

At the Dawn of the Third Millennium: Scenario Planning and Beyond

Peter Schwartz Interviewed by Richard Slaughter

Peter Schwartz is an internationally known futurist and business strategist. A specialist in scenario planning, he works with corporations and institutions to create alternative perspectives of the future and to develop robust strategies for a changing and uncertain world. His current research and scenario work encompass energy resources and the environment, technology, financial services, telecommunications, media and entertainment, aerospace, national security, and the Asia-Pacific region.

Peter is co-founder and chairman of ABN's associate, the Global Business Network. This unique organisation and world-wide network of strategists, business executives, scientists and artists was established in 1988 and is based in Emeryville, California. Peter is the author of a number of publications, including the widely-praised *Art of the Long View*, a new edition of which has recently been published by ABN in Australia.

Richard Slaughter

How was it that you first became interested in the futures area? What were the starting points for you?

Peter Schwartz

At the time, even before I was at SRI I had, a few years before, been at the University of California (Davis) where I was working at Student Housing. But, in fact, a lot of my time and energy at that time was going into the student movement. The general sense of the protest movement, the environmental movement, was just beginning to emerge. There was a very strong sense of social dissatisfaction and I was part of that. I was the leader of the Student Mobilisation in the western United States. Lots of demonstrations. But what was becoming very clear to me from my reading and political activity was that I had a very clear sense of what I didn't like, and no sense at all of what I did, so that when I read left-wing ideology, when I read right-wing ideology it didn't feel to me like the real world. It felt like a world of abstractions – a world of very narrow values, whereas the real world seemed a much richer and more complex place than either the conservatives or the radical left saw.

I had been the leader of the SDS (Students for Democratic Society), for example – the most radical student group. We occupied Columbia University, and the 'Weathermen' which became the most radical group, a violent group, was a splinter group off the SDS. So I was in a pretty extreme radical group and yet it did not have a positive vision. There was no normative sense. I said, 'there has got to be a way to think about this' and frankly, I had burned out in college. I am a rocket scientist by education. My education was in aeronautical engineering and astronautics and my speciality was rocket propulsion. I wanted to be an astronaut. But the astronaut market had dried up by the time I got out of school – since revived ... but then it was dead. The only alternatives were to work on weapons and since I didn't want to do that, it pretty well ended my career. At that time there was nothing that drew me toward a better vision of the future and so I wondered if there were people who were actually paid to think about what constituted a better future.

Well, there was a professor Cy Schwartz (no relation) at Davis in the Environmental Studies Department. We became friends and I asked him if anyone was writing or thinking about how you think about the future. He pointed me to the works of Donald Michael; in particular, two books of his *The Unprepared Society* and *The Next Generation*. They were a revelation. It was very serious thinking by someone who was asking questions and not providing easy answers about the future. That then set me off into reading many other things. I discovered lots of literature, including *The Futurist* magazine and, through it, the World Future Society. I ended up going to a local chapter meeting in San Francisco, and there I met a bunch of people who were doing this sort of thing. I met Oliver Markley who was at Stanford Research Institute (SRI), and others who were running a small consulting company in Palo Alto. I thought this was pretty cool stuff, so I went down to visit them. I used to go down on weekends and finally offered to work for them for free, just to learn. Every weekend I'd truck on down to Palo Alto and I'd work on projects they were doing – mostly scenario-related projects. At the end of that academic year they said, 'well, you've done okay, would you like to come down and be a research assistant?' I moved there and became one. We were mostly doing scenario work for new business. But then we also got involved in a huge project for the Governor of Washington called Alternatives for Washington which was, and I think still is, the largest citizen participation program on the future that has ever taken place.

We eventually had 350,000 people involved in writing scenarios and developing and testing scenarios in the state of Washington. 350,000 people in the state of Washington is close to one-third of the adult population. So, we're talking about a big impact, but the thing that actually happened was not only that the project went fine, but the company didn't go fine. It turned out that one partner was an alcoholic, and the other was borderline psychotic and they basically disappeared! One partner wouldn't come to work and the other couldn't come to work. So there I was with a secretary, an airline credit card and huge contracts to deliver on. With only one year in the business I had to do it. I had to actually deliver on these contracts, finish the big project for the Governor, finish the other work, which I did – commuting up to Olympia, Washington, almost weekly. Meanwhile I had met Willis Harman at SRI and Arnold Mitchell. Arnold created the VALS (Values and Life-styles program) programme at SRI. He was the number two person in the group that Willis created – a really deep and remarkable man, quite remarkable; one of my favourite human beings of all time. So they recruited me for SRI when this little company folded, and that's how I ended up at SRI.

Richard

What kind of work did you do at SRI and what was the product or the yield of all of that?

Peter

Well, it was a very interesting experience. I would say the yield was that I learned a hell of a lot. I'm not sure if anybody else did, but I did. At the time the group was called the Centre for the Study of Social Policy. Ninety percent of our work was government-supported, a little bit foundation-supported. The foundation work was one of our more well-known reports *Changing Images of Man*. But then we did many other projects for the Environmental Protection Agency (EPA), the Department of Energy, the White House and so on. But I got terribly frustrated because we were learning an unbelievable amount but it was having no

impact on the government – zero! None! I will give you an example ... I led a project there, my second big project – the first one was a project for the EPA, by the way. It was the basis for *Seven Tomorrows* later on. That one had a mild, or a little bit of impact ... just a little. A ripple is what I would call it. But then we were asked by the White House to do an extremely interesting project. This was soon after the first energy crisis and they said ‘Well, gee we really got caught short by that. Are there any big problems lurking in the future that we aren’t seeing that we ought to see if we can identify and do something about?’, which was a perfectly reasonable question. So we got the contract to do this project.

