Future of
South Africa State of the Future Index
SA-SOFI

Reference Panel Meeting, 08 April 2008

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Agenda

1. Introductions
2. Purpose
3. Proposal, Progress
4. S.Korea example
5. Discussion
6. Way forward

2/ Purpose

- Overview of HSRC's work to date
- Value of SOFI'ng for SA, Sn Africa, Africa?
- Direction for SA-SOFI
- Action plan, Implementation network

3/ Proposal

- What was proposed

Background

- SA State of the Nation publication
- REI role and activities, potential and need for “thought leadership”
- Ongoing institutional role in collecting and developing data sets, better application for decision making
- Regional concerns
- Global benchmarking
- Initial support from HSRC, DST and MP

- Why would HSRC fund
  - Role in social research and policy analysis
  - Inadequacies in “toolbox”
- What was the plan for beyond 07-08
  - Implementation network
  - External funding
  - “Programme for futures research”?

Study Components:

1. **National Comparison SOFI**
   - 26 standardized variables and parameters
   - Statistician and demographer intern
   - Learn and assess method; Benchmarking; Establish usability and efficacy of comparable SOFI
2. **National Focus SOFI**
   - Determine our own variables, weightings, determination of future events to consider, probabilities of events, and own opinion of plausible impact of those events on variables
   - Use of Real Time Delphi
   - Establishment of Reference Panel, resource group and domain experts

Status

- Component 1 draft report ready
- RTD first round online and ready for launch

  www.realtimedelphi.org
- 50 items: 40 variables, 10 developments (reduce?)
- Timeframes (proposed):
  - Launch RTD round – 11 April ’08
  - Close RTD round – 5 May ’08
  - Reporting – 23 May ’08
  - Engagements – 26-30 May ’08

IFs: Frederick S. Pardee Center for International Futures,University of Denver

9 November 2007

Social science that makes a difference

HSRC
Human Sciences
Research Council

First ISA Forum of Sociology: Sociological Research and Public Debate

Barcelona, Spain
September 5 - 8, 2008

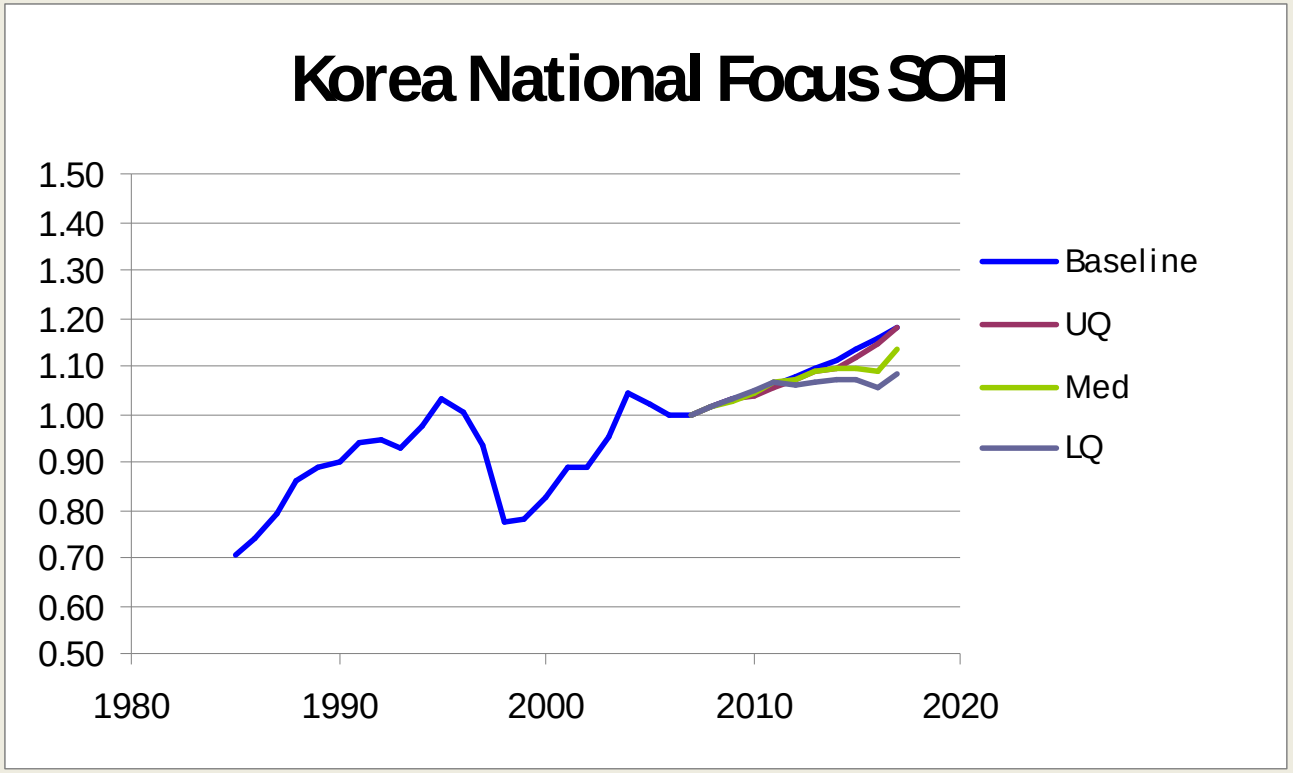
- Research Committee on Futures Research RC07
- Main theme: Debating futures - Global trends, alternative visions, public discourse and the new tasks of social research
- *South Africa's State of the Future Index and its potential to contribute to policy dialogue in the region*

