



Exploring the Future

Scanning the Horizon • Findings 2016

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Exploring the Future

Scanning the Horizon is a foresight platform for civil society trend analysts and strategists to come together to successfully detect emerging trends and explore options for response. Facilitated by the International Civil Society Centre, it was launched in late 2015 with financial support from The Rockefeller Foundation.





- CLIMATE CHANGE
- GEOPOLITICAL CHANGES
- URBANISATION
- HUMANITARIAN CRISES
- MIGRATION
- RIISING INEQUALITY
- DIGITAL REVOLUTION
- CHANGING ROLE AND EXPECTATIONS OF YOUTH
- FUTURE SPACE FOR CIVIC PARTICIPATION
- CHANGING ROLE OF DEVELOPMENT COOPERATION
- CHANGING ROLE OF BUSINESS
- CHANGING ROLE OF ICSOS

Global Trends Affecting ICSOs

Developing, Innovating and Working Together

Exploring the Future presents the findings of the civil society foresight platform Scanning the Horizon.¹ In 2016, the first year of collaboration, members identified 12 trends of global scope that will significantly affect and shape civil society organisations and their fields of work over the next decades.

The potential and prospective impacts on civil society organisations (CSOs) are multi-faceted: International CSOs (ICSOs) are increasingly seeing the need to collaborate more with the private sector, and differently with each other and with local partners, embracing platform and networked approaches to problem solving. In response to the globally changing landscape, they must decide how to engage with new hubs of power whose values may differ from their own.

Internally, ICSOs need to become more international and locally grounded at the same time, develop more innovation and change embracing mind-sets, and adapt their skill sets to match new requirements. All of this points to the importance of adapting and diversifying business models: ICSOs will have to reach out to new donors and new sources of income. As a sector, international civil society should be more responsive and agile, embracing experimenting and try-fail-improve approaches, with greater accountability to local communities.

Learnings from the ongoing exchange on horizon scanning suggest that foresight as a process can have transformative power if it engages the entire organisation, leveraging the experience and expertise of both staff and leadership teams, and creating ownership of findings on and responses to the future.



The Costs and Benefits of Horizon Scanning



*One day travelling through the land,
With a field-glass in his hand,
A well-dressed man of fortune came;
Mister Peep, they called his name.*

*“Can’t I, as I pass,” said he,
“View the distant scenery?
Beauty reigns elsewhere, I know,
Whereas here ‘tis but so-so.”*

Approximately one year ago, we embarked on the challenge of building a community of strategists, futurists, and trend analysts. Reaction to our *Scanning the Horizon* initiative was positive without exception. Today this community comprises of 25 members and observers, including CSOs, CSO networks, multilateral organisations, philanthropies, and corporations. A Steering Committee together with a full-time Coordinator are leading the way. Several working groups have started their activities, and the community will meet by telephone once every four months to review progress, and advance joint activities.

What are the benefits, and what the costs of *Scanning the Horizon*? A cartoon by one of the earliest and undoubtedly the most famous German cartoonists, Wilhelm Busch², nicely illustrates both: while looking at the “distant scenery” is pleasant and potentially useful it entails the risks of overlooking more immediate obstacles.

Let’s start with the costs: Hiring strategists is expensive, and, contrary to fundraisers or programme managers, strategists neither generate an immediate income nor do they directly pursue the organisation’s mission. Thus strategists are often the first ones who have to go when an organisation faces financial difficulties.



*Here he pitched into the pond,
Viewed the mud and naught beyond.*

Another potential cost is the one Wilhelm Busch refers to: An organisation that is too much focused on future prospects may overlook the more immediate challenges. At a time when CEOs and other senior managers in our sector are under increasing pressure to deliver short term results, it takes a lot of courage and farsightedness to focus on long-term strategic opportunities and challenges rather than on the short-term ones only.

Now for the benefits: At times of ever more unexpected, abrupt, and fundamental change in the outside world, CSOs have a much better chance to survive and thrive if they detect disruption early. Recent events such as the refugee crisis, Brexit, and the failed coup in Turkey followed by increasing repression have been telling examples of the challenges of disruption. In addition, digital technology increasingly threatens CSOs' traditional role as intermediaries and their related business models. Managing these and other fundamental challenges exclusively with short-term strategies is risky.

For instance, when the outputs of a previously successful business model start to decline, throwing more resources at it may not be the most effective response. Taking a long-term perspective, seeking to identify a future role for the organisation and new sources of income may be the better approach. Wise management will – at the very least – consider both options before making a decision. At times of disruption, having thorough strategic foresight is the basis for CSOs' survival.

The benefits of undertaking strategic foresight together with other organisations rather than on one's own are equally obvious: Sharing tasks and avoiding duplication of efforts is not only cost effective, it also generates better results. Given that today's opportunities and challenges are highly complex, bringing together the know-how of environmental, development, and human rights CSOs will produce a much more realistic picture. And if we add sources from outside our sector such as business and governments we will further increase the relevance and reliability of our foresight.

The texts in this publication highlight a range of aspects of *Scanning the Horizon* and sketch a number of fundamental changes we are confronted with. Identifying disruption early improves CSOs' chances to adapt to and to seize the opportunities, rather than being surprised and overwhelmed by the challenges. The work of the *Scanning the Horizon* community, and this publication which brings together some of our early findings, aim to help CSOs to ride the wave of change rather than being swept away.

Burkhart Gnärig

Trends that Will Affect International Civil Society in the Future

Whatever the assumptions about what the world will look like in 2030, given the accelerated pace of change, it will be quite different from the world we know today. For our purposes, we have concentrated on trends that are of global significance, although how they play out may vary greatly between regions. There are uncountable futures in how these trends, unfolding individually and through their interplay, will shape the world. Many of the trends covered here are not new, however their implications for civil society organisations are not fully understood, and there is value in pointing to strategic decisions to be taken, and options for response.

This chapter will give a brief overview of the bigger picture before offering insights on select trends that were explored in greater depth as part of the platform's work programme for the year.



An Overview

In line with scientific projections on **climate change**, the number of humanitarian crises induced by hurricanes, floods, draughts, or forest fires is growing worldwide. If mean temperatures rise above the internationally agreed maximum of 2°C, this will likely diminish food security in many places, driving migration and urbanisation to a greater scale.