We came up with forty-one future crises. There just happened to be forty-one. We then presented it to an august body of top science advisers of the White House. It was called the President’s Science Advisory Council. As I presented it, as I came to each item, some member or another of the Council would say ‘That’s crazy, that can’t happen!’. For example, we said that we could see major arms control issues developing in the 1980’s over space-based laser weapons. A scientist who won the Nobel Prize for inventing the laser got up and said ‘You don’t understand physics, that can’t possibly happen. No-one would be that crazy!’ And it went on like that. We said, for example, you could already see the trends that, if we didn’t do something, would lead to thousands of armed youths in the 1980’s in the inner cities. We had the Secretary of Health, Education and Welfare get up and say ‘Who would let that happen? That’s crazy. You guys must be out of your mind!’. One after another, we went down the list and they were systematically rejected – 100%.

Of the forty-one, about twenty-seven have already occurred. We identified climate change, and a number of other things as major future issues that were all on this list. Virtually every major problem that has occurred since that time in the United States, and some globally, were on that list – everything from collapse of the savings and loans system in the United States to urban crime, to climate change. I could go on ... The point was that it was 100% rejected. We did a few more projects like that at which point I became fed up. I said ‘this is wrong. We are taking the people’s money. We are spending it. We’re learning a lot, we’re having a great old time but nothing happens as a result. It’s wrong from a public expenditure point of view, and it’s a waste of our time, except we’re having a good old time but not really doing anything.’ We had a lot of fun doing the work but nothing was happening as a result. It was then that I decided to see what would happen if we tried to do some projects for business – which we did. Suddenly we found a very different attitude. When we actually came up with something, something happened! They responded.

Richard

So the reason that you work so much now with business is because business was responsive early on?

Peter

Absolutely! I could see that it mattered to them; and they had the scope for action. Unlike the Federal Government, they weren’t caught up in the politics and denial. The reason was very simple. There was only one scenario for a party in power – and that was that their policies were correct. They had foreseen all future possible problems, otherwise they would be incompetent; they were dealing with all current problems brilliantly, or else they shouldn’t be

in office; therefore anyone who comes along and raises another scenario is, by definition, wrong; therefore, not to be thought about. And this is still the case, I might add! Nothing has changed in this regard. Nothing. We turned down 100% of federal contracts, except for the Department of Defence and the CIA. But it is still true, in respect of the US federal government, that they're incapable of thinking about the future. It was from that experience that I said, 'alright we ought to begin working with business: at least they're agents of change. We can influence them in positive directions.' I began to see that if you could make business smarter, more thoughtful, more far-sighted, able to take a longer-term perspective, the likelihood was that in the end they would do the right thing. They had substantial resources, in the end even greater than the government's. If those were applied creatively and constructively then at least that would be some positive lever on the future. Whereas trying to influence the US federal government was hopeless, and it still is.

Richard

Well you've just answered for me one of my major questions which was why you have specialised in that particular area. Peter, can we talk now about the book you wrote with Paul Hawken and Jay Ogilvy? *Seven Tomorrows* came toward the end of your time at SRI. You said that it began with a project?

Peter

Actually a fairly large project for the EPA, entitled Alternative Futures for Environmental Policy Planning. In that one we laid out ten scenarios. Looking at different pathways both for environmental issues, as well as responses to them and so on ... how the society might respond. Oddly enough, Paul Hawken and I had become friends about the time that was happening. Soon thereafter Jay Ogilvy and I also became friends, and then the three of us came up with the idea – maybe three years after the study had been done – in part because Paul and I had started Smith & Hawkin, along with some other people. We'd actually used the scenarios in thinking about the future of Smith & Hawken. So Paul had gotten really deep into it. In fact, I think the book was Paul's idea. He said we ought to take these and try to make the public somehow. So that's what we did. It turned out that the ten boiled down to seven. In all honesty, there are really three scenarios among the ten, among the seven that remain, but that's how we got to the seven.

Richard

Somewhere in the *Art of the Long View* you say that seven was probably too many.

Peter

Yes. And the reason is very simple ... it gets too confusing! My experience is that more than four and it begins to turn into mud. People don't see things clearly any more. And the objective here is not to make sure you cover every single possibility, but to provide insight into the future – that really motivates action. If it turns into too much of a blur of infinite possibilities, then it doesn't really enable people to act. Even if one misses what might turn out to be something important, one is better off in the present to have fewer scenarios. So the answer is that it has to be more than one, obviously; two is a good number because it doesn't allow a

middle scenario; three is often the case just because it happens to work out that way; but we often end up in GBN doing four. There's nothing magic about the number, other than it shouldn't be too many, and it should be more than one. So typically it's two or three or four.

Richard

If you look back at that book, from today, what might you want to change about it?

