

How do we deal with all this knowledge?

What Climate Change, Sustainability Challenges and Georisks mean for Governance

Werner Jann

- from a perspective of public policy making
 - what kind of problems?
 - what kind of decisions?
 - what kind of strategies?
 - not from a normative perspective
 - but from empirical theory
- not: what should we do?
- but: where should we look for solutions?

What kind of problems?

- wicked problems
three defining characteristics
 - complexity
 - uncertainty
 - ambiguity

What are wicked problems? in organizational terms

- complexity
 - multi-level
(local, regional, national, transnational, global)
 - multi-actor
(public, private, business, civil society)
 - multi-sectoral
(energy, environment, agriculture, industry...)
 - multi-regional
(trans-border effects)
 - multi-time
(short term interests, long-term effects)

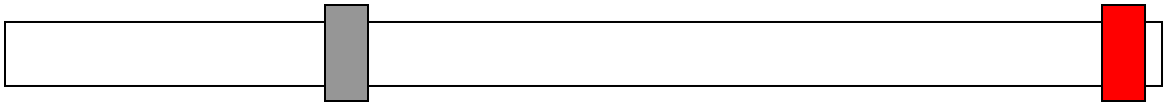
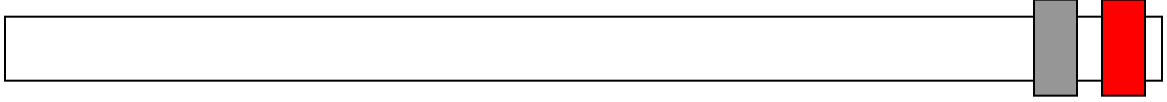
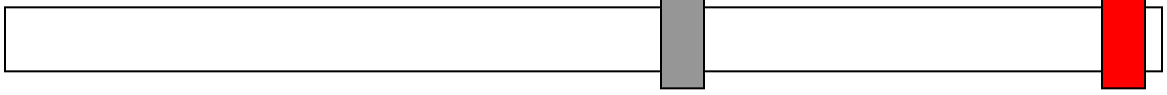
What are wicked problems? in organizational terms

- uncertainty
 - poorly understood
 - effects that are difficult or impossible to predict
 - low probability
 - high impact
 - highly interdependent
 - contested knowledge

What are wicked problems? in organizational terms

- ambiguity
 - contradicting values
 - contradicting world views
 - no common evaluative criteria
 - no common normative standards

Wicked problems what's new?

problem dimensions	problem intensity <i>low</i> ←————→ <i>high</i>		
complexity	<i>Tame problems</i>		<i>Wicked problems</i>
uncertainty			
ambiguity			

What kind of decisions?



- Decision Making can be understood as (amongst others)
 - rational
 - incremental
 - garbage can

Decision Theory: Rational Decisions

- define and analyse the problem
- define your objectives
- define the possible alternatives to obtain your objectives
- analyse the costs, benefits and probabilities of all alternatives
- select the best alternative

Decision Theory: Bounded Rationality

- individuals and organisations have severe limits
 - to define and order their objectives
 - to get an overview about all possible alternatives to obtain their objectives
 - analyse the costs, benefits and probabilities of all alternatives and relate them to objectives
 - to influence, or even to predict what other actors will do
- they do not look for the best alternative
 - but for something which is "good enough"
 - they are not maximizers but satisfiers

(Herbert Simon 1945)

Action and Ambiguity

	objectives: clear, uncontroversial	objectives: unclear, controversial
technology: clear, uncontroversial	<ul style="list-style-type: none"> • calculation • bureaucracy • hierarchy 	<ul style="list-style-type: none"> • bargaining • representation • pluralism
technology: unclear, controversial	<ul style="list-style-type: none"> • judgement • collegium • professions 	<ul style="list-style-type: none"> • negotiation • network • anarchy

Decision Theory: Incrementalism

- the science of muddling through
 - disjointed
 - incrementalism (marginal adaptation)
 - by partisan
 - mutual adjustment

