

Long-term planning as part of political decision making

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I would like to thank you very much for giving me the opportunity to shed light on the issue of working visions in our society, and I feel honoured that you invited me to provide a political perspective on the relationship between the public sector and the long-term. I want to win you over to three ideas.

1. Against the odds, there is no antagonism between politics and the long-term. There is no issue here in principle, but the power of short-termism causes lots of problems in practise.
2. Politics have some good reason to refrain from the long term. And unless we do not understand the rationale for this behavioural scepticism we won't find the appropriate leverage for all so needed innovation at the interface of politics, the private sector and science.
3. The solution will not come from politics, but has to come from civil society and the private sector. The choices are yours. I suggest framing roadmaps as a new idea, and setting up a virtual Roadmap Academy that would serve this purpose.

The power of short-termism

I want to begin by quoting John Lennon. He once said: "Life is what happens to you while you're busy making other plans." That is the same notion Helmut Schmidt expressed with his insulting remark on the character of visions. "Yes, go ahead, make a plan!" is a proverbial, condescending saying. Even some of the best laid plans fail. Often reality disproves what had been forecast for the long term: demise and disaster.

If public opinion is to be believed, the power of short-termism is overwhelming. There seems to be only one conclusion: it is pointless, we should give up. The common rhetoric says that long-term planning is illusionary, naive and old-fashioned.

- Illusionary, because short-term thinking prevails and policy makers only think in four-year-intervals anyway.
- Naive and ineffective like the failed Lisbon Strategy.
- Old-fashioned because both globalisation and the economy cannot be planned.
- Too ponderous, not open to new ideas; at the end of the day, merely a playing field of perfectly organised short-term interests.

No wonder that the mainstream thinking is somewhat sobered up by the apparent vainness of long-term thinking. No wonder, it is utopia resistant.

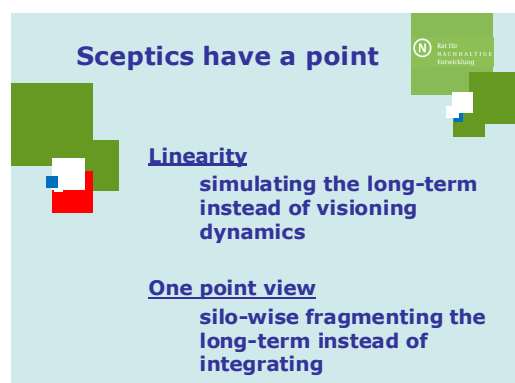
So far for the common rhetoric, I am of an entirely different opinion. **Long-termism is not pointless**, and there are at least three reasons that I want to highlight.

Firstly, the accusation that politics is exclusively short-winded is false. At times, decisions are being taken with extremely short-lived time frames. That is true both in terms of politics and business. We're all aware of such examples. But, we are also aware of **extraordinary examples for long-winded policies** and strategic corporate decisions. Think of the German debt limit concept, of *ostpolitik* based on the principle of *change through rapprochement*, of the political aspiration that once (in the beginning of the sixties) asked for the sky over the Ruhrgebiet to become blue, the Euro project, of long-term infrastructure investments. Even in the economy there are modes that sustain capital stock's substance e.g. in cooperative structures and the Sparkassen-system. These kinds of approaches are like anchoring in the future.

In practice, there is always both the short-termism and the long term thinking. So, the question that really should be asked is not *whether*, but *how* long-term thinking can be put into practice. As to **the question of how**, both the corporate and the political sectors have their drawbacks. Obviously, in the economy and in politics all the same, major framework conditions privilege the short-termism. In economic decision making examples are the discounting of future and the volatility of capital markets. In politics on the other hand side, election terms, lobbyism, and some populist trappings of power add to the problem. Therefore, conceiving the long term and taking action in long-term perspective is one of the key challenges of democracy and our economic decision making system.

There is a second aspect to be mentioned. For good reason, policy-makers have their reservations against many a vision that is advertised. This is what we have to understand. The reservations of policy-makers against long-term visions are, at their core, comprehensible and partly correct. **Linear thinking and fragmented instead of integrative thinking are the two shortcomings** that stand between politics and long-term thinking.

