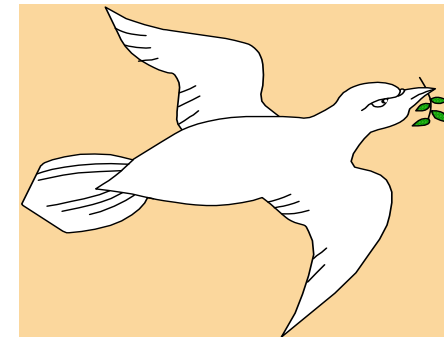


# Scenarios, business & peace building in Nepal

Presentation to  
National Business Initiative, Kathmandu  
22 June 2007

Dr. B.J. Heinzen

[www.barbaraheinzen.com](http://www.barbaraheinzen.com)



**What will your lives be like in 20 years?**

*...or next year?*

# **Scenarios:**

***What are they?  
Who uses them & why?***

# Scenarios: imaginative stories of the future



Which are also:

- **Plausible & rigorous**
  - **Relevant**
- **Challenging**



# **Business users of scenarios**

**2000s: Royal Dutch Shell**

*Corporate policy in Latin America, Africa  
Impact of HIV/AIDS in Southern Africa*

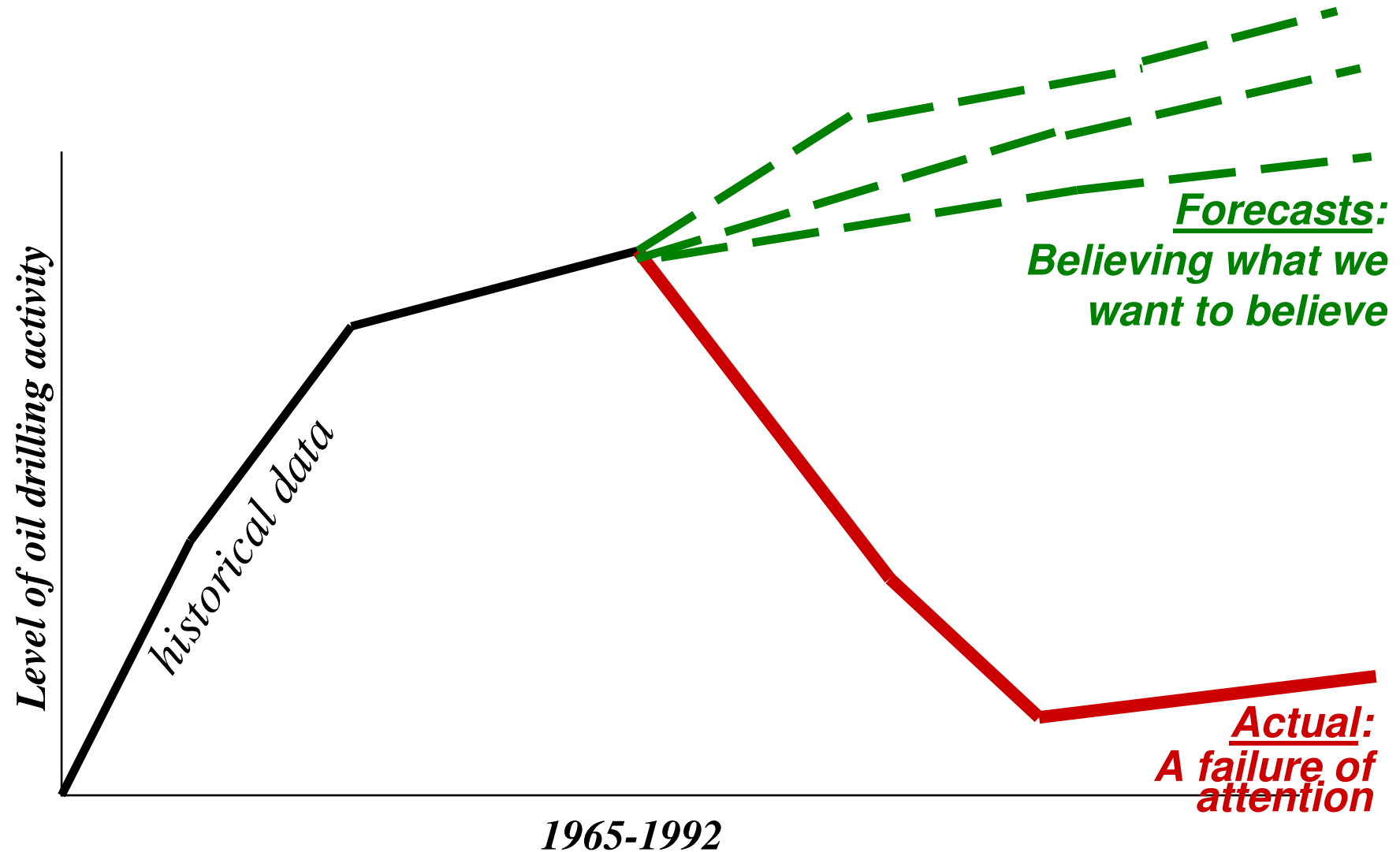
**1990s: British Airways & Singapore Airlines**  
*future of airline industry*

**1990s: Consumer products co.**  
*soap power in China*

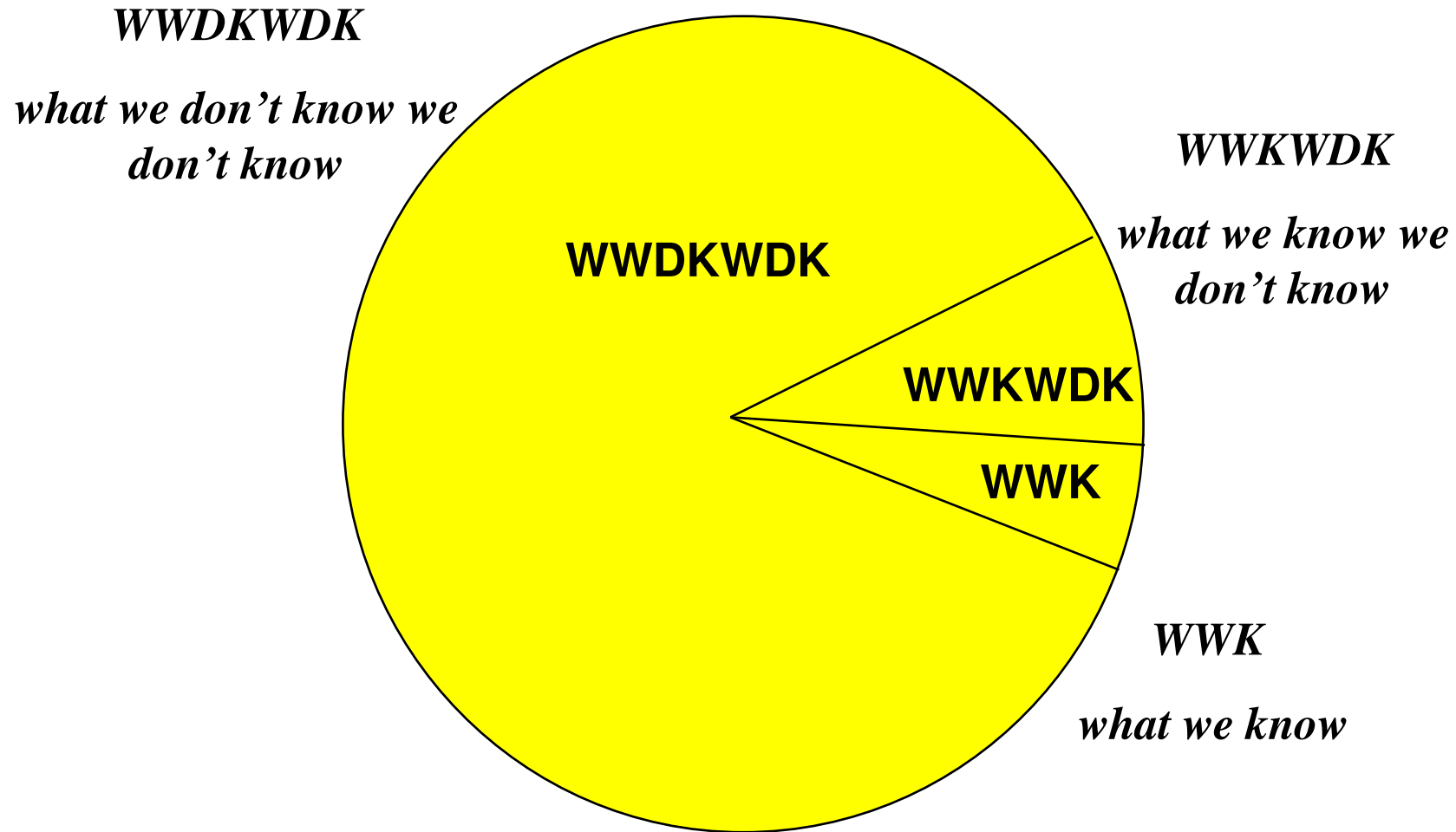
**1990s: Ernst & Young,**  
*Accounting firm, Asian partnerships*

