

# Magnifying Hope and Reducing Fear

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Figure 1: Scientific reconstructions of *Paranthropus boisei* (left) and *Homo habilis* (right)

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### Summary

It's easy to run a country when things are going well, but 'things' are clearly not. New Zealand, like every country on the planet, starts 2009 facing 'The Three Gs': Global political change, Global economic change and Global climate change. History tells us that in a time of crisis, sure-footed small steps without a long view won't take us very far; whereas ambitious leaps based on clarity of thought will deliver a nation to new levels of development. This think piece aims to highlight our thinking as to how this government can use this time of global change, not only to manage the negative effects, but to propel New Zealand into a much stronger place in the long term. We do this by discussing the results of our latest report: *Four Possible Futures for New Zealand in 2058*.

*Four Possible Futures for New Zealand in 2058* explores four long-term scenarios for New Zealand (see Table 1 below) and finds: Scenario One will be hard work but worthwhile, Scenario Two will be difficult to manage, Scenario Three will be the loss of a nation and Scenario Four will be doom and gloom.

In view of this, *game theory*<sup>1</sup> would suggest that New Zealand should not just focus on managing itself effectively, but on pursuing a strategy of actively ensuring the world also manages itself well – if it does not, New Zealand cannot succeed in the long term. Put bluntly, the best approach for New Zealand is to support international management of global challenges, and in our view, this is best achieved by (i) supporting multi-lateral agreements that resolve global challenges and (ii) leading by example.

Our scenario exercise makes it clear that New Zealand needs to:

1. Be seen to deliver on all of our international agreements and legal obligations.
2. Design and apply indicators that measure progress in a comprehensive and integrated manner.
3. Identify, investigate, reflect on and consider the implications of all available strategic options in an open and transparent manner. Such an approach will not only deliver the best decisions, but just as importantly, gain the commitment of New Zealanders to actively deliver on those decisions.
4. Focus more on what is 'important' rather than what is 'urgent'.
5. Respond appropriately, rather than over-react, under-react or not react at all.

6. Support and engage in thinking long-term about the future.
7. Develop a dynamic, creative and effective strategy for sustainable development that not only propels this country into an exceptional position internationally, but does so in such a way that other countries emulate our practices.

History tells us that there is no better time to propel a nation forward than during a time of crisis. So the real question New Zealand should be focusing on is how can New Zealand make the three Gs (noted above): Global political change, Global economic change and Global climate change work in our favour? The remainder of this paper investigates how to build a nation, by magnifying hope and reducing fear.

The scale of change we face is by no means unique in the history of the world. About two million years ago, two species (halfway between ape and human) walked the earth: the *Paranthropus boisei* and the *Homo habilis* (see Figure 1). Both lived in East Africa at a time when climate change was causing forests to vanish.

The *boisei* were highly specialised, lived within a strict social structure and were led by a dominant male whose strength and power held the group together. In contrast, the *habilis* was the archetypal jack-of-all-trades. They were inquisitive scavengers prepared to try almost anything to survive. They were tough, active, gregarious and noisy, always on the move and always alert to the possibilities of an opportunity. While the *boisei* died out, the *habilis* went on to become what many believe to be our earliest human ancestor.

This lesson from history suggests that a culture which promotes independent thought, supports inquisitive thinking, rewards success and cultivates adaptive and diverse skills is more likely to be successful in a time of crisis. In view of this, the focus should be on making every individual strong, inquisitive and dynamic, rather than on central control of the masses.

Abraham Lincoln, the sixteenth President of the United States, understood that a time of great crisis also delivers an opportunity to unite individuals with a common resolve. Lincoln did this very effectively after the Civil War, stating in the Gettysburg address:

... We here highly resolve that these dead shall not have died in vain--that this nation, under God, shall have a new birth of freedom--and that government of the people, by the people, for the people, shall not perish from the earth.

Table 1: The Essence of Four Scenarios  
 Source: *Four Possible Futures for New Zealand in 2058* (McGuinness Institute, 2008)

