Stewardship of the Future
Using Strategic Foresight in 21st Century Governance
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Foreword

This paper is the eighth in our series of Discussion Papers, in which prominent practitioners and development experts from around the world put forward ideas and approaches that should inform the debate on achieving the UN Sustainable Development Goals (SDGs).

Cat Tully identifies strategic foresight as a key tool for countries to meet global public policy challenges and opportunities, including the increasing complexity of the global environment.

Tully suggests that 21st century governance requires governments to assume ‘stewardship of the future’. To evolve into this new role, governments must not only build the institutional capacity to undertake strategic foresight, but also develop behavioural capability to habitually consider the longer-term.

The effective implementation of SGDs will require the deployment of strategic foresight, as it forces governments to plan for the future using probable problems and prospects from the future, as opposed to prepare for the future on the basis of the present.

In short, the use of strategic foresight allows countries to reflect the SDGs within their national visions, making these development aims much more politically realistic.

Max Everest-Phillips
Director, UNDP Global Centre for Public Service Excellence
1. FORESIGHT: AN ESSENTIAL SKILL FOR GOVERNMENT SYSTEM STEWARDSHIP: THE WIDER CONTEXT

Strategic foresight is a critical tool for effective government civil services and executive bodies of the future. The changing nature of global public policy challenges and opportunities, including the increasingly complex global environment, requires governments to re-envision itself as a ‘system steward’ rather than as a command-and-control hierarchical centre. In order for government to transition into this new role, it must build the institutional and behavioural capability to undertake strategic foresight in order to take the longer-term into account.

The struggle to govern in the 21st Century

The traditional sovereign nation-state is struggling to govern effectively in the 21st Century environment. Collectively, countries are not showing the necessary global leadership to address existential longer-term global threats, such as climate change and food insecurity. At the domestic level (both national and local) in many countries, public confidence crises and political failures have resulted in a climate of mistrust, political apathy and reduced accountability between government and citizens.

Existing governance systems face unprecedented challenges in our increasingly uncertain and networked world. These challenges include: the globalized economy; the volatile resource pressures of a growing global middle-class; the way technology is revolutionising work; round-the-clock media; and a new global multipolarity that reflects the growing influence of emerging state and non-state actors. Currently, the governments of many nation states are locked in reactive and crisis-management behaviours. This is squeezing out any space for proactive engagement, innovation and risk taking, and results in gridlock, paralysis, and subsequent distrust between the different arms of government. These factors have been exacerbated in the West by so-called ‘austerity’ policies instituted after the global financial crash. However, it does not need to be like this. Instead, austerity and perceptions of institutional failure could act as a platform for identification of a common cause between citizens and governments around the need for reform. This is the challenge that needs articulation and action.

1. Technological progress is exacerbating concerns about legitimacy and accountability:

Citizens - in both democracies and autocracies - express growing dissatisfaction with participative or representative forms of political expression. Citizens’ trust in their politicians and political systems has been decreasing for a long time, while attitudes to politicians, traditional political activity and trust in the governance system are poor. Associated with this, the spread of new technologies – and the growth of social media in particular – are changing citizen expectations about their influence on decision-making. Citizens are demanding greater transparency and participation from politicians. They are increasingly able to negotiate and respond politically through emerging social media networks and alliances, and this is exposing an accountability gap that governments are currently not able to respond to or explain. An increasingly vocal critique of current democracies points to the capture of the principal four pillars of a democratic society (the government, economy, media and judiciary) by a societally unrepresentative elite, which fails to be accountable or transparent to citizens.

2. Governments underperform when engaging with complex issues:

The government apparatus (executive, legislature and bureaucracy) is finding it difficult to deliver on outcomes. Increasingly powerless compared to other parts of society and holding less of society’s wealth and means of production, governments attempt to take on complex social challenges such as education reform, obesity epidemics, changing domestic energy infrastructure and cyber-crime, but find themselves unable to direct or implement effective responses to these complex networked problems (or ‘wicked problems’).


3 The widespread news coverage about the consequences of government policies that have resulted in the outsourcing or reduction of regulation of the finance industry (e.g. LIBOR, HSBC) have reinforced these concerns about the capture of government, and the priority governments give to other agendas over promoting equality and social cohesion. This has most recently been seen in debates about tax evasion. See also debates around Occupy, NSA eavesdropping, Wikileaks, Heart Bleed, etc.
The idea that governments are able to command and control the delivery of policy outcomes through their own activities is increasingly outmoded in a world where networks of non-state actors in society are key agents in achieving change. The building blocks of governments – ministries and departments – are increasingly unable to co-ordinate, focus and deliver outcomes for citizens. Instead, they create barriers to cooperation.

3. Failure to address future issues:

Governance structures have failed to facilitate or develop responses to longer-term issues. They struggle to work on a time horizon beyond the next election cycle. In a world of long-term global problems, this means that extremely serious – even existential – threats like climate change are insufficiently addressed. It results in chronic under-investment in future and present capabilities. Governments are under-investing in developing human capital through education or health; in domestic infrastructure; and in the ability to project power internationally. This is a longstanding failing in democratic governance in particular, albeit one that is generally considered to be outweighed by the benefits of plurality and accountability. This failing is amplified dramatically in moments of high-volatility and uncertainty, as seen in the past five years following the global financial crisis. If high volatility will be an ongoing feature of our 21st Century world,⁴ this will pose real problems for decision-making.