# Straight line forecasts can mislead

*e.g. Oil drilling in the USA, 1965-1992*



# Scenarios: “unknown unknowns”



*Courtesy of Don Michael*

# Scenarios anticipate the uncomfortable & unexpected



*Wall St. NYC  
Oct. 2001*



**Some things are harder to imagine than others – or less acceptable**



**“The only relevant question about the future  
[is not] whether something will happen**

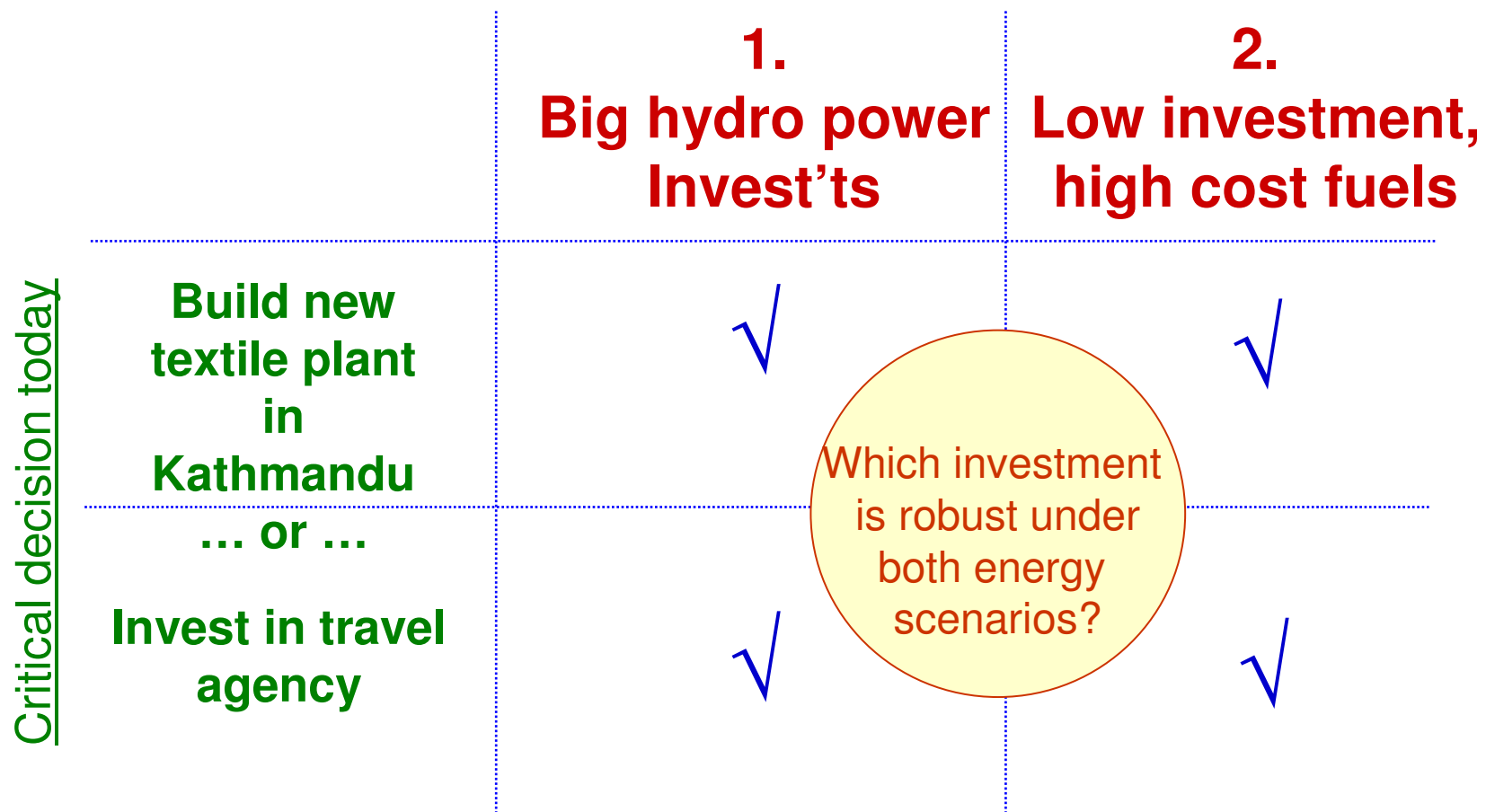
**but  
what would we do if it did happen.”**

*Arie de Geus, Shell International*

*Ltd*

# Scenarios are tools to test decisions

Two scenarios of energy invest't in Nepal

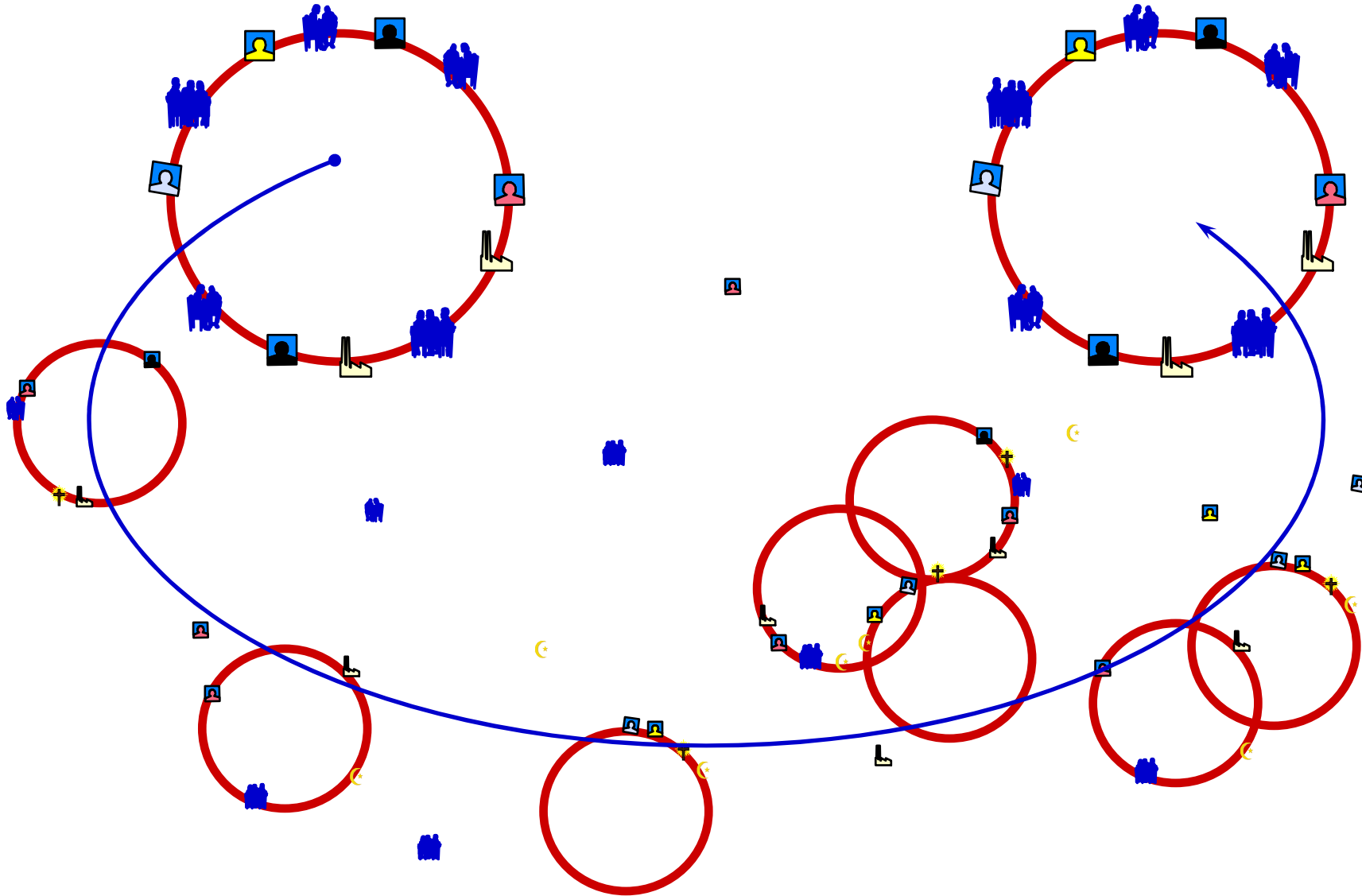


**Clarifying the judgments that are needed.**

# **Public interest scenarios**

***What are they?  
Who uses them & why?***

# A tool for dialogue & engagement ...



# **Public interest scenarios & conflict**

**1980s & '90s: South Africa**

*Anglo American, Old Mutual*

*University of the Western Cape – Mt Fleur  
exercise*

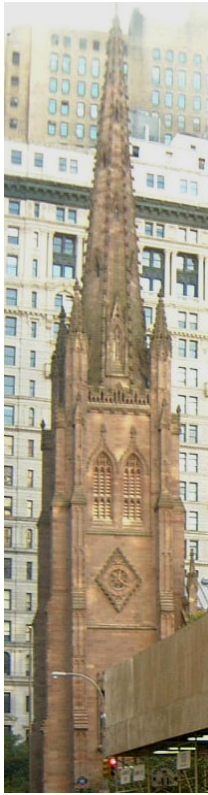
**1990s-2006: Society for International  
Development**