Peter

Well, in most respects the book held up reasonably well. But I think there were two really important things – one was an attitudinal thing and the other was a misunderstanding. The misunderstanding was energy. A lot of the book is coloured by the expectation that energy crisis will inevitably high or energy will be short – one or the other. And this would affect everything in society, as energy tends to do. We did not really understand the workings of the oil market, that eventually prices would come back down. I will say this, we were in the same boat with everybody else. In fact when I got to Shell and we figured this out we were the first ones who did. But before then, there was a kind of consensus that prices were headed towards \$100 per barrel. So we were caught in the same thing that everybody else was. That also reflects on the second thing that I would change which was that we were unusually negative. It was at a time when a number of depressing things were happening. We'd just had the fall of Shah of Iran, we'd had the hostage crisis, the world economy was in deep recession, the second oil crisis, everyone was reading books about how to profit from the coming depression, how to make money from the gold market (gold had gone to \$800 per ounce), inflation was 14%. We all thought 'oh my God the world is coming to end', and it really felt that way. So the dark mood of the time coloured our thinking. I think that both of these are examples of weakness in the book in the sense that one of the fundamental objectives of a good futurist is to challenge your own thinking and to step outside precisely those kinds of constraints and think the unthinkable. The unthinkable at that time would have been an optimistic scenario. It was easier to think about pessimistic scenarios. It would have been much harder to come up with a really good optimistic scenario. That's what we failed to do.

Richard

That was something that was also a difficulty for fiction writers. I remember asking John Brunner who wrote a number of dystopias 'Why don't you write a positive book about the future?' and he said 'I've tried but it was too hard'.

Peter

Well the closest one he ever did was the *Shockwave Rider*. I was profoundly impacted by both *Stand on Zanzibar* and *The Sheep Look Up*. In fact David Brin and I were just talking about this two weeks ago in Santa Fe. David is a science fiction writer and he still thinks of both of those books as classic future novels.

Richard

Of dark futures to avoid?

Peter

Yes.

Richard

Can I take you on to Shell? You'd moved full spate into scenario building at that point. How did you feel about the move from the California scene into big business in the UK?

Peter

Well, on the one hand I felt profoundly privileged. The man I was replacing is a giant – Pierre Wack – who had been a mentor to me. I really wasn't actually planning to take the job when I decided to leave SRI. I was going to go to Hollywood to write and produce movies and television. I had a movie script in early stages of development – a film called *War Games* – and I had hoped to build on that. But then Pierre offered me the job and said 'you must do this' because I was his main student and he said if I didn't do it, it would die. They couldn't find an internal replacement. I had such respect and affection for Pierre that I said 'yes'. Which turned out to be the right decision. I have no regrets about that decision at all. Quite the opposite! It was quite a remarkable experience.

Culturally, I had some difficulties, but it was only in the sense of moving to this vast bureaucracy where everybody dressed the same and looked the same, as opposed to the weirdos in Palo Alto where I'd lived. I had one suit which I had inherited from my father, because nobody at SRI wore suits - you didn't wear suits. You wore jeans. At Shell I had to wear a suit every day. But they were remarkably tolerant of my appearance. In those days my hair was much longer – I had a real afro, a real bush – and my beard was not quite down to the middle of my chest, but quite a bit longer than it is today. During all of my interviews no-one ever said 'well, you know, you're going to have to trim that hair and trim that beard a little bit and get yourself a better suit'. And when I came to work no one ever said it. Now gradually over time, I guess I got older and shortened my hair.

But, more importantly, what I felt was a remarkable sense of privilege. I was right at the very top of the company – I reported to the Chairman. I had all the resources in the world, in terms of people and money and time. Complete access and complete freedom to do whatever I want. In fact, I was strongly encouraged to be the free-thinker – to not accept the party line. And even when they disagreed with me – which was frequent, because you know when you're dealing with uncertainties and so on they're not all going to automatically say 'God, we were stupid and you got it right'. You know, you're going to have to really prove things and you're going to have to challenge them and make things happen over time. I was always amazed at their openness to me, given that I was this young weirdo from California who knew nothing about the oil business. I think it did help that I was an engineer - they trusted me a little bit more. I think if I'd been a philosopher, it might have been a bit harder. Or a sociologist. But that I was an engineer actually helped a bit.

Richard

So what was the actually position called?

Peter

Head of Business Environment or PL1 (Planning 1), as they call it in Shell.

Richard

Am I right in thinking that there was an existing scenario methodology in that environment?

Peter

Yes. By the time I'd arrived the whole notion of scenario planning was well established. So I was standing on Pierre's shoulders. They had the experience of anticipating the first oil shock, the second oil shock, so by that time management knew that they had something in this group and in this methodology.

Richard

Did you add anything?

Peter

I added a few wrinkles, but I wouldn't say that my contribution was anywhere close to what Pierre did. Pierre really made the major intellectual breakthrough. He built on Herman Kahn's work, which was basically about analytical scenarios, but they were about the world outside. The thing that Pierre added, and where I think that I added a bit more, was to recognise that if you really wanted to use scenarios to influence decisions you really had to deal with the world inside the mind of the executive. It was as important to understand the inner world as the outer world.

Now, Pierre had been a bit of a mystic himself. He had studied in India, Japan, with Gurdjieff and so on, and he was fond of saying that he was always looking for remarkable men – as in the book *Meetings with Remarkable Men*. So he had, himself, a very rich inner life and, in fact, it was our connection with Buddhism (I had been a student of Buddhism) that was actually one of our strongest initial connections. So a lot of what he brought to the party was precisely that kind of understanding of the inner world, and taking the scenarios and making that bridge between changes in the outside and change in the inside. That's where he made a huge leap, and why scenarios were so effective at Shell. I carried that a bit further in two ways. One was, I think I was able to get a bit closer to the business, that is to take the scenarios closer to the core business and show, more often than not, the things we did actually get acted upon. Secondly, I used computer simulations; very simple simulations that the management could begin to play with. I mean literally very simple models that they could begin to play with so that they could have big 'ah-hah' experiences themselves - moments of recognition. That worked quite well. I think those were the two things I contributed while I was there but they weren't anywhere close to what Pierre did.