4/ S.Korea

- Nov 15 to Dec 18, 2007: National comparison SOFI with 37 items (15 variables, 22 developments)
- January 2008: National Focus SOFI with 14 items

Final variables for national focus (S.Korea)

1. Export volume (unit: 1000$)
2. Days lost per year due to labor strikes (days per 1,000 workers)
3. Gross National Income (GNI) per capita($)[1]
4. Improved water source (percent of population with access)
5. Carbon dioxide emissions (metric tons per capita)
6. Fertility rate (children per woman over her lifetime)
7. Percent unemployment
8. Corruption (percent of survey reporting no bribery) (CPI/score)
9. South Korean income disparity between rich and poor (Gini)
10. Patents per year (number)
11. R&D expenditures by government and private sector (percent of GDP)
12. Energy consumption per GDP (metric tons oil equivalent/million $)
13. Seats held by women in parliaments (percent)
14. Dependency on foreign energy sources (percent of energy consumed)



- baseline curve clearly shows the huge distortions that occurred as a result of the “Asian Crisis” and recovery from it
- it had the effect on the SOFI of delaying growth by about a decade
- the characteristic of rapid growth in the past and continued growth in the future, but at a slower rate, typical in many SOFI studies
- TIA in general shows more potential to reduce the rate of improvement than to improve on current trajectory

1) What caused the drop in the Korean Focus SOFI in the 1998-2000 historical time period?

- The drop in the SOFI during the 1998-2000 time period is the result of the economic distortions commonly called “the Asian Crisis” and in Korea’s case was reflected by:
  - Failure to continue growth in export volume (growth was restored at an even more rapid rate after 2000)
  - Days lost to strikes during the year which were generally high in the period and reached a peak of 144 days in 2000
  - A drop in GNI/capita from $12,200 in 1996 to $7,300 in 1998
  - Unemployment which hit a low of 2% in 1996 and reached 7% in 1998
  - The number of patents issued in 1997 was 67,000; by 2000 the figure had dropped to 49,600
  - Energy consumption per unit GDP, which had been diminishing, reached a low of 292 metric tons of oil equivalent/million dollars GDP in 1995 but reversed trend and reached 520 in 1998 and 420 in 2000.

2) What events and policies are principally responsible for lowering the index compared to the baseline?

- Consideration of developments in TIA by expert panel:
  - events over which the country had little control (e.g. global depression)
  - those which were country-initiated, i.e. national policies (e.g. policies designed to increase birth rates in the country).
- Analysis
  - High probability-High impact: Given assumptions, should be considered in all national policy deliberations
  - Low probability-High impact: contingency national policy plans required because their effects are so potentially large
  - developments that were found to produce the most negative changes to the SOFI
  - developments that tended to increase the SOFI

Probability : impact analysis (S.Korea)

high probability, high impact

- Energy costs rise by 100% in S Korea
- Establishment of Northeast Asia Free Trade Zone
- Genetic information: Human genome information used in routine medical diagnosis and therapy.
- New effective South Korean policies designed to increase birth rates
- Establishment of a regional peacekeeping system including at least China, South Korea, and Japan.
- Reunification leads to immigration of 5 million from North to South
- North/South labor mobility quadruples
- Ministry of Education declares increasing intelligence as a national goal
- Increasing globalization drives up GDP/cap growth rate 5%.

low probability, high impact

- Reunification becomes a reality
- Financial crisis as large or larger than the last Asian financial crisis
- Global depression (GDP/cap drops 15%)
- Energy costs drop 50% in South Korea.
- Rise of trade wars, new isolationist policies of many countries limits trade to current levels

“formation of normative goals and objectives for policymaking”

- planners develop an image and work toward a future of South Korea “bright national future”
- review the forecasts of the SOFI variables and identify adverse or uncertain trends that should be the focus of future national policies “less bright national future”

Conclusions (S.Korea)

1. The “bright national future” be taken as an image of an attainable South Korea and be used in setting national goals.
2. A system of annual monitoring be established at the national level to track the 14 variables of this study (and possibly additional variables) to gain a sense of national movement toward a bright or less bright national future.
3. The data from the monitoring system be used to produce annual South Korean SOFIs.
4. The list of key future events of this study (and possibly additional variables) be used to test existing and planned national policies to determine their resiliency and ability to withstand external shocks and take advantage of positive developments.

6/ Direction for SA-SOFI?

- National adaptation: what possible role (and how) to contribute to policy dialogue and other decision-making (e.g. research agenda)
- Regionalisation: ditto
  - Centre for Africa's Social Progress, SAT, DBSA, SADC, etc.
- Sector / focus studies: Energy, water, industrial…
- Other?

7/ Way Forward

- What? (decisions)
- Why? (value proposition)
- Who?
  - Owns
  - Drives (or does)
  - Pays
- What needs to be done next?
  - Action plan