

*This essay is written from a personal perspective, though my colleagues at Sitra's Strategic Design Unit — Bryan Boyer, Justin W Cook and Marco Steinberg — have been hugely influential in terms of my thinking, and much of what follows is based on daily conversations with them, as well as our projects. Numerous other conversations with numerous other people, in and out of various projects over the last 15 years, have also informed this essay. My thanks to them too.*

# WHAT IS THE PROBLEM?

## BACKDROP

When I started writing this essay, Athens was burning again. Muammar Gaddafi had been killed the day before. Occupy Wall Street was in its sixth week of protest in downtown Manhattan, its participants growing in number every day such that it has effectively become a curious melange of a functioning shanty town with celebrity endorsement and global media presence, in what is a private space, Zuccotti Park.

The Occupy movement had spread worldwide, from small, almost timid protests in my hometown of Helsinki, to violent running battles with police on the streets of Rome. More than 950 cities took part in a coordinated global protest on 15 October 2011 across 82 countries, five months after the first Occupy protest in Spain. Some 500,000 people took part in the 15 October protest in Madrid alone (in Spain, almost half of all youth are unemployed). Unified by the #occupy hashtag and the slogan “We are the 99%”, the movement continues to grow.

A few months earlier, from 6 to 10 August 2011, many towns and cities in the UK — mainly in London, Birmingham and Manchester — suffered violent riots of a scale and ferocity that had not been seen for a generation, if ever. While the UK was briefly close to breakdown in the early 1980s, and had witnessed mass protests and unrest many times before, the nature of the rioting, looting and arson attacks in August was essentially unprecedented as their cause was not clear.

Whereas the earlier poll tax riots and miners' strikes, for example, had a clear ideological disagreement at their heart, these riots seemed to be about something else. But what, exactly? After the recriminations and finger pointing, we are no closer to an answer. Explanations offered veer between feckless nihilism, moral breakdown and consumer culture, through to the belief that an entire generation has been systematically disenfranchised and discarded by 30 years of neoliberal social and economic policy. Either way, the cause was so deeply embedded, so fundamental, as to appear beyond the core capacity of government itself.

This last year has also seen the Arab Spring unfolding across north Africa, with Tunisia and Egypt undergoing revolutions, Libya in civil war, civil uprisings in Bahrain, Syria and Yemen, and numerous other countries and states witnessing major protests — Algeria, Iraq, Jordan, Morocco and Oman among them.

In July 2011, the USA was hours away from “shutting down government”, due to its own inability to agree on appropriate levels of federal government spending. The episode is expected to be played out again at the next opportunity.

Japan, the world's third largest economy, careers from political crisis to environmental disaster. The world's-largest-economy-in-waiting, China, despite a millennium of practiced statecraft behind it, still faces an awkward developmental road ahead, pitted with the inequality and social unrest familiar to previous episodes of mass urbanisation.

When I finished writing this piece, Occupy Wall Street was still occupying Wall Street, despite the slowly falling temperatures. Similarly Occupy movements around the world were continuing to dig in. Yet it was Oakland, California that was now burning, because of the increasingly violent clashes between the Occupy Oakland

protesters and police, after a 3000-strong march had more or less shut down the fifth busiest port in the US.

Two days before, the G20 summit had failed to strike any kind of deal to resolve the eurozone debt crisis. The summit had been described as a “make-or-break” moment.

It broke.

The same day, the UK thinktank Demos published research indicating that the far-right was on the rise across Europe. The Guardian reported “a continent-wide spread of hardline nationalist sentiment among the young, mainly men. Deeply cynical about their own governments and the EU, their generalised fear about the future is focused on cultural identity.” The data was gathered before the worsening of the eurozone debt crisis from September 2011. Were these movements the counterpoint to Occupy, similarly poised to fill the gaps emerging where mainstream political practice used to be?

As I write, up to 50,000 people are on the streets of Moscow and around 50 other Russian cities, defying the cold and threat of crackdown to protests against the prime minister Vladimir Putin, amid allegations of election fraud.

George Papandreou, the Greek prime minister, has just been removed in favour of a new coalition government, after proposing a referendum on new austerity measures and membership of the euro. In his speech announcing the cancellation of the referendum, he said: “I believe deeply in democracy.” The referendum was considered by Europe’s leaders to be too dangerous to be deployed.