These challenges to effective governance in the 21st Century are frequently discussed by separate actors and communities in discussions about different themes. These include: public participation and civic engagement; e-government; transparency and open government; public service reform; inequality; civil service reform; ‘national strategic narratives’ or ‘grand strategy’. Policymakers have proposed various responses, such as ‘big society’, localism, public value, ‘big data’, or the ‘comprehensive approach’. However these responses are rarely discussed together, or informed by and in relation to each other. It is helpful to bring these conversations together, because together they support a growing sense of urgency about the need for major reform. They also support the conclusion that being able to take the longer-term into account in a constantly changing environment is a key asset required by governance structures at international, national and local levels, and also by the people that work in them.

The response

Highly complex problems can only be solved using processes that are systemic, emergent, and participatory.⁵

Responding effectively to opportunities and risks will require a transformation in the role of government. Governments will need to become ‘system-stewards’;⁶ meaning that they will act as a platform within a wider network, rather than their current ‘command and control’ role. Governments need to enable: facilitating and guiding other actors rather than directly providing or directing. The transition to ‘system stewardship’ requires governments to become more accountable and open, coherent and future-focused. This has implications for the function of civil services. It would be helpful to have a clearer definition of the role of the civil service as a ‘custodian’ or ‘guardian’ of the public value of a fair policy-making process. This also requires a re-evaluation of the kinds of skills, capabilities and leadership needed from both politicians and officials. The key uncertainty is whether governments are able to develop a working 21st Century concept of themselves and their relations with the wider network of social actors that is more appropriate for their environment.

This paper assumes that the purpose of government is to facilitate the implementation of effective long-term and coherent strategies to promote citizens’ wellbeing, security and prosperity, while remaining legitimate through accountability to their citizens. Within a more networked, complex environment, where government acts as the custodian of process, there are three key qualities needed within government. These qualities relate to institutional as well as to individual capabilities within government. They demand that governance be:

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⁶ This term was originally developed by WHO to describe the role of government in health care. It was picked up by the UK Institute for Government and applied to enable understanding of the role of government within a devolved system. See: Michael Hallsworth, System Stewardship: The Future of Policy Making? Working Paper (London: Institute for Government 2011).
1. Emergent: Governments increasingly need to be engaging, networking, and promoting genuine and effective public participation in co-production of public services as well as in broader issues including the country’s role in the world. Effectively, government can act as a platform to enable citizens to shape policy content in a much deeper way than at present. This involves refreshing current representative and participatory democratic processes. If the goal is to seek public engagement that is legitimate, and deliberation that is meaningful, then this requires stronger, more confident governments as well as more public engagement.

2. Based on a coherent strategic narrative: A strong strategic state is necessary in order to engage the public effectively. Managing the joins and interfaces between different policy areas requires strong engagement and vision from government on a strategic level. This involves developing a national strategic narrative for the country’s role in the world and how it can bring its full range of assets, ministries and resources to bear on this in a coherent way.

Policy problems already cross the domestic and foreign policy divide, which means that policy responses need to do so too. The full range of policy decisions and policy-making processes impact on a country’s ability to act as an effective international actor in an uncertain world. There are international dimensions to many areas of domestic policy, such as energy infrastructure; employment; investment in science, technology and education; responses to the financial crisis; migration. These policy areas, and many others, play a critical role in a country’s security, prosperity and influence in the world. Countries therefore need to develop a coherent high-level strategy in relation to these areas. Risks, opportunities and threats change, but a country’s comparative advantages and assets stay the same. Building a national strategy based on assets may therefore be the right balance between building on certainties (what the country has) while facing an uncertain future.

3. Future-conscious: Governments need to make longer-term strategic decisions to cope with and adapt to uncertain environments. They have to overcome pressures to crisis manage, or to build policy responses based on the demands of round-the-clock media coverage, and instead develop longer-term strategies to tackle ‘wicked problems’.

Using strategic foresight to support better governance

We are slowly becoming aware of a sense of increasing dissatisfaction with ‘muddling through’ approaches; of the magnitude of the changes internationally and domestically that we are witnessing; and of the need to drive efficiencies in government. This preamble aims to connect and focus the diffuse discussions on these issues that exist already. Most importantly it aims to contextualise and link the technical process or ‘means’ of foresight into the wider conversation about government purpose or ‘ends’.

Figure 1: The properties of complex governance in the 21st Century

There is an obvious and clear link between strategic foresight and the goal of achieving longer-term and future-focused governance systems. Strategic foresight can contribute to emergent or participative approaches. It is also an important component in supporting or framing dialogue on the narrative of the future of a country (see ‘Our Singapore Conversation’).