*Kenya, Tanzania, Uganda*

*East African region*

**Columbia, Guatemala, Ivory Coast**

# Scenarios help us face fears & discuss the undiscussable

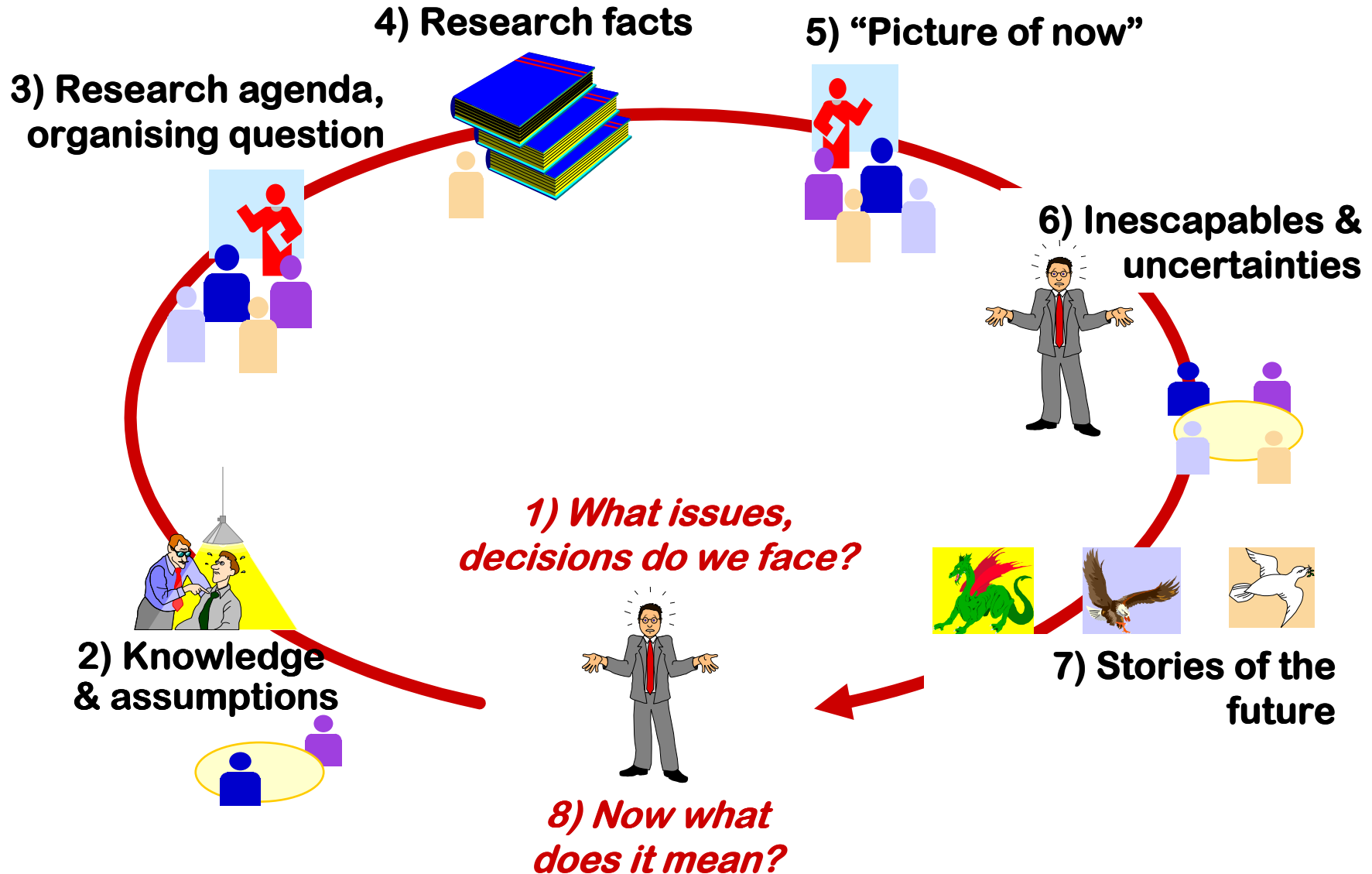


Lower  
Manhattan  
Oct.'01

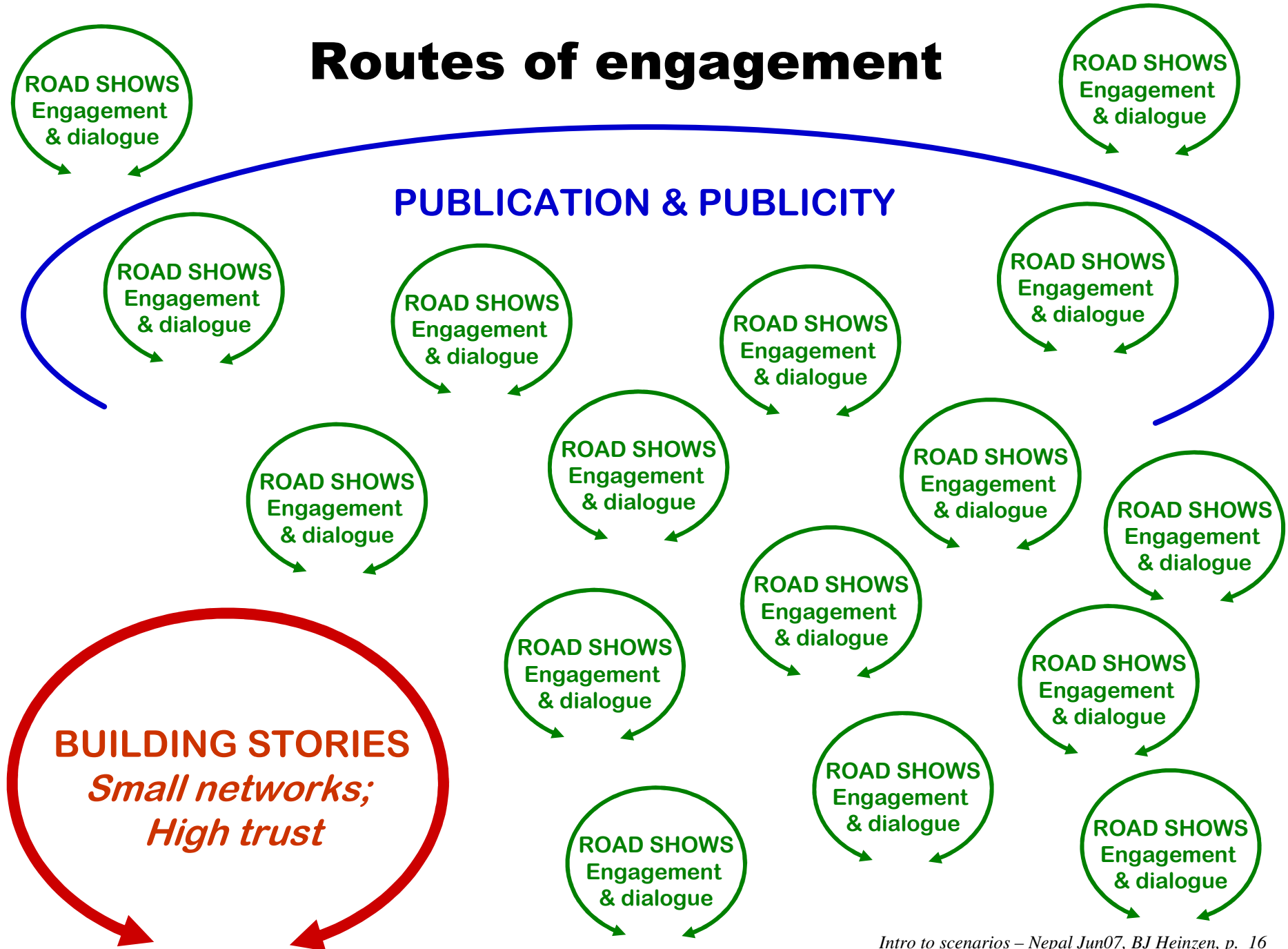


**What if the US people had discussed  
this scenario before it happened?**

# Simple steps – hard to do



# Routes of engagement





# Rate factors in any scenario exercise

Neutral space  
Perception of need  
Tolerance

Support  
of top leaders

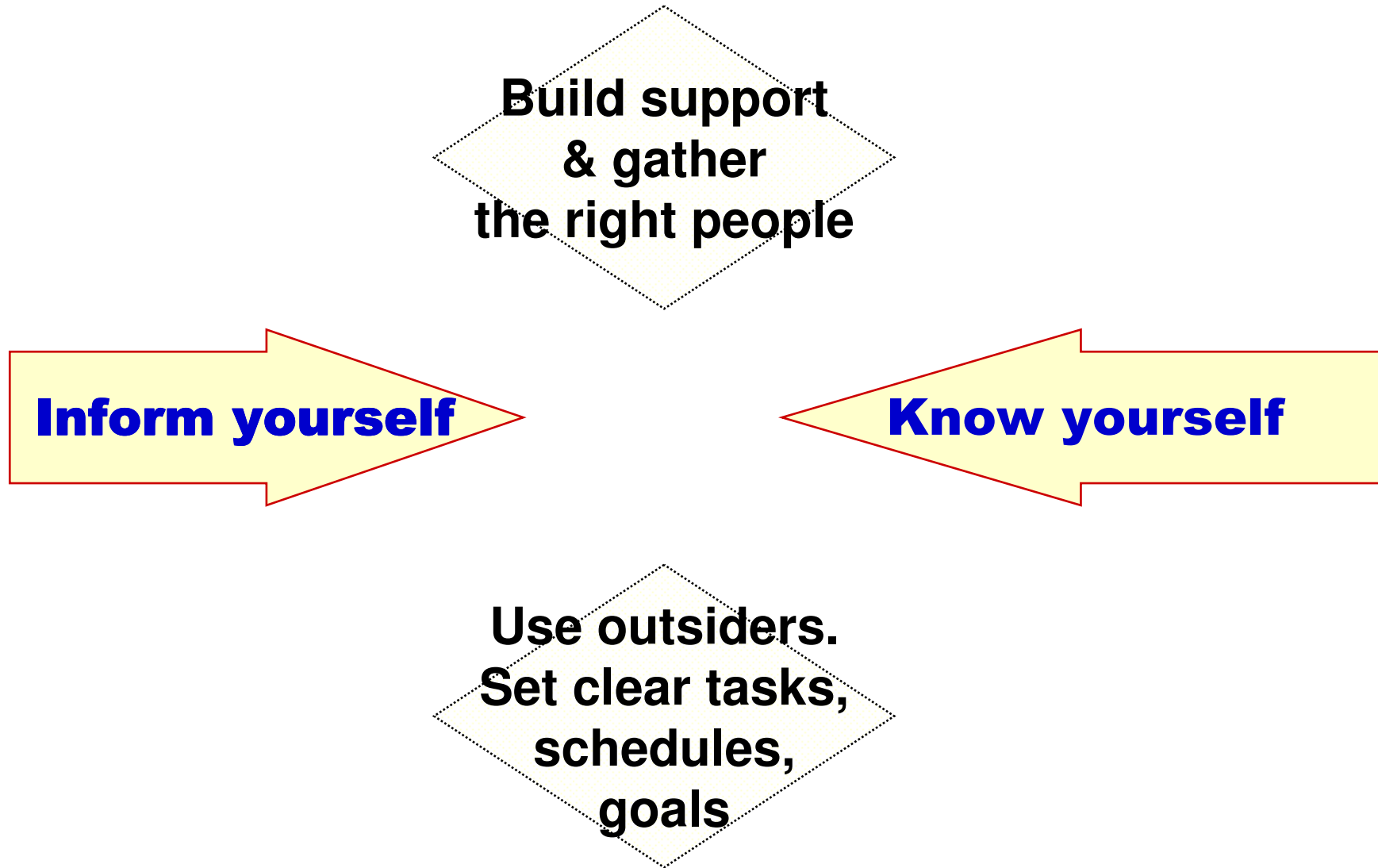
Anti-  
methodocratic

## SCENARIO TEAM:

Facilitators :: researchers  
Strong characters :: Muted egos  
Interdisciplinary

~~~~ Commitment, Continuity, Time ~~~~

# Key elements in public interest scenarios



# Public interest scenarios: hazards to face

## Relationship with Gov't

Mistrust of gov'ts  
Gov'ts' new roles

Creating  
trust

Organisational  
