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Reimagining strategy and statecraft for the future

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Crystal balls are a rare commodity in strategic policymaking. Yet, developing a structured and systematic way of imagining the future is more critical than ever in a strategic and policy environment that is undergoing transformational change.

The problem

Hyperconnectivity and power diffusion have triggered what the *Global Risks Report 2023* has called a cascading ‘polycrisis’, which cannot be confined to a single policy realm or scale of analysis.¹ Transnational diffusion of power makes power easier to obtain, but it also makes it harder to use and easier to lose.² Multiple policy challenges—war in Ukraine, pandemics such as Covid-19, climate emergencies, rising costs of living and inflation and disruptions in global supply chains—form a cluster of crises that mutually reinforce one another. There is a critical demand for diagnostic and policy frameworks to penetrate the fog of the future to be better prepared for

1 World Economic Forum, *Global Risks Report 2023* (Geneva: World Economic Forum, 2023), www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf.

2 Moisés Naím, *The End of Power: From Boardrooms to Battlefields and Churches to States, Why Being in Charge Isn't What It Used to Be* (New York: Basic Books, 2013).

complex, overlapping international crises unfolding at multiple levels.³ As such, today's survival challenges require a sea change and a new mindset in how governments imagine strategic scenarios and pursue policy planning. By reimagining contemporary strategy and statecraft, policymakers can win the prize of the future.

Cambridge theoretical physicist Stephen Hawking declared 23 years ago that the twenty-first century would be the age of complexity. Issue complexity puts state capacity to the test while the policy space from which to deliver public goods and policy outcomes has shrunk. According to the US National Intelligence Council's latest report, *Global Trends 2040*, there is a stark disequilibrium between the demand and supply sides of government.⁴ This is a very serious problem that has spurred polarisation, populism, protest and internal conflict in a range of countries including the United States. Notably, the *Collins Dictionary 2022* word of the year was 'permacrisis', highlighting the persistent and permanently difficult situation of government with no preordained outcome.⁵ Thus, the need to develop strategies that are fit for purpose is very urgent indeed.

Embracing complexity

In the age of complexity, strategy is best understood as 'the art of creating power'⁶ to regain and maximise policy space in the pursuit of statecraft. However, developing a shared understanding of the nature of the policy problem at hand and a shared imagination of the desired policy outcome precede any strategy. Strategic imagination helps to address cognitive biases generated by the human brain, which is fast and intuitive but error-prone, in making sense of the reality that surrounds us.⁷ What we see tends to be biased by what we believe. However, a largely internalised foundation for attempts to give situations meaning and to suggest appropriate responses is deeply inappropriate in today's complex strategic and operational

3 See, for example, Jochen Prantl and Evelyn Goh, 'Rethinking Strategy and Statecraft for the Twenty-First Century of Complexity: A Case for Strategic Diplomacy', *International Affairs* 98, no. 2 (March 2022): 443–69, doi.org/10.1093/ia/iab212.

4 See National Intelligence Council, *Global Trends 2040: A More Contested World* (Washington, DC: National Intelligence Council, 2021).

5 See Helen Bushby, 'Permacrisis Declared Collins Dictionary Word of the Year', *BBC News*, 1 November 2022, www.bbc.com/news/entertainment-arts-63458467.

6 Lawrence Freedman, *Strategy: A History* (Oxford: Oxford University Press, 2013), xii.

7 See Daniel Kahnemann, *Thinking, Fast and Slow* (New York: Farrar, Straus & Giroux, 2011).

environment. A reflexive reading of situations can lead to strategic scripts with predictable behaviour, which—if unchecked—could risk strategic failure. Strategic imagination helps to turn those intuitive judgements into persuasive arguments, especially for those situations that are complex and multifaceted. In sum, the key challenge of strategy is one of mindset, which begins with strategic imagination.

Strategic imagination necessitates embracing complexity, taking ‘a crude look at the whole’, as the Nobel laureate and physicist Murray Gell-Mann put it. This includes nurturing the skill of grasping the broader structures and patterns of the complex system within which specific policy problems are embedded rather than reducing them to a series of events to which policymakers must react. As the environmental scientist Donella Meadows stressed: ‘Like the tip of an iceberg rising above the water, events are the most visible aspect of a larger complex—but not always the most important.’⁸

Strategic imagination generates a vision of the iceberg across time and space, facilitating a deep dive *into* and critical reflection *of* the mental models and paradigms underlying strategies. Looked at from the daily grind of strategic policymaking, three factors are essential to create a public service environment that is conducive to strategic imagination:

1. Knowledge workers who can operate across disciplinary and policy silos are in high demand. There is too great a tendency to frame and to respond to problems in their component parts rather than addressing them holistically.
2. Embracing complexity essentially boils down to the commitment to engage with the full iceberg of strategic policymaking. This goes well beyond the whole-of-government approach and includes public policymaking that accepts policy failure as a source of policy innovation.
3. Public policymaking needs an in-built learning infrastructure to allow for constant reassessment of policy solutions. Yet, this cannot be achieved without a paradigm change that encourages thinking outside the box, making mistakes and using that as an opportunity to learn and innovate.

Some of those prerequisite skills can be acquired through training. The main challenge, however, is a paradigm change in mindset and a willingness to operate outside well-established comfort zones as well as disciplinary and

8 Donella H. Meadows, *Thinking in Systems: A Primer* (London: Earthscan, 2008), 88.

departmental boxes and stovepipes. While policy co-creation—involving academia, the public service and civil society—is not a silver bullet, it goes a long way to help develop the strategic mindset and framework fit for purpose in the age of complexity.

The way forward

Brendan Sargeant's tragic passing prevented him from fully fleshing out the concept of strategic imagination and its application. While the various contributions to this *estschrift* reflect on Brendan's ideas, this can only be the first step. As Brendan noted himself, strategic imagination 'is a very abstract idea. It comes alive in context where it is visible through its manifestations and can be analysed in terms of its reality and consequence.' By deepening co-creation with the academic and policy communities, both domestically and internationally, we can test the reality and consequence of strategic imagination and bring it alive.

Inspired by Brendan Sargeant, policymakers should look to design initiatives that aim to generate content and capacity for the application of strategic imagination—an idea that sits right at the core of Australia's national interest. Such initiatives would bridge the gap between the academic quest for fundamental understanding of strategy and statecraft (how to develop cutting-edge ideas) and the quest for policy innovation in strategic policymaking (how to get things done). They would be a focal point for policy co-creation, to imagine strategic futures and to identify strategic opportunities, driven by the most critical of policy questions: *What is the policy space that Australia ought to imagine and occupy to fully realise its national identity in a strategic environment that gives the country less control over the future it wants to inhabit?*

Addressing this fundamental question requires the mobilisation of the best available academic and policy minds to co-create the content and the capacity to push forward the late Brendan Sargeant's pivotal thinking on strategic futures and statecraft. At the same time, it requires an investment in the next generation of policymakers and scholars to build capacity that is sustainable.

Remembering Brendan in this forward-looking way will put Australia in a very competitive position to reimagine strategy and statecraft with our eyes on the prize: the future we want.

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