The prevalent concept of long-term planning is fixated on linearity. Fundamental data – in the way they are presented – seem to foster linearity, for instance figures on demography or GDP growth, the spatial uniform distribution of infrastructure, or resource productivity. And, even though we know



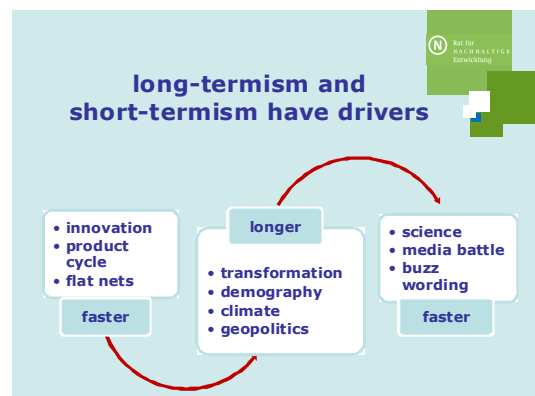
that this can't be right, we hold on to that illusion. Momentum, leaps, asymmetries, shrinkage – looked at from this standpoint, they are seen as disruptive factors. And as those, most likely, they will be discarded. They are ignored to the extent possible. But that is not true to reality.

Thus, the allegation is that most visions simulate long-term planning only by the fact they linearly extrapolate what is short-term. Policy-makers sense this, and this nourishes their political reservations and scepticism towards the claim to long-term thinking. Often we also find concepts breaking up the complexity of life to what can be handled by fragmented disciplines, departments, or the like¹. Comprehensiveness is being given up, and so is long term thinking. Translate this into politics, and you end up with the perception that truth is being given up, and tactics are overriding principles.

Thus, in ordinary political notion, the term 'vision' is still a synonym for stubborn crackpots, washed-out trendsetters and some eccentric megalomaniac fantasies. Such reservations are justified if, in the end, future visions and the findings of trend research merely offer linear extrapolations. In political speak, this means offering water instead of wine.

As a bottom line I suggest a **third reason: The long term has some basic issues**. The short and the long term have different drivers, and time-wise they are very powerful.

- Innovation cycles are getting faster and shorter. And rightly so. We are doing a lot to accelerate them. This is the right thing to do, and it is good that German research policy places such a strong emphasis on sustainability research. Innovation cycles will continue to accelerate. The flat internet will speed up things.
- As transformation of production and consumption patterns translate very often into systemic investment cycles the long term has a powerful driver. Ever more complex infrastructures are growing. This particularly holds true for the investment requirements for a transformation towards a low carbon economy. Geopolitics add another angle to the long term, as does the demographic change.
- Scientific-technical know-how on the future, on the other hand, is growing and deepening into time and space. Scientific progress enables us to accumulate knowledge on long functional chains over a long period of time. That is why, today,



¹ Sustainability policy has, thus far, mainly focused on ecological and social aspects. This is the right approach. But it is no longer sufficient today. We also need to increasingly question the economic criteria of sustainability. The German Council for Sustainable Development has recently reemphasised this. A stable capital market, for instance, is, in many respects, a vital prerequisite for a successful climate policy. We have put forward suggestions as to how the volatility of capital markets admittedly might not be reduced but at least mitigated.

scientists try and speak of planetary boundaries to human development. But then, with the scientific community using new communication methods the knowledge cycle is speeding up. Adding to this, the media public is calling for policy-makers to step up the pace. It takes no wonder that the competition of buzz wording is moving faster and faster.

These time frames conflict with one another. There are ruptures, fallacies. So, ultimately, when we start to conceive the implementation of long term thinking into the decision making machinery we have to **respect the core element of scepticism. And we have to rethink the idea of a plan, and how to deal with aspirations and the visioning of future.**

Ants and bees have plans. Without a plan, their states wouldn't be able to function. They have a division of labor, they integrate individual action, and a couple of other features that are necessary. What sets us apart from the animal kingdom is not the plan, not long-term action, not the allocation of the individual and the collective, but something that only human beings have developed: hope.

