



General futures issues

During 2017 we have also turned our thoughts towards futures topics that are of more general interest

Expect even stranger events in 2017: why citizenship is (nearly) dead.

The impact of globalisation; the rise of ‘false facts’ and of ‘click-journalism’; the widening gap between richest and poorest; the simple desire to give politicians a kicking: all of these have been identified as likely causes for the rise of populism and its most obvious manifestations in the UK EU referendum result and, in the US, the election of Donald Trump. Few doubt that there will be more manifestations of these trends in 2017. These are plausible causes, but the true drivers of change that sit behind them are ill-understood and barely-discussed. It is the job of strategists to help political and business leaders to understand what is happening and to formulate plans to make resilient and better futures.

We need to understand two drivers of change in particular if we are to grasp what is happening right now.

Driver 1: Generational conflict

Goodness knows that we strategists have been formulating scenarios for decades that anticipate a ‘generational war’ with younger people fighting older people for scarce physical and social resources as lifespans lengthen. Yet we hardly seem to have noticed that the war is well underway, or how one-sided it is. In developed countries older people have almost all of the financial and political power. This is not to suggest that all older people have all the power – indeed, a relatively small minority have it, but it is in that generational group where it rests, so much so that under-35s are struggling to be heard. Property is in the hands of the old, student debt is mounting, older people have pensions and they are staying longer in the jobs they already occupy to pay for their pensions. Younger people are often self-employed and are proving to be poor employers of themselves, unable to give themselves enough hours to work and often in the grip of ‘zero hours’ contracts. Older people vote in proportionately larger numbers than the young and make sure that politicians are duly afraid of their voting power.

‘We know all this, it’s hardly new’ I hear you say. Well, yes, but what are we doing about it? Do we understand how much of a problem this imbalance, both economically and politically, is? If younger people feel they have little stake in the societies of which they are members then they will begin to behave in ways that are careless of the future of those societies. Can we imagine what that looks like? We may be about to see...

Driver 2: Social atomisation

This, again, is a driver of change that we have often explored in scenario-planning processes. But, again, we seem to have barely noticed how comprehensively atomisation has taken place. The neo-liberal period which has been dominant since the early 1980s was always intended to promote individualism and corporate power over state power or other forms of social organisation. What was less foreseeable in the early 1980s was the impact of technology and, in particular, of the internet on social atomisation. It is not simply that people form communities using social media in



preference to more conventional forms of combination, it is the increasing commoditisation of social discourse which is having the biggest impact. Almost everything that once required a meeting, a commitment of time and often of negotiation can now be dealt with in a transaction in a couple of clicks. This brings great advantages. But it also turns us all into customers, with the expectations and minimal obligations of customers. What, one might ask, is a citizen in this on-line world?

The destruction of citizenship

The combinatorial effect of these two drivers on current trends is to destroy notions of citizenship as they have been conventionally understood for generations. Older people hope to live for decades more: their sense of obligation to younger people is limited by this belief, and by the general human reluctance to give away existing advantage. We hope, naturally, that our children and our neighbour's children will do well in life. But what are we prepared to do about it? Very little, it seems. Meanwhile younger people express themselves through social media and even organise demonstrations and e-petitions using the internet. But the effect is ephemeral.

We all have a vote, of course, and it's up to us, whatever our age, to use it. But votes get used in odd ways when you think you're a customer of your society, not a citizen of it, and when you are either protecting an existing stake or think you have no stake at all.

What can be done?

Successful and resilient societies do one thing supremely well: they make everyone feel they have a stake. Nationalism works up to a point to achieve this effect, but if we think of how the United States has achieved what it has over the last century, it has been through an inclusive and diverse form of national pride that had been extremely successful at making everyone feel they belong. The nationalism now on the rise in many countries is different. It is of a narrowness that plays well to the drivers of generational conflict and atomisation, but is not likely to lead to economic or social success in the medium or long term.

We need our leaders in business and politics to tackle what is driving change in the wrong direction head-on. We need them to make generational equity and social cohesion their top priorities and to implement policies that make tangible improvements quickly. Else 2017 will see us all swept away on a stormy tide.

Written by Sean Lusk (Author of 'Rethinking Public Strategy', Palgrave Macmillan, 2014), January 11, 2017



The future of cities

I recently ran a webinar with Cat Tully of the School of International Futures (www.soif.org) on the Future of Cities. It can be found at <https://www.youtube.com/watch?v=1pY62CXgukv>.

Why did we single this issue out? The reasons are simple. Never before has the world supported over 7bn people, anticipated to add an extra 2bn in due course, and never before has the majority of the population lived in cities. So it is uncharted territory, and demands scenario thinking in addition to forecasting. How can we meet the ambitions of people, in this world?

