



The 3rd OECD World Forum on “Statistics, Knowledge and Policy”

Charting Progress, Building Visions, Improving Life

Busan, Korea - 27-30 October 2009

OUT OF THE BOX AND BACK INTO THE SYSTEM: MAKING NECESSARY CHANGE POLITICALLY FEASIBLE

DR. MAJA GOEPEL

1. Trust – the core ingredient of big change

Trust is so integral to our relationships that we often take it for granted. Yet, in our market and political relationships it has become a remarkably absent quality. Business scandals, massive cheating from the already rich and political smear-campaigning are particularly hard to endure in times where science tells us that humanity is facing unprecedented multiple challenges: climate change and potential collapses of our major ecosystems in parallel with a devastating hunger pandemic, both accelerated by a speculative financial system held together by government promises that could never be kept if this kingdom of virtual promises ever collapsed.

The good news is that these developments are now so visible that they create mistrust of what I want to call the “trickle-up” development model. This mistrust provides room for a new model to be established – which is what we are working on during this conference. The good news is also that trust remains, to a certain extent, in the capacities of governments. Even though citizens may disagree with the practices of individual members of government and lament (quite rightly) the lack of political will to act against established interests, trust in the far-reaching power of national governments prevails – otherwise most of our economies would have collapsed last year. Also encouraging is the increasing number of business leaders who want to collaborate in changing the current development model. From the civil society perspective the diagnosis stands that this change would leave existing profit and privilege structures untouched, but my feeling is that we have now reached a turning point where a new consensus for a more just, inclusive and healthy development will emerge. This is very good news. Facing multiple crises in

our ecosphere,¹ the capacity of humanity to collaborate and adapt in a peaceful and empathic manner will be tested as never before.

Yet, for this new consensus to become a widely supported vision, it will have to be convincing. It will have to generate trust. Trust in the information that drives it, and in the capacity of the actors involved to achieve it. And here comes the bad news: within a culture and relationship structure of myopic selfishness and cost benefit calculation this will be a major task: trust today is usually an attribute ascribed to the weak, naïve participants in our winner takes all competitive societies, who simply lack the ambition or muscle to “achieve something”. Science has embarked on a similar battle for increasingly private money to produce new knowledge. Mass media competition, meanwhile, cultivates a climate of scandal and sound-bites through their news outlets.

This is why I see an important role and responsibility for binding public intervention and regulation. Yet, there’s bad news here as well: printing money as an emergency measure is a very different government task from far reaching policy changes that have to be argued and debated. Here the importance of indicators comes into play: “Indicators arise from values (we measure what we care about), and they create values (we care about what we measure). ... The choice of indicators is a critical determinant of the behaviour of a system.”² Indicators that are well-understood and communicated can serve as a common reference point for widespread, complementary and accountable changes in the way we do and regulate things. D Thus, indicators can be important tools to regenerate trust: trust in the vision of a good life for all, trust in the measures proposed to get there and trust in the members of a society to live up to their share of taking responsibility to make it happen.

In line with this session’s title this paper focuses on the role of think-tanks in this paradigm shift. In this regard I will discuss the structural power of current institutions vis-à-vis the generation of new ideas (getting out of the box) and the difficulties of new ideas developed outside the established institutions to generate effect (back in the system). I will conclude with a few ideas of how think-tanks could play an important role in delivering the trust necessary to overcome these obstacles.

2. Worldviews, habits, institutions – framing the world

Unlike what some liberals may suggest, we are not living in democracies marked by equal representation of opinions. We are nowhere near the Habermasian “ideal speech situation” in which all participants enjoy the same opportunity for expression and grant the opportunity to be convinced by others’ arguments. Our cultural institutions are entrenched with structural power relations and habits that filter which arguments become heard and which wither away unnoticed. This is not a situation that will be easily overcome – and surely not fully. Thus, the most important element for democratic decision-making may be to honestly acknowledge and constructively address such biases.

