

Understanding & Achieving Systemic Governance: Lessons from Finland

A Research Synthesis based on Systemic Co-inquiry led by Ray Ison and Tim Logan



Published in partnership with SCiO Finland

Acknowledgements

This inquiry would not have been possible without the generosity of Finnish practitioners and researchers who shared their experiences, insights, and concerns with remarkable candour. Special thanks to Olli-Pekka Heinonen for the initial inspiration and ongoing support, and to all conversation partners who contributed to this ongoing co-inquiry.

All contributors to this co-inquiry were invited to comment and advise on an initial draft report. This final summary version was written in response to feedback and released publicly following consultation.

This work is distributed under Creative Commons license – Attribution NonCommercial 4.0 International (CC BY-NC 4.0). NonCommercial – You may not use the material for commercial purposes.



Introduction: Beyond Business as Usual

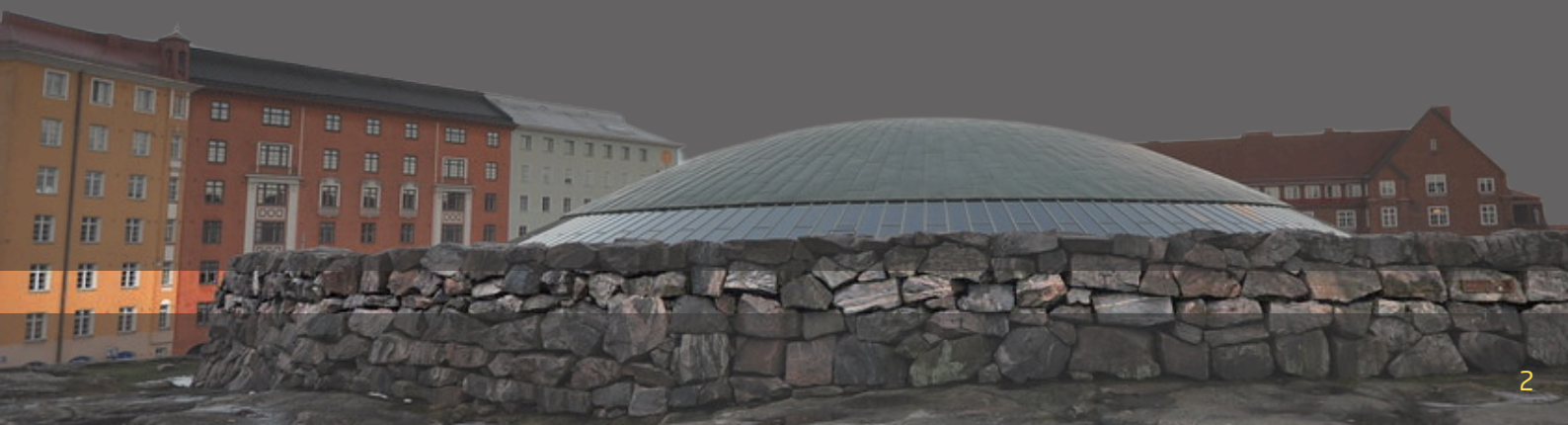
We stand at a critical juncture in human history. The climate emergency, biodiversity collapse, and mounting social inequalities demand governance capable of navigating complexity and uncertainty. Yet most governments still operate with hierarchical, control-based systems designed for a simpler world that no longer exists.

Between December 2024 and May 2025, we conducted a systemic co-inquiry in Finland – a country internationally recognised for innovative governance approaches, particularly in education. Our aim was to understand what "systemic governance" or "humble governance" actually means in practice, how it works, what enables it to flourish, and what threatens its survival. What we discovered offers both hope and cautionary lessons for anyone seeking to transform how governments work.

What is Systemic Governance?

Systemic governance represents a fundamental shift: from government as controller to government as enabler. Rather than central authorities dictating solutions and managing implementation, their role becomes supporting local learning, experimentation, and adaptation within agreed frameworks. Essential to systemic governance are (i) being prepared to begin by working with complexity and uncertainty and (ii) establishing at the start of any change process the means to build in feedback so that learning and change can happen.