Geopolitical change is multi-faceted: The economic and political rise of emerging economies sees a shift in global governance arenas, and spurs the transformation of development as a paradigm and a sector. Technology increasingly empowers individuals and smaller groups to become regionally or globally influential actors. North-South polarisation is increasing, and a shift towards identities based on faith or nationality can be observed. The number of conflicts has risen in recent years, spurring **migration**.³ In turn, conflict and migration, natural disasters and pandemics have also been key drivers of the rising number of **humanitarian crises**, affecting about twice as many people worldwide now than a decade ago⁴.

While the gap between developing and industrialised countries has diminished, **inequality in wealth and income** *within* countries has surged, deteriorating social cohesion, and creating disenchantment with established politics. Automated production is likely to further aggravate the trend.⁵

Demographic trends remain macro-economically and socially impactful. While increasing life expectancy forebodes an ageing population worldwide, the number of young people is growing, **changing the role and expectations of youth**. A growing number are facing limited prospects due to conflict, inequality, and difficulties in accessing education and employment. Digital communication is providing them the means to organise and raise their voices. Overall population growth combined with higher living standards of a growing global middle class are putting natural systems and resources under ever greater stress.

Urbanisation is bound to transform human societies within the next generations. Africa and Asia – focal regions for many ICSSOs working in rural development – where 90% of the world's rural population currently lives, are urbanising fastest.⁶ Cities are large emitters of greenhouse gases, at the same time, growing urban populations are increasingly at risk from disasters caused by climate change. Mega-cities' governments will become more powerful, adding to the geopolitical shifts.

The **digital revolution** is radically transforming communication: New tools provide unprecedented options for accessing information and sharing knowledge, benefiting rural development and disaster response. Platforms such as Wikileaks have emerged as new brokers of unknowable, uncontrollable transparencies about economic and political powerholders. Automated production implies a fast emerging transformation of value creation, likely to have deep repercussions on labour markets, state budgets, and economic equality.

Finally, the working environment of ICSSOs is fundamentally changing: The ongoing **transformation of development cooperation**, and of development as a paradigm, is reflected in a changing funding landscape mirroring the shifts in political power, with emerging economies turning from recipients to donors. The Sustainable Development Goals (SDGs), as the new global consensus for development, call for new approaches and new partners. Accordingly, the **role of business is also changing**: The private sector is increasingly seen as a provider of capital and solutions, and invited more to participate in efforts to attain public policy goals.

Unsurprisingly, the **role of the CSO is changing**, too, making new business models and sources of funding necessary. ICSSOs must aim to co-operate at more of an even level with local Southern partners, and to commit to a new kind of accountability. After a decade of push for democratic rule around the globe, **civic space is shrinking**. Civil society organisations have to reassess their roles and levers of influence in a changing world.

Key Trends in Focus

GEOPOLITICAL CHANGES

HUMANITARIAN CRISES AND MIGRATION

RISING INEQUALITY

CHANGING ROLE AND EXPECTATIONS OF YOUTH

URBANISATION

FUTURE SPACE FOR CIVIC PARTICIPATION

CHANGING ROLE OF DEVELOPMENT COOPERATION

CHANGING ROLE OF BUSINESS

CHANGING ROLE OF ICSOS

Geopolitical Changes

Significant trends are underway in the geopolitical landscape. Conflicts will likely persist in the Middle East, Northern Africa, Sub-Saharan Africa, and parts of South Asia, leaving countries fragile or at risk of disintegrating further while aggravating religious or ethnically-rooted political divides⁷.

Latent tensions over resource claims – such as the South China Sea – environmental degradation and climate change may increasingly endanger political stability and drive migration within regions and to wealthier, more stable regions. Zones of conflict may simultaneously become relatively more important in terms of human development and the achievement of the SDGs, as living standards are improving for rising middle classes in many stable, middle-income countries. With Asian and other emerging economies becoming key engines of global growth over the next decade and overtaking some of the larger developed economies, and Russia claiming its role as a world power, the world will become increasingly multi-polar. At the international level, regional communities like the Association of Southeast Asian Nations (ASEAN) and the African Union (AU) will become more important as hubs of cooperation. However, the EU, as a consequence of the Brexit vote and growing EU scepticism in other member countries, may not easily find answers to these challenges, limiting its potential role as a key actor. At the national level, immigration, increasing economic pressure and inequality may reinforce nationalism, populism, and potentially protectionism. At the same time, non-state actors are gaining influence over global problem-solving, including mega-cities, multi-national corporations, and technology-empowered citizens and movements.

Zones of conflict may simultaneously become relatively more important in terms of human development and the achievement of the SDGs.

While ICSSOs have little immediate influence over the drivers of geopolitical changes, they should actively seek answers to crucial points such as: How to engage with new power hubs that they do not have access to yet, including governance platforms and institutions such as G20 and the New Development Bank (NDB), or with governments which may not share the same values; how to react to right-wing shifts and shrinking civic space; and whether or not ICSSOs' sources of funding should include Islamic institutions. A key part of their role may be in engaging with civil society and movements, notably youth-led initiatives, from the Global South, to promote their interest in and influence over geopolitical issues.

Humanitarian Crises and Migration

Humanitarian emergencies are growing in number and complexity. Conflicts and fatalities, having steadily declined since World War II, have risen again over the past decade.⁸ Climate change has caused the incidences of natural disasters to rise, while population growth and ongoing urbanisation result in more and more people vulnerable to natural disasters. Low and lower-middle income countries remain the most vulnerable in terms of human damage.⁹

Over the last decade, the number of people targeted by humanitarian assistance has doubled, but the funding sought has increased approximately sixfold.¹⁰ More multi-annual planning in humanitarian aid, and **a stronger linkage between humanitarian assistance and development cooperation are needed.**

