NAUTILUS INSTITUTE
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Asian Environmental Scenarios Roundtable

Recommended Citation

"Asian Environmental Scenarios Roundtable", ESENA, February 03, 1999,
https://nautilus.org/esena/asian-environmental-scenarios-roundtable/

February 3, 1999
Geneva, Switzerland

Background

The *Asian Environmental Scenarios Roundtable* brought together 24 participants from eleven Asia-Pacific countries to engage in a "strategic conversation" about the future of the region. Held February 3, 1999 in Geneva, Switzerland, the Roundtable was organized by the Nautilus Institute for Security and Sustainable Development, with financial support from the Ford Foundation. Participants included academics, activists, philanthropic foundations, and government officials, and represented a wide variety of disciplines, including economics, international relations, sociology, and engineering. The Roundtable followed a two-day Dialogue on Regional Approaches to Trade and Environment, co-sponsored by the Nautilus Institute and the Geneva-based International Centre for Trade and Sustainable Development.

The starting point for the Roundtable was the recognition that, in the aftermath of the 1997 financial crisis, the future of Asia is highly uncertain. In addition to economic restructuring, Asia is undergoing profound political change. Old shibboleths, on both the right and the left, are crumbling. In many quarters, people are questioning the benefits of participating in the global economy --at least on "free market," neo-liberal terms. For the first time in two decades, Asia's celebrated development model, based on high growth, strong state support, and high social and environmental costs, is being questioned. Such a moment demands -- and provides an opening for -- fresh and strategic thinking.

The goal of the one-day Roundtable was to collectively develop plausible post-crisis economic and political scenarios in Asia Pacific over the coming decade, and to explore what the scenarios imply for social and environmental impacts and advocacy. The point was less to create an intellectual product than to engage other thinkers and to stretch mindsets.

The Roundtable utilized a scenario methodology based loosely on methods developed by the Global Business Network (GBN). Alain Wouters of GBN-Europe was the primary facilitator, with co-facilitation by Lyuba Zarsky and Jason Hunter of the Nautilus Institute. Scenarios are tools long used by corporations and governments to think collectively about the future, and to prepare individuals and organizations to recognize the signals of change before they fully unfold. The objective of scenarios is not to make prescient, path-dependent predictions, but rather to use ideas about what may happen tomorrow to make better, more strategic decisions today.

The two scenarios developed by the Roundtable describe different futures for Asia based on distinct patterns of response to the economic crisis. Given the time constraints, the scenarios are necessarily sketchy. Nonetheless, they are coherent and insightful. The point of the Roundtable was not to determine the "right" scenario but rather to enrich the dialogue among key stakeholders through well-informed strategic thought about a range of possible futures.

The Roundtable was part of a larger Nautilus Institute project aimed at helping to develop a "common agenda" on social, economic and environmental governance in Asia Pacific. In conjunction with the Global Business Network, the Nautilus Institute will convene two three-day, multi-stakeholder scenario-building workshops during 1999-2000. For more information, contact Jason Hunter <nautilus@nautilus.org>.

Hopes, Fears and Drivers: Developing the Scenarios

The Roundtable began with a lively session in which participants identified their "greatest hopes" and "greatest fears" about the future of the region. Hopes ranged from dreams of ecologically sustainable societies, regional cooperation, improved living standards and economic recovery, to visions of harmoniously diverse ethnic and cultural relations, democracy, and political stability. Fears focused heavily on social disintegration, including internal political and ethnic strife, a collapse of regional institutions and the possibility of war, especially involving China. There was also great concern about the erosion of cultural identity, the social ramifications of globalization, and continued irreversible environmental degradation. Gender issues came up as well, with one participant confiding that his main fear was that women would become much more powerful--and another participant exclaiming that it was her main hope!

In the next stage, participants brainstormed about all the trends and factors which they thought would drive the region's future. The aim here was to try to map in broad brushstrokes the contextual environment and to identify deep structural forces at work. The group identified thirty critical drivers, including the resilience of international institutions; the widespread adoption of new social norms; the power of clan-based economic activities; urbanization and migration; the lending policies of international financial institutions; and the governance capabilities of states.

Participants then broke into two groups to form scenario teams. Each team was tasked with narrowing down the list above to a few of the most critical driving forces, and then sharing their findings with the other group. This was one of the most difficult, and most valuable, steps in the process. Both groups were extraordinarily effective. It is rare that such a geographically diverse group of participants, with different personal and professional experiences, viewpoints, and beliefs could listen respectfully, give credit to each others' ideas, debate, and converge on a clutch of key issues driving the future of the Asia-Pacific. In doing so, the group was able to reach a common, yet fantastically rich picture of the challenges facing the region.

When the teams reconvened, the group settled on nine critical drivers of the future of the region. These ranged from pressure on environmental resources, to the "IMF factor" (i.e. external pressure on economic and social policy), to poverty and inequity. Through group discussion, these were

refined even further to generate four "critical uncertainties"-- those driving forces which had both the highest probable impact and the highest uncertainty of outcomes. The four were:

1) the nature of state power (weak vs strong state governance capacities);
2) the role of stakeholders (especially NGOs and other social activist groups);
3) balanced versus inequitable economic growth;
4) Asia-driven vs. globally-driven economic growth.