The rest of this paper examines ‘foresight’ as a skill in order to identify how it works, how to maximise its impact and implications, and how to do it well. However, the reader should keep in mind the purpose and value of strategic foresight. If we are successful, strategic foresight will help us to build a foundation for greater understanding and dialogue across our societies – and our partners abroad. The purpose of strategic foresight is to develop new ideas about the role of government: both in order to ensure we leave a better legacy for the next generation, and to drive internal reform to create governance structures that are fit for purpose in the uncertain world of the 21st Century.

2. WHAT IS FORESIGHT? AN INTRODUCTION

What is strategic foresight?

Strategic foresight is an integral part of the strategic planning process. It supports the process of strategic thinking rather than adopting a default problem-solving approach. In other words, instead of attempting to provide solutions for challenges as they are currently manifested, strategic foresight encourages decision makers to explore the likely nature of the challenge in the future. For instance, demographic changes often have an impact on the nature of conflicts. Population bulges, or differing population growth rates on different sides of a conflict, may have implications for the future of the conflict. (For example, Afghanistan has a much higher reproduction rate than Iran, and Israel than Palestine.) Strategic foresight in this context would encourage policymakers to consider the implications of these changing demographics for the dynamics of the conflict in the future, and to reflect this into decision-making. Alternatively,
Strategic foresight can help think through the environment that an organization will be working in the future. For example, it could support Ministries of Foreign Affairs to consider how they can best engage and organize themselves in a world of public diplomacy and social media. Strategic foresight can also explore how disruptive technologies, like 3D printing, may impact on economies and societies in the coming decade.

Strategic foresight helps decision makers think systematically about the context and shape of their policy issue in the future. However, by definition, we do not have ‘hard data’ about what will happen in the future. Strategic foresight processes help overcome this to answer the strategy question, “Where are we and where do we want to get to?” Foresight does this in a way that ensures that thinking about the future is not based on ‘blue-skies’ or invented creative thinking, but instead is systematic, explicit and evidence-based. As an integral part of the strategy process, strategic foresight can therefore help decision makers to understand complexity, build resilience, set direction and then implement policies.9

Strategic foresight is therefore included as an explicit step in many formulations of the strategic planning process. Two examples from the UK government are shown below. Figure 2 shows the ‘strategy compass’. This is a tool to support developing and implementing strategy. It situates the strategic foresight process within the ‘strategic direction’ quadrant - where we move from analysis of ‘drivers’ to ‘strategic vision of desired future’. Figure 3 shows the UK Foreign and Commonwealth Office International Policy Framework. This tool encourages policymakers to explore alternative futures explicitly, in order to build resilience to the highly uncertain and complex international environment. In both cases, the policymaker is encouraged to look at how the external environment might change over time before making decisions about what might be the appropriate responses. Experience shows that having this explicit step is both necessary and very important. The default tendency is to over-focus on internal organizational features and to underestimate changes in the external environment.

**What strategic foresight is not: forecasting outcomes and predicting risk**

Contrary to some views, strategic foresight is not about prediction or forecasting the future. Claims to that effect are damaging to the endeavour of foresight. The benefit of the strategic foresight process is that it can enable the participants and stakeholders involved in a policy decision to engage and deal with the complexity and uncertainty of the environment in which they operate. The key advantage is that it creates an explicit and otherwise often overlooked step in the strategic planning process where decision makers’ assumptions about the future can be challenged.

As humans, we jump to conclusions about the shape of the future. We rely on mental heuristics - a common sense approach to problem-solving based on past experiences - to make speedy decisions. In the face of overwhelming uncertainty, these mostly encourage us to assume the status quo approach: that tomorrow will be like today. This status quo bias is often inbuilt and unquestioned within organizations, professional groups and other communities. Even when we don’t fall into

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this trap, we often use certain tools to try and feel as if we can control risks. Behavioural psychology shows that human beings can cut corners when it comes to ‘sense-making’, or processing and making sense of the evidence and features of the world around us. We dislike uncertainty and feel under pressure to converge. Behavioural economics talks about ‘being anchored’, or ‘investing’ in a position and this happens organizationally as well as individually. We have mental maps of our world that we use for decision-making, and an inbuilt tendency to favour corroborative data and ignore challenging data.

Snowden’s Cynefin framework, developed to describe the evolutionary nature of complex systems, suggests that linear thinking is mainly applicable to simple and complicated problems. However, in complex environments, and in the face of complex problems, these approaches fail us.

The world faces comparatively greater uncertainty and complexity. For example, we are experiencing a global volatility cycle that is unprecedented since 1970. This is reflected in price fluctuations of oil and food, and uncertainty about economic growth. This kind of volatility trap is difficult to get out of and requires international coordination and policy responses that are not forthcoming. It’s easy to be exceptionalist about the present, but it has been noted by complexity advocates that the growing interconnectedness of countries, and the challenges facing the world, are unprecedented. This does not mean that the world faces greater or more probable threats. This distinction is important. What we are facing is the growth of new types of problems - such as cybercrime, organized crime, climate change, and food and energy security - that are systemic, transboundary and seemingly outside the ability of national governments and multilateral frameworks to manage. Uncertainty - due to the complexity of these interlinked challenges - is overwhelming governments’ capability to respond in order to mitigate and manage risk collectively at a global level. The complexity of many current problems highlights the shortfalls in our traditional ways of approaching the future (forecasting and risk assessment). In consequence, countries and organizations principally respond by focusing on short-term and reactive actions.