As General Dwight Eisenhower famously “In preparing for battle, I have always that plans are useless ...
.....**but planning is indispensable.**”

So what planning should we be doing for in 2040 and beyond? We used for our analysis some scenarios which have the test of time, first developed for long thinking about the future of financial services by the L3F (Long Finance Forum Futurists) and published as “*In Safe Hands? The Future of Financial Services*” report, find it at <http://www.longfinance.net/784-in-hands-the-future-of-financial-services.html>



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The report is the result of a scenario planning exercise conducted by internationally recognised futurists and key figures from the global financial services industry. The report plots a series of possible future scenarios for the global financial services market, and considers the future of financial services over the next decades. The report identifies a number of surprises which come out of the analysis. These range from a question mark over the future of insurance, to the change in the nature of assets which will be valued.

The project brought together experts across the industry. Our consensus is that as the UK and United States lose influence and power as we head into a world dominated by today’s emerging markets, there is a long term risk to London’s financial services leadership. However, one scenario brought out the potential to leverage its multicultural workforce of over 270 nations and consolidate its position as the melting pot for global financial services.

The team built on the work in [Beyond Crisis](#) to identify macro global factors affecting the world by 2050:

- The global population will grow to nine billion and get older, with most of the additional people in Africa and Asia. This will cause major shifts of economic power, causing turbulence as political shifts follow.



- The new centres of power may not share the value systems of the west, or the Washington consensus.
- Technology (info, cogno, bio, nano) will continue to introduce changes in personal capacity and lifestyles, while ICT will underpin much of society as well as commerce.
- Ecological, energy and environmental limits will be tested or breached as the population increases, the percentage of the population living in cities approaches 70 percent and the new middle class eats meat, uses cars, refrigerators and electronic goods and travels for pleasure.

Within this world, the team developed four possible futures for the global financial services industry;

- **Second Hand** – the world and financial services are recognisable from today, though most financial services will be largely automated, the current players will have largely disappeared, and many of the new players will be based outside the OECD countries. Land based assets and permits for citizenship or reproduction are highly valued.
- **Visible Hand/Globalisation** – the world attempts to tackle global financial systemic risks through Washington consensus methods and faces increased volatility. The homogeneous global culture is short-term, consumer-light and carries the seeds of its destruction before 2050. Gold is thought to protect best against volatility.
- **Long Hand/Affinity Groups** – financial services are mostly organised around communities of affinity, spanning countries and regions. Assets are allocated by the market within a community and intermediated by technology. The most highly valued asset classes vary with the community: they may be intellectual property and permit's to reduce the effect of population pressure; or land-based assets.
- **Many Hands/City Societies** – financial services are mostly organised within city states, which differ wildly in their brand and values. Permits to live or operate in desirable city states are highly valuable assets. This could of course be implemented through high property prices rather than a state system.



Today, the financial services industry manage capital and debt, but we could envisage that by 2050, a primary role of the industry could be to manage ecological, environmental and energy resources. As the population of the globe hits 9 billion people, the assets people value today could have been replaced by a permit to live in a



city state or to reproduce. The macro global shifts lead us to believe that The City of London may have to transform from a financial centre that trades stocks and bonds to one that manages the availability of water and other permits.

This may seem an extreme leap from today's world, but, what the last years should have taught our political leaders and financial services CEO's, is that we cannot predict the future by looking backwards. This should be the context for thinking about the future of cities.

Written by Gill Ringland, SAMI Fellow and CEO, published May 24, 2017



Roadmapping the future of mobility

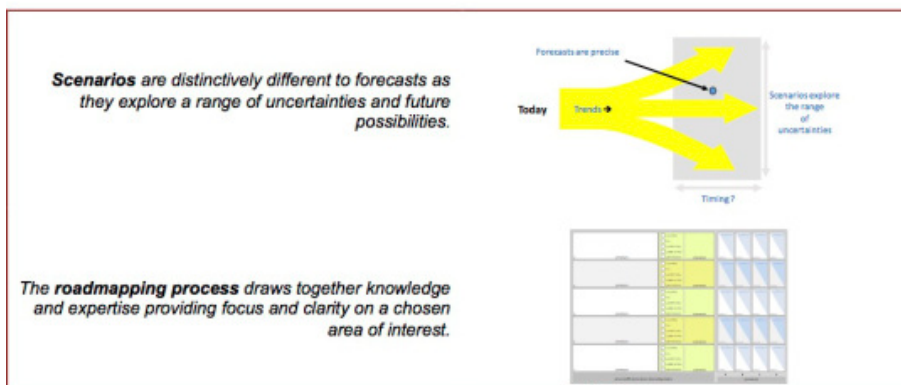
I was delighted to work with Cambridge University’s Institute for Manufacturing (IfM) to facilitate a pilot event to be called ALFI. This stands for Alternative Futures Insights. The Round Table was initiated by Anna-Marie Greenaway, Director of International University and the topic chosen for the first UK pilot was on the future of mobility – for people and freight.

The Round Table was at the end of February at the Møller Centre, at Churchill College Cambridge: I had not been there before – it is really well organized for our sort of event, with very helpful staff used to providing for the range of people that we gathered together. These included academics from Anna’s network and Dr Nicky Athanassopoulou’s network at IfM, experts on transport from the European Commission, and futurists. From BP, Mike Muskett, Distinguished Advisor Downstream Technology and Dr Dan Walker, Head of Emerging Technology and members of his team joined the lively discussions.