Our individual worldviews frame what we perceive to be “reality”. Our convictions and levels of gained information determine how we judge certain situations which can form into habits of reacting without a moment of conscious reflection. In addition, the reactions of the people around us, as well as the rules by

¹ In addition to the increasingly more dramatic reports on climate change, see also the recent study on Planetary Boundaries assessing nine important thresholds where humanity risks to tip ecosystem dynamics out of balance: www.nature.com/news/specials/planetaryboundaries/index.html

² Donella Meadows, 1998, Indicators and Information Systems for Sustainable Development. A Report to the Balaton Group, p.viii

which we live, heavily impact our thinking and acting, and many of us operate in institutions that define the “roles” that we have to fulfil quite strictly. The result is that some choices we may intuitively favour become very risky in terms of reputation, remuneration or re-election. As Karl Marx said so famously: “Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all the dead generations weighs like a nightmare on the brain of the living”.³

Scholars of international political economy, Morten Boas and Desmond McNeill, edited an entire book about the impact of existing institutions (in this case: multilateral intergovernmental institutions) on why some particular ideas are taken up, how they travel within the governance system, and how they are translated into policy, modified, distorted or resisted. They identify two distinct, but partly related forces in this process: the established ideology or worldview (they focus on the neoliberal idea of globalization) underpinning every particular institution’s operations and the “economic-technocratic nexus” of established terminology, standards and procedures that new ideas have to be translated into in order to be operationalized at all.⁴ Both of these mechanisms foster a process of economics becoming the dominant rationale and e of abstract formulas and ideological jargon setting the standards of debate. The effect is one of significant de-politicization hiding real-life concerns behind equations and self-referencing legal concepts.⁵

I would say that these mechanisms are not restricted to international organizations, but are clearly observable on the national level as well. In relation to statistics, for example, public funds and resources for the gathering of completely new data are rarely made available while continual demand for updates of existing data and time series keep the research very much within the established status quo. Here I see an important role for think-tanks to play: they are relatively free to publish studies and develop approaches outside the box of established institutions and reasoning.

Yet this does not mean that their analyses find their way into influential institutions and the wider media. For example, while many alternative indicators and measures exist to inform the public about developments, the use of “GDP” outnumbers any other headline indicator, featuring more often in news articles than “unemployment” and “life expectancy” put together. Every policy measure has to be justified in relation to an economy’s “growth” – in this case money-exchanges in markets. Economic formulae are consistently prioritized in the collection of data and communication of progress, without a suitable explanation of what growth measured in GDP actually means or why it is considered of such paramount importance. Nicolas Sarkozy and Joseph Stiglitz were quite right when they diagnosed a “GDP-fetish” upon publication of the report of the *Commission on the Measurements of Economic Performance and Social Progress*.⁶

Thus, any political paradigm shift must also involve a major shift in thinking and the methods of choosing information. And here we come to an even more tangled confluence of ideas and worldviews and their connection with privileges and power: some simply benefit a lot from the established ways of thinking, doing and calculating things and will resist changes rather actively. This means that structural power

³ here taken from: <http://www.goodreads.com/quotes/show/114782>

⁴ Morten Boas, Desmond McNeill, 2004, *Global Institutions and Development: Framing the World?*, Routledge, p.2

⁵ Boas/McNeill, 2004, p.2.

⁶ http://www.bloomberg.com/apps/news?pid=20601087&sid=aCcM_7rg22Bw

serves as capital in debates about changes – be it in form of financial means, contacts, or public access. Privately financed media systems, for example, will usually not be too critical of the institutions paying their fees. The civil society organization Adbusters, for example, who lobby against excessive advertising, are currently suing the Canadian public broadcasting company, the latter having refused to air a TV spot of theirs, even though they offered to pay the normal rate. Their ad was critical of consumerist culture and the broadcaster feared losing other, more frequently paying customers⁷ - a structural power advantage for those privileged under the status quo.

Meanwhile, journalists of high quality newspapers are unlikely to write disparaging articles about their head-of-state if they were selected to accompany them in his or her private jet to a summit. Their social currency of getting access to exclusive information may be lost if they are not selected again for the next trip. The same holds true for most employees when speaking with their bosses or researchers having to apply for funding from institutions that may not particularly favour critical perspectives.

So, how do we break out of this limiting box of inherited circumstances? One definite avenue is new media, where gatekeeper effects are substantially reduced. Yet, the risk here becomes an information overload and a lack of reliability precisely because the sender may not be risking a loss of reputation or financial or social currency when presenting lukewarm “facts”. Here, think-tanks may be able to play a vital role in providing evidence attached to a recognizable “brand” and yet invite broad discussion. This transparent way of promoting the results of out-of-the-box thinking can serve trust creation in the form of believing in the impartiality and validity of the information .