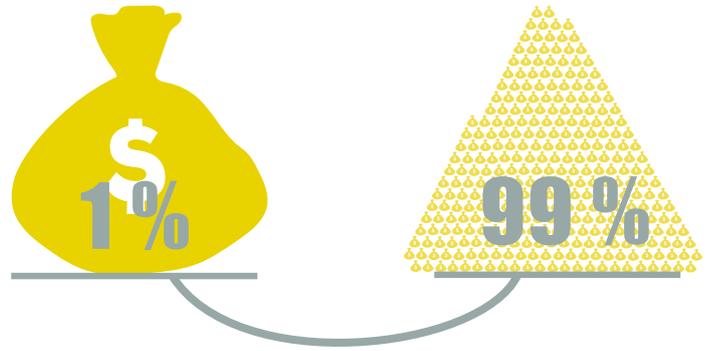


Recent years have seen a steep rise in forced displacement, reaching 65.3 million in 2015, the majority of whom are internally displaced, or hosted in other developing countries.¹¹ Refugees came in particular from the protracted crises in Syria, Iraq, Afghanistan, and Sudan. Most of humanitarian assistance interventions are still camp-based, while the majority of refugees are now located in urban settings: In Jordan, only about 20% of refugees are living in camps.¹²

In terms of governance, a lack of respect for international law in protracted crises can be observed on the part of various actors. Additionally, a growing number of refugees are living under the power of non-state actors who are neither recognised by the UN nor recognise the UN themselves, requiring the humanitarian sector to work with non-traditional local elites.¹³ **The increasingly multi-polar international system has not yet resulted in new leadership in humanitarian aid:** In recent years, new donor countries are on the rise, such as Turkey and the United Arab Emirates, adding to the number of actors. Many Northern donor countries are looking inward, and diverging political interests tend to hinder concerted action.

That being said, all is not doom and gloom: Awareness is increasing that the share of humanitarian assistance provided in cash, and through local actors, should be increasing. Consensus is growing that fostering resilience through preventive measures yields a higher dividend than disaster response, and there is more effort to prevent ineffective silo approaches. **New technologies have vast potential for data collection and management, crucial to tackling the challenge of data gaps.** They enable new opportunities such as volunteer support in crowdsourcing, and online data analysis and coordination.¹⁴

What are the implications for ICSOs? With more people in need located in fragile regions, organisations must make further provisions for staff safety. Programmes may need to be reoriented to match the situation of the people they target, and staff skill sets must meet the changing nature of problems. New role distributions with local partners, and more cooperation amongst ICSOs in service delivery and advocacy are in order, including through non-traditional alliances of ICSOs with complementing mandates.



Rising Inequality

For decades, economic growth has not been fairly shared. Today, the average incomes in poorer countries have been catching up with those in richer countries over the past decade, reducing inequality between countries.

However, **inequality in wealth and income within countries has increased dramatically**: Presently, the richest 1% of the global population has more wealth than the rest of the world combined.¹⁵ Concurrently, the middle class have experienced a decline in their share of wealth, and consequences are particularly dire for the world's poorest and marginalised. This includes women, who make up the majority of the world's low-paid workers, and children, whose opportunities largely depend on the circumstances of their birth. Economic growth has generally benefited capital disproportionately more than labour, increasing the wealth of equity-owners instead of low-paid workers, and more so through systematic, large-scale tax avoidance by private and corporate capital owners. The detrimental effects of inequality to growth and social cohesion are widely acknowledged, however, powerful interests are effectively in the way of changing the rules of the global economy that benefit them.

The linkages with other mega-trends mean even more negative outcomes for the vulnerable: As vulnerability to climate change and environmental deterioration is growing, **many youth may face a quality of life lower than their parents**. Rising inequality in times of economic stagnation and high migration sees **a growing share of the population in the North** rejecting international solidarity, instead **embracing populist and nationalist agendas**.

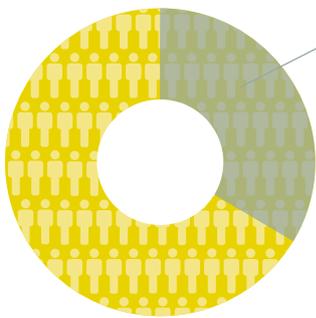
The richest 1% of the global population has more wealth than the rest of the world combined.

There are many approaches to fight global inequality; international civil society should evaluate its efforts in light of current trends and its levers of influence. Continued advocacy will be needed for the abolition of tax havens, and for redistributive policies ensuring growth contributes to the reduction of poverty and inequality. Combating inequality in opportunities will remain important through promoting universal access to education and health care, and advocacy for the rights of women and other marginalised groups. Given growing rural-urban income disparities, civil society organisations should not lose focus of the rural, agricultural, and labour-intensive sectors.

Demonstrating accountability will be crucial for demanding greater accountability from governments and corporations. **ICSOs will need to look for new and different actors to work with** in alliance to achieve their missions, **while** at the same time **ensuring they do not become controlled by the elites who flame inequality challenges**. **More attention should be given to disclosing disproportionate influence on the policy process and public debates**, such as through communication campaigns, research funding, and moving of executives between the public and private sectors. Better data and analysis may help raise interest and take more influence on the public discourse.

Changing Role and Expectations of Youth

The world's population will continue to grow in the foreseeable future, with ageing societies the dominant global trend in the long term. However, in the first half of the century, the youth bulge and a growing political influence of youth are a significant development, especially for CSOs working to improve the lives and opportunities of children and young people.



33%
live in conflict-
affected or fragile
environments

Youth: 1.8 billion

Currently, 1.8 billion out of 7.3 billion humans are aged 10 - 24, more than ever before, and the tendency is rising.¹⁶ Of these, **approximately 600 million live in conflict-affected or fragile environments**, and are affected both as victims and perpetrators of violence.¹⁷ In regions of conflict, as in low-income countries with high birth-rates, access to health-care and education is limited: Illiteracy rates stand above 80% among 15 - 24 year olds in some areas, including Sub-Sahara Africa.¹⁸ As global economic recession hits even the qualified young hard, and automated production may significantly cut formal employment, **education alone is no guarantee for a job any more**. Youth unemployment rates are consistently higher than average unemployment, reaching between 30 and almost 60%.¹⁹ Youth are facing longer jobless periods, jobs below their qualifications, and low pay – even in OECD countries.