Richard

I guess all of us are building on the efforts of our predecessors in many ways. Can I move on to the beginning of the Global Business Network (GBN)? My understanding is that it began in 1987. What were the circumstances? What made you get started, and what made you move out of Shell and into GBN?

Peter

Well, I originally went to Shell on a two year assignment. They said 'could you come for two years', and I couldn't have imagined staying longer than two years, frankly, at the time. But eighteen months in, I was really enjoying it, and the chairman called me up and said 'Ah, listen, we really like what you're doing, would you stay on for another three years beyond your two?' And I said 'Sure', because I felt I was just really learning my job. At the end of the three years, they said 'Well, we really like what you've done, you could keep this job for another couple of years if you like but we'd want you to become a permanent Shell man; which means that you actually have to go off and run something. I was the first person, literally, the first person in the one hundred years of the company that had come in at the level that I did. They said, 'Well, you're only fit for a Managing Director. You've never run anything, so you've got to go out and run something before you come back here and be a Managing Director'.

Well, I loved Shell and I really respected the people there, but the honest truth is that the thought of running an oil company somewhere in the world really didn't interest me at all. It struck me as really boring - sitting there running the company, and even worse, coming back and being a Managing Director of Shell struck me as being more boring because all day long all people do is come and ask you for money and you say 'Yea' or 'Nay' to their requests for money. Mostly, in fact, you say 'Yea' because by the time they get to you they're pretty much already vetted and everything and so you're basically there to nod your head all day long. I knew all the Directors very well, and most of them were bored silly. And I said 'do I want that kind of life?' The other factor is that I love the San Francisco bay area. I think it's one of the most vital, interesting and physically beautiful communities in the world. There are two or three cities - Sydney being one of them - that are profoundly appealing aesthetic places. I think the San Francisco bay area is one those. And I had lots of friends - I had a very strong community in the bay area which I had kept up while I stayed in England. So, it was the combination of not really wanting to be an oil man, and wanting to move back to the bay area. Things had gone very well. Everything that I had set in motion had worked, and so I decided not to stay two more years because I wanted to leave while they still wanted me to stay. Better to go that moment than when they say "Thank God he's leaving !" It actually worked. It sustained my relationship with them, because I left at the peak rather than at the tail, as it were.

Then the decision was a question of whether to go find another job ie, like Shell, or try to start something on my own. I frankly couldn't imagine any other company that could do anything like what I had at Shell. No other unit, no other company had a unit like it. I was offered a number of jobs but I really wasn't interested. So I came back to the States. I spent the first year commuting to London to help set up a planning unit and do the first long-term plan for the London Stock Exchange. During the course of that year I started talking with a number of

friends – Jay Ogilvy, first, who actually worked with me on that project for the Stock Exchange; Stuart Brand; one of my ex Shell colleagues who had retired about the same time that I left, a friend named Napier Collyns; and another old friend who had also worked with me at SRI, a television executive named Laurence Wilkinson. The fact was that I wanted to work with friends. I said ‘Look, you know, I really want to work with my friends’. Everyone said it was a terrible idea – if you work with friends you’re going to lose your friendships. I said ‘No, I don’t think so. I think it can be done’. So the five of us got together in my living room one day, with another guy, Kees Van der Heijden who was just at that moment leaving Shell (he’d been my successor there). Kees was in on the meeting, and we sat down and we came up with the basic idea for GBN that day. It took us about another nine months to pull it off and to raise some money, to organise it and so on. So it was launched in 1988 and really took off in 1989. We incorporated in the summer of 1988, and our first customer was at the end of that year.

Richard

So you’ve built that up, now, to a highly successful business which works with a large number of corporates. What, essentially, do you do for your clients?

Peter

Well, GBN has a number of core dimensions to it. The title of the company reflects one important dimension and that is ‘network’. Global Business Network. We didn’t call ourselves Global Business Research or Global Business Future Studies or anything else. We chose that name very deliberately. We’ve tried to create a network of remarkable people and a network of extremely interesting companies. It goes back to Pierre’s basic concept – that if you really wanted to see the big surprises about the future, you had to go and find unusual thinkers, and put them together with interesting companies. So, we’ve taken the notion of networking very seriously and we’ve created a core network of about one hundred people around the world – everyone from Peter Gabriel to Michael Porter to Danny Hillis who created thinking machines, to Ester Dyson and so on. It’s an extremely interesting list of people. The idea of networking is one core idea of the company. The other is scenario planning – to take the scenario methodology and begin to apply it to a lot of other companies. In essence, what we really wanted to do was to recreate Shell’s group planning outside, but we now serve lots of companies, rather than one.

Richard

And do you also have a publication that goes to subscriber companies?

Peter

Yes, we have a number of publications. The way the company works now is that there are two major parts of the company. One is our membership service, which we call ‘*Worldview*’, of which there are some ninety member companies. They include Ford, Volvo, Shell, Motorola, Hewitt Packard, IBM, Apple (one of our newest companies and I hope that we can save them), Xerox, AT&T and so on. Major companies.

Richard

Is 'Worldview' a future scanning service?

Peter

Yes. What they get for their membership is a variety of publications. We publish an annual scenario book, something we call our 'deeper' news (which includes a range of insightful material) and another called 'Netview' which is almost a newsletter of what's going on in the network and who's doing what. We host a number of conferences every year, where we bring the companies and the network members together. For example, the last one was on electronic commerce. The next one is on the future of work and worklessness. The one after that is on the future of China, in Hong Kong in February of 1997. We've had them on the future of education, on a great variety of subjects over time. We give about three or four of those every year. We have lots of smaller meetings – we just had one on the oil industry. We also have a computer network where we have an on-line conversation. Some of those are open conversations, and some are dedicated. For example, we just did one, sponsored by IBM, on the future of electronic money where we had a number of people in an on-line conversation. If you log-on to the IBM web site you can get our conversation which we did for IBM.