 - trial and error
 - only marginal changes which can be reversed
 - problems are not "solved" but tackled sequentially
 - goals are adjusted to means
 - to neglect is the first step in analysing
 - consensus is the only test for a good policy

(Charles Lindblom 1959)

Synoptic and incremental policies



	pure synoptic model	pure incremental model
governance mode	<ul style="list-style-type: none">• plan• command and control	<ul style="list-style-type: none">• market• negotiation
information	<ul style="list-style-type: none">• comprehensive	<ul style="list-style-type: none">• limited
actors	<ul style="list-style-type: none">• centralised• hierarchical	<ul style="list-style-type: none">• decentralised• independent
basis	<ul style="list-style-type: none">• analysis• cognition	<ul style="list-style-type: none">• negotiation• adaptation
mistakes	<ul style="list-style-type: none">• avoidance	<ul style="list-style-type: none">• correction
criterium	<ul style="list-style-type: none">• correctness	<ul style="list-style-type: none">• agreement

Decision Theory: Garbage Can

- decisionmaking consists of four independent streams
 - solutions
 - actors
 - opportunities
 - problems

Why is it so difficult? a typical problem of governance

- "Governance is the sum of the **many ways** individuals and institutions, **public and private**, manage their common affairs. It is a continuing **process** through which conflicting or diverse interests may be accommodated and **co-operative action** may be taken. It includes **formal institutions** and regimes empowered to enforce compliance, as well as **informal arrangements** that people and institutions either have agreed to or perceive to be in their interest."

(Commission on Global Governance 1995)

Why is it so difficult? specialisation and coordination



- different interests and conflicts within societies are mirrored in different organisations
 - agriculture
 - commerce
 - transport
 - environment
 - etc.
- the task of public agencies is to concentrate on specific problems (and to ignore others)
 - they have different views of the world

Why is it so difficult? specialisation and coordination

- conflicts between agencies, authorities, regions and levels
 - are necessary and wanted
 - they are indispensable for adequate problem solving
 - they are not the problem, but the solution
- it is necessary to find new and better organizational arrangements which enable and facilitate long term cooperation and conflict solving

What kind of strategy?

- dealing with societal problems there are basically two strategies
- either new, better policies
 - better objectives
 - better technologies
 - better regulations
 - more resources !!
- or new, better mechanisms for conflict resolution, consensus building and strategic action
 - new institutional arrangements

What can we do? institutional policies



- new rules of interaction
new institutional arrangements
 - "the obvious conclusion ... (that) actors maximize their goals either by changing their strategies (or policies) or by changing the institutional setting that transforms their strategies into outcomes"
 - creating new institutional arrangements "as the sophisticated equivalent of selecting policies"
- the smart alternative to (ever and ever new) policies

New institutionalism in organization theory

- threefold definition of institutions:
regulative, normative, cognitive pillar
 - regulative: formal rules as prerequisites to govern
 - normative: norms of decision-making and governance, establishing appropriate behavior
 - cognitive: taken-for-granted worldviews and shared meanings on how to govern

Institutional policy for a sustainable strategy

- creating institutional conditions for dealing with wicked problems, i.e. long-term governance including a variety of actors, levels, time frames, sectors and regions
- ingredients
 - not only rules and sanctions
 - but also norms and values
 - as well as knowledge and world-views
- expertise on institutional arrangements and institutional change
 - how to adapt and change organizational and institutional structures and processes

- are these concepts analytically helpful?
 - do they contribute to your understanding of your own organisation and situation?
 - do they help to develop and find appropriate strategies?

Thank you very much!

Prof. Dr. Werner Jann
Potsdam Center for Policy and Management (PCPM)
Chair for Political Science, Administration and
Organisation
Potsdam University
eMail: jann@uni-potsdam.de

WWW: http://www.uni-potsdam.de/u/lv_verwaltung/index.htm