After introductions over a sociable dinner at St Johns College, the next day we tackled an agenda integrating two different methodologies – scenario planning and road-mapping on the topic of “*what mobility in Europe might look like by 2040 for both people and goods*”.

Scenario planning traces its history back to just after the Second World War, when Hermann Kahn pioneered the technique of “future-now” thinking, aiming through the use of detailed analysis plus imagination to produce a report as it might be written by people living in the future, to promote debate on nuclear weapons. Since then the method has been used extensively for creating future **mental models to improve the quality of decision-making**.

Roadmapping is a powerful technique regularly used by companies, government organisations and academic institutions to establish and support strategy and innovation. Roadmapping explores, manages and communicates the linkages between technology, research and product development to commercial objectives and market opportunities through a structured visual framework.



We started by emphasizing that scenarios are not forecasts and went on to use **Three Horizons** to capture drivers of change important for the future of mobility to 2040. The Third Horizon social and economic drivers were used to form the scenario axes. In principle, the technology-based drivers from all Three Horizons would be then examined in all the scenarios, using the road-mapping process. In practice, due to time



pressure, we used the scenarios to highlight technologies implicit in their development and did not get time to examine those generated through the drivers discussion. These were however captured for the write-up.

The workshop used the **Strategic-Plan (S-Plan) framework** developed by the IfM over a period of several years **[1], [2]**. The framework was configured to elicit the emerging technology implications from each scenario developed and evaluate which technologies maybe important for several scenarios.

If you are interested in finding out more, please contact either Nicky Athanassopoulou (naa14@cam.ac.uk) or Gill Ringland (gill.ringland@btinternet.com)

References:

[1] Phaal, R., Farrukh, C.J.P. and Probert, D.R. (2004), "Customizing Roadmapping", *Research Technology Management*, 47 (2), pp. 26–37.

[2] Phaal, R., Farrukh, C.J.P. and Probert, D.R. (2007), "Strategic Roadmapping: A workshop-based approach for identifying and exploring innovation issues and opportunities", *Engineering Management Journal*, 19 (1), pp. 16–24.

Written by Gill Ringland, SAMI Fellow and CEO, March 22, 2017



What does tomorrow's General Election hold for social care?

The election is approaching and we will all make our individual decisions on which way to vote based on a whole range of factors.

And it is certainly turning out to be a much more interesting campaign than most of us expected when the election was announced.

However some aspects of the manifestos will impact directly on what happens in our day job world.

Here I set out some of the key areas of difference and similarity between the three main Party's manifestos.

Let's take social care first as it has certainly been in the news with the May "U-turn" on the contribution to costs cap.

The Conservative manifesto points out that under the current system, care costs deplete an individual's assets, including in some cases the family home, down to £23,250 or even less.

They propose three connected measures. First, they will align the future basis for means-testing for domiciliary care with that for residential care. This will mean that the value of the family home will be taken into account along with other assets and income, whether care is provided at home, or in a residential or nursing care home.

Second, they will introduce a single capital floor, set at £100,000. This will ensure that, no matter how large the cost of care turns out to be, people will always retain at least £100,000 of their savings and assets, including value in the family home.

However the Manifesto contains no cap on the costs – they explicitly rejected the Dilnot cap.

Third, they will extend the current freedom to defer payments for residential care to those receiving care at home.

They do mention the proposed Green Paper but its remit is set as looking at improving the quality of care. If the Conservatives get in it will be interesting to see how far they move from what is set out in their manifesto.

Labour take a different tack. They will address the immediate funding crisis by increasing social care budgets by a further £8 billion over the lifetime of the next Parliament.

They will also move towards a National Care Service which will be built alongside the NHS, with a shared requirement for single commissioning, partnership arrangements, pooled budgets and joint working arrangements.



They will place a maximum limit on lifetime personal contributions to care costs, raise the asset threshold below which people are entitled to state support, and provide free end of life care.

They will seek consensus on a cross-party basis about how it should be funded, with options including wealth taxes, an employer care contribution or a new social care levy.

The Lib Dems also say they will implement a cap on the cost of social care. Overall then we can see a consensus between these two Parties and if the Conservatives do get in with a small majority we might finally see the care costs cap coming into effect opening a space for new long term care product. Moving on to health, each Party commits to increased spending for the NHS but there are some distinctive features in each Manifesto.

The Conservatives will abolish the cap on the number of doctors that can enter medical training in England.

Their aim is clearly to reduce the reliance on non-UK trained doctors. Whether this can be achieved without reducing skill levels remains to be seen.

All three parties mention NHS England's Sustainability and Transformation Plans.

Part of the STP remit is to rationalise the number of hospitals and the Conservatives qualify what they will be allowed to do by stating that any plans must be clinically led and locally supported. Labour take a harder line.

They will halt and review them and ask local people to participate in the redrawing of plans with a focus on patient need rather than available finances.

The Lib Dems will establish a cross-party health and social care convention, bringing together stakeholders from all political parties, patients groups, the public and professionals from within the health and social care system to carry out a comprehensive review of the longer-term sustainability of the health and social care finances and workforce, and the practicalities of greater integration.