The other half of the business is consulting - mainly for those same companies. We do major consulting projects where we actually tackle real strategic problems for those companies. That's about two-thirds of our business.

Richard

It seems to me that there are three key sectors which need to be able to look ahead: business is one of them, and you've covered that; government, which you've already mentioned doesn't want to look ahead, is another; and the third, which we haven't talked about yet, is education. Since they are dealing with the citizens of the future, they of all constituencies need to be able to look ahead. But what strikes me when I look at educational systems and their key institutions is that they tend, on the whole, not even to know about the choices, professional services, etc. that are available, let alone use them. Can you comment on that?

Peter

We actually have done a lot of work in education. We have one major educational customer, the National Education Association, or NEA as it is known in the United States. It is the teacher's union. It is the largest union in America. Virtually every teacher in America belongs, at the primary, secondary and university level. So we have done major projects on the future of higher education in California and so on, and K-12 in Seattle. But the most important thing we're doing is we're actually working with the top management of the NEA on long term educational reform in the United States. We've published a number of scenarios on the future of education. Jay Ogilvy leads this work - not surprisingly, since he was a university professor. Education is an important part of his own personal life. He has a real commitment to the area so it's one that we continue to work in because we think it's very important.

I will say one other thing about government. As I mentioned earlier, we tend not to work for other government agencies. We did have the experience, recently, of working for the

President's Council on Sustainable Development. We facilitated the process of all the leading corporations, environmental groups, and the Cabinet, trying to reach an agreement on long term futures, sustainable futures for the United States. We succeeded at one level – by achieving a real consensus within the group. The group moved very far. The report we produced was very good. Unfortunately, I think almost nothing will happen, as a result, at the federal level. Lots of good conversations happened between environmentalists and big labour, and big business and so on, so lots of good things happened on the side as a result. But the actual results will be negligible, as far as I can see. The final policies that emerged out of the process, once they went through the political machine in Washington, were unaffected by what we had done. For example, we couldn't talk about raising gasoline taxes – there were no policies on energy prices. This was a forbidden subject. So, we couldn't talk about all the important things.

However, the one area of government where we do work (and which is a big deal for me as an old 'lefty') is the Department of Defence, and the CIA. The reason for this is very simple: these are two institutions which are enormously powerful, but which have had their underpinnings ripped out from under them. The enemy went away. They know they didn't win because the enemy just folded. So, from their perspective they are fundamentally rethinking their future roles. To my good fortune, they discovered my book, *The Art of the Long View*, and it became mandatory reading both at the top of the military and the CIA. As a result, we've been able to do a great deal of work with them. For example, several years ago we got the joint chiefs to consider a notion we call the 'Long Peace', ie, no major war. Now, as you can imagine, this was a very radical notion. If you are the Chairman of the joint chiefs, to have a scenario presented to you ... 'well, basically your services aren't going to be needed for another half century' ... I can assure you they had never, never, never contemplated such a scenario. Well, I just got a report from one of the major Department of Defence (DoD) think-tanks, just before I left on this trip. The detailed analysis of the Long Peace scenario that they had been asked to do by the Joint Chiefs shows that they're taking things like that seriously, and in a way that they never have before. So, I feel very privileged at the moment to be in a position to influence thinking both in the largest intelligence organisation, and the one remaining military super-power in the world, in such a way as to help maybe produce a more benign outcome over the next half century than over the last.

Richard

That's a tremendous achievement, and it augurs well for the future. What, do you think, are the chances of actually having a foresight function seen as part of a support mechanism for government per se, in the US.

Peter

None ! Zero ! None whatsoever.

Richard

Never will?

Peter

As a scenario writer, I won't say 'never'. I'm quite close to the Vice-President, Al Gore – a very thoughtful, deep, intelligent man, but a political realist. So I can tell you that there won't be a futures function at the national government level. Nor is there is now an Office of Science and Technology Policy (OSTP). As you know, the Office of Technology Assessment (OTA) was eliminated by the Republican Congress. Ronald Reagan eliminated the OSTP which was the only vaguely futures oriented thing in the government. Bush got rid of it. Clinton re-created the Office. I know the Office very well, and I know all the people quite well, and they are all very frustrated. All they hope to do is nudge things along a bit at the margins.

Richard

Let's go on to the *Art of the Long View*. It is widely understood, widely used, and seen to be readable and clear – it's obviously a great achievement. Six or seven years after writing it, is there anything about it that you would change if you were starting it now, or do differently or with different emphasis or are you really just happy with it?

Peter

That's an interesting question. In the paperback I tried to correct what I think was a flaw in the original edition which was – I don't think I provided enough practical advice to people who really wanted it. I gave a fair amount of theory and some practical advice – in some places I think it was fairly strong in that respect, but in other places it wasn't quite enough to actually go out and do it yourself. So, in the paperback I tried to tackle it a bit and put more, put some new chapters in that carried it a bit further on how to really embed scenarios in an organisation. So I was able to carry that a bit further. Other than that, the thing that is really missing from it is now about to be remedied by my former colleague and friend, Kees van der Heijden, who has a book coming out from Wiley & Son called *The Art of Strategic Conversation* in which he carries this to much greater depth. I mean, it's really rigorous. Frankly it's not as good a read as my book in the sense that it's much more academic, much more thorough, much more rigorous and comprehensive – it really is a serious practitioner's guide. But it's a terrific book. When I say it's not as readable, his objective is different – it is really to be for the serious practitioner. Mine was partially motivational – to get people interested, and I deliberately made it 'chatty'.