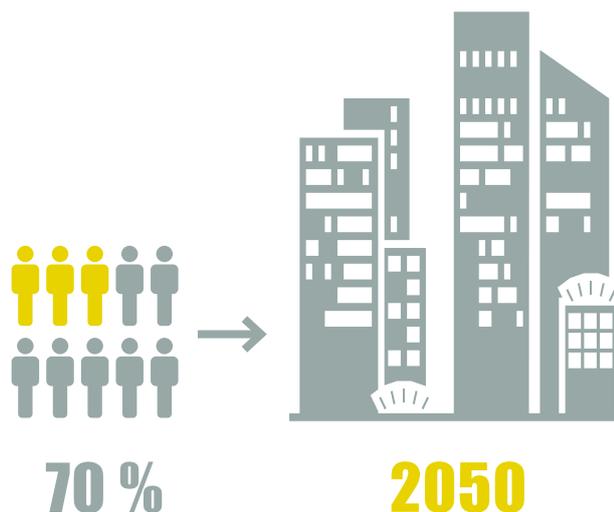
In developing economies, poverty is increasingly common among the young working population: In Sub-Sahara Africa, 70% of young employees have up to, or below, 3.1 USD per day at their disposal.²⁰ Girls and young women are still particularly disadvantaged regarding education and employment opportunities, but also their fundamental rights to self-determination and political participation.

There is growing disenchantment among youth with situations of ongoing political exclusion and lack of opportunity, and they are increasingly apt at harnessing digital communication to organise and demand political participation. The Arab Spring and Orange Revolution are notable examples of this, and they also point to the risks of social unrest and violence that may arise if a “lost generation” is deprived of its rights and prospects.²¹

ICSOs can greatly contribute to the needed shifts, however new partnerships and vehicles may be needed. Improving and scaling up access to education, health, family planning, and livelihood opportunities remain important. Digital technologies can improve access to education. Policy frameworks conducive to job creation and entrepreneurship are needed, so are vocational training programmes fit to prepare youth for emerging job profiles in a changing economy. Here, alongside governments, the private sector and youth organisations will be important partners. **International civil society's contribution will be greatest where it succeeds in taking the role of enabler**, facilitating platforms for youth to articulate their views. CSOs must aim to work with, rather than for, the young they serve.

Urbanisation

For the first time ever, more than 50% of the world's population is urban; by 2050, nearly 70% will work, live, and play in a city.²² This makes growth of cities a major developmental challenge of our generation.



Urbanisation occurs fastest in lower-middle income countries, and future growth will be greatest in secondary cities, which are typically not the focus of attention. Moreover, urban and rural are on a continuum, **requiring that urban policies and management be considered more holistically, integrating urban and rural functions to foster sustainable regional development.** As cities have been motors of economic development and innovation for decades, this trend presents many opportunities but it is also associated with many challenges.

Firstly, the complexity of urban contexts is comparatively higher than rural ones, and the pace of change is faster. Many cities grapple with the coordination of rapid growth, provision of basic services – including for the poor, disabled and marginalised – issues of public security, a large spectrum of formal to informal settlements with a growing population living in slums, a steep rise in international migration, as well as their own carbon and resource footprints.²³ The interplay with other mega-trends implies city dwellers are increasingly vulnerable to climate change, and growing income disparities in conjunction with soaring land costs effectively exclude larger parts of the population from city benefits. Addressing those challenges requires engaging a growing multitude of stakeholders.

The implications for ICSSOs are far-reaching, as, strikingly, **most ICSSO projects and initiatives currently focus on the rural rather than urban context.** Yet rural blueprints are not transferable to cities. Currently, there is little experience with

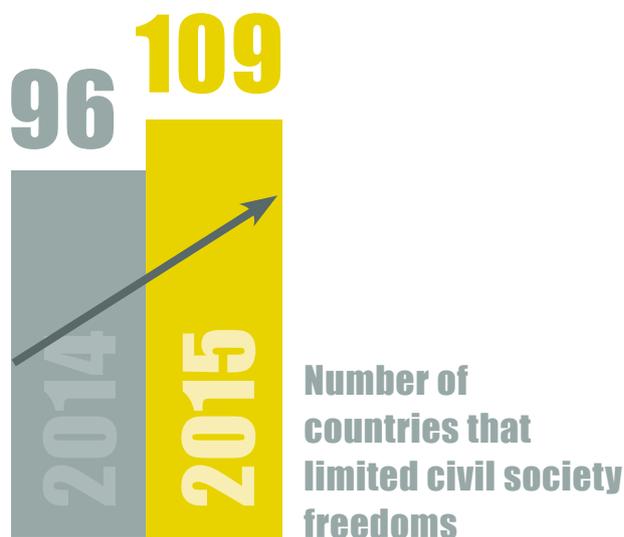
working in urban settings, and even fewer success stories. Some key elements for ICSSOs' success in urban contexts can be readily identified: A careful evaluation of needs must be undertaken, and sound understanding of new contexts such as informal neighbourhoods, changing power structures and constituencies must be established; a change in role of CSOs from provider to facilitator may be in order to catalyse more sophisticated community organising, including hiring internal workers from the community, facilitating learning between cities versus between countries, and leveraging technology.

As the urban context features many similarities across nations, organisations may consider restructuring teams by rural and urban, rather than by country. New skills required will include urban and land use planning, and organisations should ensure recruiting those skills, and supporting the growth of national training capacities. Labs, experimentation, and establishing new partnerships will be crucial to identifying successful approaches, and building expertise in the sector. **An established focus on national policy-making may need to shift to city laws, systems and political processes.** The rise of cities means that powerful city leaders may become as important as national governments and elites – and with global problems seen at the national level materialising in cities, this may present an opportunity. The New Urban Agenda, about to be adopted, will represent a global consensus for the sustainable development of cities over the next two decades.

Future Space for Civic Participation

The June 2016 Civil Society Watch Report by CIVICUS²⁴ states that “in 2015 one or more of the core civil society freedoms of expression, association and peaceful assembly were seriously violated in at least 109 countries”. The report points out that people’s rights to participate in shaping their societies are continually violated – not only by authoritarian regimes, but also in democracies; not only in the Global South, but increasingly also in the Global North.

