

Future Studies and Policy Design: Reflections on a 20-year experience at FORO Nacional Internacional in Peru

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ABSTRACT *Future studies are methodological tools that have affected policy design over the past decades. In Peru, these tools have developed hand in hand with a cycle of institutional volatility in a context of socioeconomic and political turmoil. While the context has improved, the relevance of future studies in relation with policy design is still questionable. New approaches developed and implemented by key actors have created spaces for discussion, application and development of future studies. As globalization advances, socioeconomic issues become more complex. Future studies and the institutions working on them will be key in facing coming challenges.*

KEYWORDS *future studies; policy design; Peru; planning; methodology; future scenarios*

Introduction

Future studies at the national level anticipate contexts and situations that allow for the expression of individual and shared aspirations. Visualizations of the future contribute to strategy design, policy formulation and implementation, and to management decisions at different levels of public administration. To effectively operate, every entity – both public and private – must take decisions about their desired futures, and make linkages with its context, institutional structures, activity priorities and resource allocation. Future studies are a very helpful tool to improve the decision-making processes in all of these decision categories, for they allow anticipation and preparation for situations that have not occurred, and can contribute to improving performance. A clear example is the work currently under way to forecast climate change and its consequences, which demonstrates the importance of considering longer time horizons within decision-making processes.

Thinking about the future in Peru has a rather long history, and de Aljovín (1999) has reviewed the visions of the future that Peruvians have had in the past. Fragmented attempts at imagining the future of the country began in colonial times, with alternative governance projects being discussed throughout the centuries before independence, although all of them maintained a deep cleavage between descendants of Spanish conquerors and indigenous peoples. Enlightenment ideas figured in the minds of

reformers in the late eighteenth century, paving the way for the Declaration of Independence in 1821. Early republican views differed with regards to the political regime and who should participate in it, but a future orientation was present right from the beginning. Lorenzo de Vidaurré's *Plan del Peru* was written in 1823, which was dedicated to the Liberator Simon Bolívar, and contained a clear statement of what the country should be and how it should work to reach this desired future.

The late nineteenth and twentieth centuries witnessed many attempts at defining long-term visions and strategies for the country from different political perspectives. Nonetheless, the systematic study of future development options can be traced to the creation of the National Planning Institute in 1962 with the objective of 'coordinating sector and territorial policies with a medium- and long-term perspective' (Velazco, 2012). Its first directors placed emphasis on the study of short-, medium- and long-term development options for the country, with the first official long-term plan published in 1968.

Over the 1970s and 1980s the National Planning Institute gradually lost its standing, and was increasingly sidelined in key government decisions. In the 1980s economic crises, hyperinflation, violence and terrorism focused attention on immediate survival issues for business, government and individuals, which pushed medium- and long-term planning considerations out of view.

The rise and fall of planning and future studies in Peru

The academic treatment of future studies began with a 1969 meeting of the Inter-American Planning Society that took place in Lima, which focused on the situation of Latin America looking towards 2000.¹ In spite of this event, during the 1970s there were no university courses or programmes with a future orientation, and practically no research institutes covered the subject. The situation began to change in 1980, when Francisco Sagasti, Claudio Herzka and Helan Jaworski founded GRADE, a think tank that made future studies and long-term planning a component of its research programme. In addition during

this period, the Peruvian Institute for Business Management (IPAE) began to include future-oriented themes in some of its Annual Executives' Conference (CADE).

In 1983 GRADE launched the four-year programme 'Long-term Development Options and Strategies for Peru', consisting of five projects: mapping feasible long-term options for Peruvian development, identifying desired futures for Peru, analysis of external constraints and opportunities, design of long-term development strategies and reflection on the long-term planning process. Several reports, conferences, presentations and simulation models were built during this programme, which attempted to place long-term issues on the public discussion agenda, even at a critical time when very few individuals or organizations were thinking about the future.²

The 1990s were a period of severe economic adjustment, authoritarian rule and market liberalization. The National Planning Institute (INP) was closed in 1992, a year in which poverty affected 56 percent of Peruvians, terrorist acts moved from the countryside to the capital and President Fujimori closed down Parliament and began to govern by decree. For all practical purposes, public planning efforts ended in the country and a new era begun in which the only valid 'plans' were short-term economic recipes that sought to provide solutions to the ongoing economic and security crises.

