

# Regions facing their futures

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## Abstract

**Purpose** – This article aims to treat contemporary economic development from a regional and European perspective.

**Design/methodology/approach** – The article applies a French prospective (foresight) approach to the issues of employment, decentralization, and privatization as an antidote to the usual discussions of governance and globalization.

**Findings** – The article stresses the need for simple, appropriable methods and questions designed to help groups start futures exercises. It contrasts key concepts such as corporation and region, governance and its popular definitions to show how collective futures exercises are a vector in regional development and a form of participatory democracy. The focus is on the human factor, i.e. local initiatives, which improve regional dynamics and create strong ties. An appendix outlines current French priorities.

**Originality/value** – The article appeals to local “actors” to look toward the future together in a participatory, proactive process within regional and broader European frameworks.

**Keywords** Regional development, Demographics, Governance, Strategic planning, France

**Paper type** Viewpoint

The development of any region or territory is primarily the result of its own territorial dynamics. It is the multitude of local initiatives and their cross-fertilization, which in turn stimulate economic activity and job creation. External restrictions, technological change and globalization are not so much obstacles to overcome as opportunities to seize. This conviction stems from the following observations.

All countries are more or less involved in the race to be competitive, but some seem to have lead in their heels in the form of systemic rigidity, heavy hiring or employment costs, and slow structural reform. These structural handicaps fall under the category of endogenous factors that stunt growth. France, despite tremendous national and historical advantages, can no longer postpone the structural reforms it desperately needs. In addition, the country needs to decrease its public spending, currently 54 percent of the GDP, in order to reach the EU average of 47 percent, or the equivalent of 100 billion Euros[1]. Similarly, France must decrease its unemployment rate by two points to correspond to the EU average. Of course, within France itself the jobless figures range from one to four digits according to the population sample. This variation confirms the fact that within regions, other internal (endogenous) factors explain the differences whereas the exogenous mutations are the same for all. As most of researchers in the field of economic development, we consider that not only wealth but also people raised in a confident society that fosters initiatives and collective projects are as important as the resulting benefits of participatory foresight and futures exercises. Employing simple, appropriable methods is also a powerful means of improving the dynamics of a region. In fact, we should always bear in mind the strong ties that are created through collective efforts.

On that note, we remember Gaston Berger's aphorism: "looking at the future disturbs it". Perhaps, but if so, then imagining it together is already living the present differently and giving more meaning to action.

Now, more than ever, public action in regions must be enlightened by what we have baptised strategic prospective. Actually, one of the priorities mentioned by the Prime Minister to the DATAR delegate in his mandate letter dated July 29, 2002 is the relaunching of regional foresight or futures studies that integrate the new dimensions introduced by decentralization and the state's refocussing on its basic mandates. Yet, it would be futile to continue holding workshops in order to record further economic and demographic decreases in the same areas. Appropriation of the diagnostics and prescriptions by those concerned, the stakeholders, is essential to moving from anticipation to action. In short, successful futures exercises as part of strategic prospective must first be a vector for regional dynamics. Hence the creation of the DATAR council (see Appendix for a brief description of DATAR's futures exercise on the needs of the State and regions).

Planning and observing is all well and good; however, the question of evaluating public policy remains unanswered. The French parliament has devoted stimulating reports to the topic but with no functional follow-up. There can be no serious evaluation of long-term investment choices without projecting the market conditions of supply and demand. Similarly, foresight without a plan of action loses much of its appeal. In any event, the time for the future, as a time programmed by some authorities higher up in the hierarchy will not return. Appropriation of the cognitive process of prospective or foresight hence knowledge changing representations comes through participatory processes and methods.

Some 20 years after the first decentralization laws, France's regions have reached adulthood and can take the future into their own hands. Several examples show that it is indeed possible for elected officials to mobilize the civil society in successful participatory exercises in planning the future. The success of foresight endeavors or futures-thinking exercises may be measured by the quality of the group's reflection and the appropriation of analyses and resulting projects. The ways and means are manifold: consultations, questionnaires, discussion, and development of scenarios and projects. However, the anticipated result remains ever present; the regional actors or stakeholders have grown up and no longer expect those above them on the ladder to decide on the future for the region. The trail has been blazed by pioneers. Obstacles may remain as this type of exercise in strategic prospective or futures thinking remains in its infancy with dreams and disappointments at each baby step. However, this is actually good news that we need to spread at every level, across provinces, territories, regions, and countries.

In order to make foresight or strategic prospective work, we should first clarify concepts, endpoints, and even the meaning of certain terms. Regional future planning cannot avoid the current confusion over words and their use. Future studies, foresight, governance, sustainable development, territory, planning, projects, strategies, actors – these fashionable yet confusing words serve researchers more than practitioners. In fact, we need to clarify the essential concepts of foresight (prospective), governance, scenario, and project. Hopefully this will clear the air around heated debates.