confidence

## Political Questions

Who is involved?  
Press?  
Politicians?

# **Getting started: questions to answer**

**Who is it for?**

**Who should be involved?**

**What is a good result?**

**What is the schedule?**

**How can it be financed?**

**Who can be the ringmaster?**

## **Two examples:**

***Western company in China***  
***Public interest in Uganda***

Western company in China, 1996

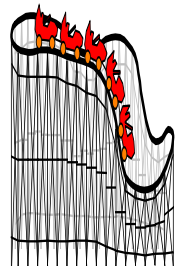
## Plausible futures in China: 1997 to 2007

### Initial investment assumptions:

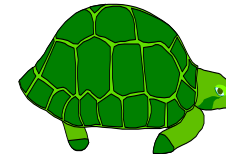
China will become:

1. a market economy, with market rules
2. fast growing
3. eager for foreign products.

*Dragon Fiefs*



**The Party's  
Over**

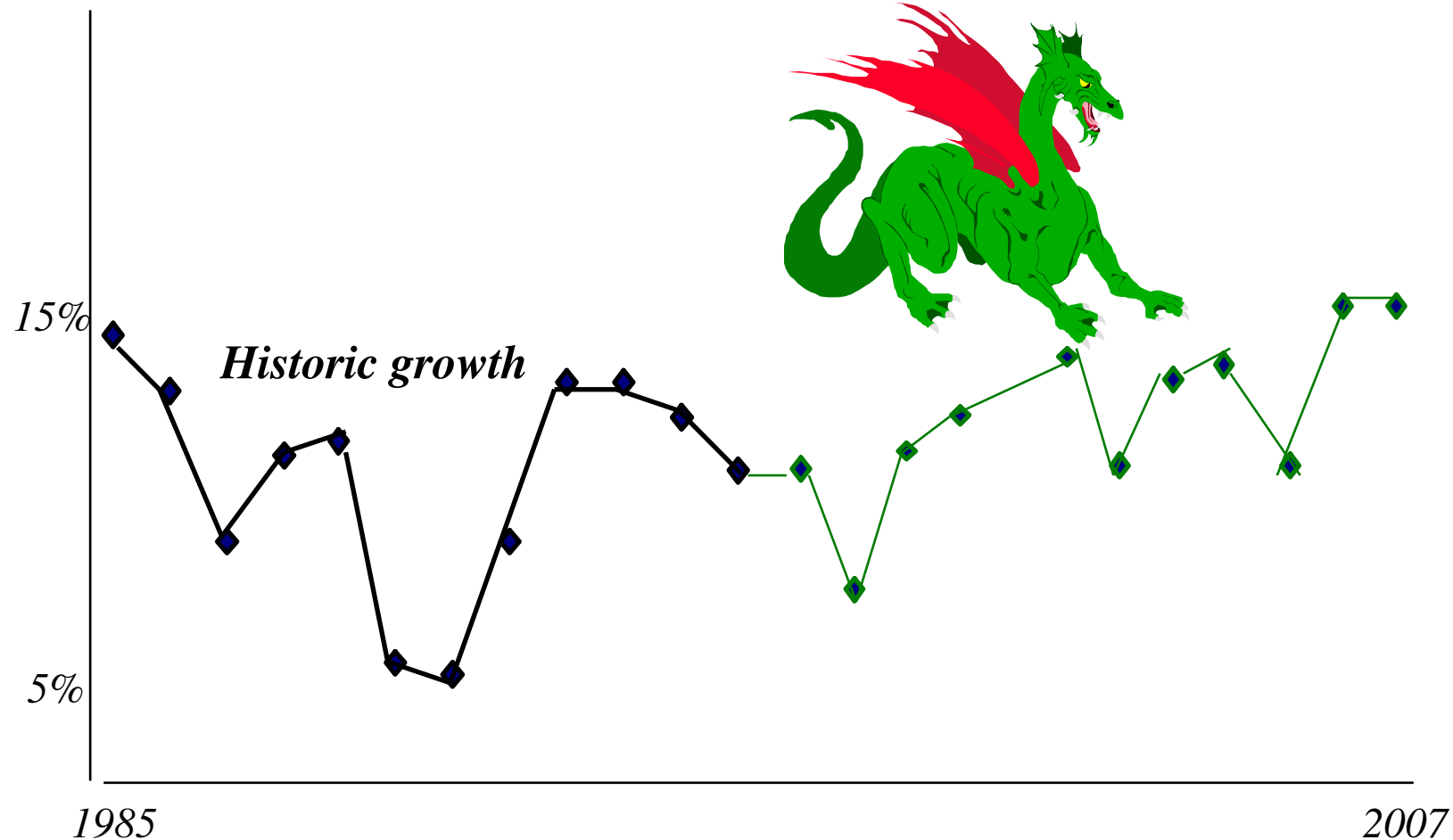


**Workfair**



# High growth = high competition

But a western-style market economy does not appear.  
Chinese companies offer fierce competition.