Research on the genealogy of the free-trade consensus in the United State in the 1970s and 1980s by Christoph Scherrer shows that the most influential think-tanks were those that received philanthropic money: while everyone expected research conducted through public or private money to be supportive of the opinion of the donor to some extent, it was those players receiving “non-interest” money that were perceived as non-partisan.⁸ Meanwhile, this research also revealed very strategic funding of new think tanks and policy-research in favour of free trade agreements and the so-called Washington Consensus. Many of the philanthropic supporters were not so neutral after all, nor the delivery of the experts’ policy proposals transparent or democratic. Criticism of this kind of “manufactured consensus” was unsurprisingly strong and rules for transparency in lobbying have since been tightened. Today, the big think-tanks in the United States usually openly convey the fundamental premises guiding their work and also list which policy recommendations they are currently working on. This may not withhold them to exert exclusive influence, but at least the “brand” is more visibly positioned in the market of ideas.

With a last reference to structural power, I would like to point out that even if funding is really non-partisan and granted without any content interference, the pressure of performing according to the established standards is still high. I myself work for a think-tank that explicitly and transparently runs advocacy programs for policy change. Many of our proposals are rather radical, arguing for structural change instead of curing symptoms. This translates into more time needed for research, explanation and communication. How far from established reasoning and worldview can I go before appearing “too far out there”? How can we frame our arguments so they find traction and resonance within the established discourse and yet seed the ideas and paths that will change it? How can we reach people where they are -

⁷ see <https://www.adbusters.org/blogs/new-aesthetic/commercial-breakers.html>

⁸ Christoph Scherrer, 1999, *Globalisierung wider Willen? Die Durchsetzung liberaler Aussenwirtschaftspolitik in den USA*, Edition Sigma, pp. 77-82

but take them further, instead of reaffirming status quo arguments? And we mustn't forget the time pressure: you are supposed to show deliverables for the funding that was granted.

In line with these experiences, Christoph Scherrer observed in his research a “hunger for power” amongst the executives and employees of policy consulting think-tanks that is spurred on by evaluation schemes that focus on the influence on policy-making rather than the unique and sound conduct of research.⁹ This pressure may be the biggest threat to intellectual freedom, as it is of course much easier to successfully “sell” ideas that are close to the established perspectives or favourable to the ideas of those in power than non-conformist ones. Politicians will likely pick the kind of information that supports their positions and ignore those that challenge it (too much).

In the case of think-and-do tanks like my own such structural power limitations may become existential challenges: policy-change is in general a tricky deliverable to proof (who was responsible for the change of the laws in the end?) and particularly hard to document when you are advocating long-term structural changes rather than temporary cures for symptoms keeping the voters away. Thus, for successful out-of-the-box thinking to happen we should be acutely aware of the framing limitations we are dealing with - I would suggest tackling them head-on, exposing these biases in a constructive manner and shaking up the economic-technocratic nexus.

3. Political Shifts through Trust and Transparency

In order to analyse how and why particular ideas have become leading worldviews that inform policy programmes and prevail over longer periods of (contested) times, I find the concept of hegemony extremely useful. It was developed in Italy by Antonio Gramsci in the first decades of the 20th century. The crucial quest for Gramsci was to understand “how one can lead most effectively (given certain ends), and how, on the other hand, one can know the lines of least resistance, or the most rational lines along which to proceed if one wishes to secure the obedience of the led or ruled”.¹⁰ The explanation he proposed drew on Machiavelli's writings on the dual-strategy of *The Prince*. It may be best described as “ruling by consensus”: as long as the leader or leading institutions seem to pursue a programme that is in the interest of one's own interest, subordinates or citizens will tend to accept the decisions taken. Also, as long as the majority supports the general programme (directly or indirectly), minorities arguing against it are easily branded as working against the “common good”. Thus, hegemony prevails as long as a certain worldview or culture in congruence with the given institutions and procedures remains largely uncontested, or at least strong enough to justify potentially oppressive measures to hinder alternative solutions threatening the “normal” way of doing things.

In the case of economic policy – and increasingly all other policy areas as well – we can clearly assert GDP to have played a central role in securing the hegemony of the “trickle-up” development model so prevalent in the last decades. Conflated with “overall growth”, stripped of any distributional differentiation or reflecting the depletion of natural capital, this abstract number crunching lends itself beautifully to the justification that eventually all boats will be lifted by its rising tide. I am no saying that our development model has not produced many goods and services for many people - I am just proposing one an explanation of how the gap in benefits could explode so disproportionately without greater protest

⁹ Scherrer 1999, p.82

¹⁰ Antonio Gramsci, 1971, Selections from the Prison Notebooks, International Publishers, p.144

or guilt and how we managed to eradicate the negative feedback loops that usually keep systems within a dynamic equilibrium.