Richard

In asking this question there's a danger of laying on you something you didn't intend, so obviously you can respond to that, but one of the notions that I think is missing from your book is the notion of critique of the status quo. What you tend to do is take an existing world and look at some of its possibilities but I don't see an interrogation of the Western world-view, or an attempt to problematise concepts like economic growth.

Peter

The only way I get at that is in a structural sense and that is with the concept of 'the official future'. That is, that every society, every individual, every organisation, every country has a

kind of implicit, sometimes explicit, but usually implicit worldview of what is the mainstream view of the future – what I have called ‘the official future’, and part of the function of scenarios is to fundamentally challenge that. So, in that sense, I think I do actually tackle that problem, but I think it’s a fair critique. I am a product of the Western world and I don’t presume to be able to think like someone else. I do try to step outside those boundaries, but I think there really is only one way to do it, and that is to have other people challenge your own thinking. That’s one of the reasons I love going to Asia, because they constantly challenge my thinking and they ask me really awkward questions.

Richard

That’s a good point to bring in Ken Wilber, of whom we spoke earlier. Looking at some of his recent work (*A Brief History of Everything* and *Sex, Ecology, Spirituality: the Spirit of Evolution*) it’s clear that he incorporates a powerful critique of Western culture. He talks a lot about the way that instrumental reason has been over-emphasised and that ‘half of reality’ (as he calls it) – the side that you would know through Buddhism, the inner side – has been suppressed and left out of the official picture. One of his phrases for the modern world is ‘flatland’. He uses the term to describe the rather thin, objective world which lacks a sense of depth and a sense of meaning. One of his great achievements, I think, has been to re-establish a notion of hierarchy and of higher and lower domains of knowing which are obviously not very well understood or accepted in the Western world. The point is that if one is working within the given reality provided by the Western worldview and looking for ways ahead just on that level, and if we don’t have a sense of depth and a sense of ‘other ways of knowing’ that are equally as important as empiricism and rationality, then is there not a danger that what we are doing is what he refers to as ‘translation’, ie, just manipulating pre-existing elements. This stands in contrast to looking at the deeper possibilities, what he calls ‘transformation’, or structural change, in a vertical sense. So is there a sense in which the whole futures industry (of which I’m also a part) is paying too much attention to re-shuffling the deckchairs on a ship and not metaphorically looking at up at the sky and down into the ocean depths?

Peter

I want to say ‘Yes, but ...’ in the following sense. Most of what we think about when we’re doing futures is relatively trivial stuff. At the level you’re not talking about, what’s the future of Sydney, or transit systems here, or frankly the education system and so on. At the level of profundity, which you’re now trying to reach, most of what we do, in most situations, is relatively banal. There are relatively few places and times where one can really begin to address questions at the level I think that Ken would have us address them. There are places and times for that, I think especially at a personal level. It’s rare that there are institutions that can respond to those kinds of questions. But having said that, I have the privilege of counting Ken Wilber as a friend, an old colleague, and the Dalai Lama, as a friend. I find myself more sympathetic intellectually to the Dalai Lama than to Ken in the following sense.

Ken and I have debated this a number of times, so this is a friendly debate between him and me. I respect his work enormously, and I like him as a human being. He lives very much by what he writes, and he lives the life that he writes of. So he is a very admirable man in that respect, as is the Dalai Lama. The Dalai Lama has only one thing going for him that Ken Wilber doesn’t – about fifteen hundred years of other folks to draw upon, who have built an

intellectual and spiritual tradition of reflection, of inner thought and development that has stood the test of time. The Tibetans have a long history. I don't know how familiar you are with Tibetan Buddhism. But the difference between the Tibetans and almost everybody else was that they actually documented their studies. They had a kind of science of spirituality, and by that I mean a science of the inner life. And by a science I mean conscious observation, reflection, communication, setting it down for subsequent generations, and the building of experience and knowledge and a body of knowledge, not just simply individual knowledge, over about fifteen hundred years. That literature still exists. Most is not yet translated but some of it is. I had the privilege of working with one of the Tibetan Lamas on a book of his called *Time, Space and Knowledge*, which deals with Tibetan metaphysics.

By contrast, I think Ken has tried to approach these questions through Western language, contemporary systems thinking, a kind of categorical mind that is brilliant, absolutely brilliant – if he'd been a physicist he would have been an amazing physicist – so this is not lack of intelligence. It is, I think, the wrong language, the wrong metaphors in which to articulate what I think are very profound, very complex dimensions of all of existence, let alone human existence. My criticism of Ken's approach is that I think it is too narrow. It is uniquely Western and human in its perspective and he, like me, is caught in his paradigm, his language. The systems that he develops, although elegant and eloquent, are likely to fade. After somebody has worked them for another thousand years or so, and his successors, then it may have some real depth. One of the wisest man I ever knew told me that if it doesn't take fifty years, then it isn't worth doing, and I really believe that. We have this remarkable hubris as a species, that our lifetimes matter, even small fractions of our lifetimes matter. But in many ways they don't! We have a very, very, very small part of human history in our grasp, and of the species, of the planet, of the universe. I would also make the same comments about physicists. I am an astro-physicist and I think our models in the physical world, ie. quantum theory, relativity theory, superstrings etc., are also hopelessly inadequate. We've got about another thousand years to go on those as well. There was a terrible book published in the United States recently, called *The End of Science* which said 'well, you know, finally we've worked it all out ... a couple of little details left to fill in but we've basically got all the answers. Once we got DNA, after we got relativity, quantum theory, then we basically finished solving the fundamental problems of existence'.