This approach emerged powerfully in Finland through the pioneering work of Olli-Pekka Heinonen, former State Secretary in the Prime Minister's Office and later Director-General of Finland's National Agency for Education. The principles he championed align with what Demos Helsinki researchers call "humble government" – an approach that acknowledges fallibility, commits to continuous learning, and builds policies that outlive single mandate periods.





Core Principles

Humble Government: Central government acts as facilitator, creating environments where local innovation can thrive, rather than imposing standardised solutions from above. As one Finnish practitioner told us: "The role of the leader should be to protect processes that support localised capacity building."

Trust-Based Autonomy: The Finnish education system exemplifies this principle. With no school inspections since the early 1990s, steering happens through information, support, and funding rather than control. Teachers require Master's degrees and enjoy pedagogical autonomy in methods, materials, and assessment. The system relies on professional capability rather than surveillance.

Scaling Learning, Not Solutions: This is perhaps the most radical departure from conventional thinking. In complex environments, finding "the right answer" and scaling it nationally simply doesn't work. Instead, what must be scaled is the capacity for learning and experimentation in each unique context. As Heinonen put it: "Let's forget scaling" – meaning scaling solutions. Scale capability instead.

Peer-to-Peer Accountability: This involves moving beyond hierarchical control to mutual accountability among actors at all levels. Multi-stakeholder dialogue replaces top-down reporting. The system holds itself accountable through transparent exchange rather than external inspection. Difference that produces innovation that leads to effectiveness is to be celebrated.

Essential Institutional Innovation: Purposeful change cannot be a product of the past if it is to become a cause of the future. Too often the work of government becomes stuck, or ineffective, because of the initial starting conditions put in place, knowingly or not. Beginning purposeful change with a set of wrong framing assumptions can drive innovation in the wrong direction or fail to address the primary issue(s) of concern. Institutions (human invented norms and rules) too often create unfavourable initial starting conditions – e.g. the institution called 'project'. This report stresses the need for alternatives such as systemic co-inquiry or systemic co-design, as exemplified in our Finnish work. Methods and tools come into play only when a conducive ecology for praxis is established – with some guarantees built in that the 'findings' will be enacted or that political responsibility will be taken for not acting.

Four-Step Process for Humble Governance:

1. Build thin agreement around a broad statement of purpose (agreeing on direction while leaving means open).

2. Devolve problem-solving to those with first-hand knowledge.

3. Establish peer-learning feedback mechanisms (horizontal and vertical knowledge exchange via co-designed learning systems, which avoids the trap of the linear model of knowledge production/distribution).

4. Revise framework purpose based on evidence arising from feedback and learning (treating policy as living social processes where codification in documents is a secondary need, thus avoiding fixed blueprints).

(Adapted from Demos Helsinki research)

The Finnish Context: Strengths and Vulnerabilities

Finland provides fertile ground for systemic approaches. High general trust and low power distance culture create conditions where devolved decision-making can flourish. The education system demonstrates what's possible: equal access regardless of background, free from pre-primary through to higher education, with outcomes consistently ranked among the world's best. Yet our inquiry revealed a more complex picture than international admirers might expect.

The Ecosystem Dynamics

Rather than formal organisational structures, we discovered what participants called the "systems mafia" – an identifiable network of practitioners with systems thinking and complexity backgrounds who move between key organisations. Career mobility patterns reveal this ecosystem better than official charts:

- **Prime Minister's Office:** Officially owns strategic foresight and coordination but small size makes it vulnerable to "flavour of the day" trends
- **Ministry of Finance:** Increasingly dominant in governance coordination and civil service capacity building
- **Sitra (Finnish Innovation Fund):** Reports only to Parliament, maintaining independence, with sustained systems thinking capabilities but political sensitivity about being seen to "interfere" in governance
- **Demos Helsinki:** Research and consultancy with strong international connections (e.g. Prof. Geoff Mulgan, relational government concepts)
- **SCiO Finland:** Systems and complexity practitioners network

Key individuals act as "carriers" of systemic approaches across organisations. As one participant explained: "You can essentially follow these trends based on movements of people. When people from the Prime Minister's Strategy Bureau started to move to the Ministry of Finance... then systemic thinking moves with them."