With the establishment of FORO Nacional Internacional (FNI) by Francisco Sagasti and Max Hernández in 1992 and the start of the *Agenda: PERÚ* programme on democratic governance, development strategies and institutional reforms, long-term issues and future studies returned to the academic policy-oriented scene once more. *Agenda: PERÚ* published many reports and widely disseminated its findings, and its main report became a key reference in development discussions. We shall return to the experience of FNI later in this article.

The return of planning and future studies

One of the initiatives that managed to maintain interest in future studies in Peru during the 2000s

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was *Prospecta*. It consisted of an international meeting organized by the National Council of Science, Technology and Innovation (CONCYTEC) that was held every two years in Peru. Its objective was to present studies on the use of foresight tools. However, the participation of decision-makers was always limited, and the meetings were excessively focused on the academic angle. Despite the fact that private institutions as IPAE and the National Industry Society (SNI) participated in the inaugural events, *Prospecta* has been considered as a wasted opportunity to link public officials and businessmen, and for them to think in the long term in a more active way.³

In 2004 a new planning agency was created, the National Planning Center (CEPLAN), and the National System for Strategic Planning inaugurated. CEPLAN was created at a time when Peru was regaining economic dynamism, following a long period of economic and financial stagnation. In 2005, Peru reached the same GDP per capita it had in 1975. In 2010, the percentage of Peruvians suffering from poverty was reduced to half of that registered in 1992, and in 2011 only 27 percent of the population was poor, one of the lowest levels in recent history.

The key differences between INP and CEPLAN lie on their different styles, decision-making power and capacity for advocacy. INP's style focused on centralized planning and was closely linked to power circles in government that were mostly dominated by military personnel. While rarely followed strictly, the plans stated government strategies and policies in a very explicit way. In contrast, CEPLAN's style is that of a coordinator, which articulates the plans generated by other agencies, but lacks the capacity to provide a common orientation to those agencies or to actively participate in key national debates. Until now, it has had little relevance and very limited impact on government policies.

Between the closure of the INP and the inauguration of CEPLAN, planning activities were performed at a local and sectorial level. In 2002 it became mandatory for more than 2,000 public sector institutions (including local and regional authorities, sectorial agencies and central government agencies) to prepare long-term plans. However, norms and

uniform criteria were not established for these planning processes. The resulting future visions were fragmented, biased and disconnected from reality, and had almost no impact on policy formulation and implementation. This situation has not allowed for the creation of a common understanding of the meaning of 'public planning'.⁴

The experience of FNI with future studies

In a period spanning over 20 years, FNI has been involved in several future-oriented initiatives. It has coordinated the design of participative development strategies, built capacity for strategic planning, increased citizen awareness of future studies, supported subnational governments in foresight and planning activities, and focused on inclusive future studies.

Participative development strategies

The first policy-oriented futures research programme of FNI was *Agenda: PERÚ*, which started in 1993. An initial report, *Democracia y Buen Gobierno (Democracy and Good Government)*, was published in 1995. This presented a diagnosis of the problems faced by the country after two and a half decades of crisis, together with an agenda to improve democratic governance, carry out institutional reforms and design development strategies. Several issue-specific reports were published over the following five years, and in 2000/2001 the final report, *PERÚ: Agenda y Estrategia para el Siglo 21 (Development Strategies for the 21st Century: The case of Peru)*, was released with strategic proposals for the first 20 years of the twenty-first century.