A few days later, Italy — where Silvio Berlusconi, the country’s longest serving prime minister, had finally been forced out (not by voters but by the markets) — joined Greece in being led by unelected “technocrats”, in something of an implicit snub to democracy itself.

*“The sidelining of elected politicians in the continent that exported democracy to the world was, in its way, as momentous a development as this week’s debt market turmoil.” (Financial Times, 12 November 2011)*

As the journalist Gillian Tett admitted: “The situation calls for very firm, forward-looking action that is almost impossible in a rowdy democratic political system at the moment.” (The Guardian, 11 November 2011)

When this sorry scene, too rowdy for democracy, is viewed in comparison with the last decade’s rapid economic growth in emerging economies, often with very different cultures of decision-making, the sense of despair is somehow sharper.

## CRISIS

Common to all of these stories — from violent, sometimes randomly directed explosions of civil unrest to carefully targeted peaceful protest — is this lack of faith in core systems. The systems in question could not be more fundamental, encompassing the economic foundations of western development to the particular structures of governance and representation in all of the countries concerned, and essentially democracy itself.

At its most visceral, we see this lack of faith manifested in violence, and strikingly similar footage has been shot on the streets of London, Athens, Cairo and New York. We must be careful to pick apart the different drivers of each, yet we can also understand them all as distrust, disbelief and dismay with existing systems.

In Athens, smoke from burning cars and litter bins mixes with billowing shrouds of tear gas because of another austerity bill being awkwardly manoeuvred through the Greek parliament. The riots across England were triggered by the shooting of Mark Duggan in

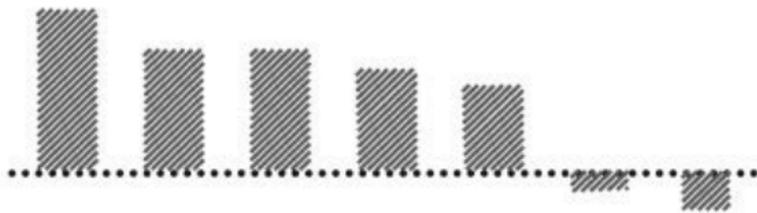
Tottenham, north London, by the police, and exacerbated by similar austerity measures to those in Greece. With the Arab Spring, the drivers concern fundamental political models rather than economic hardship as such, whereas the Occupy movement directly addresses the core ideologies and practices underpinning a globalised economy. Occupy is global in outlook, shifting positions subtly but still expressing a lack of faith in a loosely defined “system”.

These protests, many of which are not violent, are not the work of “a disconnected underclass”. The BBC’s economics editor, Paul Mason, in his blog post “Twenty Reasons Why it’s Kicking Off Everywhere”, described a new sociological type — “the graduate with no future” — later going on to describe the “economic permafrost” (apparently a phrase coined internally at HSBC) underpinning Occupy Everywhere.

The International Labour Organisation’s report *The World of Work 2011* (based on Gallop World Poll Data 2011) finds significant drops in “People reporting confidence in their national government, 2006 to 2010” in so-called advanced economies. Everywhere except sub-Saharan Africa and Latin America saw a diminished confidence in their national government with South Asia the most pronounced. The presence of Asian countries, as the new fulcrum of global economic activity, indicates that it is not easy to make a straightforward link between lack of confidence and poor economic performance.



Equally, the report also finds significant increase in “Change in risk of social unrest between 2006 and 2010” in advanced economies. This data emerges before the various examples of unrest described above. Again, everywhere except sub-Saharan Africa and Latin America saw an increase in the likelihood of social unrest, although the increase was greatest in the advanced economies.



Less dramatically perhaps, we can also see a lack of faith across the various incarnations of parliamentary democracy with weak or coalition governments. At the time of writing, weak governments exist across much of the world, either in the form of shaky coalitions, small majorities or tenuous claims to power. In Europe, most states are in coalition. Other major coalition governments elsewhere include

Brazil, Chile, India, Indonesia, Iraq, Israel, Japan, Kenya, Lebanon, Mali, New Zealand, Pakistan, Thailand and Zimbabwe. Moreover, there are non-coalition governments in positions of relative weakness in theoretically influential countries such as France, Australia, the USA.

