

The Impact of Foresight on Policymaking. Towards More Transparency and Participation

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Scenario methodology is one of the most resourceful foresight approaches. It facilitates contrarian thinking and undermines the groupthink that often occurs during policymaking processes in homogeneous environments. Political elites have shown that they are not immune to the effects – at times, even fatal consequences – of such streamlining. Since scenario processes are inherently heterogeneous, they increase overall transparency and provide opportunities to include previously excluded social groups and perspectives in the decision-making process. In sum, foresight studies widen the perspective to cover a range of unexpected yet plausible outcomes and thus they represent a valuable tool for policymakers in view of the growing global uncertainties.

Challenge

The debate on Global Inequality and Social Cohesion is deeply polarised. Both locally and on a global level, the current socio-economic models of Western societies and most emerging or developing countries are being challenged across all paradigms. A solution-oriented focus to address the imminent challenges of global inequality is lacking.

In the globalised world, the integration of local alternatives focussed on the underlying issues of social exclusion remains weak. Elites are too slow to respond to the fast changing social realities of the wider population and the challenges faced by new generations. The erosion of social security for the majority of citizens in richer societies and the failed redistribution of wealth once promised to populations in growing economies have created awareness for the shortfalls of the current economic systems.

Coupled with these pressures, the public also begrudge a lack of accountability among political elites. Opaque political processes and the rise of increasingly complex challenges generate an even greater sense of exclusion, not only in marginalised groups, but also among the wider population. These weaknesses of democratic systems have opened the way for a general disenchantment with political governance systems. Grievances have grown and ushered in a turn to populism and radicalism. Movements such as Syriza in Greece and Podemos in Spain, but also the clear shift to the right in many EU member states, are examples of this development. Though such radical groups and movements rarely provide the desired concrete solutions to the underlying political difficulties or lead to the implementation of their proposals, they nonetheless remain popular.

Foresight studies are by default designed to promote democratic processes through inclusiveness, openness and public engagement. They are based on two premises: First, there is not one future but many alternative futures and second, it is possible to make choices that influence future developments. By envisioning new opportunities, foresight allows for a break with false dichotomies and thus can assist the decision-makers in various ways. By providing greater inclusion in the process of policymaking, it allows for a more comprehensive and broader understanding of the social realities and economic inequalities in G20 societies.

Proposal

Scenario generation as one form of foresight analysis – how does it work and what is its added value?

Since the beginning of the twenty-first century, foresight methodology has been used with growing frequency by experts and policymakers to think systematically about the future and to generate a range of plausible strategic options by challenging current paradigms (Georghiou et al 2008). Foresight analysis in the form of war games played a role in defence planning long before it became a methodological approach in other fields (Van an der Heijden et al 2009). Outside of the military context, the Shell Company pioneered its use to identify potentially threatening economic, political and social changes. In the late 1960s, it started to work with scenarios in order to see how the future might unfold and what impact the future developments could have on the Company (Shell 2012). In times of growing demand for fuels, the Shell foresight experts considered the unthinkable: What if the world were to face an oil crisis? And how could it influence the company? Soon after, the oil crisis was real and the world economy suffered greatly. Shell, on the other hand, saw itself prepared thanks to the scenarios. Since that time, the company management has incorporated the scenario approach as an indispensable component of strategic planning. Accordingly, the company remains an important source of future studies (see Shell Scenarios). Others – government agencies, companies, think tanks, and multilateral organizations have since followed Shell's example.

According to Peter Schwartz, one of the leading futurists worldwide, scenarios can be defined as 'stories about the way the world might turn out tomorrow, stories that can help us recognize and adapt to changing aspects of our present environment' (Schwartz 1991). The goal of generating scenarios is to deliver a set of alternative plausible futures based on systematic and rigorous analyses of global trends, common assumptions and key forces behind a given issue and thereby to widen the perspective of policy makers. A good sense of driving forces, downside risks, predetermined factors and possible outcomes helps policy makers take adequate decisions.

Foresight methodology has neither to do with forecasting based on a linear analysis of current patterns nor with simple hypothesis-based expert predictions. Its goal is not to predict the future but to develop a range of alternative futures by interpreting weak signals of change. It consists rather of various qualitative and quantitative approaches, among which the multiple scenarios generation is most promising, especially in cases of great uncertainty (Popper 2008, Pherson 2015). The methodology consists of several steps^[1]. It starts with a **key assumption check**, which is a critical review of facts that are taken for granted regarding the topic and validation of the assumptions along three categories: solid, caveats or unsupported. Next, the **identification of key drivers** based on solid key assumptions follows. Key drivers are forces, factors or events that are most likely to shape the future trajectory of the selected case. In the following step, a **review of the key drivers** takes place and four or five are selected that best capture the greatest uncertainties in anticipating how the topic will evolve over the next years. They are then **defined** along the lead questions: What is known about this key driver? What else do we need to know? If portrayed as a spectrum, how would we define the most extreme, but plausible, ends of the spectrum? This analysis provides the basis for the **multiple scenarios generation**, which builds on two different pairings of key drivers (2 x 2 matrices). Those scenarios deserving the most attention are chosen and developed into narratives. The narratives include a label, relevant key drivers, key characteristics, a short chronology and a list of policy implications. In a final step, **indicators** for each scenario are defined and validated. Indicators and observable phenomena help to spot emerging scenarios and trends, validate hypotheses and warn of unanticipated changes. They are therefore particularly valuable in the policymaking process.