Perhaps the main contribution of the *Agenda: PERÚ* programme was to help creating a common sense of the future and disseminate the idea that, despite of the severe crises experienced and the prevailing pessimism during the 1990s, it was possible to achieve major improvements in living conditions. This happened largely because the programme provided one of the few opportunities for dialogue at a time when liberties and democracy were under threat, and also because *Agenda: PERÚ* was a highly participative policy-oriented research programme. Its co-directors, Francisco

Sagasti and Max Hernandez, described its methodology as ‘transmission belt between experts and citizens’.

Agenda: PERÚ involved intensive exchanges of views, opinions and perspectives between different people, and particularly between intellectuals who thought about the main development issues of the country, and common people who lived them on a daily basis. For close to a decade, the *Agenda: PERÚ* team organized over a hundred meetings, workshops, seminars, conferences, town-hall gatherings and media events. In addition, more than 20 batteries of focus groups and three nation-wide opinion polls were conducted. These exchanges allowed the *Agenda: PERÚ* team to identify areas of agreement on long-term development issues, and to articulate them into structured diagnoses and articulated strategy and policy proposals.⁵ After FNI completed its *Agenda: PERÚ* work, it turned to more focused future- and policy-oriented action research and dissemination initiatives.

The final report of *Agenda: PERÚ* was presented a month after President Alberto Fujimori fled the country and took refuge in Japan, and a few days after the provisional government of President Valentin Paniagua was inaugurated. A year later, after clean and unquestioned elections, the government of Alejandro Toledo was inaugurated, and Dr. Roberto Dañino, the Prime Minister, convened a diverse group of political, business and civil society leaders to create the ‘Acuerdo Nacional’ (National Accord). This is a wide-ranging forum for the exchange of political, strategy and policy views with the aim of identifying and agreeing on long-term ‘state policies’ that should remain in force through successive governments, at least till the bicentenary of independence in 2021. Its first Executive Secretary was Dr Rafael Roncagliolo, and Dr Max Hernández, a former co-director of *Agenda: PERÚ*, became its second Executive Secretary and remained in the post for six years.⁶

Capacity building for strategic planning and future studies

In 2002–2003, during the early years of President Alejandro Toledo’s government, FNI was involved

in the design of strategic planning agency for the country. In 2002, with the support of the Canadian International Development Agency, FNI assisted the Prime Minister’s Office (PCM) to design the first ideas that would later give birth to CEPLAN.⁷

Unfortunately, CEPLAN has not managed as yet to gain a space in Peruvian policy and political discussions. The Ministry of Economy and Finance (MEF) has played the central role of public investment and economic policy planner for many years and is not prepared to relinquish this role. The MEF focuses primarily on multiannual plans and policies closely tied to public investment and budgetary considerations, but these have appeared to be, at least until now, sufficiently effective in promoting economic growth and improving social conditions. The fact that this is largely because of an unusually highly favourable international context for the primary commodities that Peru exports masks the limitations of the narrowly focused approach of the MEF. Unfortunately, this situation does not favour thinking or articulating more substantive or relevant public sector planning and strategy formulation initiatives.⁸

After completing work on the initial design of CEPLAN, FNI organized an introductory course on strategic planning for government officials, which presented several experiences on the successful use of future studies in the public, private and civil society sectors. These examples served the objective of showing new aspects to which the new institution was invited to pay close attention. As a result, dozens of representatives from several ministries and public institutions were trained in future-oriented methodologies.⁹

Making citizens aware of future studies

The results of the *Agenda: PERÚ* programme, and the fact that most dissemination activities involved presentations, lectures, books, working papers and articles in magazines and newspapers, led to the idea of broadening the scope of dissemination activities to include television. A long-held idea materialized in 2005 with the production of *Abriendo Caminos hacia un Perú Mejor*, a televised mini-series of nine one-hour programmes that

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summarized the results of nearly one decade of work in *Agenda: PERÚ* in a way that was accessible to the general public, and that emphasized the importance of thinking about the future.¹⁰ In this way, it was possible for the future-oriented ideas developed at FNI to reach over a hundred thousand Peruvians, and at present there are initiatives to update and re-launch the TV mini-series.