Across the various cultures represented above, decision-making at the institutional level is proving particularly hard. This, the practice of politics itself, is being directly challenged.

Before October's emergency summit of all 27 European Union nations to discuss solutions to the eurozone debt crisis, America and China urged EU leaders to resolve the debt crisis and prevent the world sliding into another slump.

This "slump" seems a little beyond something that might be resolved in a weekend. It's worth bearing in mind the scale of the initial bailout in the US alone — estimated at \$4.6 trillion in 2009-10:

*"That number is bigger than the cost of the Marshall Plan, the Louisiana Purchase, the 1980s Savings and Loan crisis, the Korean war, the New Deal, the invasion of Iraq, the Vietnam war and the total cost of Nasa including the moon landings, all added together — repeat, added together (and yes, the old figures are adjusted upwards for inflation)." (John Lanchester, 2010)*

That impossible macro-economic scale, just as with the other big-picture indicators such as riots and revolutions, may merely be proxies for deeper fissures emerging in the fabric of society. All of the examples above are from this year alone, yet their roots are in the complex tangle of issues that have emerged in the last few decades. In the face of all this, many of our existing cultures of decision-making seem to be cracking under the strain.

## REALLY, REALLY WICKED PROBLEMS

Essentially, strategic design, the focus of this essay, is focused on the systemic redesign of cultures of decision-making at the individual and institutional levels, and particularly as applied to what we can think of as the primary problems of the 21st century — healthcare, education, social services, the broader notion of the welfare state, climate change, sustainability and resilience, steady state economic development, fiscal policy, income equality and poverty, social mobility and equality, immigration and diversity, democratic representation and so on.

The familiarity of this list does not mean that we know how to deal with it. Each of these problems is a direct challenge to existing methods, ideologies, practices and structures. There are no clients for these problems. Who is the client for climate change, except perhaps the entire human race? Clients purport to exist for many of these problems; sometimes too many clients, even, which is a different kind of problem.

But a systems-oriented view of problems challenges the idea that healthcare, say, is the responsibility of a Department of Health. Health is directly affected by urban planning, transportation and other infrastructure, patterns of employment, food, education, industrial policy, retail policy and so on, most of which will sit outside of the neatly defined boundaries of one department.

The problems themselves are not neatly bounded or defined. These are often known as “wicked problems”, after Horst Rittel and Melvin Webber’s 1973 paper “Dilemmas in a General Theory of Planning”. Here, scientific bases for confronting such problems, which for Rittel and Webber is social policy, are bound to fail.

*“There seems to be a growing realization that a weak strut in the professional’s support system lies at the juncture where*

*goal-formulation, problem-definition and equity issues meet.”*  
(Rittel and Webber, 1973)

If problem-definition was a problem then, it certainly is now. Reading Rittel and Webber, it is sobering to reflect upon how little has changed, or improved, despite them writing such a clear and ultimately influential paper. These problems still need addressing in new ways.

*“It has become less apparent where problem centers lie, and less apparent where and how we should intervene even if we do happen to know what aims we seek ... By now we are all beginning to realize that one of the most intractable problems is that of defining problems ... and of locating problems.”*  
(Rittel and Webber, *ibid*)

#### WHAT KIND OF FAILURE?

It has become a cliché to point out that we have increasingly globalised economies, moving with increased scale and pace, and powered by rapid technological development. That this is a cliché doesn't alter its veracity, however, and as a result problem systems are now entwined in almost impossibly complex, interdependent ways. Addressing core problems is beyond simple policy or process improvement at a local level.

The sociologist Saskia Sassen understands the Occupy movements pitched in cities worldwide, or the protests in city squares throughout the Arab Spring, as being knitted together with a new kind of political fabric.

*“The making of a globality constituted through very localized issues, fought locally, often understood locally but which recurred in all globalizing cities ... Today's street struggles and demonstrations have a similar capacity to transform specific*

*local grievances into a global political movement, no matter the sharp differences in each of these societies. All these struggles are about the profound social injustice in our societies — whether in Egypt, Syria or the US and Spain.”*  
(Saskia Sassen, *Domus*, 2011)

The eurozone debt crisis, just as with the American sub-prime mortgage crisis, are talked about as local problems, albeit continent-wide, when they are ruptures in a globalised economic system. Their failure is felt locally and globally.

