



Futures Studies and Scenarios in Decision Making

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Philosophical assumptions behind futures studies

1. You cannot know the future, but a range of possible futures can be known;
2. The likelihood of a future event or condition can be changed by policy, and policy consequences can be forecasted;
3. Gradations of foreknowledge and probabilities can be made; we can be more certain about the sunrise than about the rise of the stock market;
4. No single method should be trusted; hence, cross referencing methods improves foresight;
5. Humans will have more influence on the future than they did in the past. (Glenn 1999 in Moen et al 2009)



Successful implementation of futures research requires

- Interest and engagement of decision-makers
- Connection to strategy process
- Rich information including subjective judgements of desirable futures
- Diversity of interest groups and key actors
- Using at least one formal method that is understandable to all involved
- Make options or recommendations simple, clear and precise
- If the information and data are inaccurate, unreliable, conflicting... expose the problem, collect best judgement and suggest ways of making decisions in the uncertain environment
- Be innovative
- Use workshops
- Make the work continuous and cumulative



Scenarios

- A scenario is a story that connects a description of specific future to present realities in a series of causal links that illustrate decisions and consequences
- A specific year should be stated, and a specific system or subject focus, such as a country, an industry, peace and conflict, etc.
- A scenario is not a single prediction or forecast, but a way of organizing many statements about the future.
- A scenario is not a prediction of specific forecast per se; rather, it is a plausible description of what might occur.
- Scenarios describe events and trends as they could evolve.
- **Scenarios take over** where forecasting capabilities decline i.e. **where uncertainties start to dominate over predetermined processes.**



Different kinds of scenarios

Predictable scenarios *What will happen?*

Forecasts are conditioned by what will happen if the most likely development unfolds

What-if scenarios respond to the question: What will happen, on the condition of some specified events?

Explorative scenarios *What can happen?*

External scenarios respond to the users' question "What can happen to the development of external factors?"

Strategic scenarios respond to the question "What can happen if we act in a certain way?"

Normative scenarios *How can a specific target be reached?*

Preserving "How can the target be reached, by adjustments to current situation?"

Transforming "How can the target be reached, when prevailing structure blocks necessary changes?"



Scenario process

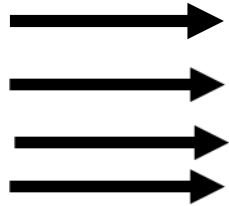
There are many descriptions, but the basic steps are

1. Clarify the **focus** of the scenarios
2. Examine **past changes** to identify **ongoing trends and forces**
3. Identify **future changes and the forces driving those changes**
4. Identify the **critical uncertainties** which could lead to distinctly different futures
5. Create a **logical framework based on the critical uncertainties**
6. **Flesh out the major characteristics and develop stories for each scenario**
7. **Identify the major implications of the scenarios with the stakeholders.**

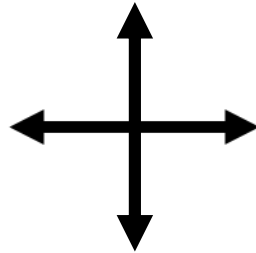


Scenario analyses

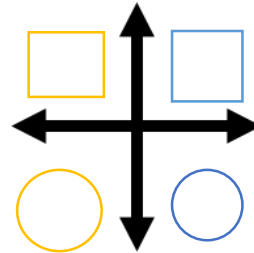
Identify external driving forces



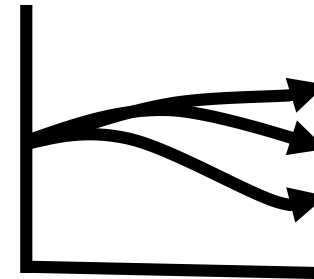
Define critical uncertainties or dimensions of change



Describe the scenarios



Interpret policy



The value of scenarios lies in the strategic discussions they generate



Uncertainties

- Handling surprises and discontinuities, sudden shifts, catastrophes...
- Discontinuities can be
 - Unknown
 - Known but unexpected

Best incorporated in narrative, qualitative approach



Check examples of scenarios e.g. from the following sources

- [Circular Economy in Finland 2030 –scenario analysis](#)
- [Future Forest Scenarios 2050](#)
- [Scenarios for a more sustainable food system in the Nordic countries](#)
- [Scenario Analysis for a Circular Economy \(EU\)](#)
- [Ellen MacArthur Foundation](#)



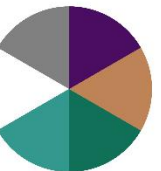
Practical advice for scenario work

- Focus! Ask yourself “What planning questions need to be addressed? What variables are we most likely to forecast in order to address these concerns?”
- Emphasize qualitative analysis at the start. Quantification can be valuable in later stages.
- Remember, that scenario-building process does not focus on uncovering the “most likely” forecast but, rather, on identifying the range of feasible outcomes.
- **Writing scenarios is only the beginning. Using them to assess policies is the only way they become useful.**



Good scenarios are

1. Plausible: Are the scenarios believable?
2. Grounded: Are the scenarios linked to events in the past or present?
3. Challenging: Do the scenarios challenge our thinking? Do they expand our mental maps?
4. Relevant: Do the scenarios cast light on the important strategic issues facing the stakeholders?
5. Internally consistent: Are there any contradictions in the scenario logic or scenario outcomes?



References

- Moen, J. Jonsson, R. 2009. Scenarios in the context of Future Forests. Future Forests Working Report October 2009. Available at https://pub.epsilon.slu.se/14994/1/moen_j_jonsson_r_180115.pdf