What I am seeking is an explanation of why the GDP-driven model has remained so strong for so long and still keeps our societies as virtual hostages. What I cannot deliver in any detail here is an analysis of the structural intricacies between GDP, interest-based money, opaque financial products and government budgets. What I intend to analyse is how to create significant space for an open, constructive and solutions-oriented debate around new visions, measures and goals for development models that serve all life. How do we create an environment and culture of honesty and trust to really speak openly – avoiding that anyone changing his or her former opinion feels like they lose their face? How do we spur the excitement and willingness to change perspectives and to do things differently – avoiding that those members of our societies enjoying disproportionate benefits from the status quo will defend it by all means?

For this to take place, I argue, we have to completely change the *frame* with which we approach discussions on future policy goals. Switching this frame is part of challenging the hegemony it serves. “An effective frame is one which makes favoured ideas seem (sic) like common sense, and unfavoured ideas as unthinkable.”¹¹ All actors in society can work together on re-framing our approach by presenting evidence of the effects of policies on real life conditions. The ultimate goal would be to declare every policy programme or investment proposal that solely justifies its adequacy with reference to GDP unthinkable. The role of think-tanks as expert groups should be to undertake a detailed analysis of the correlations between established indicators and measurement procedures and those reported realities. The role of think-tanks will also be to not only make new knowledge widely available, but to deliver it straight to the centres of decision-making.

If we are to start thinking strategically about how to make necessary change politically feasible, history can be a good teacher. The research by Christoph Scherrer on the formation of the free-trade consensus has shown that if expert knowledge can play a significant role in establishing a certain political perspective as official government perspective. The findings that are especially interesting for developing new ways of defining progress are that an early consensus between key experts leads to fewer open debates about the issue at stake: as long as the so-called “elites” with a lot of influence on political decision-makers agree, public opinion is unlikely to be able to establish a strong dissenting opinion without support from within the governance system.¹² Campaigns counting on public support around issues that are not firmly in the public domain are also risky – be it because no-one creates a debate by putting forward a rival position or because bureaucratic and technical reasons make the issue far less easy to access or analyse properly.¹³

In the context of defining and implementing new models of progress these research findings translate into challenges but also big opportunities. I want to address three points in this regard in more detail.

First, we are still at the stage where an expert consensus may be forming, at least on the need for a concept of progress and measures that go beyond GDP. Call it “Happiness Economics”, “Politics of Contentment”, “Social Cohesion”, or “Wellbeing for All”, these various initiatives argue for similar change and yet cannot be grouped into typical political categories. As James Naughtie observed in his

¹¹ Boas/McNeill 2004, p.2

¹² Scherrer 1999, p.40

¹³ Scherrer 1999, p.40

BBC report on Denmark as the most content country in Europe, Richard Layard's happiness arguments on this issue "connected with a debate that stretches from right to left".¹⁴

Second, in the case of continued dissenting opinions on the expert level, there is also a promising role for public opinion to intervene in what may become a debate between nation states and their leaders. The fact that it was Nicolas Sarkozy who commissioned the first official assessment of GDP and its role in measuring progress has led to a political tainting of the outcomes. Opinion leaders wedded to the still hegemonic trickle-up model have not so much engaged with the core arguments in the assessment report, but more with the fact that it is a French initiative. The critical view appearing in almost all press coverage pointed to the competition between the Anglo-Saxon and the Central European or French version of capitalism: "Sceptics can (and will) look at this new innovation as a ploy for France to 'juke the stats,' since its short workweek and social benefits look a lot more impressive than its GDP growth."¹⁵ This first reaction opens a window of opportunity to use the official dissent between different political camps for increasing public debate and request for additional expertise. The OECD Global Project is timely in its participatory multi-stakeholder approach in this regard.

Third, even though the magic concept of GDP remains a highly opaque and ill-understood technicality for the vast majority of the population, rejecting the collection of data on the "real" impact of policies on citizen's wellbeing and our planet is hardly justifiable. Working with indicators – and it will be in addition to GDP at the start¹⁶ – allows for a much more tangible illustration of the connection between human experience and (macro-economic) policy-making, providing the information base for critical questioning, monitoring and accountability. Research shows that giving an issue "a human touch" is a proven stylistic measure of successful and engaging communication.¹⁷ A public campaign can also capitalize on the fact that only 1/3rd of the population in industrialized countries like France and the United Kingdom currently trust the available official figures.¹⁸