We have been before many times before and there appears to be no political will or consensus to support fundamental hospital rationalisation.

Somewhat surprisingly given they introduced it back in the Thatcher years, the Conservatives will review the operation of the internal market.

In addition they will take on the doctors again – this time a new contract for both GPs and hospital consultants. Good luck there.

Labour focus on guaranteeing and upholding the standards of service to patients, for example access to treatment within 18 weeks, taking one million people off NHS waiting lists by the end of the next Parliament and guaranteeing that patients can be seen in A&E within four hours.

The Lib Dems take a more direct approach on funding promising an immediate 1p rise on the basic, higher and additional rates of income tax which would be ring-fenced to be spent only on NHS and social care services.



In the longer term, and as a replacement for the 1p Income Tax rise, they will develop a dedicated health and care tax on the basis of wide consultation which will bring together spending on both services into a collective budget

Finally what about PMI. And insurance premium tax. Conservatives and Lib Dems don't mention either. So we don't know. **Labour will fund free parking in NHS England for patients, staff and visitors – by increasing the tax on PMI premiums.**

Either way the outlook for PMI in terms of supportive Government interventions does not look good whichever Party enters power.

Finally to welfare reform. The Conservatives are pretty brief on this. They recommit to getting 1 million more people with disabilities into employment over the next ten years and to give unemployed disabled claimants or those with a health condition personalised and tailored employment support.

They say they have no plans for further radical welfare reform and will continue the roll-out of Universal Credit

Both Labour and the Lib Dems will end some of the welfare cuts. For example they will both scrap the bedroom tax, reinstate Housing Benefit for under-21s and scrap cuts to work allowances in Universal Credit.

The Lib Dems commit to taking forward the recommendations of the House of Lords Select Committee on Financial Exclusion, in particular by expanding the FCA's remit to include a statutory duty to promote financial inclusion as one of its key objectives.

No Party makes mention of income protection insurance. Not a huge surprise, but its omission is neither encouraging nor discouraging.

*Written by Richard Walsh, SAMI Fellow and **first published in Cover magazine, June 2017. June 7, 2017***



Unlocking Latin America's future: participation and foresight



Quito, Ecuador ©A Bobak

As Latin America looks to compete on the global stage, it is increasingly taking a long-term perspective.

Historically the region has thought and planned only in short time frames; this is due to a complex set of reasons such as government instability, cultural factors, and policy foundations. But it is now in a situation where the public and private sectors are falling behind other regions, such as Asia, in education, technology and productivity. To keep up, and even jump ahead, a long-term outlook will be essential. Acknowledging this need is a good start, but the challenge will be to actually embed long-term thinking into all processes, working collaboratively with citizens to scale and improve the quality and effectiveness of strategic foresight.

Why Latin America needs foresight.

One important driver of the growing use of strategic foresight in Latin America is increasing uncertainty and complexity. We are in the midst of a volatility cycle unseen since 1970. This can be seen in factors such as the prices of gas and food, increasing uncertainty of economic growth, and unpredictable technological developments. This is not a phase; nations in the region are facing threats without precedent including extreme drought due to climate change, water shortages affecting hydropower energy sources, and increased job loss due to technology.

Despite the challenges ahead, continued research around trends, drivers of change and alternative futures moving forward as far as 2050 can also uncover areas of resilience and opportunity for Latin America. For instance, almost all nations in the region have or will soon have a demographic dividend, associated with a high number working-age citizens, versus a smaller number of children and elderly citizens. In many cases, this population bubble of 15-35 year-olds in the region is better educated than the generations before them. This group is equip to advance nations economically if they are employed and increasing productivity of the region; but if they are unemployed could also end up being a huge drag on the region.

Government and the private sector need foresight to understand the future so they can prepare today. In this specific case they could use strategic planning to ensure they are prepared for different demographic phases, such as creating jobs for the demographic



dividend. This is a significant task, but also a significant opportunity, and one that the continued use of strategic future planning can help realize.

Current methods of planning throughout the region are being overwhelmed by larger and non-linear challenges. Strategic foresight can help. Latin America will benefit from recognizing and integrating foresight, not as a separate activity for futurists, but as a regular part of the decision-making process.

First steps:

Based upon our experience and what we have seen work in the area, a key first step for these nations is to use participatory and collaborative conversations with citizens to construct a shared vision of the future. These conversations can help so that the long term needs, desires and concerns of citizens are understood by the all actors. This also gives citizens of the region more control, power, and buy-in and enhances the effectiveness of strategic foresight as a development tool.

This quote from Sergio Bitar, former Chilean Minister and Latin American foresight advocate encapsulates this ideal: *“Foresight without participation will have less impact because it is disconnected from the wide support it needs among citizens, and even if it is connected to decision-making, it will not have the power needed to act effectively”* (read more in [openDemocracy](#)).

Governments will benefit from a systematic commitment to long term strategic planning using foresight as a basic part of their planning for activities and services. Including a citizen and community participation component to this planning will ensure actions that are supported and effective. Similarly, for the private sector, foresight should be integrated into strategy and planning processes, and a commitment should be made to collaborate among sectors and industries to create a shared future.