# Dragon Fiefs: mixed, network capitalism

1 state + 3 private systems - interlocking



## State-controlled

- *state controls circulation of goods & services*

## Private Firms

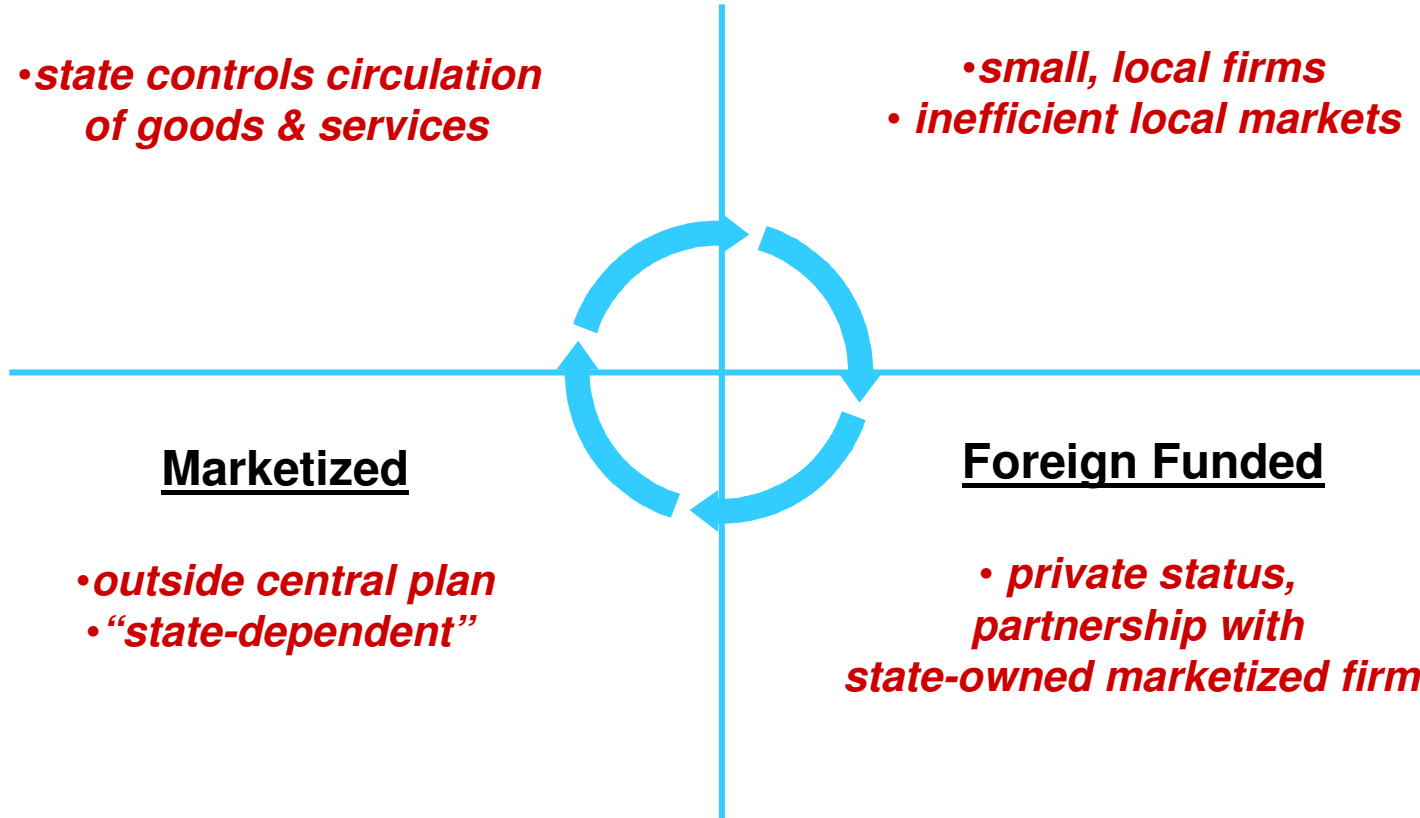
- *small, local firms*
- *inefficient local markets*

## Marketized

- *outside central plan*
- *“state-dependent”*

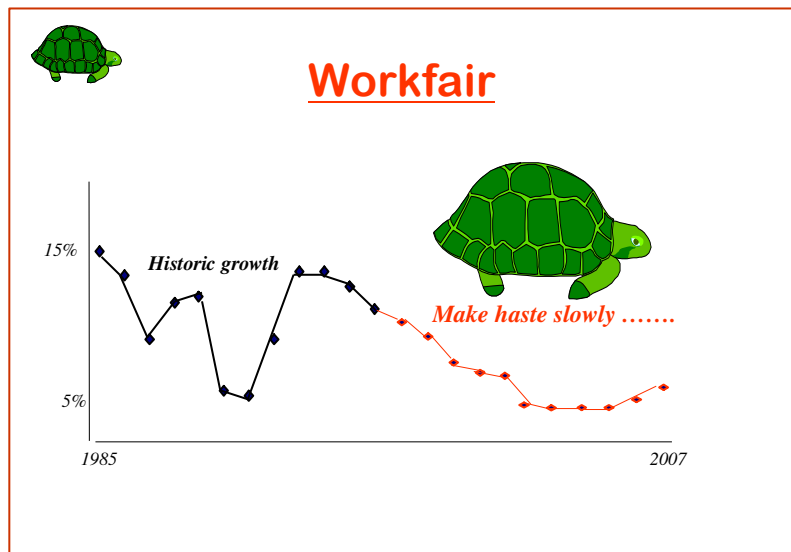
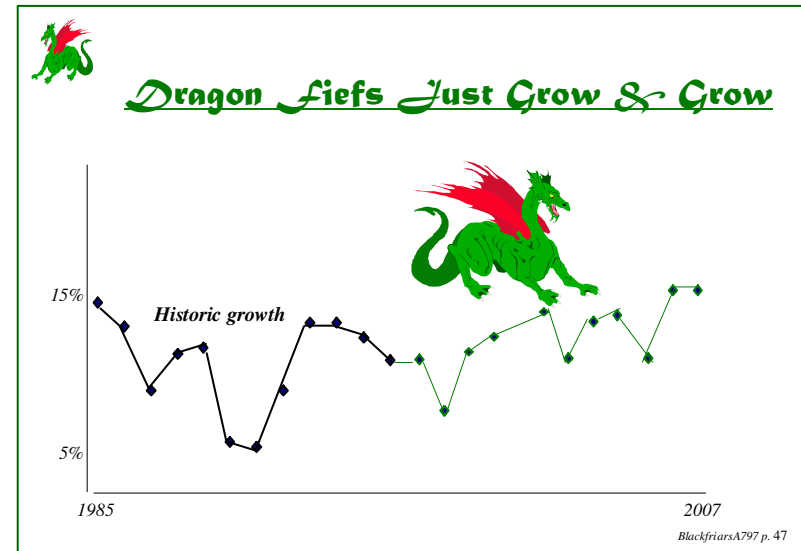
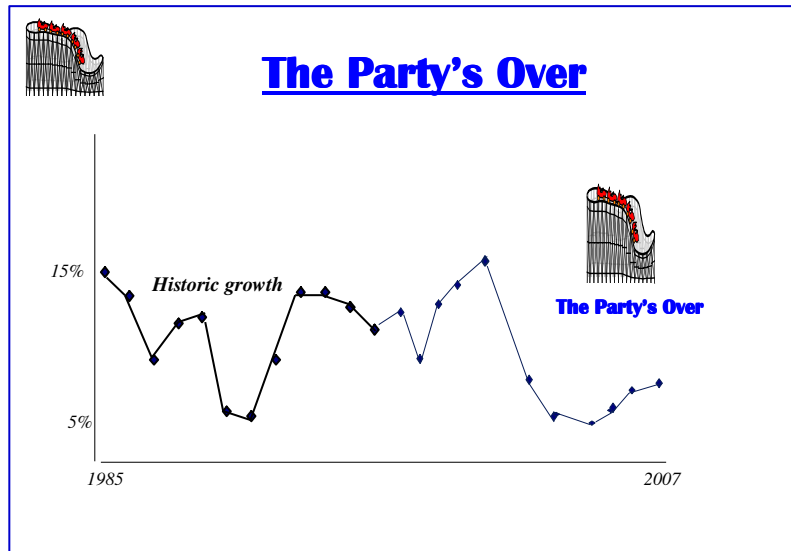
## Foreign Funded

- *private status, partnership with state-owned marketized firms*





# Using scenarios for business planning



**What is the market for Western products in each scenario?**

# The Story of Uganda

The Uganda Scenarios Project



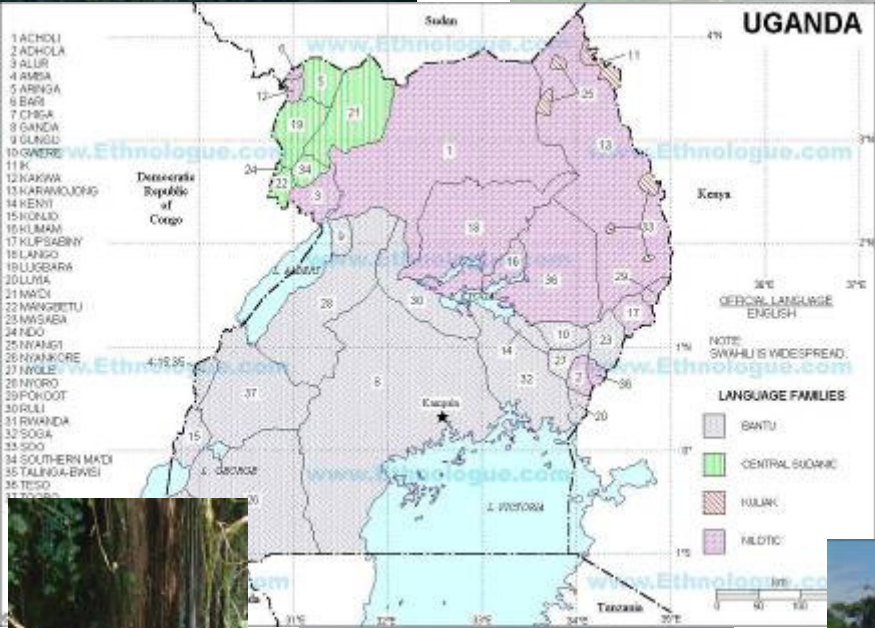
# Diverse people in a diverse land

**37 languages**

**Mountains,  
rivers, plains**

**Plants, trees,  
birds, animals**

**Ancient & modern**





# With new economic opportunities...

**Liberalised  
markets**

