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well-considered governmental, selective, and carefully considered interventions with historical processes have a good chance to avoid some of the bad and achieve more of the good that justify grand-policy crafting and implementation.

The proposed view of historic processes and the conjecture on the potentials for the better of grand policies are foundational for training. Foci of attention include:

1. The dependence of all choice on assumptions concerning causal relations between what is done now and what will happen in the future.
2. The both doubtful and complex nature of such assumptions, requiring on the emotional and personality levels a good measure of skepticism combined with decisiveness; and on the level of cognitive processes a lot of uncertainty sophistication as epitomized in the perception of choices as “fuzzy gambles,” discussed later.
3. The moral and realpolitical imperative to seek the best possible groundings for grand policies, in terms of reliance on whatever salient knowledge is or can be made available, serious pondering, and optimal reasoning and choice processes.

Participants should be provided with at least a window into thinking-in-history and its requirements of lifelong reading and both abstract and applied thinking. A preliminary step is to alert them to the dangers of wrongly applying history to current issues, as first pointed out by Nietzsche. These include wrong reliance on historical analogs (May 1972; Neustadt and May 1986) and fixation on surface events without understanding their embedment in deeper processes.

Some classical writings do try to base statecraft on the study of history, as illustrated by the meditations of Machiavelli and *The Peloponnesian War* by Thucydides. These should be referred to, with participants asked to read, if possible before the training activity, one or two books providing a vista of long-term history (Denemark et al. 2000; Gernet 1996), a text or two on the dynamics of history (Hawthorn 1991), and another book or two in philosophy of history and historiography (Braudel 1980). More realistic when maximum reading requirements are limited is demonstrating thinking-in-history and exercising it by application to select grand-policy spaces.

## 1.6 Understanding Reality

Understanding reality as in between the past and the future is of paramount importance while being very error prone. To improve the “world in the mind” (Vertzberger 1990) of rulers so as better to fit reality and its dynamics is therefore a main training task.

It is inherently impossible for human beings to take a “view from nowhere” (Nagel 1986). But the propensities to misread reality because of cultural and personal blinders and motivated irrationality (Pears 1984) can be counteracted and

participants can be helped to exit misleading “boxes” and “frames” distorting their perceptions of the world.

A lot is known on factors distorting social imagery, cognitive maps, and reference theories of rulers. There is also quite some knowledge available on the difficulties of improving reality images through providing new information. The rich literature on intelligence failures and distortions can serve as a solid basis for training (Codevilla 1992). Findings dealing with dramatic recent intelligence failures, such as on the terror attack on the USA (National Commission on Terrorist Attacks 2004), can serve as excellent training material to ‘open the minds’ of rulers in ways very helpful to grand-policy crafting.

Very important is enrichment of the concept packages of rulers so as better to perceive and process reality. Thus, the concept of “second strike capacity,” very novel at its time, was crucial in providing understanding of new strategic realities produced by nuclear weapons. Therefore, adding to the mental vocabulary of rulers concepts such as “soft power” (Nye 2004), “inconceivability” (Dror 1999), “fuzzy gambling” as discussed later, “virtual history” (Ferguson 1997), thought experiment (Sorensen 1992), “distant proximities” (Rosenau 2003), and many more can help to improve mental images of reality in ways improving grand-policy thinking. But relevant literature is dispersed over a large range of disciplines, illustrating the need for multidisciplinary bases for grand-policy training of rulers and its dependence on very knowledgeable mentors.

It is easy to present rulers with descriptions and analysis of select aspects of the world (such as some chapters in Lord 2003). Taking up one critical but often misunderstood dimension in order to illustrate needs and possibilities to arrive at deeper understanding can be quite useful, with “globalization” being a good example. But grand-policy training for rulers should provide them with insights, understandings, frames, theories, approaches, reasoning modalities, etc. which will stand the test of time and be applicable to a large variety of changing situations, not monographic knowledge sure to be outdated soon.