Building a mandate for the future

At SOIF, we understand that this is not an easy challenge. Our work globally and in the region with organizations from the UN, to the US-Peruvian Chamber of Commerce has demonstrated that success often requires quite fundamental shifts in people and culture, as well as an investment in skills and programming. That being said, if Latin America wants to keep advancing, strategic foresight needs to be a part of their strategy. They are realizing this, the task now is to create a foundation for strategic foresight work, so that it is well executed.

*Written by Allie Bobak, Coordinator, School of International Futures (SOIF)
School of International Futures is a non-profit foresight organization that exists to help policy-makers and business leaders make strategic choices, manage risk and create future-ready organizations www.soif.org.uk, June 28, 2017*



Analysis: The Taylor Review of Modern Working Practices

The **Taylor Review of Modern Working Practices is an ambitious attempt to address changes in the UK economy where more and more people are no longer employed in the traditional way.**

This poses a direct challenge to Government policy development and also to protection insurers and advisers and of course to individuals themselves.

As the Report says, many people like the flexibility of working atypically – and we must not lose this.

However, “flexibility must not be one-way with individuals absorbing all of the risk. “For many, not knowing when work will be offered, or whether they are entitled to protections like sick pay or holiday pay mean they are unable to make informed choices, book a holiday or even arrange a hospital appointment. This is wrong.” Wherever possible, people should know who they are working for, how much they will earn and what rights they have – including sick pay.

This should be developed further to ensure it is relevant to “dependent contractors” (agency workers etc).

As we know, many “traditionally employed” workers have little idea of their sick pay entitlement either – so the proposal that the Government should specify the format of the written statement so that information is transparent, in plain English, and accessible is very welcome as people will then know to what extent they need to cover themselves in the event of sickness absence.

The insurance industry has been advocating the provision of such information for some time and the publication of the Report gives added impetus to this demand.

Moving from “traditionally employed and dependent contractors”, chapter 10 of the Report recommends a new deal for the self-employed – the Government should focus on encouraging self-employed people to plan for the future, reducing the potential that the taxpayer has to pick up additional costs associated with ill health or inadequate retirement saving.

The Report points out that all self-employed people are not the same.

Like those who are employed, the experiences and vulnerabilities of this group range from billionaire entrepreneurs to taxi drivers working 90 hours a week simply to pay their bills and includes many people who are gaining income from self-employed activity alongside their main job.

While many self-employed people would not expect sick pay, paid annual leave or automatic enrolment to a pension, for others, the availability of this safety net is essential to make sure they can pay their rent, put food on the table or plan for the future.

This can lead to the same levels of anxiety and illness that are experienced by those employed on casual contracts.

So what could be done to address these anxieties?



Here we see some innovative thinking. “Portable Benefits Platforms” provide ways for people who are self-employed or engaging in other non-traditional labour market activity to gain access to a range of benefits and protections.

They also present an opportunity to ‘nudge’ people who are self-employed to set aside money for the long term, e.g. for retirement, in case of injury, or to pursue personal development and training opportunities to further their career.

These are not statutory employment protections. Instead they could allow individuals to move freely between platforms because benefits accrued while working on one platform could be retained and topped up if the individual started working on another platform instead or even simultaneously.

The Report includes an interesting case study. The Black Car Fund is a benefits platform for limousine and black car drivers in New York. It is a not-for-profit insurance provider that provides compensation for drivers that are injured while working.

A 2.5% surcharge is added to passenger’s fares for drivers that are in the scheme, and this entitles the drivers to claim, in case of injury. The Fund also offers safety training for drivers in the scheme.

Although this platform is not portable, it has led to some initial calls for Portable Benefit Platforms for those working in the sharing economy.

Portable benefit platforms can also be third-party vehicles supporting gig economy businesses to make payments on behalf of an individual working through them.

This might cover benefits such as sick leave, holiday leave, occupational illness or injury, pension plans, and further training.

Payments could be costed according to the number of hours worked or as a percentage of gross wages.

It seems to me that portable benefits platforms could be developed in the UK by insurers to support self-employed people and also some dependent contractors.

The vast majority of such people will never have access to group insurance schemes and income protection would form a key component of schemes over here.

There is also the potential to link these schemes to state-based welfare rights and entitlements – so people are financially encouraged to take them up – and not penalised at the point of claim.

The Report recommends that the Government should work with partners to create a Catalyst to stimulate the development of a range of such platforms in the UK.

This would allow new and emerging solutions to develop and grow, in a “sandbox environment” with a view to better supporting self-employed people.

The insurance industry should be actively involved in this innovative work.

While the Report recommends that the Government should reform Statutory Sick Pay so that it is a basic employment right for which all workers are eligible regardless of



income from day 1, SSP is a very small element in meeting the range of possible needs of the self-employed and dependent contractors.

And one last point, The Report recommends that the Government should identify a set of metrics against which it will measure success in improving work, reporting annually on the quality of work on offer in the UK and that measurement of success could come in the form of more regular running of the Workplace Employment Relations Study (WERS) as well as other qualitative and quantitative measures both at a national level and across regions or specific sectors.