The notion of long-term planning is inherent in the DNA of ants. **Human beings need hope and democracy** for this. We strive to turn our hopes into reality. Hope is what we set against reality. Hope is what we use to convince others. Hope is what mobilises emotions and reason.

The political equivalent would be parliament and democratic decisions.



You might make the objection that democracy is actually not adequately suited to take long term decisions. And maybe the objection is right. But then, the point is that all other alternatives in governance are worse. Much would have to be mentioned here in order to in-depth investigate the options and restrictions for long-term planning in democracies, and, surely, the notion of democracy has to accept that democratic processes are

actually surprisingly different around the world, and so are the approaches addressing long term planning in parliaments.

What investigations in formats and practise of governance towards the long term come down to as a bottom line is the fact that people are constantly focused on the future. In one way or the other they are hoping for a world that meets their needs and the needs of their children. They dream. They are also open to being enticed because of their dreams. Enticement needs to be restricted. That's why a vision requires dialogue with others. The dialogue and its process are not forms of social engineering but a democratic safeguard against totalitarian visions.

Political decision-making in a democracy must ask itself how long-term decisions can actually be legitimised. What is an informed decisions based upon? What kind of quality assurance we require science to produce? How illiberal does democracy need to be in order to

allow the future to happen? And then, when the long term has to be open for the non-linear, the unforeseen events, coincidences, emergencies, the metrics of the asymmetric: What does this mean in practical terms? Transformation needs objectives and management rules such as those we have in place and continue to develop in the national Sustainability Strategy, for example. It must be dialogue-based. It must facilitate participation and allow self-monitoring to take place. And it needs to put together long term planning, visioning future(s), and decision making.

The plan needs a vision. But the vision does not need a plan. In frequent cases, it would even be detrimental. Visions require truth. Otherwise they mutate into ideology. Visions must analyse reality coolly and soberly. This is what hope is built on. **Hope is being created not by designing abstract futures, but (exclusively?) when we, piece by piece, seek to find what can already be achieved today.** Politically, speaking, visions offer promise but also present a major challenge:

- Visions are promising because imagination or a dominant culture (a “*Leitkultur*”) can be far more effective than individual laws. That is exactly what governance for transformation towards sustainable development is about. Transformation governance is a concept that is work-in-progress. It is subject to advanced thinking and research. Notwithstanding the upcoming results, I take it from practical experience in bringing the long-termism into political decision making machinery that transformation governance adds some special feature to the toolbox of what we know as blame-and-shame strategies and regulatory governance. And that would be the feature of creating opportunities. We won’t simply regulate ourselves out of the current downturn of the non sustainable development.
- Visions are challenging, too, because people’s expectations and fantasies – as indeed our own expectations and fantasies – are easy to be damaged or disappointed. This is often the case when the protagonists of the long term are not walking their talk, or e.g. when visions are being promised by charging third party responsibilities. Credibility, transparency and accountability must be made a core part of the long-term narrative. If they are not, the narrative will fail.

To better recognise both the promising and challenging character of the long-term policies, we need to break new ground. I want to offer **two ideas on choices** I referred to in the set out of this talk. The first comes with the current work of the Council for Sustainable Development. The second refers to the notion of roadmaps and addresses the business community.

Visioning future pathways

The Council took the observation very serious that the group of international experts headed by Björn Stigson expressed in the “Sustainability – Made in Germany” Peer Review. They criticised the lack of what they called a “Grand Design 2050” as the core of needed political visions on sustainability around the year 2050, inter alia. The Council’s project “*Dialoge_Zukunft_Vision2050*” hearkens back to this criticism.

Each grand vision is spawned from a simple idea. The idea was to venture into an experiment. We wanted to find out if the opinion leaders of our society were willing to impart their vision for the year 2050. Or would they dismiss visions as a disease or at least a matter of illusionary irrelevance?