## 1. Back to the future

Let us start with the term prospective<sup>[2]</sup>. Future studies or foresight as it is usually translated involves anticipation (pre- or pro-active) to clarify present actions in light of possible and desirable futures. Preparing for foreseeable changes does not prevent one from provoking desired changes. The Greek triangle can help us if we visualize the three points: Anticipation (blue); Action (green), Appropriation (yellow). The blue of anticipation turns to the green of action only with the yellow of appropriation introduced through the efforts of the actors involved. Here we must point out two symmetrical errors to avoid in looking at the future collectively. First, there is the risk of one self-appointed king's taking action while forgetting appropriation. Second is the risk of chasing away the experts, thus the blue of expertise is exchanged so that the people can take the floor and gather the consensus of the present moment; i.e. the yellow of appropriation without cognitive appreciation. In this case any

participatory version sputters out and merely revolves around the here and now. The mirage of consensus popular with today's generation often proves to be a momentary agreement to keep a solid status quo that will be passed on to future generations as the burden of our collective irresponsibility. It may well be participatory, but this type of exercise contradicts the very definition of sustainable development for it allows individual egos to triumph over long-term collective concerns. The courageous decisions for the future are rarely consensual, and if a participatory exercise, the resulting strategy will be that of the elected representatives. They must, however, demonstrate the will and courage necessary to avoid the trap of participatory demagoguery.

### ***Back to basics***

Foresight, or prospective, according to Gaston Berger, requires "seeing far, wide and deep; thinking about Man and taking risks". Since the 1970s, we have lobbied within Futuribles to add three characteristics often neglected by forerunners closer to the "king" in a Jacobean society:

1. see differently;
2. see collectively; and
3. use methods as rigorous and participatory as possible to reduce the unavoidable inconsistencies in a group.

People hunger for a future, in other words, for hope. This collective need may be best expressed if channeled through the appropriate methods. The case study of the Basque region with the year 2010 as its horizon remains a textbook example[3]. It began in 1992 with the support of the DATAR and various regional groups in a two-day workshop that brought together over 100 people (elected officials, students, and economic advisors) at St Palais. This event generated full-page coverage in the regional newspaper Sud-Ouest, which continued to publish various reports for almost two years afterward. Furthermore, a structural analysis and scenarios were drafted. The whole process of collective involvement led to an outline for regional development that now serves as a reference in the field.

## **2. Regional governance and its overly soft interpretations**

Another concept commonly evoked in regional exercises is governance. The Commission in Brussels has produced a white paper listing the principles of good governance applicable to all levels of government. They include the following:

- openness/transparency of institutions;
- greater participation on the part of citizens at every stand of the political decision-making process;
- greater respect of the institutions and member-states;
- effectiveness of policies defined by clear, quantifiable goals; and
- coherence of policies.

Let us not, however, allow the characteristics of good governance to cloud the very definition of governance adopted by such international organizations as the IMF, OECD and UN. Their definition relies on the control of power and the rules of the game. If we forget the meaning of governance, we risk spreading a soft definition reduced to a process, or social governance, which, according to Ascher (1995) "articulates and associates political institutions, social actors and private organisations in the process of creating and implementing collective choices capable of provoking the active adherence of citizens." whether we like it or not, the popular concept of governance traces its origins to the business corporation and from this viewpoint, the shareholder remains better treated than the citizen.

Peter Drucker (1946) reminds us that the concept in English, corporate governance, consists of setting up and respecting the rules which guide and limit the conduct of those who act in the name of the corporation. In other words, good governance is the set of conditions or mechanisms designed to ensure that the actions of the corporation's officers

conform fully to the will of its stockholders and their interests. Governance thus differs from management, which designates the relationships between administrators and their subordinates. As such, it becomes the “government of government”. Already in the 1991 Club of Rome report, another relevant definition was proposed by Alexander King and subsequently adapted by Rosenau (1997): Governance could be glossed as any actor who uses order mechanisms to express demand, formulate objectives, disseminate directives and ensure that policies are followed.

Transposed to politics, governance is often, and often incorrectly, misunderstood as governability (in society) that is, the capacity of governments to chart the course of socio-economic systems and their development as desired. Along similar lines, governance is neither the “art of governing” nor the art of directing the process of government action, as Valaskakis (1998) claims. The following simple definitions should suffice here: governance is a power relationship; government is an operational exercise of this power, and governability is the measurement or extent of this power on the systems involved. In practice, a poorly monitored or controlled system is inefficient. In fact, the future scenario planning council of the Ile de France in Louis Guieysse (2000) report showed in its report entitled simply “Living in Ile de France in 2025” that “the lack of a decision-oriented attitude among those in charge [...] the lack of communication, of transparency, make citizens wary of political and administrative institutions.” The quality of governance, in other words, the rules and procedures enabling elected officials and civil servants to “govern the government” is a “key element in resolving the crisis of governability”.