The Bill to set up the Single Financial Guidance Body currently going through Parliament could be amended to include such metrics that are relevant to access to guidance on financial services which can support individuals in the event of the income shocks – especially sickness.

*Written by Richard Walsh, SAMI Fellow and **first published in Cover magazine, July 2017.** July 19, 2017*



The Future of Europe – navigating the complexity webinar, 5 July 2017

Recently I joined a webinar about using futures thinking in organisations hosted by **Unlocking Foresight** and **Atkins**. The speaker, Francesca Lagerberg from **Grant Thornton International**, discussed how they had recently used some futures techniques, facilitated by **SAMI Consulting**, to bring futures planning to life both in Grant Thornton and with their clients. The aim was to use these techniques to help all parts of the business to engage with, and meet, the challenges of the future.

Beginning with a quote from Yoda (Star Wars – The Empire Strikes back) ‘Always in motion is the future’, she set the scene around how futures thinking techniques acted as a basis for conversations and how these enabled sharing of thoughts and perceptions about what the future might have in store both for their business and also their clients. This was very much a ‘starter for ten’ futures exercise, designed to get people talking and thinking about the future and the challenges that their various business might meet so, in the interests of time, some steps were shortened.

They were interested in the future of Europe in 2030 so, rather than start with the usual brainstorming of ideas about what they thought Europe might look like then, they used the exercise of ‘Looking Back’ first. Ethnographic studies suggest that change happens twice as fast going forward as going back so in starting by considering what has changed in the past 26 years you begin to get some indication how much faster things might happen the next 13.

Just think for a moment how things have changed in the years since 1990 – then there were no smartphones, not even really an Internet and Germany had only just begun its unification following the collapse of the Berlin Wall. If change is really going to happen faster over the next 13 years what indeed might we see!

Then, using some pre-prepared drivers for change (as time did not permit the groups to develop their own), they populated the **Three Horizons model** with ideas about what indicators for these drivers could be seen now and in Horizons 3 (far future) and 2 (near future). Having generated a lot of varied discussions around the various drivers and ‘Horizons’, the indicators were collated and examined in the light of possible scenarios that had, like the drivers for change, also been pre-prepared.

The scenarios were introduced through a description of the axes used. These were Globalisation vs Localisation and Economic Focus vs Social Cohesion and gave rise to four scenario stories. Different groups took different stories and, in a deep dive into their particular story, thought about what headlines might be seen or heard in the media for that scenario and how it might affect their particular business.

This last exercise, which enables people and businesses to look for the indicators of change, is a key part of the value of scenario planning. When groups of people are alerted to such indicators then it becomes easier to identify the likely future issues that may impact your business as soon as they appear.

Using these processes, both within an organisation and also with clients, provides a very helpful framework to navigate the future and helps to develop collaboration by encouraging people to work together and gain a shared understanding.



Gaining a sense of direction of where to start looking for indicators of the future helps you make some educated guesses about future direction and enables you to ask the 'right' questions.

The slides used and the webinar recording are available via Slideshare at <https://www.slideshare.net/secret/BiDp5jEyQABrsn>

Written by Cathy Dunn, SAMI Principal, July 26, 2017



The role of cities in industrial strategy

The Centre for Cities organizes a series of lectures on how cities can move themselves forward. The latest, on July 20th, featured Professor Diane Coyle, visiting professor at the University of Manchester and Director of Enlightenment Economics, on the role of cities as part of a modern industrial strategy. The podcast of her talk is [here](#).

The Warwick Business School played host to the talk – with spectacular views of the City from its 18th floor position in the Shard.



Prof Coyle began by addressing the central economic challenges the UK faces today. Innovation is behind the rest of the G7, labour productivity is poor, the number of people over-qualified for their jobs is at an all-time high (implying low investment in advanced systems), the trade deficit is unsustainable and the UK is the most regionally unequal in the G20, due to its over-reliance on London. (All these assertions backed up with commendable statistics and graphs).

There are bright spots – pharmaceuticals, media/creative industries, the City, and some localised, specialist manufacture (eg F1).

She argued that government should look beyond the traditional sectors and aim to develop a multi-sector supply chain and encourage new entrants.

Interventionist industrial strategy has a bad reputation, from the days when “picking the winners” led to failure. But Prof Coyle suggested that good industrial strategy could act as a co-ordinating force (encouraging skills development), pooling risk and creating new markets, and support public goods, managing externalities. The US industrial strategy is the Department of Defense!

The talk then turned to the role of cities. Typically, regional policy is seen as “jam-spreading”, with the assumption of it being a zero-sum game. Prof Coyle argued that “agglomeration” effects, where a critical mass of related skills and supply chains came together, could lead to higher growth and development. As an example, she suggested that if C4 is to be moved out of London, it should go to Salford where it would build upon the BBC initiative. (Typically, in a zero-sum view, one questioner wanted it moved to Birmingham instead).

- de-carbonisation



- infrastructure renewal – how did the Victorians build infrastructure for 150 years capacity?
- Health and social care
- Incentives for long-term investment.