The situation is deteriorating rapidly: The June 2015 Civil Society Watch Report²⁵ listed 96 countries in breach of citizens’ rights to participate, meaning that between 2014 and 2015, the number of countries that violate civic rights has grown by more than 10%.



These infringements by all too many governments, and by powerful – and often violent – non-state actors can partly be seen as reactions to recent shifts in power from the state to the individual. Over the past two decades, three developments have played a critical role in redefining the space for civic participation: Firstly, the emergence of the middle

classes in many countries of the Global South has increased people’s aspirations to contribute to co-shaping the future of their societies. Secondly, the wide availability of digital communication has created a new powerful platform for people’s participation. Thirdly, the Orange Revolution in the Ukraine and the Arab Spring have alerted **governments** to the empowerment of “their” citizens – and they **are quickly learning from each other how to reclaim control**.

Recently, an especially worrying trend has emerged: **Increasingly, citizens appear to be willingly accepting infringements of their rights to participate**. As our planetary boundaries become more apparent, and a fast growing number of people compete for ever-shrinking resources, many are willing to trade in some rights for the hope to gain access to scarce resources. With increasing levels of global migration, citizens of rich countries are appearing more tempted to elect authoritarian leaders on the promise to reduce migration, ensuring current living standards. Lastly, at a time of dramatic levels of inequality, governments are seeking to preserve national peace between the rich and the poor by turning people’s anger against an outside enemy using aggressive nationalism to justify curtailing their citizens’ rights.

Increasingly civil society organisations are affected by restrictions on their rights to operate: Some are branded “foreign agents” and often treated like criminals. Others are deprived of their sources of funding; some find their employees threatened, jailed or murdered. However, CSOs are not only victims of shrinking space, they are also beacons of hope for many people who are not prepared to hand in their civic rights for any promise whatsoever. CSOs need to live up to that expectation and play a much more visible and strategic role in the global fight for civic rights.

Changing Role of Development Cooperation

The nature of development cooperation has changed radically in the past 25 years. From domination by a handful of bilateral Northern government donors, foundations, and UN and multilateral organisations, it has become a bewildering ecosystem of mass movements, social networks, host governments, corporations, foundations, mega-philanthropists, Southern donors, NGOs, and celebrities. The number of actors has multiplied, opinions on the goals of development have diversified, the role of technology has expanded, decision-making fora have fragmented, and the pace of change has accelerated. These changes will require new ways of thinking and acting on the part of all those engaged in contributing to a better, safer world.

Traditional governmental aid agencies, primarily based in North America and Western Europe, no longer set the development assistance agenda.

Traditional governmental aid agencies, primarily based in North America and Western Europe, no longer set the development assistance agenda. Other actors dominate both financial flows, and the conceptual and intellectual agendas. Due to this different division of labour – and also for domestic political reasons – Northern governmental donors have also been directing an increasing percentage of their often-shrinking resources toward humanitarian response, refugee support, pandemic diseases, and geopolitical priorities.

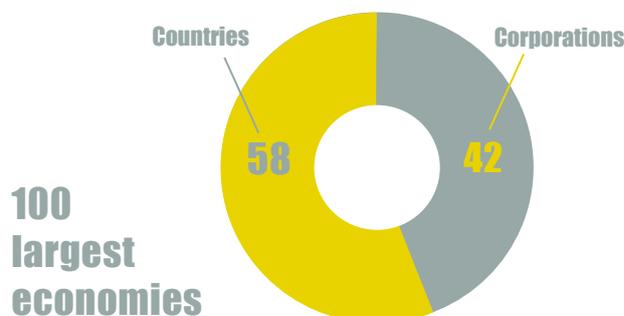
Private sector donors have expanded rapidly, both in terms of the amount of their funding, and the sectors they represent. Foundations, corporations, and mega-philanthropists have increased in number, as has the scale of their development assistance. Modes of giving have also diversified, with television, direct mail, and proposal-writing being supplemented with campaigns, celebrity endorsements, and social media. Private funding for development now exceeds that of governments.

Government and private giving for development have also expanded in middle-income countries such as China, India, the Gulf States, Indonesia, Mexico, and Brazil. Northern government foreign aid to these countries has almost disappeared, even though they continue to be home to the majority of the world's poorest people. Several of the major global CSOs now devote their funding to these countries to establish new national members of their federations, or to strengthen national CSOs rather than to their traditional role of delivering direct services. As traditional sources of development funding have been reduced or changed, various actors have increased their focus on **market-based strategies. These approaches will require very different organisational forms and skill sets** than those employed by most of today's actors in development cooperation.

The consequence of this expansion of the types of organisations and strategies involved in development cooperation is that more and more work is delivered through indirect or formal multi-stakeholder coalitions. From the Millennium Development Goals (MDGs) and SDGs, to their offspring such as The Campaign to Eliminate Malaria, initiatives now involve a broad range of sectors and organisations. This reality requires different organisational strategies and staff skill sets than traditional programmes, and much work remains to be done to transform these approaches into accountable results.

Changing Role of Business

Private sector actors, their capital, and their approaches are more and more influential in debates around achieving sustainable development. Given increasingly limited public funding, there is wide recognition that private capital will be needed to solve the development challenges humankind faces: 42 out of the 100 largest economies in the world are now corporations, while only 58 are countries.²⁶



Concurrently, globalisation and rapid technological change are integrating the Bottom of the Pyramid in global value chains, and contributing to blurring the lines between formal and informal economic sectors. Automation is expected to significantly cut formal employment opportunities in manufacturing, a core ingredient of the traditional development model. A trend to outsource more of the value chain sees multinational corporations giving up power over much of global production processes, adding new challenges to traditional advocacy. At the same time, investor pressure and greater exposure to reputational damage are driving greater accountability. In light of these global changes, ICSOs now have unique opportunities to create social benefits by influencing how business works, and how private capital is used in development.

An important role is advocating for the adoption and observance of fair and inclusive business practices by corporations. Furthermore, ICSOs may partner with governments and the private sector to reimagine livelihood creation at the dawn of the next industrial revolution, and with worker associations to

improve equity in work. Opportunities may lie in acting as “shared-value” brokers ensuring the sustainability of private investments in development through long-term relationships with corporations and engagement in value chains. Lastly, ICSOs may adopt private sector business models, and set up or promote social business.

