

# HOW FORESIGHT COULD STRENGTHEN GOVERNANCE IN LATIN AMERICA

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**G**rowing international uncertainty and complexity are provoking an increasing interest in studies of the future. The aim is to improve decision-making and the quality of governing. It is assumed that the future can be explored, and its course can be changed. These studies use foresight, a discipline that helps to investigate plausible scenarios, recognize global trends and identify drivers that may generate future transformations. Such anticipation could provide new perspectives to decision-makers and citizens, reduce risks and create opportunities.

In a democracy, politics is conditioned by immediate problems and elections. Politicians are usually removed from long-term analysis and strategic thinking. Groups that prepare long-term studies usually complain about the lack of knowledge and vision of those in charge of governing. Connecting these two and actors and overcoming this weakness is key. The first step is to strengthen foresight analysis in each country.

**Politics has a critical role in communicating a new vision, identifying main challenges and signaling a road ahead.**

The second step is to deliver anticipatory scenarios to decision-makers and social organizations, to enrich their analysis of the impact of different possible futures.

## POLITICS NEEDS FORESIGHT

**1. Politics has a critical role in communicating a new vision**, identifying main challenges and signaling a road ahead. The capacity to project a vision and propose a strategy is an important factor to awaken enthusiasm and stimulate action around that vision. Policies, programs and projects are more feasible when they respond to a narrative based on values that gives them meaning and direction. The analysis of global trends, drivers and game changers provides political actors with the tools to articulate a narrative and a long-term strategy of action.

**2. Politicians must build majorities** around key objectives and have to make concessions to appease those who hold different views. While it is hard to reach consensus on how to solve short-term problems, it is easier to succeed when exploring common future-oriented goals. When discussing short-term issues, most engaged citizens have a clear stance, but when debating the future, people are more open-minded and innovative.

A wider involvement of experts and social organizations tends to enrich the debate, and more people are

considered and heard. There are examples of dialogue on energy, environment, infrastructure and even constitutional issues that have produced a higher degree of consensus and reduced polarization. Political action around these topics becomes easier. Such experiences should be extended at the local, regional and national levels.

**3. The spread of ideas about the future helps to gain political support.** Citizens should be consulted and informed, and they should have access to mechanisms that influence government decision-making. Their engagement is crucial for developing a shared vision. **Political parties will benefit as well.** They must elaborate better programs, transmit motivating messages to society and inspire stakeholders to participate. Studies of the future provide support for implementing such tasks.

**4. Domestic policies are increasingly conditioned by global factors,** but those global factors are usually neglected when dealing with urgent matters and local politics. Foresight and scenario analyses help to overcome those limitations. A global perspective could also bring experience and policies of other nations to light, and it could reveal areas of potential collaboration among neighboring or like-minded countries.

**5. Foresight demands a multidisciplinary approach.** This characteristic is crucial for tackling complex problems. Exploring future trends requires multiple interactions with people and experts from different disciplines. This approach, and new technologies, allow for a greater exchange of ideas and a higher level of coordination among different institutions.

**6. Foresight enhances the ability to think innovatively.** Scenario building utilizes different methods for understanding how different processes could interact and what new outcomes could appear. They clarify which trends and drivers may dominate in the future. Exploring what the plausible outcomes are improves preparedness to face the unexpected. Scenario analysis should be a permanent activity at all levels.

**Latin American countries are still transitioning from traditional planning to strategic thinking.**

## HOW TO STRENGTHEN LATIN AMERICAN FORESIGHT CAPACITY TO IMPROVE GOVERNANCE

**Developed nations have institutions and a long practice** in foresight studies—global, national, sectoral and regional. They continue to improve their systems, increase coordination and promote future studies in different areas.

In Latin America, institutions are devoting their efforts to exploring scenarios on various topics, and universities are starting to offer courses on foresight analysis. But such efforts confront two major obstacles: there is a lack of experts trained in foresight analysis to influence decisions, and they are often disconnected from policy-making and politics. Long-term studies are usually intermittent and detached from decision-making. **Latin American countries are still transitioning from traditional planning to strategic thinking,** partly because of a lack of specialized people and of stable institutions. A complex society requires that global long-term trends and domestic short-term analysis interact. Policymakers must be aware that their decisions have long-term effects and that it is better to explore plausible scenarios in advance.