This creates both resilience and vulnerability. Systemic capabilities persist through personal networks, even when formal programmes end. But momentum depends heavily on who holds which position, making continuity fragile.

The Alignment Challenge

Our inquiry uncovered a critical success factor: the relationship between the Ministry of Finance and the Prime Minister's Office. As one interviewee noted: "You can shift the system, or improve the system, quite a lot in Finland, if the Ministry of Finance and Prime Minister's office are in line."

During Heinonen's era (roughly 2007), this alignment enabled significant progress. Recent years show competition rather than collaboration between these power centres. The Ministry of Finance owns civil service capacity building and public sector innovation; the Prime Minister's Office owns strategic foresight and complex challenge coordination. When misaligned, system-wide change becomes extremely difficult.

The "Stickiness" Problem

Perhaps our most sobering finding: most systemic initiatives "haven't stuck" despite enthusiastic beginnings and positive results. Why?

Life-event-based services provide an example. Pioneered in New Zealand and adopted early in Finland, these organise services around citizen experiences (childbirth, university entry, death) rather than bureaucratic silos. Systems design methodologies enable cross-cutting service delivery during the design phase. But services eventually get assigned back to single agencies for ongoing operation. Without intentional institutional "homes", cross-cutting innovations revert to traditional structures.

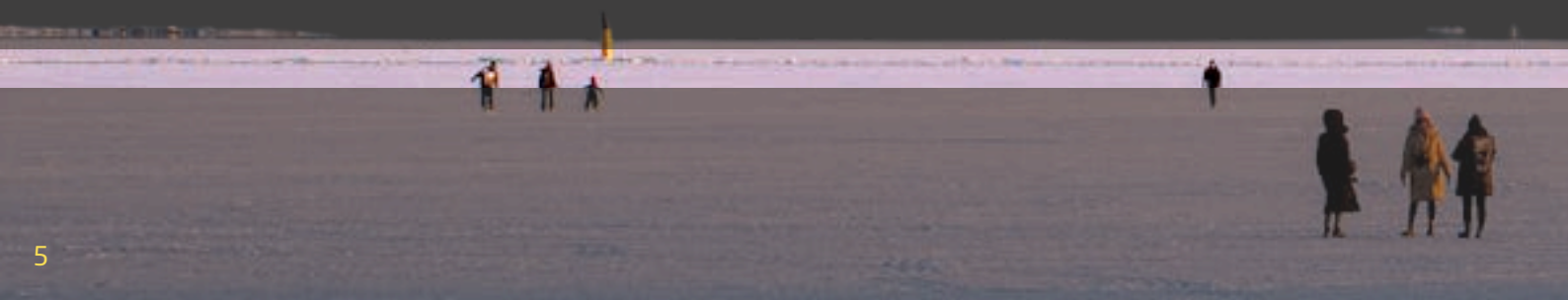
Participants described this using vivid metaphors: the "innovation ski jump" – innovations start fast, launch into the void, then land hard. Enthusiasm dissipates without institutional support.

Current Realities

Political and Economic Pressures

The day-to-day demands of governing whilst in Government leave little space for critical group/individual reflection unless (i) critical reflection (and purpose building) is part of forging coalition agreements; (ii) team/solidarity development is scheduled into new coalition processes; (iii) new institutional forms are introduced and consistently used, i.e. desirably built into governing processes that require enactment either by legal or administrative fiat or by constitutional demand(s).

Critical reflexivity is an antidote to the trap of the linear model – of being systematic rather than systemic. During "hard times", there is reversion to linear thinking, control, and rigid hierarchies. "Soft" systemic methodologies get treated as luxuries for good times.



Crucially, cross-ministerial working budgets (controlled by the Prime Minister) are cut first during austerity – not the ministerial budgets. This structural bias undermines the very resources needed for systemic work, revealing that such approaches aren't yet seen as necessities.