**Upgraded  
infrastructure**

**New entrepreneurs  
using new skills**



**New businesses**



# Overly-dependent on aid

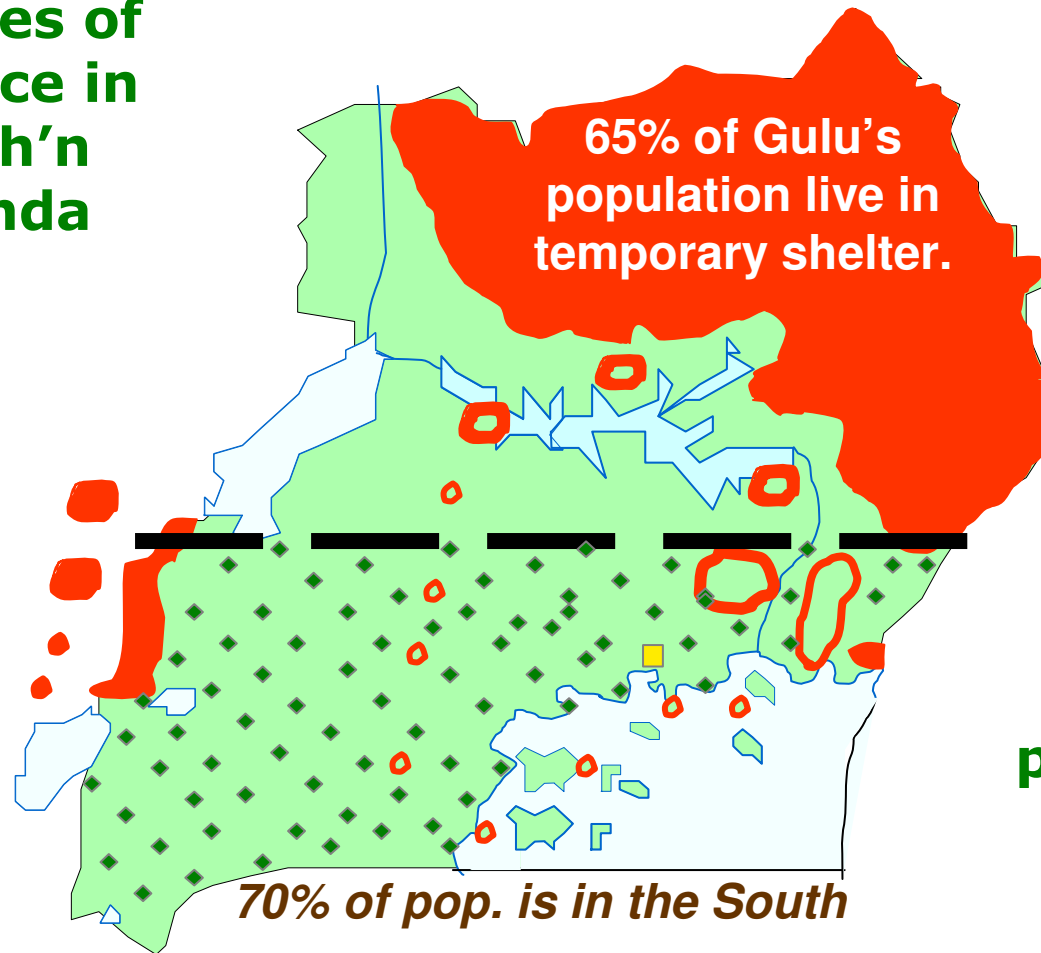


**85% of Uganda's  
development  
budget**

**55% of recurrent  
gov't expenditure**

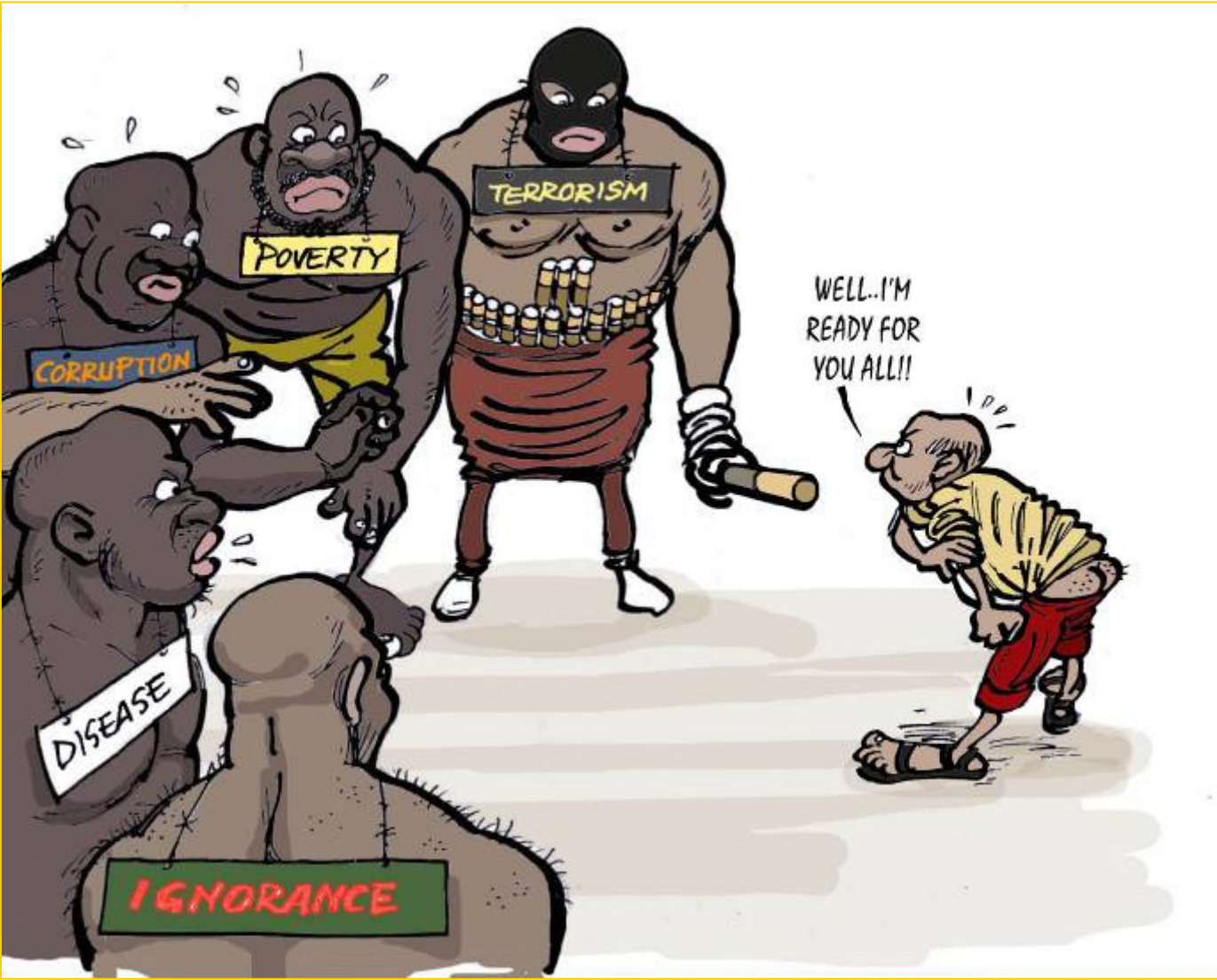
# One country, two realities

**Decades of  
violence in  
North'n  
Uganda**

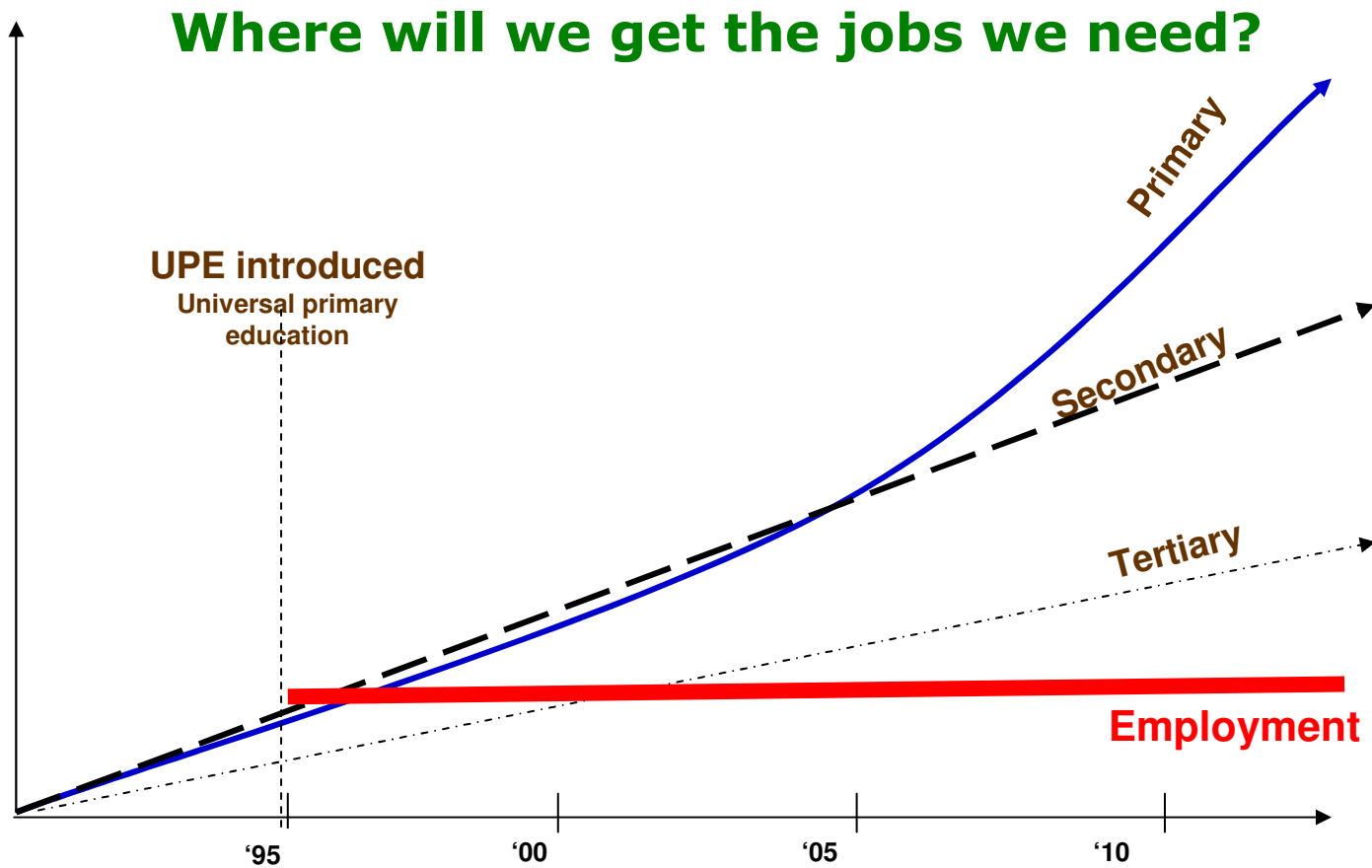


**Relative  
peace &  
prosperity in  
the south**

# Globalisation & its discontents ...



# More education, but not more jobs



**Do we have the right knowledge for the future?**



# Our question to the future .....

What will  
become of  
Uganda as we  
face a  
complex world  
...



**&  
what will be  
the impact  
on its  
citizens?**



# Three stories about the future...



**Rope Bridge**  
*Political transitions  
& suspicions*