*“Just as we never consider the ground beneath our feet until we trip, these glimpses into the complex webs of inter-dependencies upon which modern life relies only come when part of that web fails. When the failure is corrected, the drama fades and all returns to normal. However, it is that normal which is most extraordinary of all. Our daily lives are dependent upon the coherence of thousands of direct interactions, which are themselves dependent upon trillions more interactions between things, businesses, institutions and individuals across the world.”* (David Korowicz, 2011)

Korowicz’s point about failure is well made, but it becomes visceral when experienced locally. During the Brisbane floods of January 2011, despite a week of warning floods in the Queensland area, systems for food, power, transport, and some drinking water, all failed. Supermarket shelves emptied of fresh food, batteries and candles within hours. Local electricity substations succumbed to floodwater almost instantly, with no real distribution of energy generation at a local level (despite a climate that is near-perfect for solar generation). Essentially no agricultural capacity existed locally, and so communities reliant on food being trucked in every day were instantly without supplies, and with the roads underwater, no clear

idea about when trucks might return. In the heavily sprawling suburban city typical of a rich western country, movement was instantly curtailed as the Brisbane river swallowed up key arteries.

Overnight, Brisbane residents within a wide radius of the flood zone were left with only a handful of people to talk to face-to-face, with no way of communicating electronically, no new food to eat, no power and no way of moving around. System failure occurred due to the lack of resilience built into systems of everyday life. The gap between policy and everyday life was suddenly very clear. The sociologist Richard Sennett might describe this as a brittle city.

But this is a modern city, built essentially within the last century, of at least 1.5m people in one of the wealthiest countries in the world. Of course that wealth is another manifestation of a globalised economy — Brisbane was rich on resource profits made by shipping minerals to China and other developing economies.

Yet the Queensland-based food security expert Shane Heaton has described how western cities such as Brisbane are only ever a few days away from disaster in terms of food stocks.

There is a deep contradiction to such systems being so strong that they can construct the modern world and yet so brittle that they break within hours. This can, in part, be conceived of as a design problem.

It's tempting to look at how some other interconnected systems have been designed to deal with failure. For example, the Information and Communications Technology (ICT) concept of redundancy essentially means over-scaling a system to enable back-up in the case of failure ie having spare capacity on servers that are ready to boot up at a moment's notice. Yet a virtual enterprise, in which physical matter comes into play only in scalable data-centre and sunk data connections, is an easier system to make resilient than those

involving, say, logistics, energy transfer, water and so on. Matter matters, in this respect.

It should be noted, however, that it is also possible to build redundancy into physical systems. The architect Adrian Lahoud's notion of "post-traumatic urbanism" is useful here, derived from cities such as Beirut where the availability of infrastructure and state of its fabric can change daily. There, a form of "network redundancy" exists through meeting everyday needs locally; everything — grocers, hairdressers, bakers, tailors, builders — is replicated in each neighbourhood, rather than centralised or aggregated into malls as a so-called developed city might. It is a far more resilient system, through reducing the risk associated with interdependency. Yet, ironically, it is an approach to systems that has been "designed out" of many contemporary cities. Sprawl is an outcome of active policy, of design.

Interdependency is felt in a failure to deal with this physical matter, rather than the wider context. As Korowicz also pointed out, the eruption of the Eyjafjallajökull volcano in Iceland led to "the shut-down of three BMW production lines in Germany, the cancellation of surgery in Dublin, job losses in Kenya, (and) air passengers stranded worldwide." The cost of the Brisbane floods was estimated to be at least AUD\$10 billion, but distributed right across the continent.

But again, after the drama fades, these modern systems of living snap back to the same non-resilient state they exhibited pre-failure. In Brisbane, there was little talk of genuinely reconstructing the city with a more resilient distribution pattern in mind; instead, the perhaps natural, if nostalgic, first instinct was to rebuild what was there before.