New Public Management Impact

The recent arrival of New Public Management (NPM) in Finland is "hitting hard" despite the country's traditionally different approach. Short-term targets hinder longer-term systemic development. Target-based performance management undermines real-world effectiveness. Once established, it's difficult to eliminate.

Structural Obstacles

Finnish ministries remain "independent fortresses or silos" – 12 strong ministries that challenge Prime Ministerial coordination of cross-cutting collaborative initiatives. Lack of clear accountability for systemic work means over-reliance on spontaneous emergence. Participants identified a telling pattern: "Despite our commitment to dialogue, all of our dialogues turn linear." Linear macro-level economic models dominate discourse. Expert knowledge produces predictable answers but struggles with complex (versus merely complicated) problems.

When structural obstacles arise they are symptomatic of much deeper issues which can be understood in terms of the concept of "structure-determined system", i.e. a system can only do what its structure allows/enables (see [here](#)).

Leadership Discontinuity

Five-year contracts for top positions create turnover just at the point where systemic initiatives mature. State Secretaries drive systemic agendas, but different leaders have different priorities. Recent shifts favour behavioural insights over systems thinking. Simplistic models of human-behaviour-change need to be avoided (e.g. "nudge" units). When key champions leave, momentum dissipates without institutional memory mechanisms.

Political Sensitivity of Mediating Organisations

Sitra illustrates a painful paradox. During 2015–18, it invested heavily in systemic governance, experimentation, and capacity building – particularly around Finland's 100th anniversary (2017). But politicians criticised it for "interfering" in governance mechanisms. During austerity debates, politicians threatened to "take away part of the wealth fund." Sitra has since withdrawn from governance focus to protect itself, despite maintaining strong systems thinking capabilities. Organisations that could serve as crucial "accumulation points" for long-term societal shifts face political vulnerability when they effectively fulfil that role, especially if they operate in a traditional mode.

There are at least two ways to break out of this trap: (i) by design and use of co-learning labs where the minister, or key officials, are participants either personally or via key advisors in devising



policies and other new 'institutions'; (ii) when the outcomes of traditional research or evidence gathering informs the design of learning systems for others (rather than being seen as the 'facts of the matter'), i.e. the trap of the linear model is avoided. Other antidotes to this malaise need to be invented.

Conditions for Sustainability

Our inquiry identified essential requirements for systemic governance to survive and thrive:

- **Institutionalisation:** Systemic ideas must be embedded to prevent "biting back" by mainstream paradigms. Examples exist: Queensland regional governance, Wales Future Generations Act. But institutionalisation must avoid creating path dependency and old hierarchies – a tension participants struggle to resolve. One respondent who helped craft coalition agreements shared actual policy language demonstrating how systemic principles can be embedded: systematic experimentation with legal basis, citizen-oriented approaches, information-based leadership transcending sector boundaries, government monitoring strategic goals with corrective action.
- **Capability Building:** Systems Thinking in Practice (STiP) must be developed and institutionalised among practitioners. This requires sustained investment – not episodic training – as well as a conducive praxis ecosystem. Community of practice networks, director-general level capacity building, and leadership training integrating systemic ideas all matter. Participants emphasised: "Understanding process over just tools." Risk remains of maintaining top-down approaches even while using new methodologies. Multi-professional approaches in co-development are essential. New institutions that create inescapable demands (i.e. create "demand pull") are to be encouraged, e.g. changes to a constitution; new laws; new institutions of governance, e.g. the "resulture" advocated by Ison & Straw (2020) as a chamber of review and for processing feedback on policies in which learning/adaptation is an emergent property within a "government system".
- **Protected Resources:** Cross-silo budgets in the Prime Minister's portfolio need structural protection, not vulnerability to first cuts. This requires reframing systemic approaches from "luxury" to "necessity" – changing the political economy of innovation budgets.
- **Political Continuity Mechanisms:** Coalition agreements can function as demand-pull institutions. Parliamentary committees for long-term issues help, but stronger mechanisms ensuring continuity across government changes are still needed. The Futures Function – Finland's Government Foresight Report prepared before elections and sent to all parties – represents one attempt at this.
- **Clear Accountability:** Avoiding over-reliance on spontaneous emergence while not creating rigid hierarchies demands explicit accountability for driving systemic initiatives. Strategic "accumulation points" need protection and legitimacy.
- **Alignment Architecture:** Mechanisms ensuring that the Ministry of Finance and Prime Minister's Office work in concert rather than competition are fundamental. Small country size theoretically enables easier coordination, but personality-dependence creates vulnerability.
- **Mediating Organisations:** Organisations bridging state (vertical governance) and civil society (horizontal governance) require political protection to fulfil their potential. Their independence and capacity to foster innovative governance need safeguarding from short-term political pressures