**Ova Go Vile Vile ...**  
*Discarding old habits*

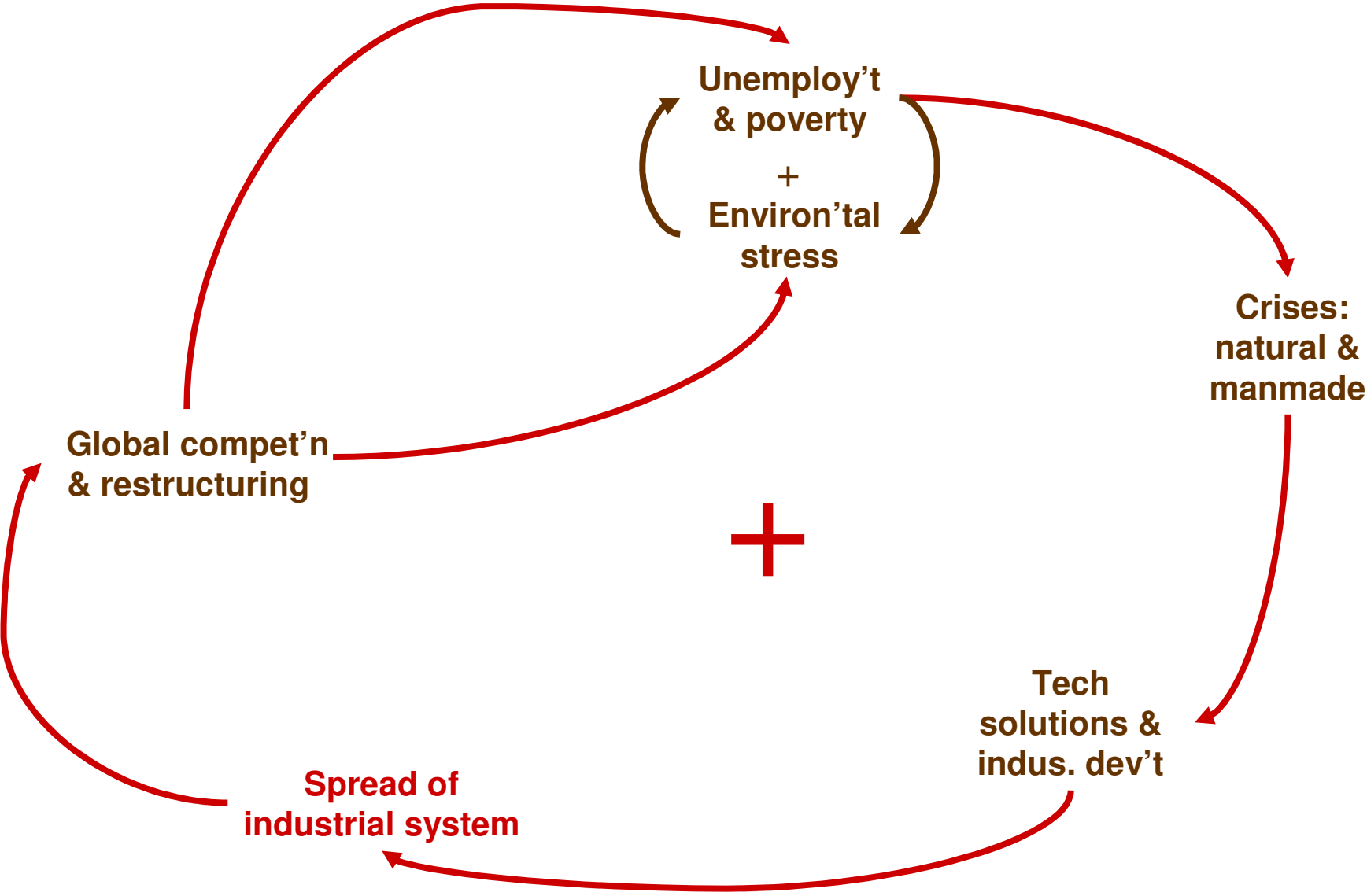


**Embaliga Walk**  
*Half-successes*

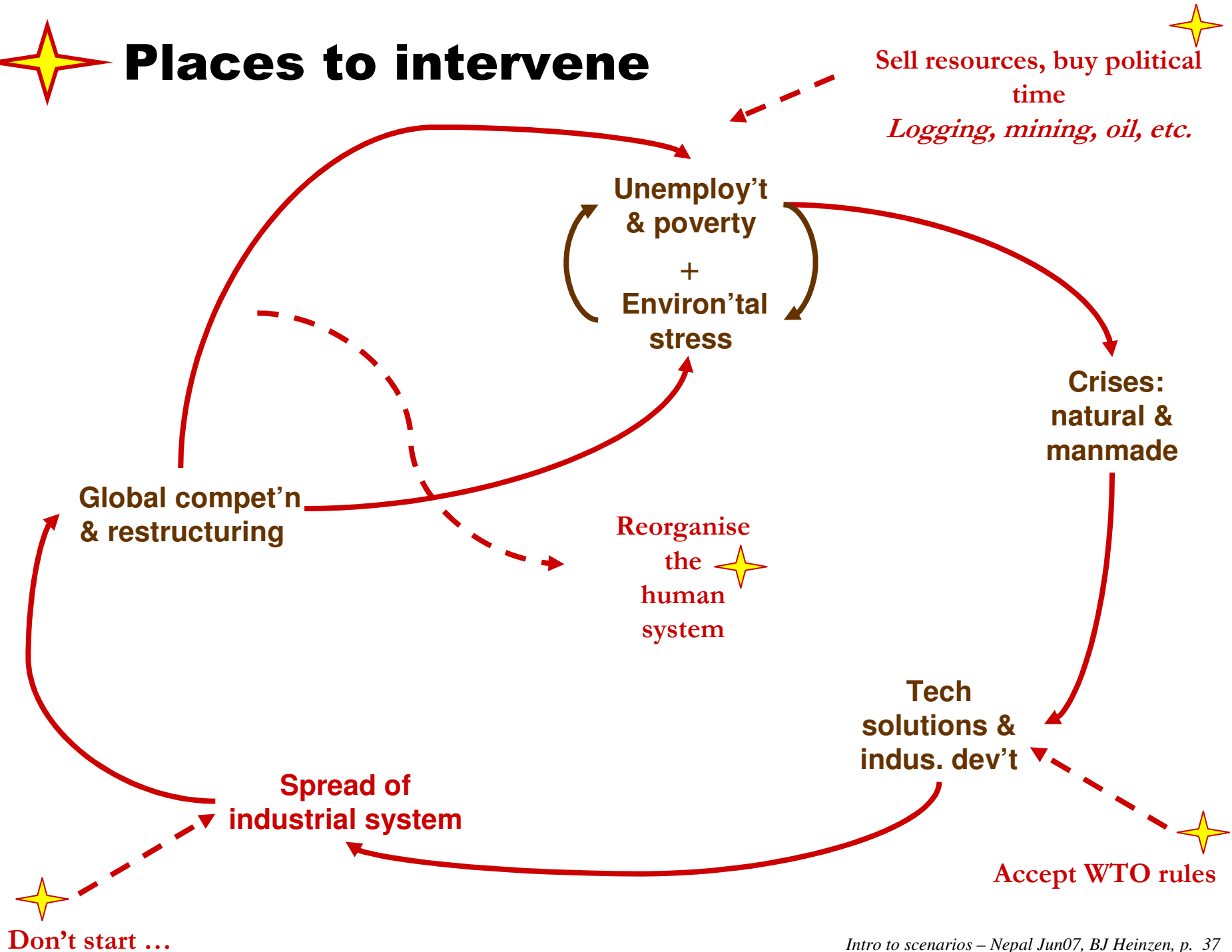
**New necessities**

***are creating new models  
of development***

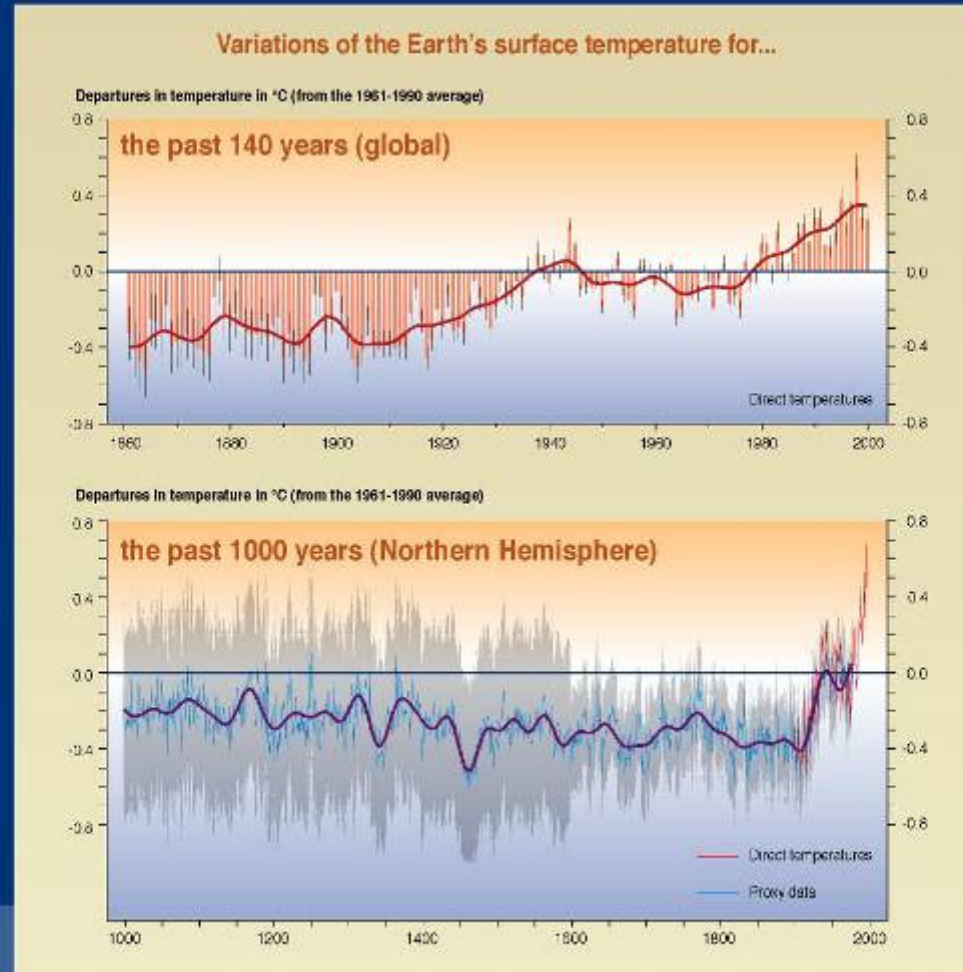
# Development today



# ★ Places to intervene



# Extremity: rising CO2



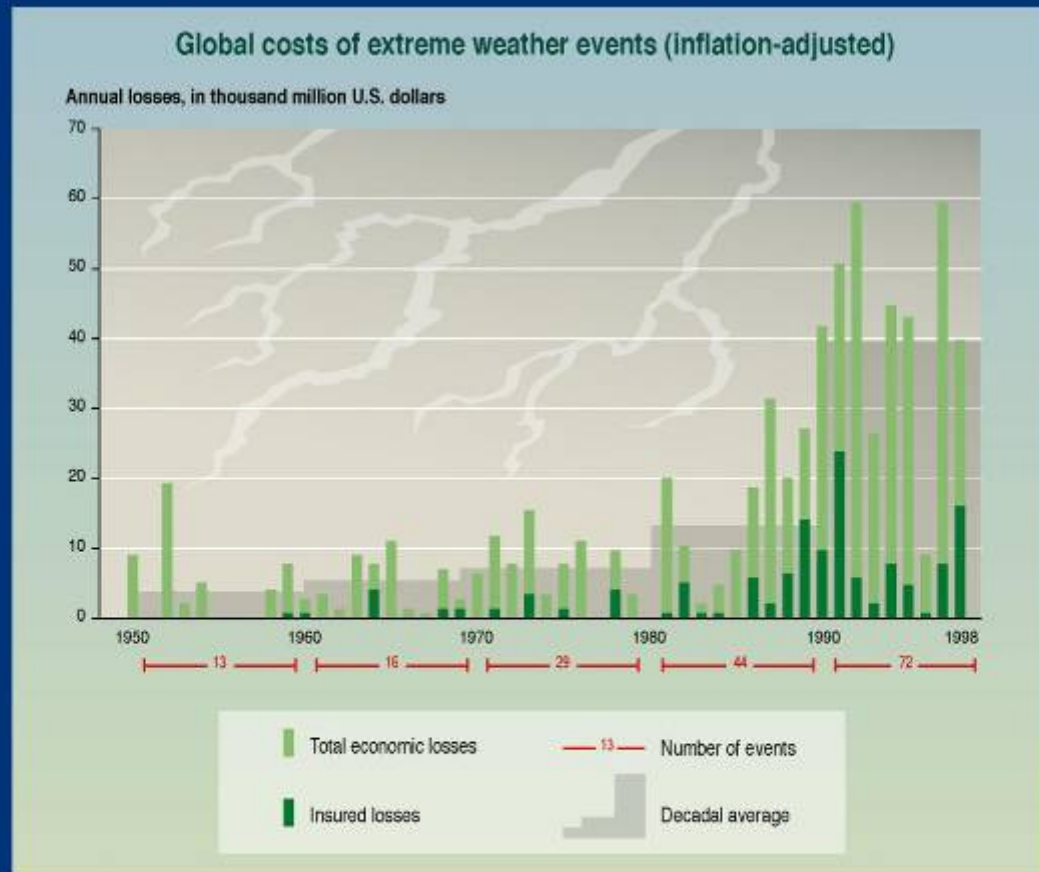
SYR - FIGURE 2-3

IPCC

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE



# Rising risks, rising costs



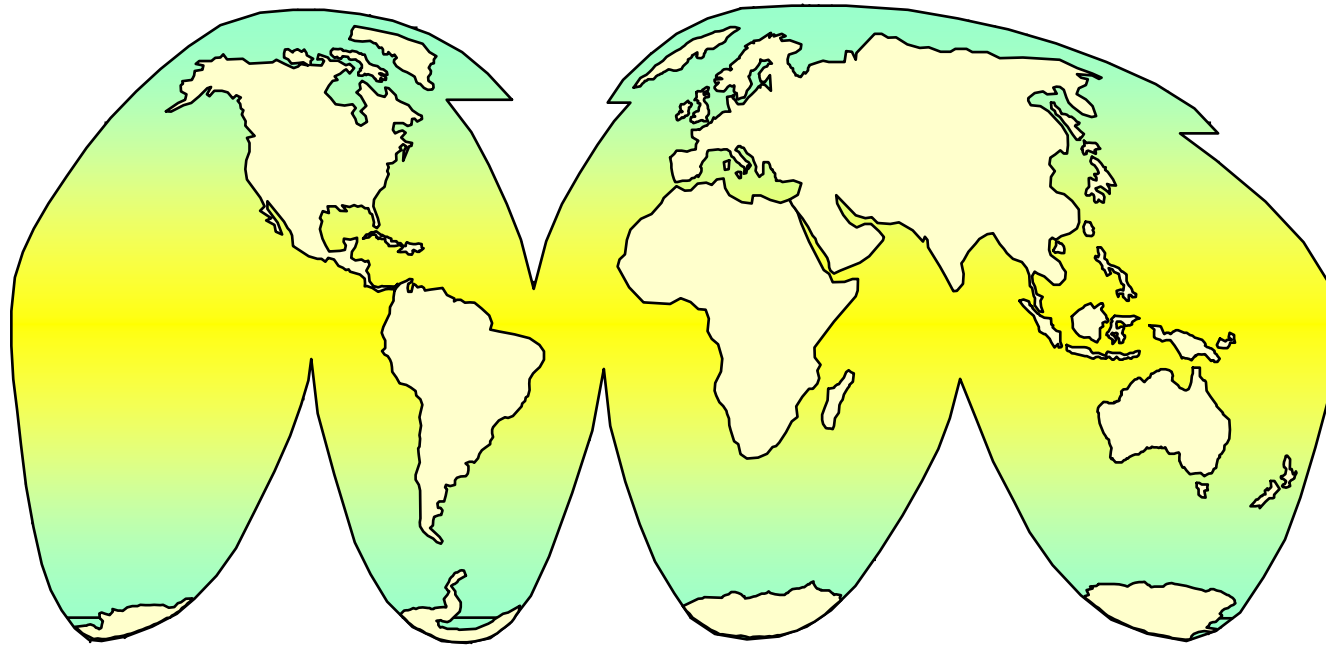
IPCC

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE



# Engagement: potential for new relations

**Most carbon emissions are in the OECD North.**



**The greatest biodiversity is in the tropics of the South.**



# Can we invent a new paradigm?



Irrigation dam  
Near Pune, India  
June 2007



Top soil removed  
to make dam,  
Firewood removed  
for cooking



# Restoration of biological wealth



Sanjay & Mrinalinee



Upstream forest restoration



Downstream wetland restoration





# Where is the market for biological wealth?



“let the polluter pay ...  
for biological wealth  
& environmental knowledge”

But how?



Ahmedabad power station, June 2007

# What role for traditional knowledge of all kinds?



... for  
ancient &  
practical  
knowledge  
of Nepal?



# What futures for Nepal?



ILLUSIONS  
OF CONTROL

## Stories that are:

- **Plausible, rigorous**
  - **Relevant**
- **Challenging**

**Spoils  
of  
War**

Environmental  
modernity

# Beyond the paralysis of uncertainty

- Support a national scenarios exercise – moral support, in kind or hard cash.
- Commission an NBI scenarios exercise for business use.
- Ask others to participate in & finance either one.

**Choices, 2007 ...**

**Fight!!!**

**FLIGHT**

Start talking ...

*fright*