Quite different is the question whether one should include in the program exploration of fundamental, very stable parts of reality, such as “human nature” and its competing explanations in terms of fixed essence as against cultural formation (Ridley 2003) and the nature of “evil” (Bernstein 2002). It might be a good idea to expose participants to such problems so as to open their minds, perhaps by guest lectures and short readings. But overloads must be avoided and many important subjects not directly related to grand-policy thinking as such must necessarily be excluded from most training programs for rulers.

## 1.7 Foresight

Understanding historical processes, including their inherent uncertainties and inconceivabilities, is an essential foundation. But directly needed for grand-policy crafting

is foresight, the ability to foresee alternative futures and the likely consequences of different interventions with historical processes—so as to decide what to do now and what to plan to do in the future, subject to revisions depending on actual development.

To put it into a literary form, which may be insight providing to participants, foresight (and understanding reality) aim to reduce regret “if only we could know!” as central in the view of one interpretation to the works of Chekhov (Kataev 2002).

However, the dependence of choice on foresight is, as already indicated, the main cause of policy fragility. Our epoch is one of ruptures in historical continuity together with a lot of invariance. Therefore, it is very likely that future historical processes, also in the near future, will be in part radically different from what we know from the past, so that even perfect understanding of the past—which does not exist—cannot provide reliable knowledge on the impacts of different grand policies on the future.

Still, quite some foresight is possible thanks to the relative stability of some main historical structures and processes and some understanding of change. These are the grounding of four main outlook approaches:

1. Extrapolation, with past and present facts and dynamics being projected into the future.
2. Theories and qualitative and sometimes quantitative models based on them from which conditional predictions can be derived by changing the time parameters.
3. Intuitive knowledge, whether professional, local, or naive, which provides subjective images of the future based on tacit knowledge and pattern recognition, expertise, and experience.
4. Imagination, whether “wild” or based on various forms of intuition and experience.

The trouble is that the three first families depend on the past, either directly or as processed into theories and experience. The nature of imagination is not clear and may in part transcend the past, but its validity cannot be evaluated. Therefore basing policies on imagination concerning likely futures (as distinct from utopias which present ideal futures relevant to value clarification) is reckless, however stimulating the images of the future of some thinkers may be.

In terms of both ontology and epistemology, because of the contingent and mutative nature of future-shaping processes and the limits of human understanding of such processes, the future has to be viewed as largely underdetermined by the past. And, the less the future is determined by the past the less can it be foreseen, both inherently and because of the dependence of foresight, including also highly structured outlook and forecasting methods, on the past—with the hypothetical exception of wild imagination, with its many dangers.

We must not have an exaggerated view of future-shaping processes as being chaotic, as there is a lot of continuity. However, the twenty-first century will be

characterized by many discontinuities and reality-mutating events, making the future in part inconceivable. The conclusion is that the best foresight is in large parts doubtful as a basis for choice. But choice is unavoidably based on foresight, however in need of skepticism. It follows that grand-policies are largely in their very nature and essence “fuzzy gambles.” This is a critical conclusion for the training of rulers.

Explaining the problematic nature of outlook is not difficult, all the more as reality provides many striking illustrations. But care must be taken to avoid too extreme a conclusion, making rulers doubt equally all outlooks and motivating them to trust their own intuition more than professional guesstimates of alternative futures. Over-chaotic views of the future will also result in recklessness or unwillingness to adopt long-term policies when clearly essential. Worst of all is the escape of rulers from uncertainty into fixed and arbitrary assumptions, as if the future is subject to their commands, or reliance on astrology and similar stupidity.

Therefore, care must be taken to balance presentation of uncertainty and inconceivability with emphasis on the many important features of reality and its dynamics which are invariable within policy-relevant timespans, making carefully prepared foresight useful though doubtful.

