Long term scenarios: examples
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Lima Out-the-Box (OTB) Round Table
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Nature of long term work

• High levels of uncertainty, hence scenarios
• Fully narrative scenarios are too limited
• Modelled scenarios alone don’t work
• So a hybrid could be useful
• Have a look at 100% “narrative scenarios” in South Africa
SA Examples of long term work

- Mont Fleur
- Presidency scenarios
- ISS 2014 scenarios
The Scenario Process

- Team members’ ideas
- Brainstorming 30 initial ideas
  - Research
  - 9 preliminary stories
- First team workshop September 1991
- Research
- Second team workshop November 1991
- Consultation
- 4 draft scenarios
- Third team workshop March 1992
- Refinement
- 4 final scenarios
- Dissemination, debate, and use
Logic of the Scenarios

Flight of the Flamingos
Inclusive democracy and growth

Are the government’s policies sustainable?

YES

Is the transition rapid and decisive?

YES

Current Negotiations
Is a settlement negotiated?

YES

NO

Lame Duck
Incapacitated government

NO

Ostrich
Non-representative government

NO
Flight of the Flamingos

Inclusive Democracy and Growth

Political Settlement  
Facilitating international environment  
- Regional stability  
- Access to world markets

Good government  
- Clear and consistent policies  
- Efficient not corrupt  
- Observes macro-economic constraints

Broad participation  
- People have a say

Social reconstruction  
- More social investment  
- Decrease in violence

Sustained economic growth  
- Business is confident  
- Investment is high  
- Employment increases
Presidency scenarios

Scenario Branch Points

Bold decisive leadership
Empower self-sustaining communities
Drive new economic growth
Engender values of ubuntu, solidarity, self-reliance, participation, cooperation

All Aboard the Dual Carriageway

Incremental changes, Conservative leadership
Beating the same path

Kleptocracy, Greed, corruption, Self-serving leadership

Strong leadership focused on Economic Growth, Elitist, growing inequality

Dead End

Sharp right turn

Slow puncture
Overall targets of the plan

- By 2030, the number of households living below R418 a month per person (in 2009 rands) should fall from 39 percent to zero.
- The level of inequality as measured by the Gini co-efficient should fall from 0.7 in 2009 to 0.6 in 2030.
Targets

- The unemployment rate should fall from 27 percent in 2011 to 14 percent by 2020 and to 6 percent by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.
- The proportion of adults working should increase from 41 percent to 61 percent.
- The proportion of adults in rural areas working should rise from 29 percent to 40 percent.
- The labour force participation rate should rise from 54 percent to 65 percent.
- GDP should increase by 2.7 times in real terms, requiring average annual GDP growth of 5.4 percent over the period.
- GDP per capital should increase from about R50 000 per person in 2010 to R110 000 per person in 2030 in constant prices.
- The proportion of income earned by the bottom 40 percent should rise from 6 percent today to 10 percent in 2030.
- Exports (as measured in volume terms) should grow by 6 percent a year to 2030 with non-traditional exports growing by 10 percent a year.
- The savings rate should rise from 15 percent to 25 percent.
- The level of gross fixed capital formation should rise from 17 percent to 30 percent.
- The level of public sector gross fixed capital formation should reach 10 percent of GDP by 2030.
- Public employment programmes should reach 1 million by 2015 and 2 million people by 2030.
Transition to a low-carbon economy

Targets

- Achieve the peak, plateau and decline trajectory for greenhouse gas emissions, with the peak being reached around 2025.
- By 2030, an economy-wide carbon price should be entrenched. Zero emission building standards by 2030.
- The installation of 5 million solar water heaters by 2030.
- About 20 000 MW of renewable energy should be contracted by 2030.

Actions

32. Carbon price, building standards, vehicle emission standards, municipal regulations and government solar water heater target to drive scale in stimulating renewable energy, waste recycling and retrofitting buildings.
   - Set target of 5 million solar water heaters by 2030.
33. Broad support for a carbon budgeting approach, allowing social and economic objectives to be balanced.
34. A carbon tax should be introduced as an instrument to incentivise efficiency, coupled with a range of policy instruments targeting specific mitigation opportunities.
35. All new buildings to meet the energy-efficiency criteria set out in South African National Standard 204.
ISS

• A first hybrid, some modelling and some qualitative
• AIM used with different parameters per scenario story
• Very normative
• Some of the pertinent results:
Mandela Magic 2030 GDP of R8 170 bn, GDP per person R165 704

- Average growth 5.1% pa
- The Future is ANC: Party appoints a strong deputy president and implements the NDP with COSATU support
- The rise of multiparty democracy: COSATU splinters. DA and others gain support igniting healthy multiparty democracy

Bafana Bafana 2030 GDP of R6 621 bn, GDP per person R145 102

- Average growth 3.8% pa
- Voter apathy but opposition parties unable to excite born frees despite uninspiring ANC leadership

Nation Divided 2030 GDP of R5 422 bn, GDP per person R126 728

- Average growth 2.6% pa
- COSATU splinters and left-wing parties gain support. ANC responds with various populist policies

South Africa in 2013
GDP of R3 515 bn, GDP per person of R108 631
Figure 6 South Africa's annual carbon emissions
LTMS

- Compare the LTMS
- Challenge is what tools to use for the long term!
LTAS

- Phase 1, showing impacts, completed late 2013
- Phase 2, looking at economic and policy implications, to be completed now