However, such new roles require paradigm shifts in current ICSO practices: Organisations will need to transition from a time-bound, donor-funded, and project-centred mind-set towards one oriented towards financially sustainable models. To attract private capital, ICSOs will need to implement market-based approaches, such as social business models, shared value concepts, and impact investing tools. Describing social goals in business terms will help reach new audiences inside and outside of the development space. Employing new staff with private sector backgrounds may help bring new skills into organisations, including an ability to speak the language of the corporate sector.

The constant need to innovate, create economies of scale, and focus on the consumer have made business extraordinarily successful. Applying these factors to social missions could translate into more investments in research and development (R&D), and more innovativeness in taking new approaches. The benefits of a business approach to development will not lie in greater cost-effectiveness alone, but in better results in the eyes of beneficiaries turned into customers. This will require a more systematic collection of feedback by those affected by CSOs’ work to improve development approaches, and giving them the customer’s choice. Market-based approaches are not equally applicable to all functions and mandates; experiences with the privatisation of public services have been mixed. However, embracing innovative, financially sustainable and responsive approaches to sustainable development may help creatively disrupt persistent patterns of poverty and vulnerability.

Changing Role of ICSOs

In analysing the changing role of international civil society organisations, it is first necessary to acknowledge the enormous diversity of the sector. The impact of significant changes in external environments will vary according to the nature of a particular CSO, and it is therefore important to customise any analysis of the impact of change according to which type of organisation is examined, its size, funding base, home-base, mandate, and core activities.

These – and other variables – will determine how the major global macro-changes impact particular categories of ICSOs. With this in mind, during the current period of significant change, it is important that the leaders of every ICSO examine the impact of major external trends on their own organisations. First of all, the nature of the global environment has changed significantly over the past 25 years. From a world where the vast majority of the planet's population lived in absolute poverty with a few rich and powerful nations dictating the development agenda, geopolitical power has diversified, and the range of global issues has become more complicated.

The funding environment for CSOs is also undergoing significant change. **Funding from traditional Northern government donors is in many cases shrinking, or being redirected toward crisis-response.** Large middle-income countries are funding more of their own national development, developing national philanthropic constituencies, and relying on market forces to meet basic human needs. In response, many ICSOs are diversifying their business models, raising private funds in middle-income countries, and exploring market-oriented ways to fund the delivery of their services.

These and other forces are driving ICSOs to become more global: Board members and senior managers can increasingly be drawn from all parts of the world; funding opportunities are diversifying globally; communications and transportation infrastructure are allowing CSOs to establish their headquarters beyond the traditional Western European and North American bases, or to distribute organisational functions to different geographical locations.

The greater scale and complexity of global issues requires more collaboration and multi-stakeholder coalitions to bring about real systemic change.

For ICSOs and other development organisations, the sum of these changes creates an environment of great uncertainty. Both the complexity and the number of the variables has expanded, while the pace of change has accelerated. **Organisational cultures and systems must be flexible and adaptive**, something that is more easily said than done in participatory, global, and networked organisations. ICSOs will be well advised to put more effort into scenario building and contingency planning if the sector is to continue to play a catalytic role in the era of the SDGs.



Conclusions

Challenges and Opportunities Ahead

These trends will have far-reaching implications, including both challenges and opportunities, for civil society in several respects: Their roles, funding base, organisational structures, approaches, and even mandates may be affected.

As the SDGs can be seen as a cornerstone of many ICSSOs' ongoing work, they need to ask questions like: How will the Goals' achievement be affected by these trends? Where do they offer a window of opportunity to counter undesirable developments?

The Sustainable Development Goals: A Window of Opportunity

The SDGs are a unique and universal roadmap for global development, and the newly agreed global reference framework for actors from the public, private, and civil society sectors across a wide range of areas up until 2030. The goals present a great opportunity, as civil society is now openly acknowledged as an important contributor and – unlike the mostly state-centric Millennium Development Goals – was invited to participate in their formulation.

Given the breadth of the agenda, the SDGs are affected by virtually all trends in one way or another. To achieve the Goals, the public, private and civil society sectors must collaborate and overcome silo approaches. CSOs will need to enter new partnerships, potentially including governments and new institutions not committed to Western values. CSOs must start to debate with whom, and on what conditions, these new alliances can be built.

Importantly, civic space must be defended and expanded for CSOs to take an active role in the SDG implementation, and also to empower citizens to build their own future; democracies typically fare better than autocratic regimes at achieving well-being and prosperity for their citizens. There is a strong case for ICSSOs to respond to infringements on civic rights, both through their international networks and in collaboration with local CSOs.

Notably, the **SDGs offer potential for joint advocacy, and for holding governments and the international community to account for their efforts** in regards to the highlighted trends. Here, too, ICSSO collaboration will be fundamental to exerting influence and achieving tangible impact.

Business Model and Organisational Structure

Talk around future business models has reached the mainstream of current CSO discussions. Not surprisingly, the business model – understood as an organisation's specific value proposition and how it generates income to fund the activities that create those values – is at the heart of organisational change.

While concrete solutions will depend on the specific organisation and the trends it is most affected by, a number of elements can be identified that will characterise tomorrow's successful business models: More official development assistance (ODA) funding is going to other recipients through direct budget support and Public-Private-Partnerships (PPPs), and private donations are increasingly channelled through new fundraising platforms. With traditional funding streams on decline, ICSSOs will need to diversify their sources of income. Moving from a funding to a resourcing

approach, collaborations with other stakeholders may become more important. **Opening up new donors or sources of non-traditional aid may be part of the solution, as well as hybrid funding models and other economically sustainable approaches** like fee-for-service models, social business and impact investment. Taking a more business-oriented mindset to development may help ICSOs take solutions to scale, increase their impact, and become more efficient. However, in reorienting their organisations more towards business, leaders should consider how to keep their brand and identity, retain their advocacy and campaign capacities, maintain a system of checks and balances, recognise the limits of the market, and stay focused on working on causes rather than symptoms.

With traditional funding streams on decline, ICSOs will need to diversify their sources of income.