A special problem is posed by circumstances in which “confidence” is more important than foresight, namely revolutionary situations when it is necessary to trust that God or History are on one’s side, so that the effects of “self-fulfilling” prophecy can be mobilized to make the nearly impossible a little less impossible though still very unlikely. But in most situations overdoses of “confidence” (Kanter 2004) are very dangerous, realistic guesstimation being instead required together with prudence and also doubts and skepticism, combined with decisiveness.

There is no scarcity of literature on which exploration of foresight approaches as well as critical examination of predictions can be based (CIA 2004; Lempert, Popper, and Bankes 2003; Molitor 2003).

## **1.8 Cogitating, Feeling, and Dreaming in Terms of Alternative Futures and their Drivers**

At the core of the curriculum and summing up much of it are thinking, feeling, imagining, dreaming, speculating, guesstimating, and planning in terms of alternative futures, rise and decline, realistic visions and nightmares, etc., together with their drivers and policy instruments.

Rulers need to be trained and habituated to exercise all their mental facilities to play with and consider in-depth alternative trajectories into the future and the actions they need to take, to reiterate a key formulate, in order to improve the probability of the desirable ones, decrease the probability of the undesirable ones, and gear up to coping with the inconceivable sure to come.

The vast difficulties of doing so are brought out by “if-then” historical speculations, nowadays called “virtual history” (Ferguson 1997). To take a relatively simple example, let us assume that Hitler had been assassinated in 1938. It is very likely that the *Shoah* would never have happened and that Hitler would be remembered mainly as a great German statesman, a “second Bismarck.” But what European, Jewish, and global history would have been like is a matter for wild speculation, with available understanding of historical processes being very inadequate for providing supportable conjectures.

This is the case concerning the past, when we know many facts. All the more difficult is consideration of alternative futures, which is a kind of futuristic virtual history dealing with the question: If I do so-and-so what is the future likely to be? Or, more sophisticatedly: If I do so and so, what is the likely range of possible futures? But, however doubtful and in part speculative, this is the stuff on which grand policies are unavoidably based.

Cogitating, feeling, and dreaming in terms of alternative futures and their drivers as central to policy making involve five main elements:

1. As indicated, the hub around which all choice circulates is “alternative futures,” a concept first worked out by Bertrand de Jouvenel (Jouvenel 1967) and called by him “futuribles.” The ruler’s mind has to imagine and think in terms of alternative futures of main policy spaces and all of them together, consider which ones have to be prevented and which ones have to be facilitated, identify main drivers which will further the prevention and realization of the various alternative futures, and select a subset of the drivers which can serve as policy instruments to be integrated into grand policies, including institutional ones.
2. The need is not only for deliberate and disciplined thinking in terms of alternative futures and their drivers, but for exercising one’s entire mind. Imagining alternative futures, dreaming about them, and speculating on them are essential for injecting much-needed creativity and for tuning the ruler’s entire mind to operating in terms of alternative futures.
3. Imagining, dreaming, speculating, guesstimating, and finally planning and crafting of grand policies require multiple frames so as not to get lost in the kaleidoscopic, multifarious labyrinths of the future. The most demanding but often critical frame is rise and decline of nations, regions, communities, and humanity. However speculative in part, it provides a basis for deep and holistic thinking on alternative futures.
4. Concrete and directly guiding grand policies are realistic visions and nightmares. These are specified alternative images of near and middle-range futures to be approximated or prevented. To check realism and to derive from them policies, they should be linked to present dynamics by scenarios and roadmaps.

Realistic visions and methods for working them out are well recognized in business literature (Hamel and Prahalad 1994) and practice. Military experience is relevant

to considering “worst-case” nightmares and their shortcomings. Some countries have prepared realistic visions. All of these provide good bases for training.

More difficult is facilitation of thinking in terms of “rise and decline.” Classical writings by Gibson, Toynbee, and Spengler are in part stimulating, but training should critically discuss modern literature and apply it to select grand-policy domains (Kennedy 1987; Olson 1982; Tainter 1988).