One of the main achievements of *Abriendo Caminos* was contributing to change the aura of mistrust about the future for a more positive approach. While 30 years of economic stagnation and a deplorable social situation had come to an end, the mindsets of most Peruvian citizens were still fixed on the crises of the past, concerns focused on the present and there was a general mistrust of the future. A strong perception of insecurity and a pessimistic attitude managed to create a perception that the crisis could come back at any moment. The programme showcased some 30 cases of Peruvians that, thanks to their own efforts, had achieved substantial social, economic and political improvements for themselves and their communities.

Planning at the subnational level

The 2002 government decentralization process was one the main changes experienced at the turn of the century. Unfortunately, it was carried out in a hurried and disorderly way, and remained incomplete. Administrative and financial responsibilities were transferred from the central to 26 regional governments, but without creating first the required capacity to manage them adequately. In 2007, FNI was asked to help restructure the Regional Government of Junín, a rather wealthy region in the central Andean region of the country. The regions were created with an initial set of functions, and as the decentralization process progressed, new functions were assigned to them. In 2007, the regions received more than 80 new functions – including the provision of education, transport and health services, as well as the design and implementation of agricultural policies – that previously belonged to the central government.

522 An initial analysis showed that Junín did not see or consider itself as an integrated region: more

than 50 percent of its territory was in the Amazonian jungle and the rest was Andean hillside. Huancayo, its capital city is located in the central Andes and the residents of the Amazonian part of the region viewed their capital as aloof and unconcerned about their problems. In addition, public officials that previously worked for the central government found themselves dependent on regional authorities, and their unions resisted change because they feared losing their privileges and even their jobs. Designing and implementing the reforms was politically complex and delicate, and the regional President relied on FNI's support and advice to carry them out.

Under these circumstances, the implemented strategy included reflection and design workshops, in which all high-level public officials were asked not to take positions based on their specific work area, but to think about the region as a whole and its challenges. Participants discussed possible future contexts for the region, its needs and challenges, and identified short-, medium- and long-term goals. On the basis of these sets of objectives, workshop participants focused on the organizational structures that could help achieve them. After a long process of joint reflection that lasted six months, all participating managers and directors agreed to a reform process that was successfully implemented.¹¹ Regrettably, in 2011 this process was brought to a halt after a change in the regional government's leadership.

Inclusive future studies

In early 2011, the US-based Institute for Alternative Futures launched its Pro-Poor Scenarios Competition, a global contest that invited participants to develop scenarios that applied foresight methods to expand social and economic opportunities for marginalized populations. FNI participated and engaged a traditionally excluded Amazon ethnic group residing in Lima, the Shipibo-Coniba, and invited them to participate in a foresight workshop.¹²

The methodology consisted of gathering participants for one day in their own community, organizing workgroups and asking them a series of questions regarding their main concerns and areas

of interest. After recognizing a series of problems and main areas of interest (drivers), the participants formed workgroups that forecast the possible evolution of these drivers in three different 'zones' according to three different expectations of the future: plausible, negative and ideal evolution. In the light of the information about these drivers and their expectations, the participants then drafted three scenarios for 2039, considering ideal, plausible and negative developments.

Participants understood and were very satisfied with the workshop results, and they looked forward to seeing the results reflected in a written document that could serve as a planning tool and a basis for negotiating long-term agreements with the local and national governments. These results are now a milestone for dialogue between the Lima city government, private companies and the Cantagallo community. A major urban renewal plan was implemented (*Vía Parque Rímac*), and involved a public-private alliance, which relocated the inhabitants of this community. A city government representative was an observer at the workshop and several months later city officials requested meetings with team members in order to learn more about the methodology and the community scenarios and forecasts.

