of the OECD. The workshops began by exploring how in a world of rapid change and high uncertainty responsible decision-making requires considering a range of plausible future scenarios and their implications. The workshops then considered a number of global trends and potential disruptions and how these could impact Iceland's future. The following key themes emerged for possible further work by the Futures Committee: 1. Futures of work and skills; 2. Futures of data in society and government; and 3. Futures of Icelandic Identity. Finally, the workshop considered ways of strengthening anticipatory governance and foresight capacity within the government of Iceland, including using the convening power of the Futures Committee to drive ongoing strategic foresight work within and across government departments and in collaboration with external stakeholders.

## Introduction

In 2018 the Prime Minister of Iceland established a Futures Committee composed of members of parliament from all parties. This Committee has the potential to serve as a vital catalyst in spurring reflection, dialogue and action needed to help Iceland prepare for and navigate the future. It can do so not only by strengthening discourse on longer term issues within Parliament itself, but also more broadly across government and society, in order to better prepare Iceland for the challenges and opportunities of an uncertain, complex, and fast-changing future. To be successful, however, the Committee requires a structured approach to exploring the future in ways that will move beyond current assumptions and expectations and generate genuine new insights to guide and inform decision-making.

It is impossible to predict the future, but neither can one assume the future will be a linear continuation of recent trends. Rather, in the face of rapid change and high uncertainty one must consider a range of different scenarios and their implications. Strategic foresight is an approach and set of tools for doing just that: helping policy-makers to explore multiple plausible alternative futures for the purpose of envisaging new and better ways to act in the present. Adopting a strategic foresight approach is crucial for governments and organisations to remain effective, legitimate, and relevant whatever the future may hold.

## Building Foresight Capacity

Iceland is not alone in seeking to build anticipatory capacity. Governments around the world are making efforts to improve foresight skills among public officials, build an authorising environment for the practice of foresight, effectively communicate the value and applicability of foresight work, and build foresight into the institutions and processes of policy making. No government claims to have achieved an optimal model for all others to adopt, but a number of cases of effective practice are able to demonstrate a considerable impact of foresight on policy making.



The OECD has extensive experience supporting governments with foresight upgrades. These projects deliver methodological training, capacity building for public officials, and content for future-focused policy discussions. They facilitate successful collaborations across government ministries and wider stakeholder communities, and leverage the expertise of several OECD Directorates to develop visions and strategies incorporating elements of foresight, well-being measurement, and economic analysis.

## Engaging Policy with Multiple Futures

In November 2018, the OECD delivered two interventions in Iceland with these objectives in mind. The first involved public officials, while the second was held among members of the Futures Committee of the Alþingi along with selected public officials and civil society stakeholders.

## OECD Scenarios

Both workshops used as a starting point the OECD's Going Digital Scenarios, a set of prototype exploratory scenarios intended to serve as archetypes to generate useful new ideas for discussion. Developed as part of the OECD's flagship initiative on the digital transformation of the global economy and society, the scenarios present four alternate plausible future contexts for 2030, all radically different from each other and from the world of 2018. Brief descriptions of the four scenarios are provided in the box.

### Box: OECD Going Digital Scenarios

Developed as part of its flagship initiative on the digital transformation of the global economy and society, the OECD's Going Digital Scenarios present four alternate plausible future contexts, for 2030, all radically different from each other and from the world of 2018. The scenarios are constantly evolving through dialogue; below is an outline of their main features.

- **iChoose:** digitally empowered individuals in a world of multilateral civil society and persistent inequality
- **Platform Governments:** technological and policy innovation driven by governments to advance both business and political agendas
- **Corporate Connectors:** privately owned tech companies take on increasing legitimacy and responsibility for prosperity and well-being
- **Artificial Invisible Hands:** infinite and ubiquitous data combined with artificial intelligence take on much of the activity of humans, spelling the end of work and privacy, but also greed and tragedies of the commons.