To create our scenarios, the group then integrated these four driving forces to generate two critical uncertainties in order to create a two-dimensional "scenario matrix". A two-dimensional format is much easier to visualize and work with than three or more dimensions. The drawback, obviously, is that the world is not reducible to two dimensions! The secret to a rich, insightful scenario-building exercise is to develop two critical uncertainties that are at once deeply structural in terms of causation, and deeply integrative. (Of course, given that the exercise is not about creating the picture of the future but about conceiving a range of possible futures, one can always run the exercise again with different critical uncertainties.)

As their two critical uncertainties, the group came up with:

1) the nature of economic development (Asia-driven vs. externally driven);
2) the nature of state governance (weak vs. strong states).

To define a matrix, one critical uncertainty was plotted on the horizontal axis, the other on the vertical axis. Each quadrant of the matrix represents the primary parameters of a distinct future. The next step was to develop a "scenario logic" for each future to help us understand some of the most important dynamics and outcomes. The goal of developing each scenario is to tell a coherent story about how that world might unfold. The stories that define each scenario provide a heuristic tool to organize our collective knowledge and intuitions. With this in mind, the Roundtable again broke into two teams who developed the following two scenarios.

Scenario One: Asia.com

The first group developed their scenario based on the first quadrant of the scenario matrix: a world characterized by weak states, externally driven economic growth (i.e., globally), and an emergence of new stakeholders in political and economic processes. In this future, led largely by international financial institution (IFI) imposed reforms, the region recovers quickly from the economic crisis. Economic growth is based on a high export-orientation and a high degree of foreign direct investment. As a result, the relative power of corporate actors, both global and domestic/regional, sharply increases. However, the economic reforms increase social inequity and generate deleterious environmental impacts, which prompt a major blossoming and political offensive by civil society groups. Non-governmental organizations thrive throughout the region, and corporations are forced to embrace measures to increase their social accountability. The state retreats to serve as a broker between these two contending groups.

Some of the key implications of this future were:

- High inequity

- Localization of conflict

- High job mobility

- Environmental degradation

- Strong civil society/NGOs

- Reactionary society

- Strong economic growth

- Market based environmental management

- The state's primary role is that of mediator between civil society and corporations.

Scenario Two: Condominium Asia

The second scenario, Condominium Asia, is characterized by strong states and economic growth generated primarily at the regional level, i.e. by Asian companies and intra-Asian trade and investment. The scenario envisions a slow but steady economic recovery led by the economic ascendancy of China and a strengthened alliance between China and Japan. States throughout the region are reinvigorated as they are drawn into an Asian bloc based on a new style of state corporatism. The bloc eventually withdraws from the WTO and the US and EU turn towards each other. Even though Asia's state and corporate elites embrace environmental values, bio-diversity is completely destroyed, Asian cities are paralyzed by traffic congestion, and bio-tech and GMOs replace natural resources. NGOs get stronger but work in concert with rather than in opposition to governments. Cultural and social identities are strengthened against encroaching western culture.

The key implications of this future were:

- Primary importance of geo-politics and geo-economics

- Strong role for states as social regulators

- Reduced multilateralism, increased regionalism, increased international tensions

- Lower inequity/poverty

- Strong but circumscribed role for NGOs

- Strong economic growth

- Eco-system degradation and biodiversity loss

Comparative Analysis of the Scenarios

The scenarios were not--and did not aim to be--comprehensive. Rather, they were meant to be tools to help participants think. Nonetheless, the scenarios highlighted some interesting aspects of different futures, especially in terms of the different character of the state, different roles for NGOs, the different geo-political context, and the different paths that economic development might take. Along the way, participants also teased out a number of other social, economic, technological, cultural and political aspects of different futures.

Implications

A key benefit of scenarios is their ability to illustrate signals of change from tomorrow which influence our work today. A number of such substantive insights emerged in the roundtable, including:

- the need for NGOs to focus not only on state policy but also on corporate governance;
- the importance of undertaking ecological/biodiversity restoration;
- the need to focus not only on the pace but also on the terms and sources of economic growth;
- the importance of China and the need for Southeast and Northeast Asian NGOs and analysts to learn much more about each other;
- the recognition that how the causes of the crisis are viewed will have an enormous impact on future social and policy responses.

The Roundtable also developed a number of informal and formal networks among a core group of key players and provided a common language -- scenario methodology -- for future interactions. In their closing evaluations, participants were roundly enthusiastic. Many indicated that they would like to implement similar scenario exercises in their institutions.

Finally, Roundtable participants challenged their existing "mental maps" of where the region is today, and where it is headed in the next ten years. In just one day, the participants developed vivid illustrations of what Asia may look like in ten years from important drivers that were either not widely known, or previously could be neither discussed nor addressed. We sincerely hope that this Roundtable will be one of many efforts to "reperceive" and develop successful strategies for socially just and ecologically sustainable development in Asia-Pacific.

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