Small virtual organisations have shown the potential of digital technologies in reaching out to a wide public for campaigning and fundraising. Larger ICSOs should integrate some of these learnings to become “brick and mortar” organisations equally at home in the virtual and real worlds. Embracing the emergence of a vocal and competent civil society in the South, **ICSOs can seize new roles in brokering knowledge, engaging and convening civil society and youth moments, and shaping public opinion.**

Accountability and Legitimacy

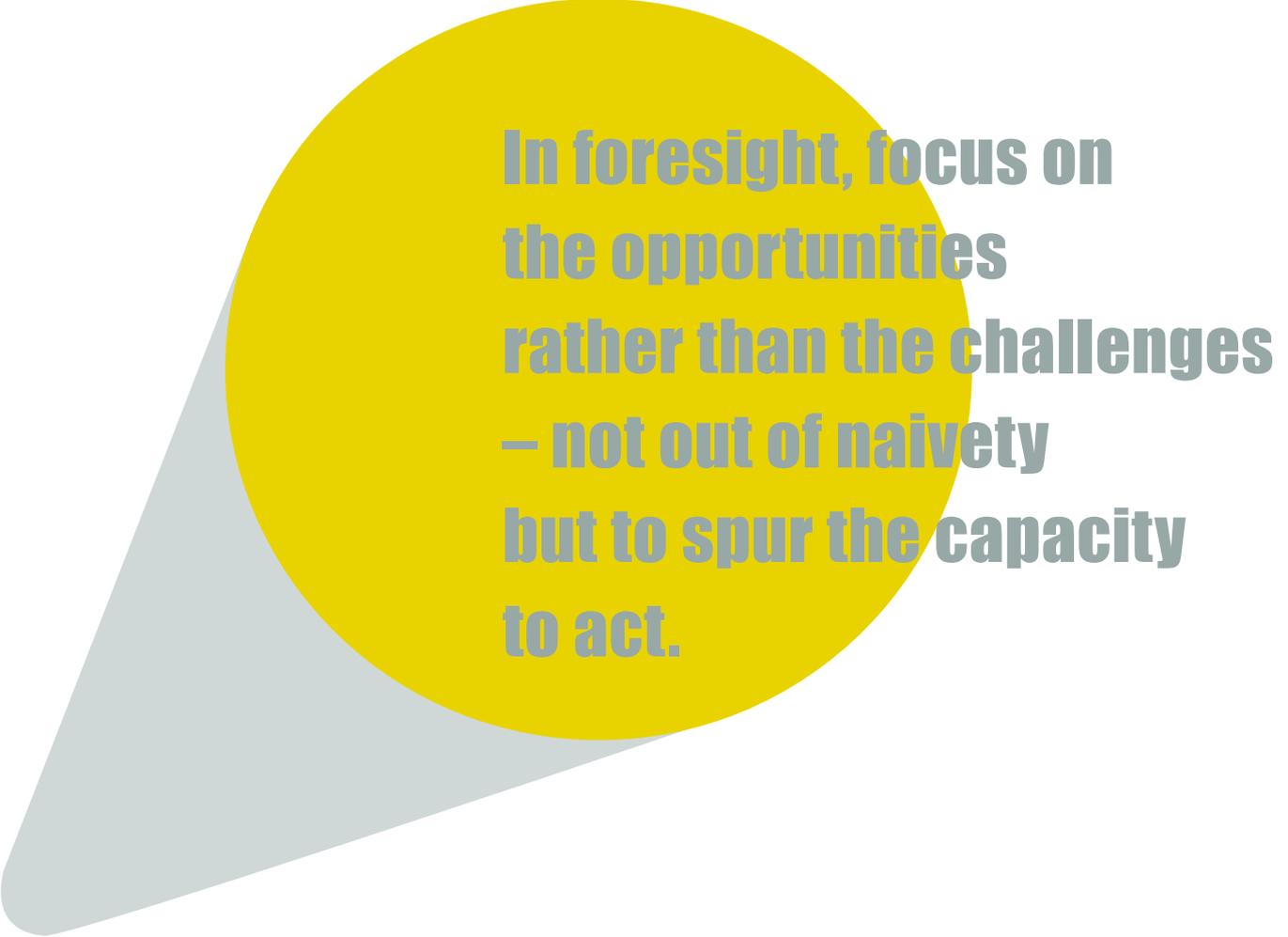
Fundamental preconditions for ICSOs to remain relevant as societal actors are legitimacy and accountability. While global polls consistently see civil society ahead of the public and private sectors in terms of credibility and public trust, international CSOs experience a disconnect with local populations more often than local ones. Where this occurs, it may limit effectiveness, and become dangerous when civic support against government repression is waning. There is growing consensus that legitimacy needs to be earned through greater

accountability not only towards donors, but recipients. Some forerunner organisations are introducing digital accountability mechanisms to become more responsive to the needs of their target communities. Other digital innovations, like blockchain technology, may soon be leveraged to increase transparency and accountability in global transactions, benefiting ICSOs' capacity to hold others to account. **Alongside accountability mechanisms, legitimacy will depend on organisations representing those whom they serve:** Reflecting this in Boards and top management, as well as overall staff will help ICSOs be locally grounded and international at the same time.

Partnerships and Relationships With Stakeholders

As CSOs' roles change, so will their relationships with their partners and other stakeholders. They will have to decide on how to engage with new hubs of power, both countries and institutions, with perspectives and values differing from their own. Their engagement with the like-minded should also be made more effective. While partnerships have been a pillar of ICSOs' work for a long time, **the rise of strong, vibrant Southern CSOs, the digital revolution and the need to significantly increase impact all demand much more networked approaches and platforms and better collaboration.** In seizing the opportunity of handing over to well-trained local CSOs, ICSOs' roles may change towards that of building local capacities, providing community service platforms, and facilitating replication. As in collaborations between ICSOs, this may require aligning goals, using joint fundraising approaches to solve concerns over visibility, and, importantly, overcoming fragmentation to strengthen advocacy and activist roles, and to send coherent, unified messages to decision-makers.

Moving towards business-oriented approaches offers opportunities for uncommon alliances and collaborations with business actors, or joint ventures. To raise private sector interest in collaboration, however, will depend on CSOs' capacity to understand business mindsets and speak the same language – skills which may need to be honed or recruited into the sector.