The scenarios are not intended to be understood as predictions or plans, but rather as useful narratives of plausible futures which could hold lessons for today. Participants explored one or two scenarios in breakout groups in order to test their own assumptions about the future and identify key uncertainties about the trajectory the digital transformation could take. Participants then explored the potential implications of the scenarios for Iceland in 2030, including what new opportunities and challenges they could give rise to. Participants then applied these insights to discuss implications for prosperity, inclusivity, and sustainability.



## Discussion Outcomes and Implications for Iceland

Each workshop was designed to produce a set of topics requiring further investigation and policy action in the present, based on the discussion of alternative futures for the decades ahead. Plenary discussions explored the importance of the topics identified and how the Futures Committee might set about conducting foresight around them.

In a final session on each day, participants discussed some of the elements and practices that could be important parts of the Icelandic upgrade in strategic foresight capacity for policy making.

### Workshop 1 with Public Officials, 15 November 2018

Groups discussed the scenarios in combinations of two to contrast their main features. The topics they identified for further investigation were:

- equalities and divides,
- futures of Icelandic identity,
- skills for the future of work,
- harnessing networks and collaboration, using data for policy-making,
- security and ownership of personal data,
- transparency in government and business, and
- the quality and contestability of data.

Discussion went into further detail on the following three topics:

### Skills for the Future of Work

**What's the issue?** Icelanders' work is changing rapidly. There will be further disruptions and changes associated with a digitally interconnected world which places unprecedented value on transactions in data, ideas, and experiences. Icelanders need to be ready, in spite of complexity and uncertainty about what the future could hold. Some participants suggested that Iceland has until now taken a wait-and-see approach, and been fortunate to benefit from the fishing, aluminium, and tourism industries which have all made important contributions to Iceland's prosperity.

**Why foresight?** There is a high degree of uncertainty regarding future developments in this area. For example, it is impossible to predict how fast various tasks may be automated and which occupations and industries will be most affected. How will the nature and location of work change with the rise of online platform employment and virtual reality workplaces? What types of human skills will be most complementary to the increasing capabilities of AI, robotics, blockchain and other labour replacing technologies? At the same time, the future of skills and work is an area where significant up-front investments must be made (e.g. regarding education or industrial policy). These decisions can have long-term consequences and cannot easily be reversed. A substantial and ongoing strategic foresight effort is therefore required to identify potential future developments and their implications. Staying ahead of the curve is not a given, and the best way to prepare for the future is to take agency to shape it. Iceland has the opportunity to determine where it wants to channel its efforts in the future, and what skills and resources will be needed. Participants highlighted social and emotional skills as being particularly important in light of the discussion on Icelandic identity.

**What next?** A first step is to gather and explore the key trends shaping the future of work, skills, and education, including the broader factors influencing Iceland's evolving niche and competitive advantage in global value chains. Fostering a discussion that cuts across traditional policy silos is crucial. Consultations involving citizens, educators, schools, universities, civil society, and of course government, will help to shape the direction of this investigation. Existing syntheses by the OECD and other external organisations may also be of value. Members of the Futures Committee discussing this topic the next day highlighted the importance of leveraging Iceland's strengths such as agility, good education, and technical knowledge to make the most of the changes ahead. A comprehensive labour market strategy should go hand-in-hand with the outcome of any skills upgrade in Icelandic education.

### Security and Ownership of Personal Data

**What's the issue?** In a world where everyone agrees that data is important, there are many different views on how it should be handled. There is a sense that potentially important data for policy making lies outside of the reach of the government and that a strategic approach to data collection, analysis and use would be beneficial. Core Icelandic values such as democracy, privacy, free will, consent, transparency, and trust, all come into discussion when considering the ownership and use of data about Icelanders and their activities. Iceland has more experience than most countries in the effective gathering and use of highly personal data through the Íslensk erfðagreining project, and the Ísland.is initiative seeks to build on the successful e-government experiences of countries like Estonia in delivering a digital platform for the country.

**Why foresight?** Foresight adds value to this discussion because it enables consideration of outcomes that are not yet supported by evidence, but which are important to prepare for nevertheless. Potentially all ministries and arms of government are concerned with developing a data exchange that preserves important values like security and privacy, while also ensuring that these values are respected by any private enterprises handling Icelanders' data.

