

# Learning from longer-term futures

by Andrew Curry

One of the consequences of the increasing importance of questions about sustainability, whether about food, water, or energy, is that strategic horizons need to be extended. Where 10-to-20 years might once have been regarded as an appropriate medium-to-long term time frame, now a 20-to-30 year view is required. This is because many of the critical issues now play out over this timescale – and having a clear view of the longer term story can help in making the best strategic decisions in the short-to-medium term.

The Futures Company (formerly Henley Centre HeadlightVision) has been involved in a number of such futures scenarios projects over the course of this past year and last, looking at aspects of energy, the built environment, resources and transport. Clients have included Foresight (2008), the Environment Agency, and a rail industry agency. Because all of these are likely to publish versions of the material, it would be inappropriate to rehearse them in any detail here. Nonetheless, looking across four scenarios projects, all with a sustainability perspective, there are important process points worth drawing out. There are also some shared strategic themes, above and beyond the detail of the typical scenarios process.

## Long-term cycles

The first process point to make is that it is possible to identify long-run patterns, in technology investment cycles, in changing governance patterns, and in generational behaviour. They don't move at quite the same speeds. Technology innovates on a cycle of around 50 years, according to the work of Carlota Perez (2004), and this is related to an investment cycle. She has identified a series of cycles going back to the industrial revolution in 1771; the most recent is the ICT cycle, which started, by her analysis, in 1971.

Generational cycles take around 25-30 years (Dator, 1999). Although we have all lived through

them, they are hardest to see, because values shift only slowly. Nonetheless there are clear differences, and these tend to migrate into the social mainstream as generations move into their 30s and start to take on positions of executive responsibility.

The third cycle relates to governance, which oddly does not appear to have been explored in the futures literature. On a heuristic basis, however, governance cycles seem to take around 40 years; the last shift in the UK was with Thatcher's 1980s reforms. Earlier governance shifts can be seen in the 1940s, the 1900s, and the 1860s.

Secondly, the past is as important as the future. Paul Saffo (2007) recommends looking back twice as far as you plan to look forwards; we have found that looking back even further is valuable. Futures work can sometimes appear unrealistic in its pursuit of change. Looking at long-term patterns helps to identify continuities, cycles of change, and also disruption points where there is a sudden regulatory or attitudinal shift.

Thirdly, longer term work underlines the importance of understanding the futures narrative fully: 'backcasting' from the future as well as projecting forwards from the present. There are structured techniques to help do this, such as 'Three Horizons' (Curry and Hodgson, 2008), which we use with clients to understand different

rates of change. Strategic issues - and therefore potential policy conflicts - emerge in the rough water where the present and future meet.

## Shared challenges

Every scenarios project is different, or should be, since each is driven by a specific question. But nonetheless, some questions about the extent of disruption taking place emerge across all projects with a focus on sustainability.

**Have the last 25 years been a blip or a trend?** The great wave of market liberalisation and cheap energy which has driven the globalizing agenda appears, certainly in some interpretations, to have been a set of specific circumstances which are unrepeatable. Other globalising periods have also ended in credit squeezes when banks overstretched themselves.

**Does the increase in energy prices represent a step-change or a temporary market imbalance?** The first order effects of a step-change in travel and transport behaviour around goods and people are increasingly well understood. Some of the second order effects, though, are more subtle. A step-change is likely, for example, to increase the significance of the UK manufacturing sector. And given that it is much more expensive to power a house when you live alone than when you share, it could also reverse the long-term reduction in household size in the UK.

**How are our prevailing assumptions about technology being challenged?** We are used to cheaper digital devices - along with cheaper storage, memory, and communications - leading to increasingly widespread use. But the energy impacts of ubiquitous technology are significant (the government has just announced measures to monitor this in its own use). And the notion of the easily accessible and convenient public technology network could be undermined by a combination of spam, viruses, malware, and privacy concerns.

**Can we identify the next wave in governance before it arrives?** The next wave is due in the 2020s, and it is too early to second guess it. There are some clues, in the notion of membership. This connects the revival of

the Co-operative, and the relative stability of traditional mutually-owned building societies to the emergence of new service-based providers such as Streetcar or Zipcar, and some of the funding models now being explored for online enterprises. The 2020s looks to be a turbulent decade. We know that the next wave of technology innovation is due to start then, and the millennial generation (currently 16-24) will be making its mark as managers.

## What this means

Research is usually most thorough when we have a good understanding of what we are testing, which means that it is better at looking back at the familiar than forwards at the unfamiliar. Indicators of new social behaviours may, initially, involve only a small percent of the population and are hard to measure. As a result, we may not always know what questions to ask to capture emerging social trends. But to understand social change, it is essential to look beyond today. The benefit of thinking about future patterns of change is that it improves the range of questions we can consider asking about today - and thereby gain a different understanding of coming social change and how to manage it.

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