Synchronicity makes risks even more difficult to manage in linear ways. Synchronicity arises from increased connectivity: when risks manifest themselves, they come in clusters not individually. Pressure in the system arising from a crisis in one area can simultaneously overwhelm the ability of
governments to respond, while also making a second crisis more likely. The 2011 Fukushima disaster is an example: the tsunami, earthquake, nuclear reactor meltdown, and exclusion zone all combined to generate a much larger set of challenges than each of the risks added together would have posed. Hurricane Katrina in New Orleans in 2005 had a similar effect. Non-linear effects require a transformation in the way in which governments, companies, civil society respond to and think about risk.

Policymakers are therefore increasingly operating under conditions of complexity rather than chaos, complicated or simple conditions. Complexity comes with unpredictability and systemic effects.

Intelligent leaders understand that complex systems are more like frogs than bikes. You can disassemble a bicycle completely, clean and oil the separate parts, and reassemble it confident that it will work as before. Frogs are different. The moment you remove any part, all the rest of the system is affected, instantly, in unpredictable ways, for the worse. Binary ‘leaders’, and quite a few management consultants too, really do think that complex organizational systems will respond to the bicycle treatment. They think you can get a realistic picture of the total system by simply aggregating its component parts.11

Strategic foresight is particularly valuable in helping decision makers to engage with complex systems.

**Helpful concepts: timeframe, purpose and diversity**

Strategic foresight is also not about using a particular method (we will explore this later in section 6). Instead, it is about helping decision makers think about the future shape of the complex environment within which they need to make decisions. We can identify three dimensions that should be considered to ensure that strategic foresight processes can help achieve this purpose: timeframe, purpose and diversity and participation.

**Timeframe:** What is the timeframe relevant to the decision? Because of their nature in helping think through the non-linear cumulative impact of trends or disruptive changes, strategic foresight techniques tend to be used for longer-term futures (i.e. five years or longer). However, this depends on the issues being examined. Strategic foresight can also be used to consider short-term futures, but these tend to be more incrementalist as opposed to longer-term scenarios. Having a clear view on the timeframe that is relevant is important.

**Purpose:** Strategic foresight can help to enable decisions in two different but complementary ways: building resilience and creating a positive vision of the future to move towards. They involve the same process of exploring alternative futures but place differing emphasis on how the results are used in decision making. Ideally, both can be done at the same time (and a particular failing of some government foresight

is that desired visions or futures are used to develop policy without being tested for plausibility or understanding of very possible alternatives). On the one hand, a clearly laid-out vision developed cooperatively means that a community can work together to create their desired future and take advantage of upcoming opportunities. Conversely, strategy and policy can also be made more resilient to possible alternative futures: by identifying and assessing possible threats, preparing mitigation plans or policies that are effective in undesired futures, and keeping an eye on the associated early warning indicators. Nevertheless, there is an additional benefit to organizations being aware of different alternative futures, appreciating complexity, and developing an explicit understanding of the assumptions behind views about what might happen. This is the intangible, cultural capability of an organization to be externally-focused and sensitized to possible futures. This means it can be more agile and aware of the external environment, resulting in improved responses to unexpected events.

**Diversity and participation:** Strategic foresight processes go beyond the constraints of either expert- or commonly-held views. Strategic foresight is a systematic way to facilitate deliberative processes that can bring together different perspectives. Expert-bias is a well-established phenomenon – in particular in failing to grasp the profound second- or third-order effects of technology, or in failing prey to status-quo bias or ‘groupthink’. This is commonly associated with being too invested in current structures and frameworks. However, governments consistently tend to engage only experts when developing views of the future. Following public opinion can also have drawbacks however, since (with certain exceptions) it can lag behind problems rather than be an indicator of the shape of problems to come.

Interesting developments in this area include Philip Tetlock’s study of political psychology and group forecasting behaviour in the Good Judgement Project.12

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12 The Good Judgement Project is funded by IARPA (Intelligence Advanced Research Projects Activity). It examines the foresightedness of different types of people (including the notion of ‘super-foxes’: people who are better than average at identifying future-based patterns) and the ‘wisdom of crowds’ in group dynamics. See: http://www.goodjudgmentproject.com (Accessed 18 June 2015)
Given ‘expert-bias’, it is particularly important in strategic foresight processes to include those who are contrarians, different types of thinkers, and from different backgrounds and diverse communities. Therefore, the final dimension we will explore is the extent to which the foresight process is inclusive, ranging from participative to non-participative approaches. Although there are some areas in which security concerns require a closed-door approach to participation, the broad, open nature of future trends means that excluding diverse participation in favour of maintaining secrecy is rarely justified – at least to the extent that it occurs in the fields of security and defence. (There can, however, be risks in communicating some foresight work to the media and beyond.)