**What next?** Developing a comprehensive data strategy will require reference to existing effective practices around the world, and foresight to consider what developments to prepare the system for. This all needs to take place in the context of a careful consideration of ethics and a potential update of existing data and freedom of information protocols.

### **Futures of Icelandic Identity**

**What's the issue?** Digital and globalisation offer many opportunities for Iceland to make a name for itself on the global stage, and punch above its weight in terms of 'soft power', that is power related to social and network capital and cultural influence. However there are risks too, since a small country in a big world runs the risk of becoming lost in the noise. Icelanders recognise that their identities will evolve in a world of close interactions and rapid migration—this doesn't need to be seen as a threat, but it does bring into focus what it means to be Icelandic. The Icelandic language and its rich body of literature are part of the unique cultural heritage of Iceland, and have been successfully preserved for hundreds of years. The identity of Iceland is also inextricably linked to the land's precious nature, giving the country an identity that goes beyond human society. The question is how to champion the best of the Icelandic spirit, make a contribution to the world through innovations such as preventive medicine, and exhibit the kindness and trust that Icelanders expect of those who come to visit and settle on their island

**Why foresight?** A strategic foresight approach can enable an open and constructive dialogue on this sensitive and important issue. This can explore a variety of potential future trends and developments that could be relevant for Icelandic identity, such as global tourism and migration flows, technological developments such as automated simultaneous language translation, as well as evolving geopolitical realities including the rise of Asia and the growing influence of global technology firms. Considering key uncertainties about the future can not only highlight potential stress-points, but also show a broader range of possibilities for future conceptions of Icelandic identity. A foresight approach to exploring the future of Icelandic identity can bring people together and create shared narratives by using the fictional concept of the future to provide a safe space for reconciling disagreements.

**What next?** This topic would require careful consensus building and consultation among multiple ministries, the Alþingi, civil society, cultural groups, as well as input from a range of experts in areas such as the Icelandic language and relevant global trends.

## Workshop 2 with Iceland's Futures Committee, 16 November 2018

The Futures Committee invited a group of civil society stakeholders and public officials to join their discussion on key topics for further work. Each of three groups discussed one of the OECD scenarios, its implications for Iceland, and issues raised. Topics identified were:

- using data for policy making,
- skills and specialisation for the future of work,
- democracy and citizen dialogue,
- energy resilience,
- science/technology/innovation foresight,
- security and integrity, gender biases in data and AI,
- data superabundance, and new feudalism and tribalism.

In addition to the discussions on skills and futures of work covered the previous day, the group identified a further three topics for further investigation.



### Using Data for Policy Making

Staying ahead of developments in digital and data offers the Icelandic government the opportunity to make its policy making more responsive and effective. By identifying existing sources of data and potential future needs, agencies can put in place the mechanisms to carry out secure and effective public policy experiments, potentially adopting a software-like development approach to policy making which allows for rapid implementation and adaptation of ideas.

### Democracy and Citizen Dialogue

Ísland.is is already experimenting with citizen consultation mechanisms such as petitions and possibly online referendums. Facilitating an effective, independent, and constructive online dialogue has been problematic on many platforms such as the main social networks. Foresight will be needed if this is an area Iceland wants to pioneer in conjunction with its democratic values.

### Energy Resilience

Iceland's enormous advantage in renewable electricity is not guaranteed to continue, since advances in solar energy and other sources elsewhere could become even more efficient and profitable. Now is the time for Iceland to pioneer innovations such as decentralised energy storage, improved transportation infrastructure, data on energy consumption and smart grids for greater demand management and efficiency. Foresight can help to identify what areas are most promising and which experiments could be most worthwhile.

## Building Anticipatory Governance

Both workshops turned their final round of discussions to how Iceland can build effective systems and processes to embed foresight into the work of government.

### Barriers and Enablers

In all governments, even those with comprehensive anticipatory systems in place, high-quality policy-driven foresight can be underused. Numerous barriers—institutional, procedural, cognitive, social, cultural—impede attempts to achieve impact for foresight.