The talk was very well-attended – well over 100 I should think – with a wide range of age groups from early twenties to the retired. The event rounded off with drinks and canapés – a very pleasant venue indeed!

Written by Huw Williams, SAMI Principal, August 16, 2017



‘Separate Worlds or Shared Prosperity’. Centre for Cities ‘City Horizons’ Lecture series

On a very pleasant September afternoon I made my way to The Shard and the floor occupied by Warwick Business School to listen to one of the lectures in the Centre for Cities ‘City Horizons’ series.

After a short time to admire the view across London I, and the other attendees, gathered to listen to Prof Michael Storper, author of ‘The Rise and Fall of Urban Economies’ and teacher at UCLA, Sciences PO and the LSE, discuss trends in urbanisation across the world.

The talk focussed on the growing divide between cities and ‘the rest ‘ of a country which has shown up in various ways recently. It’s clear that there has been, and continues to be, growing interregional inequality in terms of income, job creation and productivity – known as ‘The Great Inversion’.

Over time prosperity has tended to even out between the cities and the suburbs and rural communities. This no longer appears to be happening. Rather there seems to be a strong shift to inner metropolitan areas which can be dated from the 1980s with a ‘new geography of jobs (skills, opportunities, etc)’ creating increasingly separate worlds.

There has been a major change in the focus of growth since the 1970s/1980s. The increase in digital work, lower long distance trade costs and growth in the finance industry means that the core functions of the new industries have become more and more urban and oriented to big cities.

These cities are still attracting talent despite their high costs and travel issues because they have more amenities, a residential economy and the income is higher as opposed to the rural work even in skilled jobs.

Historically, people moved to cities to gain skills, ‘move up’ the social ladder and take advantage of new opportunities. However, since 1980, the migration has been of skilled people moving between a range of skilled areas; that is, other cities. Some say this is to do with housing price differential but that is not sufficient to account for the overall trend.

It appears that skills are increasingly important – not just the availability of the necessary education but also the access to other people and networks. It seems that it’s about being there in person to know what is going on, what jobs are available, what skills are required – to be ‘in the know’.

There are many challenges in this world – the need for the creation of good jobs outside the metropolitan area, how universities get students into ‘areas of access’ although, of course, not everyone needs a degree and how to overcome the ‘middle-trap’ for the regions.

Research also shows that values are diverging interregionally with manual versus cognitive work showing a strong correlation in values surveys. This is leading to a situation where the ‘professional elite’ and the ‘manual working class’ do not understand each other, with differing sources of validation, honour and self-worth



across the various geographies. It seems likely that this is, in part, leading to the social and spatial 'traps' we see in communities around the world, including increased rates of depression and drug use along with lower intergenerational social mobility.

All these themes raise a number of challenges and questions. For example, what happens if we just 'let the cities get on with it' and they continue to get increasingly prosperous? Will we be able to work out how to share across the apparent divisions? Alternatively we know from history that cities are naturally changing ecosystems so could we see the end of big prosperous cities? This could be foreshadowed by the rise in artificial intelligence as it could change the need and availability of skilled workers and damage the amount of money available to the large cities.

Prof. Storper's talk raised a number of issues about the prosperity or otherwise of big urban agglomerations and made for a fascinating hour with many areas for further thought and exploration as the conversations afterwards demonstrated. As ever, though, there are no easy answers.

If this short review has piqued your interest you can catch up with the talk at:
<http://www.centreforcities.org/multimedia/event-catch-up-city-horizons-with-prof-michael-storper/>

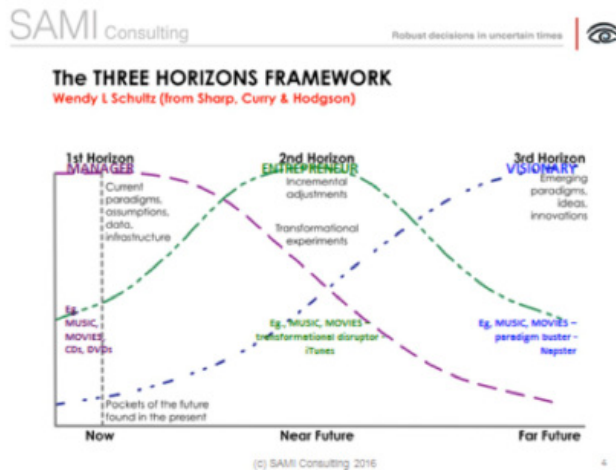
Written by Cathy Dunn, SAMI Principal, September 29, 2017



Three Horizon Mindsets

When a group of futurists gathered at the ProDev day organised by the **Association of Professional Futurists**, some of the learning most welcomed was around **Three Horizons**.

Many of us were familiar with the model and had used it successfully with clients. The model is often represented as here.



Horizon 1 takes into account the **current working assumptions** and systems. These are the global trends that we take for granted when we make decisions.

- Example – demographics – society is beginning to see the need for major adjustments because of the ongoing trend in many global regions for decreasing family size and decreasing or stabilising populations, and the trend for people to live longer.

Horizon 3 is about changes emerging that are **completely new paradigms** and ways of understanding and undertaking various human activities. What are **visionary leaders** saying?