4. Concluding Observations

To conclude this paper, I believe the role of think-tanks is not only to approach decision-makers directly with out of the box expertise, but also to engage with each other on the common ground and the prevailing contradictions we face in this paradigm shift. The most important aspect in order to (re)gain trust in public figures indicating progress of societies and proposed policy measures to deliver on it will be transparency. Disclosure of information should cover the source of money as well as the agreed goals of research, publications and public appearances. It would be desirable to urge think-tanks to convey their worldview, fundamental premises and the methodologies of research and disciplines their experts have been trained in. In the field of economics in particular, there prevails a strong majority of experts trained

¹⁴ http://news.bbc.co.uk/today/hi/today/newsid_8166000/8166798.stm

¹⁵ http://blog.foreignpolicy.com/posts/2009/09/14/sarko_embrasses_gross_national_happiness; similar for example <http://www.dailymail.co.uk/news/worldnews/article-1213361/Sarkozy-includes-happiness-Frances-measure-economic-progress.html>; <http://www.post-gazette.com/pg/09258/998037-82.stm>

¹⁶ This compromise seems to be the path of development on the European level. What has been initiated by the Directorate General on Environment as a "Beyond GDP" conference had led to a promise of the EU Commission President Barroso to deliver a roadmap on political responses in this area. After passing other departments like Finance and Trade the now published communiqué is called "GDP and Beyond."

¹⁷ Scherrer 1999, p.66

¹⁸ Stiglitz/Sen/Fitoussi 2009, *Report by the Commission on the Measurement of Economic Performance and Social Progress*, executive summary.

in the hegemonic neoclassical paradigm whose models and explanations are particularly bare of complex “real-life” data and extremely linear in the interpretation of the same.

We can observe the difference between this worldview and more holistic ones in the conduct of happiness studies: some research the momentary sensation of happiness with the atomistic methodology that guides neoclassical economic approaches, whereas others seek to identify the contextual preconditions for a continued feeling of happiness with one’s life. This latter worldview and its proposed indicators draw attention not so much to the utility for the individual, but to the conditions for human flourishing as expressed by the Greek term *eudaimonia*, usually translated as “happiness”.¹⁹ We will need a pluralist debate on eye-level in order to find future-proof solutions taking us beyond conventional ideology battles.

My own organization, the World Future Council, adopts the relational conception of happiness or wellbeing for all - whereby “all” includes future generations as well. It could become the guiding vision for the paradigm shift towards a just and sustainable development path. It will take a huge endeavour though to overcome the hegemonic consensus that is so well enshrined in our worldviews, habits and institutions. As John Maynard Keynes once said, “the difficulty lies, not in the *new ideas*, but in escaping from the old ones”.

Trust is a fundamental precondition for the escape from old ideas and known practices. Often, it is the fear of consequences and the structural power implications that keep us all from doing what we sense is “right”. For political projects like developing new measures of progress, trust is hard to build – and so easy to destroy. Without information that people believe in you will not get very far in changing the course of the game. In order to change habits, to change institutions and to change worldviews, the belief-based approach means treading a line between faith-based and science-based processes: particularly believing in the source of alternative proposals is of fundamental importance.

It is vital, therefore, to establish science-based evidence to prove our claims. But as we saw with the publishing of the “Sarkozy Report,” the framing of new information and its presentation by the media has a significant impact on whether minds are changed or action is catalysed. We also need trusted institutions to support the new approaches in order to instigate a serious public debate. Plus, conveying new information in an easily understandable manner, possibly directly addressing citizens and indicating the relevance to each of our lives, can circumvent parts of the framing power of the media. Angel Gurría referred to this point when discussing the the potential of new indicators in his opening remarks at the 2007 OECD World Forum: “They need to be trusted – to be seen as accurate and impartial. They need to be used and understood and become shared knowledge among citizens.”

Without this quality I do not believe that new measures for progress will serve a real paradigm shift. If we want to not only debunk the old ones, but truly deliver on a vision of wellbeing for all, indicators need to be selected and communicated so they serve as a tool in participatory governance, accountability and trust-building. I see a lot of commitment and appeal in the challenge and the potential and I do hope we get much closer to a paradigm shift during the days we share here in Busan. I wish to deeply thank the Korean government and the OECD for hosting this important gathering and promise to work hard with my organization to translate expert knowledge into common language and a contagious vision. We cannot

¹⁹ For a discussion of this approach see Trends in social cohesion No.20, 2008, Well-being for all. Concepts and tools for social cohesion, Council of Europe Publishing

risk reactions like that of E E Cummings: “While you and I have lips and voices which are for kissing and to sing with, who cares if some one-eyed son of a bitch invents an instrument to measure Spring with?”