After the 2008 credit crunch crisis in the USA, the writer Kurt Andersen saw a similar opportunity presented at the scale of America:

*“I see the gobsmacking crash and resulting flux as a rare limited-time-only opportunity to significantly update and reform the system and the habits of mind that are its cause and effect. Thus we now have a chance to remake our medical and energy and educational and urban planning systems along vastly more sensible lines.” (Kurt Andersen, 2009)*

That didn't happen either.

There is good failure and bad failure. The former is failure that enables a system to learn, becoming more resilient, more adept. The latter is exhibited within a non-learning system. Are these non-learning systems due to their fundamentally out-of-control characteristics, systems whose complexity has grown beyond our comprehension and capability? Or is it simply that policy is too dislocated from its realisation?

This clear separation of policy and delivery appears to be a particular facet of government in many developed countries. The UK Cabinet Office has been undertaking a “Transforming Civil Service” programme throughout 2011, and is actively trying to close this gap between policy and delivery. The Institute for Government, a Whitehall-based thinktank working with the Prime Minister's Strategy Unit on the “change programme”, has published papers talking instead of civil servants as “systems stewards” who work within a network in order to enable delivery and craft policy. (Whether the civil servants in question have the capacity and motivation to become “systems stewards” remains to be seen.)

Our public services have been designed, operated and measured to within an inch of their lives. Every possible eventuality within a system, such as healthcare or education, say, will have been considered and catered for, at least in theory.

And yet we see system failure all around us. For all its strengths and successes, the UK's National Health Service, said to be the third largest organisation in the world, will not have been designed to produce lengthy waiting times and overly full triage centres, yet that is what we see. The system has been designed in enormous detail, from a policy perspective, and often works like a dream; and yet it can also often produce appalling failure.

The IFG's report "Making Policy Better" consistently highlights the gap left by "realistic policy ambitions" followed by no specification of "how they will be achieved in practice". The authors write that "the (policy) system as a whole leaves too much to chance, personality and individual skill". This is what we see around us every day.

Yet everything around us is also the result of a choice, a design decision in effect. So when we see failure, we can only assume a breakdown between policy, the intended design, and delivery, the outcome.

Roger Martin, Dean of the Rotman School of Management at the University of Toronto, has written recently on the folly of separating strategy from execution in the context of the business world, countering the prevailing wisdom of the previous decade or so in management theory.<sup>[1]</sup>

Yet the gap exists, and this means that failure is rarely learnt from in any structured sense, as a way of garnering insight as to necessary systemic change in order to build resilience.

But thanks to Occupy Everywhere and its ilk, there now seems to be something else happening, some new level of tension and conflict, a form of forced attention on to an ongoing problem of complex interdependent systems failing, and the lack of faith that runs alongside, beyond momentary crisis.

*“When you see spontaneous social protests erupting from Tunisia to Tel Aviv to Wall Street, it’s clear that something is happening globally that needs defining. There are two unified theories out there that intrigue me. One says this is the start of “The Great Disruption.” The other says that this is all part of “The Big Shift.” You decide.” (Thomas L Friedman, New York Times)*

But how to decide? We can’t possibly hope to uncover the right solution, without first understanding what the problem actually is. What is the question here?

# WHAT IS THE QUESTION?

## TRANSITIONS

Tellingly, Friedman didn't define how the Great Disruption or the Big Shift might move in a positive direction. We need a sense of how transitions might not be violent ruptures, or in some cases a sad, inexorable demise. We need to find a new approach to complex interdependent problems, given that our primary institutions are increasingly ill-fitted to doing so.

We need in particular to find courses of action to address climate change, healthcare, social services, education, fiscal policy and local economic development within a globalised economy. We need to find a way of moving forward without certainty, without prescribed courses of actions or existing best practice.

We need to find a way of addressing and building on the many positive aspects of recent protests while fixing or removing the core system faults that they are predicated upon. We may need to redesign many of our existing models of public-service provision, but without throwing the baby out with the bathwater and recognising the folly in inadvertently returning (“recovering”) to the ideologies that got us into this mess in the first place.

We need to find productive ways of articulating questions in order to better understand the nature of the problems we now face, in terms of the architecture of the problem.

Having suggested why we need to do this, this essay will now focus on a few examples of how some of these challenges are being tentatively explored, through strategic design.

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