

Strategic Foresight for Policy Planning

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Growing complexity = challenge for policy-making



#1 To better understand complex systems, their features and behaviour

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Weather
Today: Mostly sunny
High 70, Low 50
Friday: Sunny
High 75, Low 55
Sunny, 80

THE WASHINGTON POST
THURSDAY, SEPTEMBER 15, 2005

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Markets in Disarray as Lending Locks Up

ON CAPITOL HILL
Lawmakers Left On the Sidelines As Fed, Treasury Take Swift Action

By Luca Massimo Oddo
Washington Post Staff Writer

The frenetic pace of the financial crisis has forced the Treasury Department and Federal Reserve to make rapid-fire decisions in recent days, leaving Capitol Hill lawmakers effectively impotent — and frustrated.

Lawmakers on both sides of the aisle expressed concern yesterday that they have had no control over when and how federal money has been sent to help the panic on Wall Street. While many have been convinced that the government has been too slow to prevent a wider financial melt-down, they said they felt confined to the sidelines as power to make momentous decisions has been concentrated in very few hands.

House Speaker Nancy Pelosi (D-Calif.) said she has dispatched Rep. Barney Frank (D-Mass.), chairman of the House Financial Services Committee, to determine whether Federal Reserve Chairman Ben S. Bernanke should obtain authority to make credit facilities more flexible, as he did Tuesday with a loan of \$50 billion to investment giant American International Group.

Congressional leaders learned of the move late Tuesday during a hastily called meeting in the Capitol with Bernanke and Treasury Secretary Henry M. Paulson Jr., who explained the deal after it was done.

By Neil Irwin and David G. Allen
Washington Post Staff Writers

The flow of money through critical parts of the financial system all but stopped yesterday, plunging the stock market to plunging gains as banks lost faith in one another and investors refused to U.S. government securities to protect their savings.

Cushman, Tucker and Manganelli, the only major investment bank still standing amid the wreckage of Wall Street's old order, ordered.

In one of the most tumultuous days ever for financial markets, the Dow Jones industrial average fell 647 points, or 4 percent, and as much money fled from safe U.S. debt that buyers were at one point willing to accept interest rates for Treasuries of only 0.2 percent, the lowest since World War II.

The financial crisis continued to worsen despite a series of measures taken by the government to inject funds. As one investment bank failed Sunday and another was taken over, the Federal Reserve, backed by the Treasury, began to lend to troubled institutions. Then, in its most dramatic move yet, the government on Tuesday took over the mortgage insurance company American International Group and extended it an \$80 billion emergency loan. Some of these measures succeeded in stopping the accelerating trouble.

Investors "are worried there is a lot more out there," said Robert Mankin, chief economist for the Swiss Bank Management in Boston.

See BATTER, A12-C4, 1



ANALYSIS
Scrambling to Clean Up After A Category 4 Financial Storm

By Thomas H. Davenport
Washington Post Staff Writer

You know you're in a heap of trouble when the leaders of the most powerful nation in the world are scrambling to clean up after a Category 4 financial storm.

Having pumped \$100 billion into the banking system and lost \$117 billion to the broker's fire was significant.

This is what a Category 4 financial storm looks like. Giant five-star financial institutions are in a state of chaos, banks refusing to lend to other banks. Banks closing to stock markets to stop the panicked selling. Gold soaring \$70 a day.

**#2 To respond rapidly,
flexibly and in a systemic
way**



#3 To consider different partners, their views and needs in policy design



#4 To strengthen collective intelligence through collaboration, partnership and networks



Traditional and new ways of policy-making

Today

- Based on current trends
- Exploratory
- Reactive
- Incremental changes
- Policy-makers centred