The experiment showed that it is worth putting visions for 2050 on the agenda of civil society. There is a future expertise in civil society which extends beyond the expectations of policy-makers and the general public. Those who speak about visions for 2050 have something to say.

At our request, Triad, a Berlin-based company, evaluated these social fantasies, technical ideas, wishes, but also fears and concerns. The findings have just been published, see:

<http://www.nachhaltigkeitsrat.de/projekte/kommunikationsprojekte/dialoge-zukunft-vision2050/?blstr=0>



With having “harvested” quite a number of serious and reflective visions, the Council initiated the next step. This step is designed to create opportunities by implementing a **change in the perspective** under which visions are being produced and discussed. We invited a group of people to debate upon the topic that have one thing in common. They are not older than 27. Meaning they will reach retirement age by the year 2050, given today’s retirement regulation.



The “under 27 years old” (U27) will discuss what they perceive as vision for 2050. As it is their life, in the next forty years they will actively be shaping politics and business. Over 80 nominated people will draft, discuss and discard visions, develop means, touch horizons and identify paths. Those “U27” have been nominated by today’s corporate executives, politicians, lord mayors, civil society representatives, and academic excellencies that are active in the sustainability politics. With asking leaders of today to nominate the U27 we are suggesting a transfer of responsibility and an exercise of trust. This is a new feature that is expected to stimulate an informed debate on sustainability concepts. In the course of this year’s debate on the review and relaunch of Germany’s sustainability strategy the result of this exercise will be presented.

Towards a Roadmap Academy ?

The 2050 vision requires a new form of working, thinking and cooperating. As an appropriate part of the tool box the idea of roadmaps gains increasing support in the business community, which clearly is a merit of the Vision 2050 – project the WBCSD launched last year, see:

Roadmaps translate visionary approaches into the decision making machinery of the private sector. The case for roadmaps is widely accepted. Indeed, there is a need for roadmaps for such prior issues as the implementation of energy (e.g. smart grids in combination with systemic electric storage capacities), the material economy (e.g. a full loop recycling strategy for industrial and strategic minerals), and food issues (e.g. reducing post-harvest and pre-consumption food losses and expanding the reach out of organic farming). There might be a couple of more issues that also need to be covered. Obviously, pledging for an European roadmap for greenhouse gas reduction by 30 per cent is another good example for the need to produce a roadmap that would be trying to implement reduction pathway by fostering innovation competences.

Choices

- **Turning Rio 2012 into Rio^{plus20}**
- **Roadmaps**
- **Making visions an attractor**



With the notion of roadmaps increasingly being used and discussed, and with all respect for the work that is being done internationally by the WBCSD on the Vision 2050 and nationally by some roadmap efforts I take the liberty to suggest for the business community to come up with a concept for a **Roadmap Academy**.

The Academy approach would deliver the collective „think hub“ suitable for the future work on roadmaps. We need a sharing of experience, the

framing of guiding principles, guard rails addressing collective but differentiated responsibilities, and the interconnection between long term investment and infrastructure provided by the state.

That does not mean to establish an academic institution. It rather would serve as a hub for the work on roadmaps that is branching out and covering specialized issues. The hub would involve the public and the civil society. Setting up a Roadmap Academy would most likely be seen as a turning point or as a signal for the Vision 2050 exercise being taken for serious. It would be key to implement the notion of green economy.

Visioning exercises can be made attractive. Following the notion of hope and concrete action, I would like to wrap this talk up by reminding you of the saying: The moment you see the world with different eyes – with the eyes of those who question the state of the art asking for questions – the world is already a different one.

A place to deliver attractive visions will be the above mentioned World Conference in Rio 2012. No doubt, a critical review of successes and failures would be a contingency for a renewed world agenda. To adequately celebrate the twenty years since the first Earth Summit in 1992 means to look forward. This notion could best be expressed by referring to the 2012 conference as **Rio^{20 plus}**. This conference will set the stage for what the UN language calls the

green economy. 1992 merged the agenda of environment and development. Now, with the notion of green economy, the 2012 conference is going to add the economy.