There is great value to be gained from the wider diversity, greater legitimacy and deeper effectiveness that come from broader participation. The knowledge that citizens including teachers, businesspeople, workers, or scientists hold about their own situation and communities is a resource to be tapped, and will often result in more engagement and coordinated action. Strategic foresight, and the strategic thinking process itself, can otherwise be - and often is - criticised for being elitist, paternalistic, or top-down in its approach. For strategic foresight to be effective within a complex environment, dialogue and participation are necessary. This is a manifestation of emergent strategy - as described in section 1 - where longer-term thinking is linked with open government and strategic coherence.

3. STRATEGIC FORESIGHT IN PRACTICE

Why is strategic foresight becoming more important?

There are frequent public administration discussions in various countries regarding the understanding and use of strategic foresight as an integral part of civil service and political capability. The complex and unpredictable systemic nature of many global issues – whether economic integration, resources or climate change – stem from multiple and interrelated problems. These require a systems- and evidence-based analysis and approach if we are to come up with effective and efficient solutions. Many countries face implicit, diffuse and unpredictable risks rather than explicit and identifiable threats. This world is fast-moving and uncertain; the value of resilience and networking is therefore high.

The global system is increasingly multipolar, with power shifting East, as well as up and down to different non-state actors (such as civil society, businesses, wealthy individuals, cities and regions, sovereign wealth funds, diaspora groups, international multi-stakeholder fora). Alongside developments in social media that harness the wisdom of crowds, cyber-advances, and other technological progress, this is changing the capacity and nature of government as well as the capacity and nature of other actors. Some commentators use the term ‘neo-medievalism’ to describe the diverse set of actors internationally. The plethora of actors and identities, plus the liberalising developments in user-generated media, mean that communication and influence have become a different kind of activity: an ‘economy of attraction’ where the nation-state needs to compete with others.

Humanity faces a situation of intergenerational unfairness in relation to sustainable development. Future generations will question the hardships they face and the sacrifices they are forced to make due to their ancestors’ careless, short-termist lifestyles. Likewise, the world’s poor people will also question their privations when they observe a widening disparity between their lifestyles and the lifestyles of the rich, generation upon generation. Inequality, over-consumption, loneliness, isolation and greed threaten our current collective well-being and threaten greater intergenerational injustice in the future.

Despite the doom and gloom of recent events, uncertainty and governance failures, there may be reasons for optimism. There are opportunities for continued improvements in addressing discrimination (e.g. in relation to caste, gender, or religion); addressing poverty; technological improvements including in health and wellbeing; life-style improvements; and the continued empowerment of citizens through the market and social media.

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13 See the media coverage of the UK’s HSC SigmaScan website launch. The coverage focused on public money being spent on examining the human rights of computers.

14 Including in Hungary, Finland, Australia, Holland, Rwanda, Malaysia, the UK, France and South Africa.

Participative foresight is an approach that enables dialogue and collective direction-setting in a complex and uncertain environment with many different actors. Using participative foresight can be beneficial both at local or national levels.\(^{16}\)

**The use of strategic foresight in practice**

Beyond the high-level distinction between resilience and direction-setting described in section 2, strategic foresight can be used in many different ways, for different purposes and to aid different types of decisions, often at the same time. These range from the more task-oriented to more intangible benefits of building human capital, and include:

- Risk assessment and management – developing mitigation and response plans, building resilience;
- Wind tunnelling – testing effectiveness of suggested policy measures;
- Helping choose between alternative policies to achieve a desired future;
- Strategic navigation within an organization, e.g. identifying early warning signs;
- Horizon scanning – identifying new and emerging issues and trends that are likely to become important;
- Accessing different views from actors outside of government bodies;
- Breaking out of groupthink or old frameworks to develop new creative ideas and responses around approaches, partnerships, tools and measures;
- Promoting collaboration and exchange by getting different organizations or parts of government to discuss their views of the future.

These distinctions are important because the methods and processes used for a strategic foresight process differ depending on the objective and desired end result. It is relatively rare that a decision maker has the time and resources to commission a full strategy foresight process from scratch (at least from the beginning) and they often have an underlying reason for why they do it. It is important to engage and respond to that need in order to earn the mandate to continue doing impactful strategic foresight.

### 4. HOW FORESIGHT WORKS IN THE GOVERNMENT CONTEXT

How can you tell what works? What is the ultimate indicator of success in strategic foresight? The ultimate gauge is whether strategic foresight engages with a future time horizon, and also has tangible results in the present. In other words, something has to have changed as a result of the work; it is not just a statement of intent in a written document. Success is thus measured in changed behaviour, thinking, resources, budgets, communications, etc. Some people will additionally want to see ‘proof’ of effectiveness in the form of evidence that a particular decision-path indicated by a strategic foresight project achieved the tangible desired result. There are two major challenges to demonstrating impact and attributing causality to strategic foresight:

1. **Output attribution challenge: what led to the behaviour and organizational change?**

   A general challenge in all strategy processes is that a successful process means the participants internalise and come collectively to a common set of policies and actions. This often means the strategy process becomes ‘invisible’ as the journey through the process means that by the end its conclusions are seen as ‘inevitable’ and ‘common-sense’. This is a desired result in strategy since the process resulted in behaviour and mind-set changes – but it may well be difficult to obtain true acknowledgement of the contribution of the process to this aligned position.