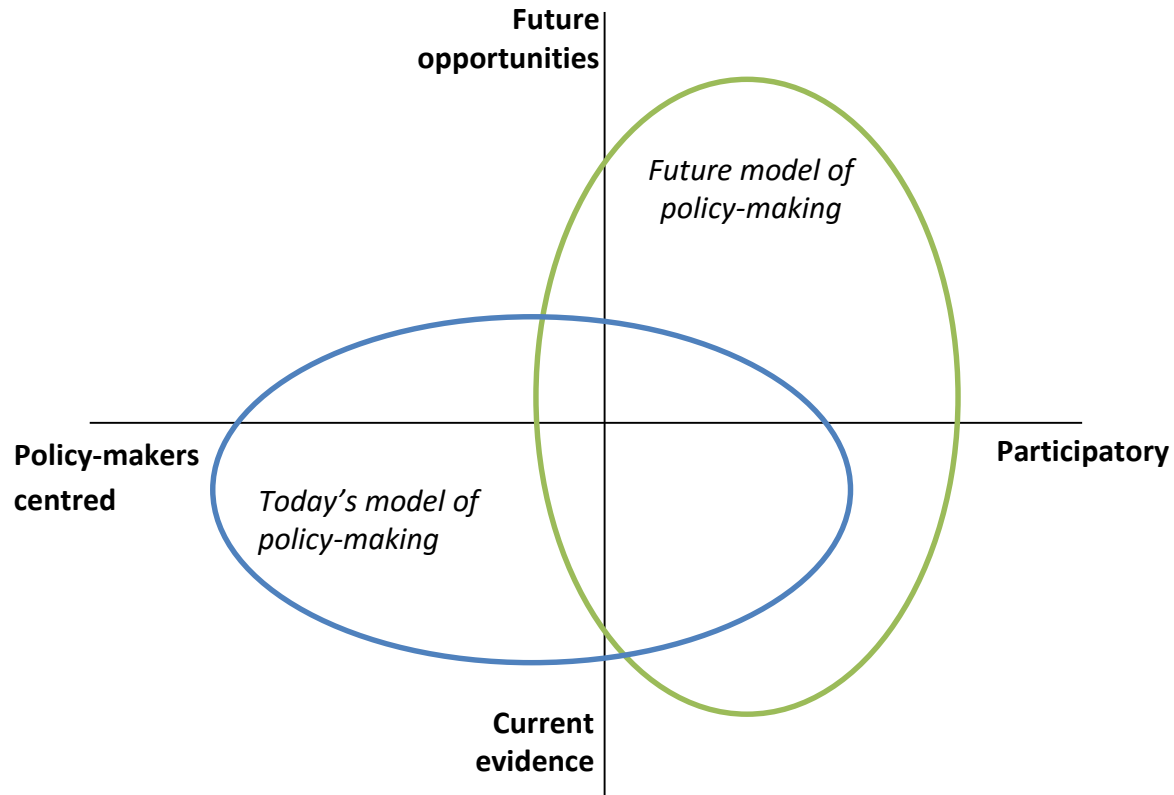


Tomorrow

- Based on future opportunities
- Normative
- Proactive
- New visions
- Participatory



Policy-making models



Source: Accordino, F.: *The Futuriem – a Foresight Platform for Evidence-Based and Participatory Policymaking*. *Philosophy & Technology* (2013) 26:321 – 332. (adapted)

Positioning the challenges in the decision-making process



TIME FOR STRATEGIC FORESIGHT



Strategic foresight helps leaders and their organisations to better prepare for disruptive changes and realise new opportunities to create their future.

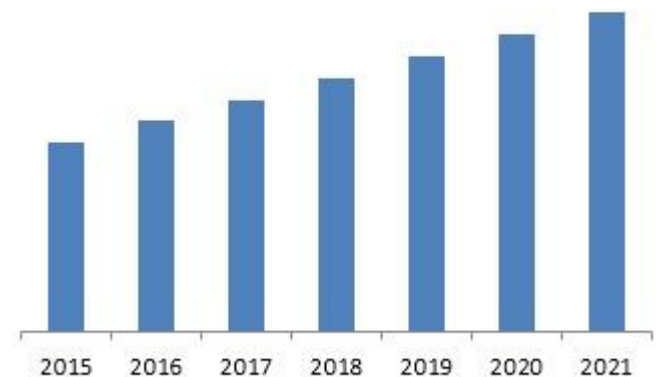
What is and what is not strategic foresight