## 1.9 Critical Mass Interventions with Historic Processes

The applied purpose of thinking-in-history, cogitating in terms of alternative futures, etc. and the main rationale of grand policies are to design, plan, and implement interventions with historical processes so as to try and weave a better future. Such interventions with historical processes are, on the most fundamental level, based on a philosophy or theory of history and of reality as a whole (McCall 1994), which—as mentioned—regards the future as produced by a dynamic non-linearly changing mix between (1) necessity, that is, deterministic processes, whether simple or probabilistic (taking the form of stochastic chains); (2) contingencies, that is, pre-fixed sets of alternative futures without predetermined probabilities; (3) mutations, that is, radical shifts and ruptures in continuity leading into what prospectively are largely inconceivable directions, as a result of processes which may or may not be predetermined or indeterminate to various degrees; and (4), in part overlapping the last category, what from a human perspective are random events, such as the idiosyncratic behavior of a powerful ruler.

Given such an image of historic processes, there is scope for human weaving of the future to the extent that a human agency controls resources which can have impact on future-making processes.

As already emphasized, the future-shaping power of human decisions and actions, including by governments and rulers, is increasing by orders of magnitude, mainly as a result of science and technology. However, this conclusion has to be reconsidered within a broader canvas of the potential for human free will to shape the future as in being between values and desires as independent drivers on one hand and stubborn facts of reality as limiting free will and future-shaping possibilities on the other. An extreme idealistic view of human nature and history would grant to freely chosen human values and desires very much influence on the future, while an extreme materialistic view would minimize the existence of free human choice and its impact on the future. Between such extreme positions, the proposed view recognizes the rapidly increasing weight of human action as decided in part by free human choice in influencing the future, but regards this influence as constrained by limits on free choice and historic events and processes beyond human influence. Furthermore, and this is very important, there is a world of difference between the overall impact of human action on human futures and human impacts on the future which are

purposeful and are more or less in line with what is aimed at by partly free choice. Much of the growing impact of human action on the future is not intended and even less of the impact fits freely chosen values and goals of human agencies entitled according to accepted ideologies to engage in future shaping, such as legitimate governments and rulers.

Furthermore, not only are many impacts unintended but they are also undesired, with a rapidly increasing risk of unintended very bad impacts resulting from the growing gap between rapidly increasing human power to influence the future, and more or less stable human capacities to exercise these powers so as to prevent the bad and achieve the good.

It is this widening gap between growing impact power and relatively stable decision-making quality which poses the main challenge to grand-policy training of rulers and makes it into an endeavor which may have macro-historic significance.

However “philosophic,” these perspectives should be discussed with participants as basic to serious grand-policy thinking. This, together with explanation of the purposes of the training as providing perspectives, understandings, and approaches, not techniques.

On a more applied level, the main purpose of training of rulers can be reformulated as augmenting their capacity to weave the future according to their clarified values and prioritized goals, insofar as legitimate within accepted constitutional norms. An important element of this capacity is their understanding of the potential as well as limits of their ability to achieve desired impacts on the future, including much uncertainty on what the limits of their effective choice are—as evidenced by the many historical cases of very large impacts which could not be expected in advance together with the many cases when effects which were reasonably expected and aimed at were not realized.

Training of rulers should provide them with an understanding of this complex relation between their future-shaping power and their actual impact on the future. Furthermore, participants should realize that to a meaningful though limited extent their impact on the future depends on their personal capacities, including the quality of their grand-policy thinking at the augmentation of which the training is directed.

Given such an understanding of historical processes, effective efforts to shape the future through intervention in historical processes must meet six conditions:

1. A will to shape the future.
2. Some operational notions of what constitute “good” or “bad” futures.
3. Adequate understanding of historical processes, so that the chances of interventions having effects for the better are higher than the risks of bad outcomes.
4. Capacities to translate the understandings into grand policies.
5. Sufficient resources—political, economic, human, etc.—to achieve critical masses of intervention in historical processes so as to have a substantive impact on them.



