

Strategic Foresight in U.S. Agencies

An Analysis of Long-term Anticipatory Thinking in the Federal Government

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Executive Summary

“Imagination is not a gift usually associated with bureaucracies.... It is therefore crucial to find a way of routinizing, even bureaucratizing, the exercise of imagination.”

— The Report of the Commission on the 9/11 Attacks¹

U.S. public policy has traditionally been short-sighted. The ability to anticipate, prepare for, and adapt to the future has long suffered from the pressure to emphasize today over tomorrow, operations over preparations, tactics over strategy. The result is policy that often sacrifices long-term needs to short-term interests. This short-termism not only reduces economic performance, threatens the environment, and undermines national security—to name but a few consequences—it also leaves the United States vulnerable to surprise and limits its ability to manage crises, such as the COVID-19 pandemic.

Unfortunately, this dynamic is likely to worsen. As the world becomes more interdependent, the degree of systemic complexity will grow, as will the amount of irreducible uncertainty. There will be more *future stuff* that simply cannot be predicted and planned for. In response, policymakers will increasingly focus on the short term because it is, relatively speaking, more predictable and therefore more tractable. Amid dizzying change, this short-termism is a coping mechanism, but it is an unhealthy one that sacrifices future gains for immediate rewards. Worse, if short-termism is a response to the uncertainty of the future, then its oft-prescribed remedy—greater emphasis on the future—is nonsensical.

The question, then, is: How can American policymakers adequately value the long term given the inherent uncertainty of the future and the resulting pressure to focus on the short term?

This report explores one potential answer: the practice of strategic foresight, defined as the rigorous examination of imagined alternative futures to better sense, shape, and adapt to the emerging future. The archetypal manifestation of strategic foresight is scenario planning, the structured process of envisioning plausible futures to (among other things) put boundaries around future uncertainty, challenge assumptions about the present, and facilitate strategy formulation. Here, a definitional note is in order: although some researchers conflate the concepts², this report distinguishes “foresight” from “forecasting,” which is the prediction of future events. The U.S. government has experimented with probabilistic prediction,³ but this study focuses on its use of strategic foresight.

Most notably, this report presents findings of a study that examined the U.S. Coast Guard’s 23-year-old scenario planning program with the goal of understanding how such an initiative takes root, sustains itself, and influences strategy. The report also presents snapshots of new and expanded strategic foresight programs in other U.S. agencies, and it contrasts such efforts with the strategic *planning* that such agencies perform, focusing on those in the foreign policy establishment. It concludes by proposing a whole-of-government foresight effort.

¹ National Commission on Terrorist Attacks Upon the United States, *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States* (New York: Norton, 2004), Executive summary, 2.

² Confusingly, scholars of business strategy equate *foresight* with *forecasting*, defining *strategic foresight* as the ability to predict the outcome of a course of action such that a firm can identify strategy that provides competitive advantage over time. See, for example, Gautam Ahuja, Russell W. Coff, and Peggy M. Lee, “Managerial Foresight and Attempted Rent Appropriation: Insider Trading on Knowledge of Imminent Breakthroughs,” *Strategic Management Journal* 26, no. 9 (2005), 791–808 or Giovanni Gavetti and Anoop Menon, “Evolution Cum Agency: Toward a Model of Strategic Foresight,” *Strategy Science* 1, no. 3 (2016): 207–33.

³ Michael C. Horowitz, Julia Ciocca, Lauren Kahn, and Christian Ruhl, “Keeping Score: A New Approach to Geopolitical Forecasting” (Philadelphia: Perry World House, February 2021).

Key Observations:

- **The root cause of short-termism in the U.S. government is often misdiagnosed.** Short-termism in public policy is usually characterized as a function of structural factors, such as two-year congressional terms, that focus policymakers on the present. But short-termism is also a mechanism for coping with the uncertainty of the long-term future. Even if incentives are overhauled, short-termism will remain attractive unless policymakers learn how to better manage the uncertainty of the future. Strategic foresight is one solution.
- **Through repeated scenario planning exercises, the U.S. Coast Guard provided its leaders with a structure for how to think about the future that has increased how much they think about the future.** This effort, spanning more than 20 years, has given service members and civilian officials a tool for engaging and managing the uncertainty of the long term. By giving them the means to address the future, these exercises both directly and indirectly prompted more attention to the future.
- **The Coast Guard's scenario planning impacted not only long-term thinking but also short-term action.** Although a focus on the present often detracts from the ability to consider the future, the Coast Guard's efforts showed that increased attention to the future can empower action in the present. Different time horizons can be complementary rather than competing.
- **Strategic foresight efforts can yield dividends disproportionate to the resources invested.** It is often difficult to measure the return on investment of foresight efforts, such as scenario planning exercises, but even skeptics believed the Coast Guard exercises had value, and the cost was modest. By contrast, not engaging in strategic foresight can have great costs because an organization may fail to prepare for the range of plausible futures it faces.
- **U.S. government agencies, particularly those in the foreign policy establishment, produce a lot of "strategy," but that strategy is rarely informed by strategic foresight.** Instead, operations often displace planning, planning rarely informs operations, and contingency planning takes the place of scenario planning. The National Intelligence Council does produce the foresightful *Global Trends* report, but that report is the exception that proves the rule, having little direct impact on policy.
- **There is a surge in strategic foresight efforts across the U.S. government.** Although difficult to quantify, interest in strategic foresight appears to be growing in federal agencies. However, these programs are connected to each other only through informal networks, and their impact on policy is episodic. There is no whole-of-government effort.
- **The president should establish an office to lead strategic foresight efforts at the national level.** Although such an organization could take various shapes—presidential support, not institutional form, is the key determinant of influence—this report proposes a structure akin to other high-level independent advisory bodies that report directly to the Executive Office of the President. The President's Foresight Advisory Board could be led by political appointees and staffed by a rotating set of officials seconded from federal agencies.