The Measurement Challenge

A persistent obstacle emerged: demonstrating the value of systemic interventions using conventional evaluation frameworks. Traditional metrics prove inadequate for complex change. Quick results and long-term transformation create tension. Without appropriate indicators, systemic approaches remain vulnerable during austerity and political shifts.

One respondent noted the need for new "structural grammar" to engage conventional policy environments – moving from abstract enabling conditions to tangible policy instruments that decision-makers can grasp.

Work done by OECD to develop appropriate indicators provides one avenue. But fundamentally rethinking what constitutes "evidence" for systemic change remains incomplete.

Democratic Innovations and Citizen Engagement

Finland has experimented extensively with citizen dialogue. The "Time of Dialogue" methodology, including over 100 lockdown dialogues during COVID-19, represents genuine engagement with lived experiences. Yet participants described these as "hybrid" – combining citizen engagement with systematic policy translation by bureaucrats.

Broader trends show concerning patterns. Demos Helsinki research reveals democratic innovations increasingly focus on policy efficacy and legitimation rather than societal transformation. Growth has slowed since 2021. While institutionalisation has increased dramatically since 2020, there's risk of co-option, i.e. innovations embedded in ways that neutralise their transformative potential.

Cultural Context and Transferability

Finnish participants proved "quite frank and open and also critical" – not interested in praise but genuine examination. This cultural trait supports honest systemic inquiry over defensive positioning.

Yet this raises profound questions about transferability. Trust-based systems, critical openness, low power distance culture, and dialogue traditions enable specific approaches that may not translate directly elsewhere.

The paradox: even with these ideal cultural conditions, institutionalisation remains fragile. One participant expressed it powerfully: "The whole is less than the sum of parts – we could do much better based on our high trust and low power distance culture."

If Finland struggles to sustain systemic governance despite cultural advantages, what does this mean for others? The answer lies not in copying Finnish models but in understanding underlying principles and adapting to local context. The humble governance

framework offers actionable steps. Life-event service design has proven transferable (New Zealand, Finland, spreading). Peer-learning mechanisms work across settings. Critical elements that might transfer include:

- starting with what works in local context rather than imposing external models
- focusing on capability building and ecosystem development as infrastructure
- protecting innovation budgets through explicit structural mechanisms
- building alignment between key power centres
- creating demand-pull institutions, not just supply-push initiatives
- treating policy as living documents amenable to revision, based on learning
- fostering sites (platforms) for active co-listening/inquiring with a focus on how systems and social cybernetic understandings and practices can foster and sustain systemic governing (e.g. co-platforms established by SCiO Finland, Sitra, Demos Finland and others)

Emotional Landscape and Loss

Our conversations revealed powerful emotional dimensions, often absent from governance discussions. Participants expressed:

- sense of loss for past relationships and initiatives
- desire for a "compassionate Finland"
- enthusiasm for future possibilities tempered by concern
- gratitude for protected spaces enabling innovation
- relief when allowed to pivot from addressing wrong problems

This emotional texture matters. Systemic governance isn't just technical redesign but is fundamentally about relationships, trust, and shared purpose. The felt sense of "something precious being lost" may be as important a signal as any metric.



Conclusions: An Ongoing Achievement

Systemic governance emerges not as a model to implement but as an ongoing practice requiring continuous attention. It exists when situated performances of systemic governing are enabled, sustained, and renewed, based on feedback and learning.