- Example – **The World Business Council for Sustainable Development believes that nine billion people can live well on the planet.**

Horizon 2 is about immediate changes you see which represent **a transition or accommodation for evolving tensions** as current assumptions and work patterns obsolesce, and transformative changes erupt into possibility. What opportunities do you see? What are **entrepreneurs** building?

- Example – **the CEO of GM, Mary Barra is saying** “I believe we will see more change in our industry in the next five to ten years than we have in the last 50. I’m talking about huge improvements in vehicle electrification, connectivity, propulsion, safety, and even cars that drive themselves. We are at the start of a technological revolution that is going to change the way we drive and interact with our cars, trucks, and crossovers”

What was new in our discussions and caused a number of ‘Ahas’ was a role-play led by Bill Sharpe and Graham Leicester. Each syndicate chose a topic – in our case communication between governments and the public. Then we argued what to do about it. Some of us took the role of a manager (H1), others of an entrepreneur (H2)



and others a visionary (H3). The insights came from the discussion as the participants – naturally many naturally H3 people – wrestled with taking a H1 or H2 position.

H1 people are worried about budgets, timescales and delivering with the staff they have been allocated – and are the de facto holders of power. So positive reactions to H2 proposals could include “This could help refresh our current position” or “This provides a source of ideas”. As a natural H2 entrepreneur, I might in the past have dismissed such signals of potential support, while recognising only too well “This diverts essential resources”, “this could have unintended consequences” and “This creates potential (internal) competition”.

In talking to people with H3 mindsets – the visionaries – H1 managers might react positively with comments like “This will be needed for our grandchildren” or “This may well be the future even though it appears remote”. Negative responses would be unambiguous, for instance, “this makes no sense to us”, “This is irrelevant dreaming” or “This is dangerous and should be stopped”.

These helped the H2 and H3 role players frame their stance in order to avoid standoff, and bears study by anybody who is interested in helping more people and organisations think usefully about the future and how to prepare for it.

The event was called Tools for Hope and in addition to the session on Three Horizons had excellent sessions by SAMI Associates **Patricia Lustig and Martin Hazell on Appreciative Inquiry**, SAMI Principal **Dr Wendy Schultz on tools for visioning**, and **Tanja Hichert on the Anthropocene Project**.

The materials that were used on the day by the presenters can be found **here**. The links are lightly underlined, or highlighted when you run your cursor over them.

There are additional resources on the **Books and Articles page**.

Written by Gill Ringland, SAMI Fellow Emeritus, November 22, 2017



Sheffield Ambition

Grant Thornton hosted the second Sheffield Ambition event: “A Vibrant Sheffield Embracing A Changing World” at the Adelphi Room in the Crucible Theatre, Sheffield. This room is amazing – it is at the top of the Theatre looking out over the square containing the Winter Gardens and towards the Sheffield Hallam University campus. The assembled group was also amazing – 30 highly ambitious, enthusiastic and passionate people in the room ready to look at the future of the world and the opportunity Sheffield has to play a major part.

As Paul Houghton, Grant Thornton Partner leading the event, said in his invitation: the aim was to have an inspiring and thought provoking evening: so people came ready to collaborate, to be creative and to disrupt the status quo in our thinking. Some of us from SAMI – Dr Wendy Schultz, Huw Williams and Gill Ringland – helped to structure the discussion, using a staged approach to Three Horizons split over the several courses of an excellent dinner.

The discussion ranged widely but one theme emerged strongly as a basis for a potential new initiative – skills and an aspiration gap. One thought was that, as in other parts of the UK, in Sheffield, new jobs were going to incomers – sometimes graduates from the two Universities in Sheffield, or elsewhere.

The question was how to reach out to parents and children in Sheffield, to give them images of innovation, creativity, new jobs and new ways of working?

A role model which we discussed was the activity led by Ruth Amos of “Kids Invent Stuff” This a You Tube channel which sets monthly design challenges for kids (age 5-11) to submit their ideas for solving a problem or create a gadget or robot, and then making it on camera. They launch a new video every week and get video or picture submissions through www.kidsinventstuff.com:



One issue that concerns Ruth is getting girls to think about inventing stuff. She seems to have an approach that appeals to girls, who are ready to submit their ideas, often encouraged by their parents. As she says, she tries not to use the term engineer as it is not very inspiring – preferring to talk about inventor. And she emphasises the importance of parents’ support in getting girls to think about careers in Science, technology, engineering and manufacturing, which have historically been male dominated: and the increasing role of social media in breaking down stereotypes.

The train of ideas about Sheffield Ambition was – how could companies, schools and universities, local government, parents and children, build on what is already happening, to develop Sheffield’s ambition? The need is to think more broadly and taking into account some of the changes which will overtake us as technology



continues to impact our lives: many of the people in the Adelphi Room had children or grand-children who will still be alive in 2100. What can we do to prepare them?

As Ambition Sheffield takes shape – watch this space!

#vibranteconomy #vibrantSheffield

Written by Gill Ringland, SAMI Fellow Emeritus, November 29, 2017