The future of future studies at FNI

FNI has collaborated in the use of different future studies in a variety of strategy and policy design situations. Despite some achievements, many challenges remain. FNI needs to do much more to generate interest in the future and in future studies. Among the main challenges identified, it is possible to mention:

- *Training of new professionals on the use of future studies for public policy design:* At present there are no formal training courses in these fields, and most students and young professionals are, at best, only dimly aware of them. This is a key opportunity for improving academic institutions, curricula and teaching methods, and FNI will attempt to do this.
- *Developing an adequate methodological instrument for future studies and strategic planning:* The

growing importance of social networks offers new options for the participation of citizens. In addition, computer technology advancements, data management, graphical visualization and integrated data systems are becoming available tools for further improving future studies and strategic planning. FNI has used to a limited extent these techniques, but there is scope for doing much more.

- *Overcome institutional resistance:* Some institutions, particularly in the public sector, are resistant to structural or operational change. The antagonism between the MEF and CEPLAN regarding planning approaches is based on different conceptions of future studies and planning. While the MEF organizes its planning processes based on short- and sometimes medium-term considerations – budgetary constraints, resource allocation, investment projects – CEPLAN privileges development of long-term objectives and medium-term goals. However, the substantive political power of the MEF trumps CEPLAN initiatives all the time. Reversing this situation requires that both institutions find a balance between their planning approaches, and that political decisions at the highest level of government sanction a more reasonable division of labour between the two institutions.
- *Establish strategic alliances with public institutions, the academia, private companies and social society organizations:* While developing methodologies and trumping stumbling blocks is critical for the implementation of future studies, strong cooperation and networking remains a cornerstone of policy design initiatives and their survival. Particularly in cases of countries with high political and institutional instability, developing alliances among key actors could make the difference between utter failure and the sustainable application of studies, as the FNI experience with the Junín Regional Government shows. Alliances could also help to bring future studies and issues into the public agenda in a gradual way, in order for the interested institutions – such as CEPLAN – to gain more space in the country's highly complex political arena.

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Notes

- 1 See the five volumes of *América en el Año 2000*, Lima, Ediciones de la Sociedad Interamericana de Planificación/ Instituto Peruano de Estudios de Desarrollo, 1969.
- 2 The programme is described in 'Long-term Development Options and Strategies for Peru: A programme of studies and research', Lima, GRADE, October 1984. For some of the results see Sagasti (1990); Sagasti and Garland (1985) and McLauchlan de Arregui and Acosta de Quijandría (1988).
- 3 Interview with Claudio Herzka, 20 June 2014.
- 4 Interview with Gonzalo Alcalde, 23 May 2014.
- 5 For a description of the methodology of *Agenda: PERÚ* see Sagasti *et al.* (1997) and for a complete downloadable collection of *Agenda: PERÚ* reports (mostly in Spanish, with a few in English) see www.agendaperu.org.pe.
- 6 For information on the National Accord see acuertonacional.pe.
- 7 The design for a strategic planning centre built on the results of the final report of *Agenda: PERÚ* and was carried out at FORO by Francisco Sagasti with the assistance of Mario Bazán. Fernando Prada, a FNI staff member, was seconded for a year to the Prime Minister's Office to work as part of the CEPLAN design team. After an initial design was completed, the new Prime Minister appointed Fernando Villarán, a former minister of labour, to revise and refine the design of CEPLAN and begin the political consultation process that led to its approval by Congress two years later.
- 8 Interview with Gonzalo Alcalde, 23 May 2014.
- 9 The course material is available in CD/DVD form at FNI and was widely disseminated.
- 10 *Abriendo Caminos* was a nine-part TV series shot on location all over the country and broadcast by the national public television station and more than 30 regional and local stations.
- 11 The Regional Council Agreement was signed on 11 May 2009 in ruling Number 001-2009-GRJ/CEEEyMROF-GRJ – 'Derogation and approval of the regulation on organization and functions of the Regional Government of Junín'. This ruling was published in the official Journal (*el Peruano*) on 21 May 2009 through the regional regulation No.094-2009-GRJ/CR.
- 12 Eventually, the scenarios produced by this exercise won first prize in the IAF's competition.

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