Finland's experience demonstrates that even favourable ecosystem conditions, cultural strengths, and capable practitioners cannot guarantee sustainability without:

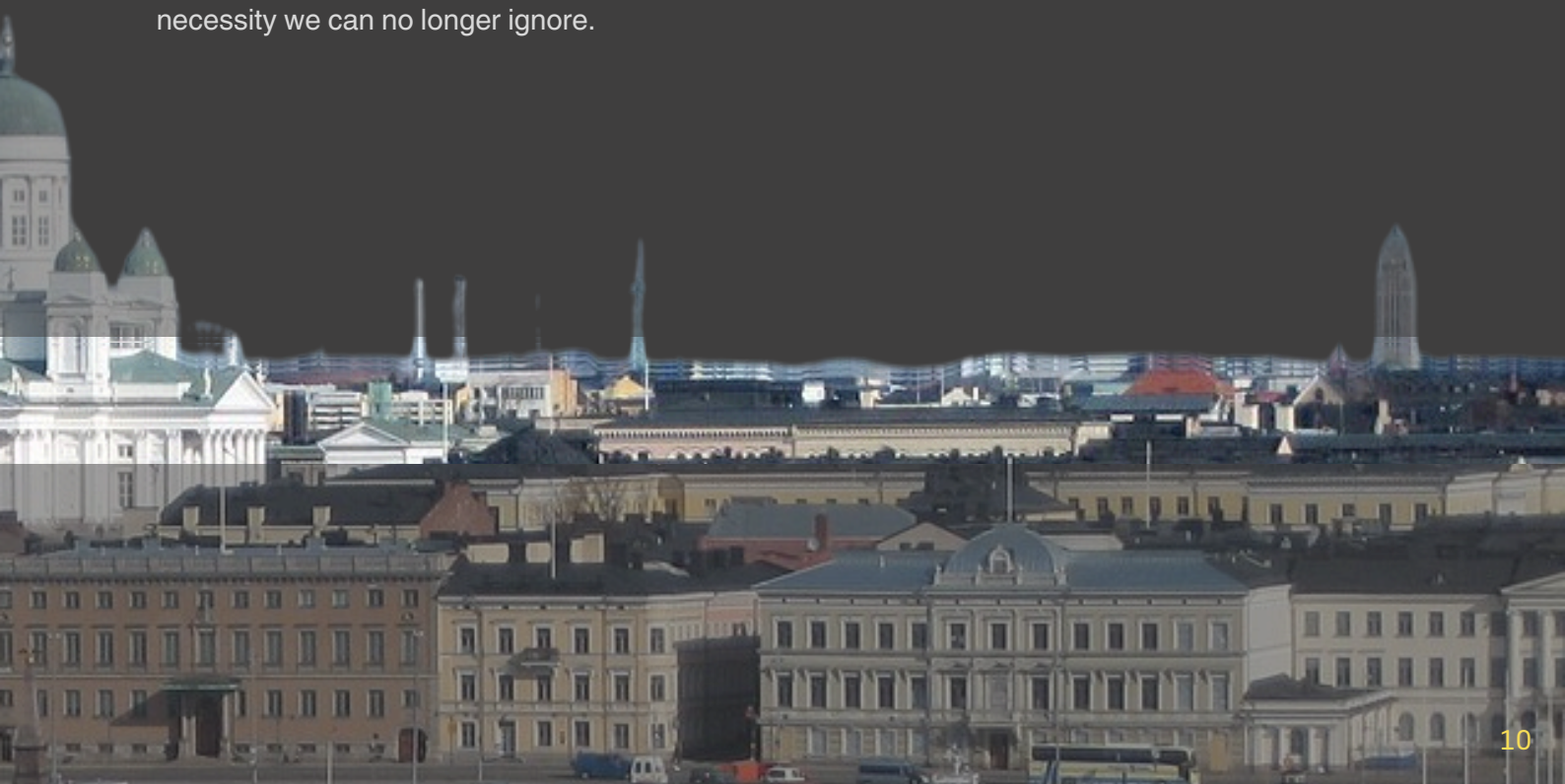
- deliberate institutionalisation strategies that avoid rigidity
- protected resources for cross-cutting work
- aligned power centres working in concert
- capability building as continuous investment
- appropriate evaluation frameworks
- political continuity mechanisms
- mediating organisations with protected independence

The challenge isn't just creating systemic innovations but creating conditions for them to stick – to become institutionalised without ossifying, to maintain momentum across political cycles, and to demonstrate value in terms that conventional policy practitioners understand.