2. **Outcome attribution challenge: did the organizational change lead to improved outcomes?**

   The counterfactual (what would have happened in the absence of the organizational change) is difficult to prove by its very nature: if harm was avoided, how can that be proved or measured? And how can one link positive outcomes in a complex environment to the policy measures taken?

As such, the ‘evidence’ of what works in strategic foresight is relatively ad hoc and incomplete, and often relies upon word of mouth, narratives and interpretative case studies (for example the impact of a foresight exercise on the Chilean wine industry in making the right investments, or recent experience in Zimbabwe in promoting dialogue between different civil society groups).\(^{17}\) Despite this caveat, there is a lot that we can learn from the endeavours of different countries and organizations to build their strategic foresight capabilities. And there is a lot more we could learn, if these experiences were being systematically documented. Countries for which there is a body of case studies of strategic foresight include:

\(^{16}\) For example the North Star scenarios in Port Elizabeth in South Africa done by Reos, Finland’s Committee for the Future, or Singapore’s “Our Conversation”.

\(^{17}\) Author’s data, as yet unpublished.
Singapore, Finland, the UK, Scotland, Canada, Hungary, South Africa, South Korea and Australia. It is more difficult to collect effective case studies of private sector organizations, since few except Shell expose their internal strategic processes.18

Building quality supply and demand for strategic foresight

Two key elements are needed for a government to do foresight effectively. First, there needs to be a supply of effective foresight projects and products that are seen to provide valuable insights that aid good decision-making. Second, there needs to be the capability – the demand – within the government to adopt and embed those insights.

This is easier said than done. Sometimes, these elements are not in place at either the micro or the macro levels – i.e. at either the level of projects or institutionally. A major problem is the fact that the specific method or tool being used in the ‘foresight process’ tends to dominate over identifying the insights that arise. This means that that there is an excess focus on analysis – rather than on the decision that needs to be supported, and how to embed and integrate subsequent insights.

There are four ways in which any organization needs to get foresight capability right; two at the institutional (or macro-) level, and two at the project (or micro-) level. These all need to be in place for the organization to be effective at integrating and acting in a forward-sighted way.

A. Building quality supply: Manage each project process well to ensure traction and impact

Strategic foresight projects can encounter many difficulties and pitfalls. The School of International Futures (SOIF) in the UK has developed a process that is designed to minimize these problems. In particular, it ensures a focus on project scoping and on the integration of the project findings into decision-making, each of which should account for between 25 to 33 percent of the time and resources allocated to the project.

**Figure 5: The Four Stages of the Learning Journey**

The Scoping phase focuses on two aspects of the work: the content and the process. Scoping the project content outlines the key issues, understands why the project is important to the client, why the project is happening now, the key drivers of the situation, and what the vehicles for delivering change could be. On the basis of this initial understanding, the key question can be identified, the methodology developed and the appropriate research and analysis commissioned. Process scoping identifies the stakeholders, the timeline, the risks to the project, initial thoughts on communications, and governance structures.

The purpose of the Ordering phase is to collect and understand the different drivers of change and to collect evidence about the future (influencing forces and factors) in a systematic way. Mostly, this includes structuring different possible futures. This is the most ‘divergent’ stage of the process, where there is most uncertainty and different views of alternatives.

The Implications phase explores the potential consequences of the different scenarios and futures for the policy area or problem under review. Backcasting, visioning and wind tunnelling19 can all be used to identify strategies for the longer term, and also understand the implications for the medium and short term.

The Integrating Futures stage ensures that the insights of the project are embedded into decisions today. The strategic foresight process does not end with the creation of a report, but rather in working out what the organization should do or communicate differently as a result of the strategic foresight work. This stage involves the use of appropriate methods to disseminate the conclusions to key stakeholders, in order to effect change.

B. Demonstrating the value of strategic foresight

A lack of tangible results is a major reason why efforts to build strategic foresight units or other capabilities fail. A typical pattern of failure is for a foresight team, established as a result of senior political or official commitment and support, to fail to deliver effective results within a 24-month timeframe. In this scenario, the team has a relatively short period of time to deliver results. Unfortunately, this is often spent reinventing the wheel by pulling together and commissioning analysis, instead of focusing on the interfaces with decision makers in the scoping and integrating futures stages. This is a basic, yet very common, mistake. The resources of the team are better spent –

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18 Although a few insights in this area are provided by a recent Gatehouse Advisory case study, which is unfortunately not available in the public domain.

especially initially – on adapting existing international studies to the specific local context, focusing on the implications. It is important that the team leader is able to establish a unit quickly that responds to issues of interest in the short-term. This will often require some experienced individuals in the team. The team has to earn its mandate to operate by spending some of its time on issues with short-term impact as well as looking at issues that may have less immediate impact. The team leader therefore needs to be very clear about the issues to focus on and the opportunities for driving change on issues of strategic importance to the organization.