6. Implementing capacities adequate to translating the grand policies into effective action and applying the resources effectively and efficiently.

The need for “critical intervention mass,” including often but not always “large-scale” policies (Schulman 1980), needs emphasis, all the more so as it is often ignored in theory and practice alike. Political and other pressures together with resource limitations frequently result in dispersal of limited resources over many policies with the result that often minimum critical mass thresholds are not reached and as a result policies do not have the desired effects. Hence the need to set priorities and focus resources on a limited number of grand policies so as to achieve adequate intervention masses, together with ways to make this feasible—such as by nominal allocation of limited resources to other policies so as to meet demands without really expecting much impact, while concentrating main efforts on a limited number of grand policies.

Critical mass thresholds vary with the rigidity or fragility of given historic processes and the extent of change aimed at in historic trajectories. Thus, in some cases relatively minor interventions can operate as a “tipping points” while in others only large-scale interventions provide a chance to achieve desired impacts.

Crises sometimes provide unique opportunities to have significant impact with limited intervention masses, as will be discussed later. Even more special a case is the “throwing of surprises at history” as a way to try and achieve major impacts with limited resources by creating a “fulcrum” effect. Illustrations include sudden devaluations and surprise attacks or agreements.

Discussing with participants situations when throwing of surprises at history is justified despite its risks, to avert great dangers or avail oneself of short windows of opportunity, is a good way to clarify the idea of critical mass interventions with historical processes. It also illustrates a special type of grand policy taking the form of critical choice, and brings out the problematic of taking risks as against that of being prudent together with the importance of creativity.

Crucial to effective interventions with history are the causal assumptions on which they are based. Required is explication of such assumptions, critical examination of their bases and validity, and clarification of their quantitatively and qualitatively probabilistic nature at best, and their being often guesstimates and speculations.

Especially difficult for many participants to absorb, as distinct from abstractly understanding, is the unavoidable conclusion that the most “practical” decision maker depends unavoidably on multiple and often quite hypothetical conjectures, assumptions, theories, and speculations. Not less difficult is the required thinking in terms of quantitative and qualitative uncertainties and inconceivability. And hardest of all to accept and act upon is the simple but striking conclusion that all major choices, including grand policies, are in their very nature and essence “fuzzy gambles,” with rulers being in crucial respects gamblers with history, often for high and also fateful stakes.

## 1.10 Fuzzy Gambling Sophistication

All that has been said leads to the conclusion that grand policies are in their very nature “fuzzy gambles,” that is, gambles without fixed rules the very nature of the outcomes of which is in large part ambiguous, indeterminate, and unknowable in advance. Therefore, to re-emphasize a crucial point which is central to grand-policy training of rulers, one of their most critical tasks is to engage in fuzzy gambling, often for very high stakes. They need not delve into the philosophic, psychological, and methodological aspects of fuzzy gambling and its improvements, but they definitely need awareness of this essential nature of their choices and its problems and familiarity with ways of coping—in short, they need “fuzzy gambling sophistication.”

This conclusion is intellectually irrefutable, but very hard to accept emotionally and anathema politically. It may also be dangerous to explain it to decision makers with low tolerance of ambiguity, as it can cause recklessness, an illusionary subjective sense of certainty, and reliance on false prophets and seers.

Particularly challenging are:

1. Required value judgements on preferred mixes of risks, qualitative uncertainties, and inconceivability.
2. Findings in decision psychology indicating that human thinking on uncertainty is very error prone.
3. Irrationality of public attitudes to risk, making it politically dangerous for rulers to explain truthfully the fuzzy gambling nature of their grand policies.
4. Failures and misuses of security intelligence and other types of estimations and outlooks caused by wrong expectations of getting reliable predictions combined with politically convenient readings of ambiguities.
5. Vexing situations where contingencies with very low or unknowable likelihood but very high impact potential are faced.
6. Available methods for improving fuzzy gambling (Dewar 2002; Dror 2002, ch. 15) are in part very useful. But some are misleading and many are complex, demanding, and in part counter-intuitive. Also, while in the main not being quantitative, they are not easy to explain to rulers who are innumerate (Paulos 1988).