	The world does manage its strengths, weaknesses, opportunities and threats	The world does not manage its strengths, weaknesses, opportunities and threats
New Zealand does manage its strengths, weaknesses, opportunities and threats	<p><b>Scenario 1: Power to the People</b>                      Concepts such as global unity and balance are no longer myths. Intolerance is a thing of the past, as diverse cultures coexist peacefully, all partaking in one global community. Sustainability, once a determined lifestyle choice, is now the norm. The climate change and peak oil crises are under control as the world embraces innovative, sustainable technologies and systems. The New Zealand public is educated, diverse and informed, choosing to stay in New Zealand where infrastructure is of an excellent standard and the lifestyle is unmatched. The burning question for New Zealanders in 2058 is: How do we maintain peace and prosperity?</p>	<p><b>Scenario 2: An Island Paradise — but Back to the Jungle</b>                      Everyone wants a piece of what we have got, and despite our desirable lifestyle, there is increasing tension with the outside world that requires constant management. To stand up to this pressure, New Zealand has cultivated a resilient national identity and robust infrastructure, and has been among the first countries to make some tough decisions. There is particular pressure on our resources and immigration policy, and as we fend off those countries once considered to be superpowers, we look for allies in countries that are similarly positioned. The burning question for New Zealanders in 2058 is: How do we protect what we have?</p>
New Zealand does not manage its strengths, weaknesses, opportunities and threats	<p><b>Scenario 3: Missed the Global Bus</b>                      Our isolation is more pronounced than ever, as we lag behind politically, economically and in the management of our resources and environment. To make up for these shortfalls, our government grasps at unsuccessful 'quick fixes', fuelling rather than rectifying the nation's downward spiral. Corruption, diminished cultural identity, an increase in slums and local terrorism have forced many educated New Zealanders elsewhere. The burning questions for New Zealanders in 2058 are: What happened? What can we do?</p>	<p><b>Scenario 4: It's All Over Rover</b>                      It is the end of the world as we know it. As each country embarks on a policy that is characterised by short-term goals designed to meet the self-interest of a few, the only international interaction is conflict-based and is fuelled by fear, an arms race and nuclear proliferation. As climate change, resource shortages, biodiversity depletion, population growth and inequality escalate; these global problems spiral out of control. The burning question for New Zealanders in 2058 is: Do we have another 50 years?</p>

Lincoln was using the idea of democracy and freedom – what Joseph S. Nye calls 'soft power' in the latest *Harvard Business Review* – to propel the country forward. Nye argues that soft power is embodied in the culture, values and policies of nations, whereas hard power, is what the name implies: aggressive initiatives. Importantly, Nye believes that neither 'hard power' nor 'soft power' can solve complex problems by themselves and that the right combination of hard and soft power is necessary: what he calls 'smart power'.

In terms of the four possible futures described in Table 1 above, New Zealand can only win if the world wins. This does not mean we have no influence; rather it is quite the contrary. We can shape our future by helping to shape the world. This can be done in two ways: firstly, by using soft power to support positive global initiatives, and secondly we can be an exemplar, solving complex problems in ways that propel the nation forward during a crisis.



Figure 2: Julius Vogel

Julius Vogel (see Figure 2) provides an excellent example of leadership in New Zealand during a crisis. In the late 1860s, New Zealand had been in a depressed state for over three years; farmers were receiving low prices for their wool and wheat, and gold production had declined. Net immigration was not encouraging and the situation presented an enormous challenge to the government. In response, Vogel promised a plan to 'extend the benefits of regular and systematic immigration to the Colony throughout its length and breadth'.

In February 1870, Julius Vogel, largely working on his own, presented a budget to government that was both simple and ambitious. It was a scheme to increase the population and revolutionise communications, including the building of roads and railways. In 1893, Vogel acknowledged a further purpose, which was to bring peace; the scheme did 'more to put an end to hostilities and to confirm peaceful relations [with Māori], than an army of ten thousand men'.<sup>2</sup> At a time of crisis, Vogel's plan got the country working again. Importantly, Vogel's strategy was a big leap from the past. He showed resolve, used soft power and remained focused on the long term. This emphasis on future thinking is further supported by a recent essay<sup>3</sup> released by the New Zealand Institute which stated that the 'challenge extends beyond managing through the next 12-24 months'.

The benefits of critical thinking cannot be underestimated. After the Bay of Pigs invasion (1961), John F. Kennedy sought to avoid *groupthink*<sup>4</sup> during the Cuban Missile Crisis (1962). He did this by creating a culture of critical thinking: he sought out independent expert advice and demanded autonomous thought to such an extent that he was absent from some meetings, and if he did attend, he would not venture an opinion early in the process.

However, critical thinking focused solely on what is urgent will not suffice. In *7 Habits of Highly Effective People*, Steven Covey introduced the idea that effective people spend most of their time on what is 'important' rather than what is 'urgent'. The challenge for governments in times of crisis is having the ability to tell the difference. Applying this concept to the three Gs mentioned earlier: Global political change, Global economic change or Global climate change – we wonder which of the three Gs does this government consider most important?

Governments must ensure that decision-makers, policy analysts and experts appraise all alternative courses of action. In times of crisis this, in effect, demands that not only should the line drawn between the public service (including the policy analysts and experts) and Government be seen to exist, but that it is sufficiently valued to act as an additional deterrent against poor decision-making.

Historically global crises have followed a pattern of short bursts of disruption followed by long periods of stability, but we may be entering a time when the opposite is true – being long periods of disruption followed by short bursts of stability. In which case, New Zealand will need strong leadership in order to prevent us spiraling out of control. Government has two strategic options. The first is to move the country 'out of the process' all together by providing an enticing strategy based on hope. The second is to accelerate the country 'through the process', in such a way that we take the pain quickly and move to a stronger, more stable position in the medium term. We believe the years ahead is likely to require both strategies: magnifying hope and reducing fear.

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For complete references and to find out more, visit our website: [www.mcguinnessinstitute.org](http://www.mcguinnessinstitute.org) and read *Report 6: Four Possible Futures for New Zealand in 2058*.



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