5. HOW GOVERNMENTS CAN UNDERTAKE STRATEGIC FORESIGHT

Building a future-focused organization

Governments can work to become more focused on the future by building their capabilities in four areas. These principles can be applied in a way that is sensitive to the current position and resources of the organization. A diagnosis of the particular situation of each country or ministry is necessary to develop a capability-building action list that will maximize the chance for success. However, building capability in all four areas is necessary.

Link to the highest-level vision

The strategic foresight process needs to be linked into the strategy and vision for the organization at the highest level. In other words, it should help to ensure that the organization's purpose and outcomes are situated within a longer-term context. Specifically at a national level, there is an opportunity for the strategic foresight process to become a participative process to develop the country’s national strategic narrative. It can help to engage citizens in expressing their views about difficult decisions, or in determining what they want their country to be in the future.

Situating the foresight agenda within government structures

It is important to identify the potential institutions and platforms within the national administration where strategic foresight activities can be integrated most effectively. Potential government-wide structures within the civil service might include:

- A central unit (often, but not exclusively, in the Ministry of Defence in developed countries, often better based in a strong Ministry of Planning or Central Ministry in emerging economies) looking at long-term trends out to at least 20 years for the whole of government, updated on a regular basis, e.g. every three to five years.
- The National Security Council, National Economic Councils, or Cabinet may have regular sessions looking explicitly at longer-term, cross-cutting challenges and opportunities.
- A single centre of excellence for horizon scanning and strategic foresight, situated somewhere either in the Science and Technology Ministry, Planning Ministry or Centre of Government (Cabinet Office or Prime Minister’s Office), which conducts training and leads specific projects.
- Commitments to strategic foresight from the Head of Government or other Senior Leaders in official government documents.

Within each department, there could be a foresight unit linked to strategy or innovation units, the board, responsible minister or civil service head: these units are often more effective when they have other duties that gain them traction with senior decision makers (in other words, they work on risk, strategy or human resources to leverage work on strategic foresight). The strategic foresight leads in each ministry should work in a network (often in cooperation with allies such as strategy,
innovation or risk groups). The process and value of foresight needs to be translated into the vocabulary, vision and process of the organization’s raison d’être.

Additional support (training, learning and development metrics, rewards etc.) could be delivered across the Civil Service (depending on the level of centralization of the civil service human resource management functions).

Parliament can also play a very important role in driving the demand for and legitimacy of these efforts, as well as ensuring they are more resilient to political shifts and changes in government. Examples of the different forms this can take include Select Committees, Public Inquiries, Parliamentary Ombudsmen (for example, the Hungarian Commissioner for Future Generations), establishing Councils with a mandate to consider longer-term issues (such as the Maltese Council of Guardians), mandating or requesting the Government or Civil Service to work on longer-term issues, and working as Committees (such as Finland’s Committee of the Future) on relevant issues.

Table 2: The four capabilities needed for foresight

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<tr>
<th>Capabilities</th>
<th>Activity</th>
<th>Underpinning success factors</th>
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| Foresight expertise - tools and methods      | Applying a wide range of tools and processes that are appropriate for the policy area/question being examined, taking into account the capacities of the organization and participants. | ▶ The project has access to a wide set of different tools and methods.  
▶ The project has access to expert knowledge.  
▶ The shape of the issue should drive the tools and methods applied. |
| Foresight-friendly organizational structures | Building the structural and functional capability within the organization to embed and integrate foresight into its operations, business and internal management processes. | ▶ Human resources/learning and development processes incentivize use of foresight.  
▶ Business planning processes incorporate foresight.  
▶ Foresight generates regular outputs such as risk or horizon-scanning reports. |
| Foresight champions, leaders and allies       | Identifying and creating a network of senior leaders and other supporters within and beyond the organization to support foresight efforts. | ▶ Strong senior champions are engaged as clients for each project.  
▶ Peer-influence and effective case-studies are used to build awareness and senior stakeholder commitment. |
| Effective foresight communications           | Ensuring the results of strategic foresight work are communicated as widely as possible with different stakeholders as an integral part of the foresight efforts. | ▶ The project engages with as broad an audience as possible.  
▶ Feedback loops are built into the project at all stages.  
▶ The project uses appropriate means of communication with different target audiences.  
▶ Project communications promote awareness about the success and impact of effective foresight projects. |
These are examples for how strategic foresight can be integrated within national-level institutions. Sub-national governing institutions can also employ strategic foresight, and often they are able to do so more effectively than national institutions as they tend to be more in proximity of the point of impact than national institutions.

6. GOING FORWARD: HOW UNDP CAN SUPPORT GOVERNMENTS TO OPERATIONALIZE STRATEGIC FORESIGHT

Operationalizing strategic foresight can be challenging for governments and other institutions, even where they recognize the value of doing so. There are clear opportunities for UNDP to support national governments and other development actors to integrate and operationalize strategic foresight within their institutions and activities. Given that strategic foresight has an important role to play in the implementation of the Sustainable Development Goals (Box 1), there is a clear case for UNDP to develop its expertise and capacities in this area.