### *How can Latin American Countries organize a national foresight capacity?*

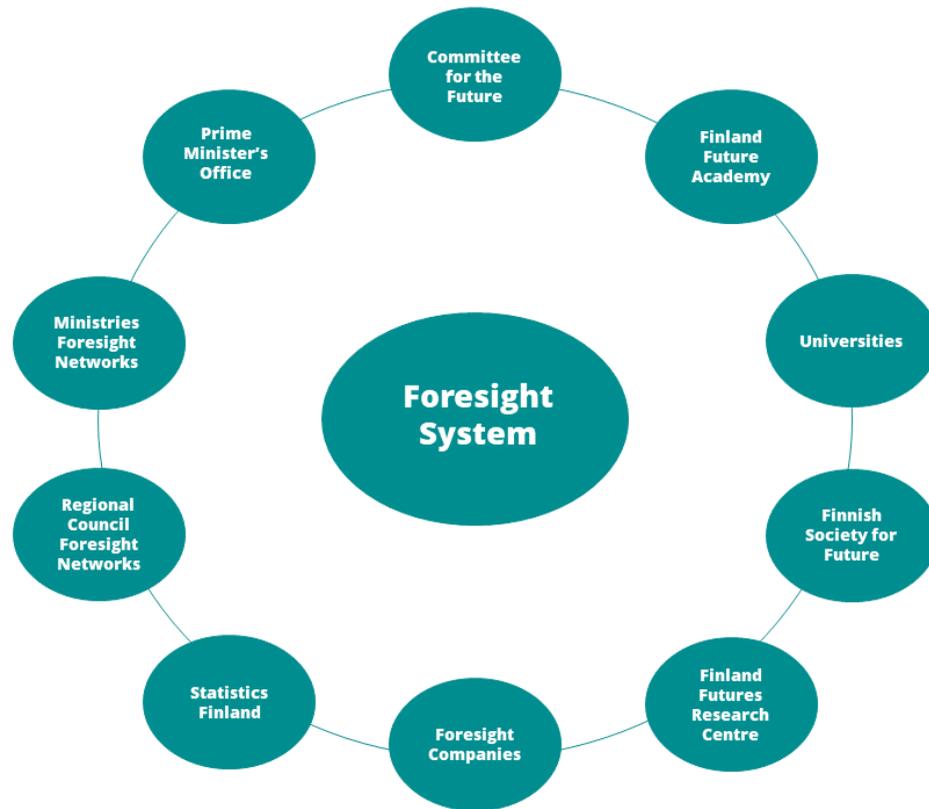
Examples from other countries provide useful criteria for improving foresight capacity:

1. A good organization **should include members from the executive branch (presidential or prime minister level, and ministries), Parliament, regions and provinces, universities, and companies.** Canada, Australia, France and Singapore offer useful examples for Latin America (See Figure 2). Finland is one of the best examples.

2. Most advanced countries have a central government unit that coordinates all foresight groups and prepares position papers for the Prime Minister. **Latin American countries should create a unit or agency alongside the presidency,** empowered to work with other ministries and suggest priorities, in order to avoid dispersion. This central government agency **must be organized as an advisory body rather than a ministry,** which may end up competing with others.

**FIGURE 1: FINNISH SYSTEM OF FUTURE STUDIES**

Source: Nováky, Erzsébet, and Eszter Monda. "Future Studies in Finland." March 2015.



**3. Parliament should also develop its own capacity.** An important task of Parliament is to promote encounters with national and local constituencies and civil society organizations to explore scenarios. Another task is to elaborate reports that offer long-term perspectives for parliamentary debates on specific issues. Parliament could also interact with the executive, presenting national goals that require more research or dialogue. The case of Finland is a useful reference. The Finnish Parliament has created a Commission of the Future, which interacts with the central government. The Chilean Senate's "Comisión del Futuro" also works well and organizes a major and open Congress of the Future every year, with prominent people from around the world.

**4. The task of thinking about the future should be spread out.** A seed must be planted in all major government institutions, private sector and labor organizations, universities and regions. The aim is to disseminate new ways of thinking about the future. Public dialogue should be multiplied.

**5. Latin American countries must prepare young people to undertake strategic foresight.** Courses and training

should teach how trends interact in a complex system, how to distinguish relevant drivers and how to consult with experts and leaders. Scenario studies is much more than organizing opinions. A country must have sufficient human capabilities to produce useful quantitative and qualitative information and proposals for decision-makers. Also, people in charge of future studies should be up to date on the most recent reports on global trends developed by international organizations, institutes or think tanks. **An important source of information is the Inter-American Dialogue's database of long-term reports (<http://globaltrends.thedialogue.org/>).**

**6. Foresight groups should work in parallel with those in charge of public policy.** One frequent failure happens when short-term pressures absorb all the energy and exclude those dedicated to foresight. Distanced from the relevant issues, long-term study groups may become irrelevant. Success of foresight teams requires a delicate equilibrium: on the one hand, preserving their autonomy to develop a medium- and long-term perspective and, on the other hand, being able to connect trends and strategies with short-term policy decisions.