Richard

Like *The End of History* ... It's been done before.

Peter

What nonsense. Absolutely dreadful. I mean, there's so much more to know. It is so much more obviously complex in the physical world, far beyond what we think we know about it now. It's a vastly more complex universe. So, it's something about humility that makes me say that Ken is a bit over-reaching in what he is doing. I wish he were more modest. I don't mean on a personal level – he is a very modest human being – I wish he were more modest in his intellectual capabilities. One of the reason I've always loved the Sufis is because they told their stories as poetry and as stories rather than to try to be overly systematic about it.

Richard

Could I summarise what you've said by suggesting that if one is interested in this vertical dimension of the inner life, human development and transformation, one might be better served by going back to the original sources and traditions?

Peter

Absolutely.

Richard

Could I now ask you to think with me ahead into the new millennium on two levels? One is, obviously, the big picture. What are the major concerns you have as a futures person with all this experience and background in scenario building? As you look ahead what are the big concerns that you have about the global overview? Secondly, when you come to the edge of that, how, personally, do you feel about the next ten or fifteen years? What do you want to achieve?

Peter

There are several levels at which one can deal with the first question. Let me deal with it at more of a conventional level first, and then let's take a step beyond that. At a conventional level, I think there are two or three really, really immense issues that human civilisation must deal with in the next twenty-five to fifty years. There are no big surprises. I think one is the end of the European era. For five hundred years, Europe has ruled the world (and I include the United States as part of that). Basically European exploration and colonisation conquered the world. That era is now over. Asia is on the rise, and by that I mean Asian culture, values, language, history and so on. I don't mean to say that it will supplant Europe, but the world history is no longer European history – it is a history of many peoples. Why this is difficult is that Europe won't let go easily, because Europe still thinks that it is civilisation and these primitives out in Asia will soon learn, and they'll learn how to do things our way ... the right way ! Well, it ain't going to be so! So the really big challenge is for Europe, on the one hand (and by Europe I mean European civilisation), to accommodate Asian civilisation, and for the Asians to move forward gracefully without inviting opposition on the part of the Europeans. If that fails, we're setting up a major war in the next century between Asian civilisation and European civilisation. You can see all the roots of it already in the present. In some ways it's a bit like the end of the Nineteenth century, in that respect, you can see the seeds. So I think that is a huge challenge ... bringing these two very different cultures together to share the planet. So that's number one.

Number two is the global environment. Climate change is a very, very big deal. It is going to happen. I don't know if global warming is going to happen - it might turn out to be cooling - but I am absolutely convinced that we are in a period of climate change and that part of the reason is human activity – part of it is natural, part of it is human – we're probably amplifying a natural phenomenon. So I think we have to go through a vast technological change, and here again China comes into play because the biggest environmental problem we face is the industrialisation of China. When a billion – no I will add India to that – when two billion people

want to live as Australians, and Americans and Europeans do; if we don't give them the most advanced technology to do it in the most efficient and clean way we're going to kill the planet. So there's an urgent need, essentially, to manage the modernisation of what once was the poor world as it is becoming richer with more sophisticated technology. That's the second big thing.

The third is that we now have a new kind of politics. In some ways, the power of the nation-state has begun to ebb. We have a vastly more complex politics. I think Bosnia is a good example of it, also Somalia, Rwanda, what may be happening in Indonesia – indeed in a number of places in the world. It's not about nation-states fighting nation-states but new kinds of conflict: everything from trans-national criminal organisations and drug-lords to ethnic conflict and local conflict which is particularly brutal, particularly ugly, unbelievably inhuman - and how we learn to cope with those. Nation states might not be fighting each other any more. It's obvious there are no winners in that fight. Whereas at the level of human beings, learning how to deal with conflict, managing and mitigating those conflicts is not easy. You know the United Nations? Well, in theory, we don't even have the legal right to intervene when the Hutus are killing the Tutsis in Rwanda - that's a local affair. As a human being I'm offended by that idea that we can't step in and do something. So I see the challenge of how we deal with conflict at that level, as a really profound one. Related to all three of those is a shorter term challenge which I think is very significant and that is creating the institutional mechanisms at a global level. For example, for environmental conflict resolution, for managing these kinds of conflicts, for integrating Asia into the world, and so on. So, as at the end of World War II when we had a major period of institution building – the United Nations, the World Bank the IMF, Bretton Woods, etc., the European community – we need a new period of institution building, at a global level. Something to do with the global environment, something to deal with domestic conflicts and so on. So I think that's another big challenge. These are the things I see at a really banal level.

At a deeper level (and this is not something that I'm the first person to say, many people have said it before me) our power to do things exceeds our wisdom. We have much greater tools at our disposal than we have the wit to know how to use them. American television is a perfect example of what I mean – incredibly powerful. We just had a young French student visiting us, and he turned on my TV and went through fifty channels for the first time and he said 'What crap !!' You look at how much money and energy and effort goes into that. That's just a trivial example, but we could go on and on. My point is that there is a profound need for ... let me call it a kind of 'maturation of the species', to have our human psyches and spiritual development, and values and culture and judgement match the power that we have developed. All the other problems are simply reflections of that failure on our part. Failure ... I don't know ... perhaps human 'evolutionary need' is a better term.