Box 1: Linking the Sustainable Development Goals and strategic foresight

Strategic foresight is an integral part of Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. Effective, accountable and inclusive institutions delivering public value need to be able to be future-prepared and aware. Strategic foresight is also an integral part of implementation of the Goals – because it can support communities (at regional, national or local levels) to develop their own visions for the future. This can support changes in current ways of working as well as engaging with and making the most of new opportunities. This means that strategic foresight activities are also part of Goals 1-15, as well as Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

The World We Want dialogues concluded that, “The challenges are complex and interlinked, requiring a sustainable development agenda that is integrated, holistic and universal, applying to all countries and all people.”20 The United Nations Development Group Report Delivering the Post-2015 Development Agenda stated, “The Post-2015 national consultations have shown the potential of participative dialogues about the future as a powerful tool. Foresight can help operationalise the Post-2015 agenda at a national level. It can support formulating an inspiring narrative and a vision for the implementation of the Post-2015 agenda.”21

UNDP could implement a number of specific activities intended to support national governments to implement strategic foresight. These might include:

- Developing a diagnostic tool to help countries to work out where to focus their short-term efforts to build foresight capability (see sections 4 and 5 above). This tool should recognize that foresight will be applied differently in stable and unstable states.
- Using, sharing and analysing UN-generated data, including demographic studies and reports from humanitarian work, to inform the strategic foresight efforts of other institutions and countries.
- Providing support for a country or ministry to develop proposals for establishing a strategic foresight unit and associated capability programme, with mentoring and ongoing support.
- Sharing UN knowledge and strategic foresight efforts with governments and civil society, and supporting an international network of experts to share experiences.
- Collecting case studies that show the impact and value of strategic foresight for poverty eradication and sustainable development.
- Collecting case studies of the capability-building and institutional strengthening efforts in different countries, particularly from countries that are in transition from relief to development.


Using its links to the UN Envoy for Youth and to former political leaders to create an international network of political leaders who advocate for policymaking that considers longer-term and complex issues.

Advocating more widely for the value of strategic foresight and future focus as governance skills for the 21st Century, both among civil servants and politicians. Creating incentives that make this attractive for states to implement.

Supporting education efforts in within public service and in academic public policy institutions, to encourage international cooperation.

Organizing conferences focusing on complex or long-term issues of interest to all states or to specific regions. Global issues of interest could include inequality; arms proliferation; the changing nature of work; biotechnology; or technological changes. An example of a regional focus could be ten-year drivers of conflict in East Africa. UNDP could also integrate a longer-term horizon into existing conferences, such as the conference on Small Island Developing States.

Facilitating and supporting an international network of parliamentarians with a commitment to developing strategic foresight activities within their national contexts.

Providing advice around participative foresight and national strategic narrative processes.

Facilitating the development of city-level and regional networks internationally, and act as a platform for dialogue and engagement between different development/international/ regional or domestic actors within post-conflict or unstable states regarding their views of the future.

7. REFERENCES AND FURTHER READING


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ABOUT THIS RESEARCH

This discussion paper is the synthesis of 15 years of the author’s work with different organizations internationally in the strategy domain, and a result of her collaboration over the last year and half with UNDP Global Centre for Public Service Excellence (GCPSE).

GCPSE’s work on foresight represents the third wave of UNDP’s interest in foresight and futures. This time, capitalising on opportunities presented by recent advancements in technology and the potential of big data to contribute to changing perspective about development. Additionally, UNDP’s renewed interest particularly in participatory foresight coincides with increasingly widespread attention and focus on greater citizen engagement in policymaking and democratic governance.

In the current global context, UNDP hopes to seize the opportunities foresight presents to:

1. Help developing countries build capacities for preventive rather than post-facto action,
2. Adapt to the changing demands of its clients and partners that increasingly seek futures-based scenarios and pathways of planning and intervention, and
3. Strengthen its “global public good” value by positioning itself to offer foresight solutions.
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Cat Tully is the Director of FromOverHere, a consultancy providing strategy and foreign policy advice. Its mission is to support organizations – particularly governments – to navigate a complex world. Cat has extensive experience as a practitioner helping governments, civil society and businesses to become more strategic, more effective and better prepared for the future. Cat is the co-founder of the School of International Futures (SOIF), aimed at promoting the use of strategic foresight.

Earlier, Cat was Strategy Project Director at the UK Foreign and Commonwealth Office and Senior Policy Adviser in the Prime Minister’s Strategy Unit. Before working in government, she worked in strategy and international relations across the not-for-profit and business sectors.

Cat would like to acknowledge colleagues who have helped develop her thinking and opinions through dialogue, collaboration, and intense, rewarding and occasionally challenging experiences. Foremost among them are Alun Rhydderch, SOIF co-founder, and Sean Lusk, an inspirational teacher of public value. She would also like to thank the many inspiring and creative individuals that work to ensure that the decisions we make today take into account the world we will leave for the next generation; whether activists, officials, academics or practitioners.