FORECAST = anticipating the future



Source: <http://www.accuweather.com>

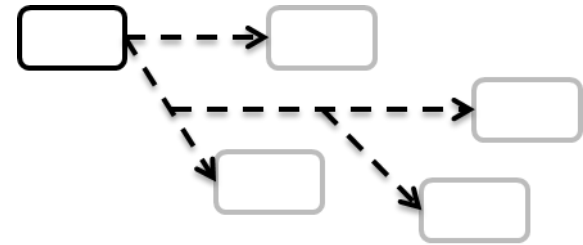
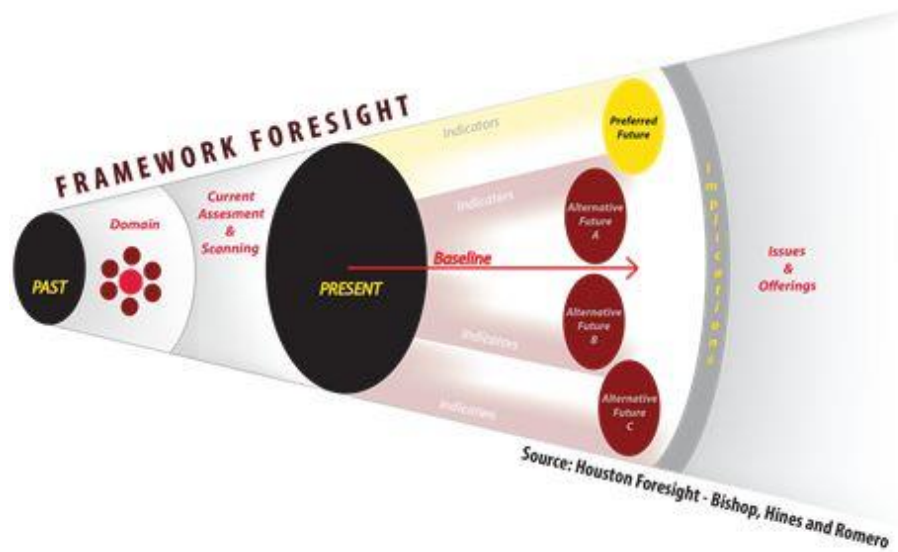
Agriculture Nanotechnology Market Revenue
2015 -2021 (\$M)



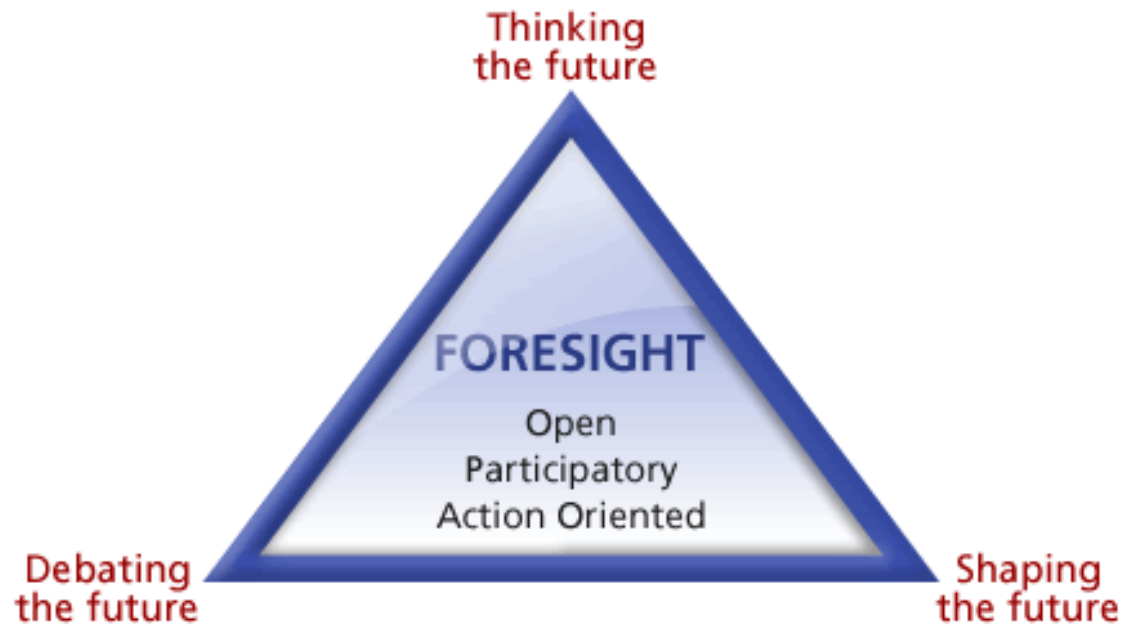
Source: IndustryARC Analysis, Expert Insights