The pre-requisite for effective scenario methodology is broad **heterogeneity** of the stakeholders group. To overcome conventional modes of thinking, policymakers, public officials, representatives of civil society, social groups and industry, as well as scholars and experts from different fields must be involved in the process of scenario generation. Equally important is the gender balance of the stakeholders and the involvement of the hitherto excluded social groups (such as national or ethnic, religious, linguistic and sexual minorities). By offering unique expertise and experience, all stakeholders contribute to the process on equal terms and bring in individual ideas and interests. As such, the scenario approach facilitates dialogue and the emergence of a shared understanding of current problems among the various groups. It also has the capacity, over a longer period, to increase the inclusion of groups that otherwise would not participate in the policymaking process on a regular basis. As several foresight exercises have shown, this approach can be seen as a trust-building tool across various actors by providing them a platform to express their interests and opinions (Amanatidou 2017).

If the grouping of stakeholders is diverse, the scenario approach is one of the most effective research techniques to combine in-depth analysis with policy relevant implications, often including recommendations for ways forward. It can serve as an example of how to link various perspectives in order to understand the problems more fully. Moreover, in light of the great interconnectedness and interdependency of current policy problems, a single-issue focus has proven in many instances to be insufficient. So another benefit may be derived through foresight analysis, especially scenario generation, due to its ability to tackle problems from different angles. Therefore, it is highly applicable

on several different levels of the policymaking process, from the local and regional committees up to national decision-making and supranational fora.

Impact of foresight on problems of Global Inequality and Social Cohesion

As set out in our challenge, foresight analysis regarding issues of Global Inequality and Social Cohesion could become a strategic tool to integrate new perspectives into the policymaking process on local, national and supranational levels. It would address the exclusion of social groups and provide alternative approaches to the ongoing debates on the socio-economic divide. Particularly disruptive foresight tools that widen participation, such as multiple scenarios generation, are particularly useful in this context.

Foresight analyses that aim to tackle issues of Social Cohesion and Global Inequalities need to focus on specific social and economic challenges and link them to the global context. Key social policy areas such as health, education and employment are significantly affected by global changes and cause uncertainty in many societies. Using foresight tools, projections of demographic change and socio-economic pressure on local services can provide insights into real challenges facing societies in the near to long-term future. Responding to issues like life expectancy or employment possibilities for the youth in competitive and global labour markets requires a genuine effort by a multi-stakeholder grouping of representatives from the private sector, service industry and civil society. By expanding the process to include those at the 'receiving end' of social policies, political elites obtain valuable insights into their way of thinking and gain an awareness of the real challenges faced by excluded groups and of how they are likely to respond.

Foresight practices have already been in place in different countries and have been widely implemented by governments [\[2\]](#). International organisations have also occasionally incorporated these methods into their policy planning process[\[3\]](#). In both cases, there is solid evidence on the successful contribution of strategic foresight to the policy-making process (Juneau 2017, Pherson 2016) . **However, the context of the G20 provides a unique opportunity to bring together a larger scale of stakeholders and apply a broader comparative approach of foresight studies.** A consideration of the local social realities and challenges within the G20 has the advantage of highlighting the uniqueness of domestic political and social make-up of societies and can point out global trends.

With respect to its implementation, a foresight process can be organized and applied in numerous ways in the G20 context. It depends on several factors: Its institutional environment, goals, time frame, number of involved stakeholders, selected foresight methodology etc. (Popper 2008, Bishop 2006). As for the costs and practicality of the proposed approach, it would not be more expensive than hitherto organized meetings. The core of our proposal is to inspire the decision-makers to change their way of thinking about the current and future challenges. Foresight studies could be easily included into the existing institutional framework both in the G20 countries and on the supranational level. The additional costs arising from engaging experts on foresight methodology will be within limits. Although there is no one-fits-all-formula for the application of foresight into a decision-making process, there are several conditions which determine its level of success (Calof, Smith 2010). Precise identification of the aim, a clear link between the foresight exercise and current policy agenda, direct contacts to senior policy-makers, divergence of the stakeholders group and the correct application of the methodology are the most crucial elements.

Bearing the success conditions in mind, an integration of foresight analysis into the G20 process would provide new opportunities of access to civil society representatives, social groups and minorities. Bringing their perspective into multilateral fora would lead to greater transparency and a disruption of the undesirable 'tunnel vision' in policymaking processes. The particular structure of the policy focus of each G20 presidency would allow for a systematic and strategic integration of foresight approaches. Representatives of the G20, who meet throughout the year and discuss key challenges, could integrate foresight analyses in their proceedings. Moreover, the stakeholder groupings could be conducted on regional, national and supranational levels, depending on the scope of issues to tackle. However, it is crucial that the process is driven by civil society and non-state actors in order to provide alternative views and challenges to the current status quo approach to policymaking. As the G20 already allows for an engagement of civil society in different ways, foresight analysis would allow the new partners a seat at the tables of policymakers, where they could then debate the pros and cons of concrete policy alternatives.

[\[1\]](#) The following outline is based on the experience of the Dahrendorf Foresight Project, carried out by the Hertie School of Governance and

the LSE.

[2] See for the summary of the foresight projects carried out in various countries: <http://www.foresight-platform.eu/briefs-resources/>

[3] See for instance foresight studies carried out by the European Union such as Global Europe 2050 available at: https://ec.europa.eu/research/social-sciences/pdf/policy_reviews/global-europe-2050-report_en.pdf

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