In terms of the State, the poor monitoring that exists between parliament and government is a major cause contributing to the inefficient and expensive action of public authorities. Good governance should help reinforce the evaluation of public policies by independent instance of the departments concerned.

The concept of governance is increasingly evoked in international agencies as a replacement term for what was previously known as “international regulation”, considered lacking now as we see growing interdependency through economic globalization and the very global nature of environmental problems, natural resources, as well as health and security. Of course, there is no global government nor global people so the term global governance is a major misnomer.

### 3. Too many scenarios and not enough endogenous projects

One last aspect of regional planning that must be mentioned here is the systematic use and abuse of future scenarios. Rather than learning from the past and analyzing regions comparatively in order to design developmental projects, many forget that foresight and scenario are not synonyms. Actually, scenarios hold little interest if not pertinent, coherent, and realistic for the region and its population. Here we remember one of our own rules: ask the right questions. Granted, drafting desirable scenarios as a group may serve a therapeutic purpose; however, in this case the resulting scenarios are less important than the collective effort. Once a group has decided to consider the future together, it might as well ask the right question(s). It might as well begin with those that do not generate a consensus, too. Why? These are precisely the questions that upset the usual order of things or shake people out of their usual thinking patterns.

Although linked, the planning and scenario-building processes remain distinct concepts:

- *Anticipation* – i.e. the prospective of possible or desirable changes.
- *Time for preparation for action* – i.e. creation and evaluation of strategic choices available to prepare for expected changes (preactivity) and to provoke desirable changes (proactivity).

Furthermore, scenarios should not be confused with strategic options because the same internal or insider actors are not necessarily those on the front lines. The anticipation phase should be collective and should involve the greatest number of people possible for this is participatory democracy at work. Indeed, this phase employs tools to organize and structure

the collective thinking process on what is at stake in the future as well as the eventual evaluation of strategic options. On the other hand, for reasons of confidentiality or liability, the phase of strategic choices should involve a limited number of participants, e.g. the elected representatives only or a company's board of directors. This final phase requires less scientific methodology and decisions should be made after roundtable discussions and consensus gathering among the leading participants or those in charge. The tools employed here may be useful in choosing strategic options, but the emphasis remains on freedom of choice.

The use of scenarios becomes all the more an abuse of scenarios when the scripts deal with the future context of a region with the question (Q1) What can happen?: This natural query leads regions, like companies, to reinvent the wheel and world and in so doing people forget to ask the essential pre-question (Q0) for any project Who are we? This implies identity, history, strengths and weaknesses[4]. Overall, we tend to forget what Socrates taught us: Know thyself, thyself. That pre-question underlies all else and necessitates a return to one's origins, roots or competencies, with the lessons of the regions' past failures or successes.

Future planning or scenario planning focuses on what can happen. This is the first question and it becomes strategic as soon as the organization or region asks what can I do? (Q2) Once both questions have been answered, the strategic component of Q2 leads naturally to what am I going to do? (Q3) and How? (Q4) this is the overlap of strategy and prospective or scenario planning.

In both regional and corporate applications, the prequestion suggesting self-knowledge, history, and desires for the future tends to be forgotten. Ironically, this question remains essential if we consider that the factors of development are endogenous and if we wish to focus on Q1; i.e. reflect on contextual scenarios. This type of reflection does have its uses but it has its limits because the future is unpredictable and remains to be built or created. All regions will face the same restrictions and opportunities. The true difference between any two regions lies in the capacity of certain regions to accentuate their strengths and minimize their weaknesses. This implies self-reliance. Self-reliance is the singularly most effective behaviour and also the one within most regional actors' reach.

Diagnosis and a plan are not sufficient for a region or corporation to take action. Why? We return to Q4, or How?, which must be answered through appropriation. Only through the correct use of participatory exercises and events upstream, to use a marketing term, can any foresight or strategic prospective endeavor actually function.

We end on a happy note. The future of our regions is open. Moreover, it depends less on trends or uncertainty about the future than on the ability of the actors to unite in collective efforts and build what we wishfully call "a society of projects".

## **Appendix. The seven priorities of regions 2030**

In September 2003, the newly inaugurated Conseil de prospective et dynamique des territoires (Council for Regional Foresight and Dynamics), headed by Michel Godet, began a futures exercise on the needs of the State and regions with 2030 as a horizon line.

The horizon 2030 was indicated by the research suggesting changes brought about by heavy trends and major uncertainties with a scale of one generation.