In foresight, focus on the opportunities rather than the challenges – not out of naivety but to spur the capacity to act.

Openness to Innovation and Change

If all of the above speaks of longer transformation processes, a key take-away for ICSSOs should be that such processes should no longer be seen as one-time and bounded. Given the current pace of societal, technological, and environmental change, **ICSSOs – like other organisations – need to reassert the validity of their strategies and structures more frequently, and remain open to organisational change.** Several organisations have established internal structures to detect and screen innovations for their potential impact and replicability. Others have set up routines to institutionalise organisational learning and development. All of these elements are useful steps on the way to greater adaptivity and innovativeness. The greatest challenge may be in taking the risk of failure associated with trying out new approaches. Again, collaboration within the sector and with donors will be a key ingredient to increasing the

acceptability of failure, the capacity to learn from mistakes and the flexibility to adapt programme designs and approaches. There are certainly more aspects to consider in preparing today's ICSSOs for the trends ahead, the sudden shifts as much as the unnoticeable, continued ones.

One of the key principles of foresight is to focus on the opportunities rather than the challenges – not out of naivety but to retain, and indeed spur, the capacity to act. In this sense, the recommendations given here are, above all, an encouragement to embrace the future as something that we can shape, rather than letting it occur to us.

What Horizon Scanning Can Deliver

Horizon scanning is a key input to strategy development – most senior leaders of larger organisations would subscribe to that. Typically, it stands at the outset of multi-annual planning cycles, often with an externally-contracted trend report. To what effect? After a deep-dive exchange on horizon scanning and how to integrate findings in decision-making, some lessons learned emerge as to what horizon scanning can deliver, and how to get the most out of it.

Foresight cannot predict the future, but as a systematic, regular exercise, it can help detect emerging trends and disruptions in time to understand their relevance and direction, and get prepared.

One of the most notable findings is that the process of horizon scanning may matter just as much as the actual findings it yields. Environmental scan reports may be insightful, yet entail little concrete impact if ownership of decision-makers remains limited, or if short-term priorities prevail. If programmes and country offices are made to conduct and mutually share their own sector-level or national scan, and senior management engage in various ways in interpretation and decision-making around trends analyses, this can result in pulling together knowledge and experiences dispersed over the organisation, building competencies and ownership, and nurturing a change-embracing culture. Such a horizon scanning process can even become a powerful instrument in organisational transformation processes.



Here are some findings on what works in trends analysis and making it relevant for strategy:

Clearly assign responsibilities for scanning

Responsibility for horizon scanning resides mostly with units charged with strategy, innovation or research; some organisations feature independent foresight units. While there is no one-size-fits-all solution, it is important to have responsibilities clearly allocated, and to reflect the importance given to future-oriented thinking in the organisational structure and reporting lines.

Have senior management engage formally and informally in regular horizon scanning

Taking a long-term perspective is made easier for decision-makers if they are involved with the scanning process itself, as well as the scanning-analysis, in both formal and informal ways. This elicits senior leaders' insights and experience, fosters understanding and ownership, and puts futures-thinking into focus. It is useful to make scanning a standing agenda item for senior management meetings, alongside informal spaces for senior management to familiarise themselves with scanning findings – distinct from decision-making situations. Giving leaders the opportunity to present and discuss their organisation's scanning results with an external audience also brings in additional expertise. Whatever the engagement, it must be based on high-quality inputs and process guidance.

Involve all levels of the organisation with scanning regularly, utilising knowledge and strengthening openness to change

Having staff across the organisation involved, brings together knowledge of trends occurring in programmes, topic departments, and country offices. At the same time, it fosters futures-literacy, an outward-oriented focus, and an increased awareness of the necessity to anticipate and adapt to external developments. To ensure findings are pulled together and fed up to decision-makers, it is important to have routines in place to facilitate meaningful cross-organisational exchange and knowledge management.

Engage with external views and a variety of tools and sources to gain a richer picture

Bringing in external perspectives, such as from political decision-makers, the private sector and academia, is important to make an organisation's own analyses more robust and gain a richer picture of the analysis. Using a wider range of sources, such as daily news, reports, or conferences, as well as a variety of tools serves the same purpose.

Consciously select the time horizon and scope of scanning

Taking a strategic decision on which time frame is scanned, and how the results will be considered in strategy development is vital. This helps ensure organisations are alert and flexible to react to the immediate while planning for the future. In determining the scope of the analysis, it is important to set it wide enough to identify larger trends with significant disruptive potential. Some organisations use scanning patterns that cut across, underlie, or complement thematic or geographical grids, or explore the intersection of mega-trends with developments affecting their work more immediately.

The added value of collaborating on horizon scanning

As suggested earlier, sharing findings and work saves costs and generates better results by helping mitigate internal biases, and allowing more complete and robust analyses and recommendations to develop. However, comparing scanning findings and jointly exploring trends does not require reaching consensus on what the future will look like. Quite to the contrary; dissent over interpretations can yield the most fruitful insights. Beyond helping reacting and adapting to change in time, collaboration may offer a lever to position civil society more proactively in how issues are discussed and framed, by identifying emerging ideas and narratives that can be harnessed for advocacy. Finally, it benefits organisational learning through exchange of experiences about scanning approaches and foresight methodologies.

A photograph of two young boys, one in a white shirt and one in a dark shirt, looking intently at a smartphone held by the boy in the white shirt. The background is a blurred outdoor setting with wooden structures.

SCANNING THE HORIZON

An Outlook on 2017

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The first year of collaboration on our foresight platform is drawing to a close. In 2017, we will embark on a new process of identifying and evaluating trends. The three-day Annual Meeting of Futurists will convene our membership to explore trends and their implications in depth and decide on priorities for the work programme. Current and new working groups will drive the collaboration throughout the year, and webinars will bring in external expertise on topics selected by members. Finally, we are looking to diversify the group to include professionals from further regions and sectors, including the public and private sectors, academia and others, to enrich discussions and add more knowledge and perspectives.

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Contact mhenkel@icscentre.org to join the discussion.

Endnotes

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