On the other hand, I'm actually quite optimistic that all of that will be dealt with. I'm basically an optimist. I'm enormously impressed with the creativity of the species. To me, the clearest example, or reason, for optimism was the end of the Cold War. At SRI in 1978, Duane Elgin and I, as part of a project, spent six months trying to imagine how the Cold War would end. We worked hard on all kinds of scenarios. The best we could come up with was a co-dominion to rule the world between the United States and the Soviet Union by 2025. That was the best we could do, as a way of avoiding nuclear war. If we'd actually said 'Well, communism doesn't work, we'll take the armies home from Czechoslovakia, Poland and Hungary. If they say go home, we'll go home. What the hell, we'll collapse communism, we'll give that up. We'll let the

republics go too. We'll do that in four years. There'll be, basically, no conflict, no violence and oh, well we'll become democratic and market-oriented too. We'll do that in a couple more years'. If we weighed out that scenario in 1978, they really would have thought we were absolutely crazy. We couldn't even imagine that scenario - a scenario so good that the darkest challenge the species has ever faced ended with no war, no conflict, almost no deaths, in a peaceful revolution of intelligent and thoughtful people saying 'this isn't working. There's got to be a better way'. And it happened, it changed. We can't say that all the problems are solved, or that it can't get worse again, but if that can happen in what seemed to be a hopeless situation, anything can.

I had the pleasure and privilege of having dinner with Gorbachev a couple of years when he came to San Francisco. He asked to meet for dinner with some interesting folks, and I was part of the small group. I got to thank him for my son's life. Because in 1985 I would not have had a child. In the Reagan era when the Soviet Union was the evil empire, I thought nuclear war was almost inevitable. The idea of bringing a child into a world facing nuclear war, with that sword hanging over our heads, seemed to me almost irresponsible. Then that sword was lifted. I think it was Gorbachev who did it - he said 'this is just not the way to run a world ... we're going to back off' - and they did. The nuclear nightmare no longer no longer hangs over us. There are still nuclear weapons around. All kinds of terrible things can happen, but we ain't going to destroy the planet. Ten years ago we had that within our grasp. If that shift can occur with no massive victory parades, just good sense, that says a lot to me about what the potential is.

Richard

I see exactly what you mean. Can I ask you to comment on your own personal feeling about the future?

Peter

Well, it is a very timely question and, in all honesty, I can't give you a clear answer. The reason is that I feel like I've just finished a phase in my life. A week ago I turned fifty, and twenty five years (almost exactly) I set out on a course to do what I have done. You began by asking me how did I get into this and my objective, at the time, was to think about how to think about the future. As that evolved I really became convinced that actually what I really wanted to do was to stimulate society's major institutions to be more creative and thoughtful about the future. In one week this summer I met with the CEO of Xerox, the CEO of AT&T and several other major corporations, the Vice-Chairman of the Joint Chiefs of Staff and the head of the National Intelligence Council and the CIA. All of them were using my way of thinking about the future. All had been influenced by the work we were doing in GBN, and by my predecessors at Shell and at SRI. Clearly, the major institutions of American society have indeed begun to come around to thinking differently about the future. So I have an enormous sense of fulfilment about the last twenty-five years. It has been time well spent. We've achieved a great deal. I am now in the midst of reflecting on the next twenty-five years, or maybe next fifty (because I expect to make it to about one hundred and fifty).

So I feel like I've got a lot of work to do yet, a lot of new learning to do. So for me the real question is 'what are the important questions?' I've begun to ask myself some of those

questions. But I don't have any answers yet. The one thing I'm sure about is I know a really big feature of the next decade or so for me is being a father. That being a father for my six year old is where a lot of my energy and effort will go in the next decade or so, until he becomes a young man himself.

Richard

One last question. Given that we have talked so much about practical matters, is the spiritual dimension at all significant for you?

Peter

Yes, it always has been and always will be. But I believe those things are very private and part of the inner life. I'm not much fond of talking about it. Nor am I much of a believer of organised religion. I think more evil has been done in the name of religion than any other force in the world. My family survived the Holocaust. So, I'm not into organised religion, as such. On the other hand I have a very profound set of spiritual beliefs which I try to share with my child. So, yes it does, but I get very uptight, frankly, when people talk a lot about that, mainly because I don't much believe in missionaries and I don't like other folks telling me, or anyone else, what they ought to believe at that level. For me it's very much an inner journey and my hope is that most people have the experience and the opportunity to travel that inner journey and make those discoveries themselves. So I am very reluctant in the world of spiritual literature because much of it is so pedantic and, I think, rich with ego-driven missionary zeal: 'I want you all to believe, like me, so that you will be good like me, too'. I guess I feel like we, as a species, and me, as an individual, have such a long way to go that I don't have much to teach anyone at that level.

Richard

Yet, in terms of cultural recovery and the need for collective wisdom that we discussed earlier, does an authentic spirituality play any part in that?

Peter

I don't know what an authentic spirituality is, to be honest. I wouldn't presume to know. Seriously, I was a hippie in the 60's, and a lot of my friends are in the New Age movement. But I much prefer the old traditions, like Tibetan Buddhism, where they have at least been plugging at it for quite a long time, and thinking hard about it. I love the Dalai Lama – he's such a modest man, and so unpretentious, and not all the missionary. A man of enormous depth and insight and great spiritual integrity. I find in him the right kind of model.

Richard

So, humility – one of the keys to the future?

Peter

Absolutely.

Richard

Peter, thank you very much.

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