### ***Prospective and foresight process as a vector in regional dynamics***

Public action in regions must naturally be enlightened by possible and desirable futures; otherwise, why bother holding futures-thinking exercises if only to record the further economic and demographic decline of the regions under the microscope. Appropriation of the diagnosis and the prescription by the actors involved remains vital. Successful prospective must first be a vector in regional dynamics. This is the reason behind the inception of the DATAR's Council for Regional Prospective and Dynamics.

Further to workshops held September 8, 2003, the Council and administration of the DATAR identified the topics for their futures-thinking exercise (2030 horizon line). These seven topics are sketched below.

### **1. *The population and future of France's and Europe's regions***

- *Differences in the aging population by region (opportunities and limitations)* – The French population ages differently across the country. The demographic topography by region and department with 2030 as a horizon reveals the abyss between the France that lives (cities, countryside surrounding cities) and the France that leaves (fragile rural areas).
- *New regional organization of public services (education, qualification of regions, competencies, health, transfer of payments, quality and proximity, social hubs, etc.)* – Given internal migration and residential mobility, the greying population in the regions will generate new needs for public services. The market supply will have to adjust accordingly, especially in light of the foreseeable reduction in the civil service.
- *Distribution of the migratory fluxes, conditions; action for integration; No! to an urban apartheid in France and Europe* – New “sensitive” or “fragile urban zones” may well develop in certain regions despite the fact that others have the potential to receive (im)migrants, especially if we consider the expected development of the active population in those regions. This issue remains just as important as that of rural zones already in the process of desertification.

### **2. *Sustainable development of regions (opportunities and limitations)***

What content can we give to sustainable development in economic, environmental and human terms? The answer shapes the future of agricultural activities (reform of the Common Agricultural Policy, or CAP,) as well as industry, tourism, transportation, and housing in our regions. Economic and environmental concerns crop up when we consider transportation and the historical or natural preservation of specific sites, or our cultural heritage.

Sustainable development also creates a new balance of power in the region. Administrative issues such as natural risk management and heritage preservation management enable a region to be coherent in its local development and renewal activities. Hence the need for a regional development model to outline the roles of each level of government.

### **3. *“Critical mass” and regional scale***

The controversial problem of “critical size” reappears. If we apply this concept to regions, we ask about the “metropolarization” of activities. The concept of critical mass or size may be renewed here by considering a multi-level or multi-scale approach that combines space, time, communication, lifestyle, and regional networking.

### **4. *Infrastructures, networks, attraction and localization of production systems***

A retrospective and prospective analysis looks at the attraction and localization of the production system (infrastructures, transportation and communication networks, quality of life. . .). The same analysis also considers the behaviour of economic and social actors to draw some conclusions on the development of skills, mobility and the localization of economic activities hence jobs plus living spaces.

### **5. *An inventory of the good (and bad) practices of local initiatives and the management of regional collectivities in France and Europe***

How can we explain the difference in regional dynamics? A distinction must therefore be made between the roles of exogenous factors (globalization, technology, and innovation) and endogenous factors (localization, socio-cultural context, and local economic history) as well as their impact on the attractiveness and dynamics of the local production systems. Inventory-taking should promote the spread of local development initiatives (LDIs) and practices already proven effective in leading regions of France and Europe.



## 6. Evaluation of regional policies and practices (private initiatives and public action)

Once the above-mentioned inventory has been taken, an analysis of the cost-effectiveness of the private developmental agencies (associations, companies) or public mechanisms (state or regional collectivities) should be made. In general, regional action should be evaluated to optimize the roles played by these agencies or mechanisms and also to identify the place of the market and the civil service in providing universal public services.

## 7. Europe, states, nations, regions, territories

Inter-regional and cross-border cooperation leads us away from “little Europes” to an enlarged Europe that is developing. These examples of new cooperation and complementarity are likely to change the playing field and create new situations in the old world’s regions.

Questions about the future must touch on subsidiarity, governance, the position of states and regions within the European structure, as well as the “large development zones” (grands bassins d’aménagement in French government terminology) that have an inter-regional and a cross-border component. Also significant are the CAP and structural funds likely to have a major impact on certain regions.

## Notes

1. In January 2004, 1 Euro was worth about \$1.3.
2. The term prospective is usually translated in English as foresight or futures studies. We have proposed elsewhere the terms strategic prospective, futures scenario building, futures-thinking exercises, according to the context.
3. Yet this example is rarely mentioned. One report is provided in the collective work, *Projectique*, published in 1996, Editions Economica. A complete story of this case had been published by Marc Mousli: *Pays Basque 2010*, Lipsor working papers No 15, June 2004.
4. This five-step series rather than the usual three-step repeated by most authors stems from my collaboration with Hugues de Jouvenel and Jacques Lesourne in September 1997. When my first textbook on strategic prospective came out we realized that there was a Q0 which we ourselves forgot at the first meeting. It just proves that no one is immune to blind spots, especially when directly involved in a project (Godet, 2001).

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