**FIGURE 2: ORGANIZATIONS DEALING WITH FORESIGHT**

Source: Inter-American Dialogue Global Trends & Future Scenarios Database.

COUNTRY	GOVERNMENTAL ORGANIZATION	RESPONSIBLE BODY
Australia	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Government of Australia
	Strategic Policy Network	Office of the Prime Minister
Canada	Policy Horizons	Government of Canada
European Union	Scientific Foresight Unit	European Commission
	European Strategy and Policy Analysis System (ESPAS)	European Parliament
Finland	Government Foresight Group	Office of the Prime Minister
	Committee for the Future	Parliament of Finland
France	Commissariat-General for Strategy and Foresight (France Stratégie)	Office of the Prime Minister
Singapore	Centre for Strategic Futures (CSF)	Office of the Prime Minister
United States	National Intelligence Council	Government of the United States

**7. Foresight agencies should select relevant topics and raise new issues often absent in daily analysis.** Scenario analysis should be applied to specific problems, such as environmental projects, infrastructure programs, digitalization of jobs, inequality, education and new demands from the middle classes. These issues involve various disciplines, institutions and stakeholders. Therefore, foresight teams should be diverse, composed of different social actors and people from different ministries and regions, as well as with knowledge in different domains and various ministries. Networking is a must.

**8. Public-private task forces are more stable** and less exposed to sudden changes that occur when ministers are removed or a new president is elected. Public-private engagement could provide ongoing advice and proposals. Experiences show that public-private entities produce better outcomes.

**9. Strategic foresight should be focused on the U.N. Sustainable Development 2030 Agenda** and thus enhance coordination and efficient governance.

## MAIN CHALLENGES IN LATIN AMERICA

Foresight studies help to identify four critical challenges for Latin America’s future:

- 1. Governability will become increasingly difficult.** Government and elites will be less able to manage complexities if they have lower popular support and institutions are weak. Citizens’ empowerment, communication technologies and education will continue to expand, creating a growing demand for political, economic, social and cultural rights. Violence and crime may also overwhelm states, awakening insecurity and even fear in the population. If democratic governments perform inefficiently, appreciation for democracy may continue to decline.
- 2. Economic inequality, social fragmentation and political polarization may intensify.** Awareness of inequalities may spur indignation, and increase social and political tensions. Additionally, middle-income sectors are demanding decent quality of public goods, public

education and health, protection of elders and universal rights. Most studies on the future of employment show that workers in routine jobs will suffer, while those with digital skills will benefit. These studies also show that digitalization can favor men over women. These trends will augment inequality. Populist proposals that call for radical change and unfeasible programs could gain ground.

**3. Global warming, environmental degradation and natural disasters will hit a greater part of the population.**

Addressing this trend will require major programs for reducing emissions, cleaning oceans, providing water, building new infrastructure and increasing research and innovation. To be effective, these efforts need a shared international strategy, government commitment and institutional reforms.

**4. Geopolitical tensions could expand.** The US-China strategic competition will be a permanent driver in international politics. Trade, intellectual property, artificial intelligence and military control of maritime routes are all manifestations of such geopolitical competition. Cyber-attacks may affect elections and weaken democracies, paralyze large cities, interrupt communications, banking and supplies of electricity, water, food and medicines. Those risks are barely considered when dealing with future international economic development. The assumption that economics and geopolitics are decoupled is a myth. This should be debunked to avoid negative occurrences. All these events will affect Latin American countries. Multilateralism and coordinated regional action is key to mitigate those plausible impacts.

## ACHIEVING BETTER OUTCOMES IN LATIN AMERICAN COUNTRIES

Foresight analysis also helps to identify strategic areas for building a better future. Four goals are worth mentioning:

**1. Attain social inclusion.** Efforts must focus on the reduction of poverty and inequality. Governments and societies will have to overcome the effects of disruptive technologies, including job destruction or displacement. Major initiatives should aim at improving education, life-long learning, digital literacy, and employment insurance and training to protect workers during transitions. Movement in that direction should be gradual, because it

will require social learning, new norms and institutions, transparency, clear responsibilities and democratic control.