Our inquiry revealed an essential paradox: systemic governance represents both significant achievement and fragile experiment. Progress proves neither automatic nor permanent. Sustainability remains an active achievement, not a stable state once reached.

For those pursuing governance transformation elsewhere, Finland offers not a template to copy but crucial lessons about what works, what's hard, and what's required for the long haul. The "systems mafia" matters more than organisation charts. Alignment trumps good intentions. Resources need protection. Capability takes sustained investment. And cultural context shapes everything.

Most fundamentally: systemic governance doesn't "solve" complexity but creates conditions for navigating it more wisely. In our Anthropocene world, where human-biosphere co-evolution demands new ways of governing, this shift from control to enablement may be less a luxury than a necessity we can no longer ignore.



Sources and Further Reading

Primary Research Documents

Centre for Public Impact (2024). Human Learning Systems: Public Service for the Real World <https://centreforpublicimpact.org/wp-content/uploads/2024/09/hls-real-world.pdf>

Demos Helsinki (2021). "Humble Government: An Innovation Narrative" <https://demoshelsinki.fi/finnish-education-humble-governance/>

Eurydice Network. "Finland Overview: Organisation of the Education System and its Structure" <https://eurydice.eacea.ec.europa.eu/eurypedia/finland/overview>

Finnish National Agency for Education. "Finnish Education in a Nutshell" https://www.oph.fi/sites/default/files/documents/finnish_education_in_a_nutshell.pdf

Lowe, T. (2021). "Enhancing learning systems through experimentation: Insights from the Finnish National Agency for Education Innovation Centre.":

https://www.humanlearning_systems/uploads/7549%20CPI%20%E2%80%93%20Finnish%20Innovation%20Centre%20Case%20v2.pdf

Mulgan, G. Recent work on "relational government" through partnership with Demos Helsinki.

Conceptual Foundations

Ison, R. (2017). Systems Practice: How to Act in Situations of Uncertainty and Complexity in a Climate-Change World (2nd ed.). Springer/Open University.

Ison, R., & Straw, E. (2020). "The Hidden Power of Systems Thinking: Governance in a Climate Emergency." Routledge.

Rittel, H., & Webber, M. (1973). "Dilemmas in a general theory of planning." Policy Sciences, 4(2), 155-169.

Lakoff, G. (2010). "Why it matters how we frame the environment." Environmental Communication, 4(1), 70-81.

Supporting Research

OECD Observatory of Public Sector Innovation. "Anticipatory Innovation Governance" reports and Finland country studies. <https://oecd-opsi.org/>

Checkland, P. (1981). Systems Thinking, Systems Practice. Wiley.

Vickers, G. (1965). The Art of Judgment: A Study of Policy Making. Chapman & Hall.

Open University Systems Research. Open Research Online repository <https://oro.open.ac.uk/>

International Context

IFSR (International Federation of Systems Research). Research and practice network supporting systems approaches globally. <https://www.ifsr.org/>

Podcast Series

Logan, T. "Future Learning Design Podcast: Systems Thinking in Practice" Episodes featuring Ray Ison, Geoff Mulgan, and Finnish practitioners <https://www.futurelearningdesign.com/>

Contact for Further Information:

- Professor Ray Ison, Professor Emeritus, Systems, Applied Systems Thinking in Practice Group (ASTiP), Open University (UK) & President, International Federation for Systems Research (IFSR) (2018–26)
- Tim Logan, Partner at Good Impact Labs; Host, Future Learning Design podcast

Citation: Ison R. & Logan T. (2026) Understanding & Achieving Systemic Governance: Lessons from Finland
Publication hosted by SCiO Finland: <https://www.systemspractice.org/>

This synthesis emerges from ongoing systemic co-inquiry. We welcome responses, critique, and dialogue. The work continues.