Participants identified some particular barriers in the case of Iceland:

- Lack of agreement on the main trends, uncertainties, and change drivers;
- Electoral and policy cycles which create time silos;
- Ministries and interest groups which create policy silos;
- Rule-taking and rule-breaking which isn't always constructive;
- Still developing knowledge of strategic foresight principles and methodologies.



In spite of this, Iceland also has a number of strengths that enable it to rapidly build its foresight capacity:

- Senior support, especially from the Prime Minister;
- A Futures Committee already meeting regularly;
- A highly educated workforce and civil society ready to engage in futures issues;
- Existing projects and programmes with the potential to benefit from the added value of strategic foresight.

### Goals and Next Steps

Participants were asked to describe some of the characteristics of an effective and well-functioning foresight system in the Icelandic administration. They mentioned the following:

- Effective involvement and collaboration of government and parliament, as well as civil society on identifying and investigating emerging big issues;

### Frequent review and renewal of policies for future fitness;

- Ability to ask tough questions about what is uncertain, and engage in debates about provocative issues;
- Proactive identification and tackling of issues;
- Effective sharing of futures knowledge across the policy, political, and public spaces;
- Not waiting for perfect knowledge about issues before taking effective action;
- *'Asabiyyah*, a social solidarity and sense of shared purpose that generates network capital on which to pursue collective goals;
- A strong sense of values and purpose.

Concrete steps to take towards these objectives included the following actions:

- **Start now!** The Futures Committee has the support and resources to make a start on some highly worthwhile contributions to Icelandic policy discourse, for example by convening foresight workshops on key issues for Iceland's future and publishing a series of hot-topic policy briefs to stimulate further conversation and interest in foresight;
- **Nurture demand** for more foresight work through constant engagement with potential users of foresight (e.g. government, business, media, the public) and conduct a sustained publicity effort;
- **Nurture supply** of high quality foresight work in Iceland by inviting government departments, universities and others to prepare and present work on future trends, key uncertainties, and implications for policy on a range of key themes and issues for Iceland's future.
- **Invite experts from abroad** to generate curiosity and interest in building knowledge on a particular subject—work in this respect is already underway in the field of blockchain;
- **Identify futures-relevant work** already planned and underway in government, and proactively use of foresight to add value to it;
- **Build foresight capacity** ('futures literacy'), for example through further training on foresight in general or on applying foresight in specific substantive policy areas such as the future of work, education, data, tourism, governance etc. (The OECD can provide support based on its latest futures-oriented studies in these and other areas.)



## **Conclusion: The Futures Committee as a Catalyst for Future-readiness and Transformation**

Iceland's newly-created Futures Committee provides a pivotal opportunity to help Iceland prepare for the future. First and foremost it creates a much needed forum for Iceland's Parliamentarians to discuss the longer-term future and direction of the country. This includes developing a shared vocabulary and understanding of the key global trends, transformations and developments that could have an impact on Iceland's future. Looking beyond current political debates will allow the Committee to identify a broader range of future challenges and possibilities for Iceland and support a richer debate and dialogue about future directions for the country. However, the Committee's impact can extend far beyond Parliament itself. It can serve as a vital lever for strengthening strategic foresight capacity and anticipatory governance within the government, the public service, business, civil society and the public at large.

Using its convening power, the Committee can request papers and submissions from government departments and other stakeholders about the key trends and potential disruptions in their areas. This can create an incentive for departments to further invest in longer term analysis of this nature. Similarly, by convening foresight discussions on key themes that cut across the mandates of different departments (e.g. work, education, innovation, taxation) the Committee can foster the broader conversations that are needed to address longer term systemic issues.

Looking outwards, the Committee can also play a vital role in strengthening foresight thinking in society at large. Iceland's small, educated population give it the agility to reinvent itself to thrive in changing conditions. However that agility depends on the extent to which the population is aware of and engaged in the foresight thought process. The Committee as a whole and through its individual MPs can help provide a bridge with civil society and the public to better understand and prepare for future changes, through both traditional and social media, through local consultations, workshops and other forms of direct engagement, and through developing their respective party political platforms and agendas. Faced with an uncertain world, Iceland will benefit from a vibrant and open dialogue at all levels about what changes may be coming and what strategies will be best for Iceland's future.