**2. A transformation of the productive base.** Dependence on natural resources, without a technological leap, will not generate the needed economic growth and higher productivity. Sustainability, job creation for men and women, and value added need a strong educational and training effort, digital preparedness and an increase in human and financial resources for research and technology in selected areas.

**3. A new role for the State and new market regulations.** Without regulation, globalization will further erode social protection and restrict governments' abilities to deal with inequality. Governing a complex and diverse society requires enlarging State capacities for enhancing innovation and inclusion, and strengthening citizen participation.

**4. Increased national and international dialogue.** Implementing a substantial environmental plan, enhancing a renewal of the free trade system and containing a US-China conflict are three major requirements to favor progress in the region. Latin American countries cannot stay passive and isolated. They should reverse the decline of regional institutions, find new common ground and improve coordination. Concerted multilateral action is a priority.

**FIGURE 3: RECENT REPORTS PUBLISHED IN LATIN AMERICA**

Source: Inter-American Dialogue Global Trends & Future Scenarios Database.

COUNTRY	REPORT	AUTHORS (YEAR PUBLISHED)
Argentina	Energy Scenarios 2040	Ministry of Energy and Mines (2017)
Brazil	Brazil 2035: Scenarios for Development	Ministry of Planning, Development and Management; Institute of Applied Economic Research (2017)
Mexico	Future of Mexico 2035	Universidad Autónoma de Mexico (2018)
Peru	Peru 2030: Global and Regional Trends	National Center for Strategic Planning of Peru (2019)

# CONCLUSIONS

In a 2018 report on Strategic Global Trends, the UK Ministry of Defence stated: “The rate of change may outpace good governance and unity.” The enormous challenges that Latin America will face require strong governance and stability in each country. Building democratic resilience is the answer to complexity. Societies that explore future scenarios and produce a shared development strategy will be better prepared to face uncertainty, strengthen democracy and progress toward a sustainable planet. Foresight can help renewal of ideas and attitudes.

Skeptics about future studies could argue that uncertainty is too high to expect any useful conclusion. The same UK report answers: “The only certainty about the future is its inherent uncertainty, yet we must be prepared.”

Values are essential in times of uncertainty. Collaboration based on a shared vision is critical to improve governance, and common action is solid when founded in values: freedom and rights, solidarity, equality and care for the environment.

**GLOSSARY OF TERMS\***

**ANTICIPATION:** The sense of expectation of an occurrence, predicting it and occasionally the act of preparing for it. Anticipation describes different ways of using the future to make sense of decisions in the present.

**DRIVER/DRIVING FORCES:** Factors causing change, affecting or shaping the future. Ex: Digitalization  
Significant trends, observable in the present, which are expected to continue to affect the future, e.g., the rise of China

**FORESIGHT:** A systematic, participatory and multi-disciplinary approach to explore mid- to long-term futures and drivers of change. The ability to consider and plan for the future.

**GAME CHANGER:** Game changers completely change the way things work and things are done. For instance, the spread of the Internet was a complete game changer in the way people have access to information and communication with other people.

**SCENARIO PLANNING:** A process that generates a group of plausible stories about the future. Well-written scenarios combine rigorous forecasts with immersive storytelling elements to bring possible futures to life. In so doing, they can help inspire readers to take action in a way that more “traditional” methods of communication might not.

**STRATEGIC PLANNING:** The process of determining and articulating what goals are to be achieved in the medium to long term, where the nature of the operating environment is subject to change, as well as how to reach these goals.

**STRATEGIC FORESIGHT:** The capacity to think systematically about the future, to inform decision making today. It is a cognitive capacity that we need to develop as individuals, as organisations and as a society.

**SYSTEMS THINKING:** An analytical approach that takes into account the full range of interactions between different elements in a system. This is different from traditional analyses, which tend to focus on particular elements or a limited range of interactions in isolation of the system as a whole. Systems thinking can yield surprising insights and uncover new policy options, especially when the elements in a particular situation are dynamic, i.e., they change over time, or are influenced by the external environment and other elements that may not be immediately obvious to an observer.

*\*Definitions taken from the following sources:*

*Foresight : a Glossary Centre for Strategic Futures. Prime Minister's Office, Singapore.*

*Foresight, The Manual. Global Centre for Public Service Excellent, United Nations Development Programme*

*Introduction to Strategic foresight. Future Motions. Freija van Duijne and Peter Bishop.*

The Inter-American Dialogue's Global Trends & Future Scenarios Database of Reports is one of the largest online repositories, featuring over 1,000 reports from institutions around the world.

For more information, visit [www.globaltrends.thedialogue.org](http://www.globaltrends.thedialogue.org)



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