What is and what is not strategic foresight

FORESIGHT = exploring the future

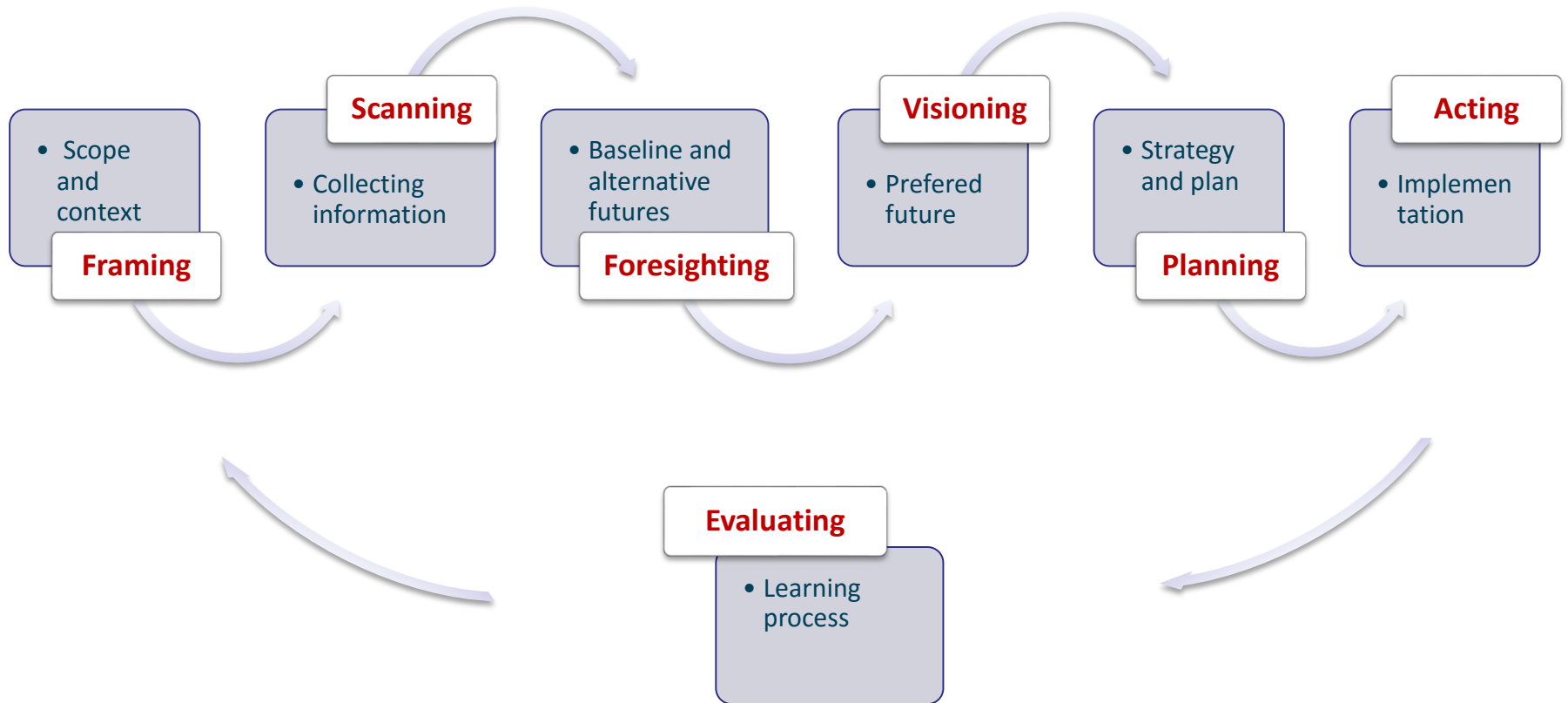


Key attributes of foresight process



Source: JRC-IPTS

Strategic foresight framework



Role of foresight in policy-making

Foresight for policy information

- Introduces longer-term perspective in policy-making
- Identifies new challenges for the future
- Extends perspectives for policy-making

Rational and
effective policy

Foresight as advocacy for policy implementation

- Highlights new challenges
- Wins support over the new policy challenges (common vision)

Commitment and
acceptance

Foresight for social network

- Creates a new frame for participatory policy-making
- Builds new networks and communities

Involvement and
reflection

How to make foresight successful

Authority

- Explicit endorsement by high-level representatives of decision-making

Legitimacy

- Involvement of all relevant stakeholders
- Avoiding unjustified influence

Credibility

- Use of rigorous and transparent methods
- Informative, well-founded and ...

... clearly communicated



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Strategic foresight in sustainable development policy

Complexity is in the very hearth of sustainable development agenda



Long-term – Integrative – Participative – Reflexive

Foresight is a perfect tool for dealing with the COMPLEXITY



***„The best way to predict the
future is to create it“***

Abraham Lincoln

Thank you



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