All these and additional difficulties are aggravated by standard proposals for coping with uncertainty in much of policy analysis and risk analysis literature, which are wrong. In particular the recommendation to rely on subjective probabilities multiplied by not less arbitrary utilities in order to calculate “expected value” and thus arrive at an “optimal” answer is totally incorrect. This is the case unless relevant historical processes behave stochastically and subjective probabilities approximate objective probabilities, two assumptions which are a phantasm when complex situations are faced.

The nature of choice by rulers as fuzzy gambling was well recognized by Machiavelli in putting the relations between “fortune,” “opportunity,” “prudence,” and “virtue” at the center of his statecraft recommendations. Useful knowledge does exist. Memoirs of rulers and writings by historians who explicate the “throwing of dices” nature of major decisions are helpful to make the subject concrete and palatable to rulers. Therefore, training can do a lot to improve fuzzy gambling sophistication, though this subject should be handled gingerly.

Thus:

1. Rulers should be made fully aware both of the nature of their decisions as fuzzy gambles and of possibilities to improve them together with the impossibility of unmaking their “fuzzy gambling” nature.
2. Training in this matter must also take up emotional aspects, emphasizing the need to accept and tolerate ambiguity.
3. Presenting main error propensities of the human mind in processing uncertainty and explaining counter-measures can help a lot.
4. A number of practical recommendations should be presented and exercised, such as not thinking of complex issues in terms of “solutions” but “treatments;” considering expected results of alternative options always both optimistically and pessimistically; reading contrary opinions of experts not in terms of one being correct and the other false, but as demonstrating uncertainty; persistently asking “what next?” and “what if?”; working with multiple assumptions; testing options for sensitivity to uncertainty; paying attention to low-probability, high-impact contingencies; creatively imagining possible surprise events; and seeking elasticity.
5. Value clarification and goal-setting dimensions should be expanded to include judgement on different mixes of diverse uncertainties.
6. The likelihood of inconceivable events and dynamics should be emphasized with ways to prepare for them, leading to crisis coping as the ultimate way to upgrade fuzzy gambling.
7. The political and public aspects of the fuzzy gambling nature of decisions should be considered, with the dilemma between speaking truth and demonstrating confidence being put forth clearly, though left for the trainees to ponder.
8. The difficulties posed by the fuzzy gambling nature of choices to evaluation by results, learning from consequences, and being judged by the public for what happens in fact should be explained and their practical implications explored.

## 1.11 Crisis Coping

The ultimate way to handle the unforeseen, unforeseeable, and inconceivable is crisis coping. New forms of terror attack epitomize the need for improved crisis coping,

but crises also take the form of natural disasters, economic meltdowns, social unrests, and more. In major crises rulers usually are the ultimate decision makers, by action or default. But, unless they have a personal background of crisis coping, they are ill prepared for their lead roles and can easily do a lot of harm.

A major reason for being unprepared is the lack of readiness by senior politicians to take part in crisis exercises, as essential for preparing oneself for crisis coping. The formal reason they frequently give is that they do not want to reveal their hand prematurely, but the real reason is that experienced politicians will not volunteer to be tested. All the more essential in training is sensitizing of rulers to the need to prepare for crisis coping, including also unconventional uses of crises as opportunities to do what otherwise is impossible.

Participants can be introduced to crisis coping by short and long crises exercises dealing with hypothetical but realistic situations. Computer simulations and games can help. Crisis-coping exercises are not only important by themselves, but also provide opportunities to apply and absorb other main grand-policy thinking subjects in stimulating ways which will engage the full attention of participants.

There is plenty of literature available on crisis coping, in both security and civilian contexts, theoretic and applied (Rosenthal, Boin, and Camfort 2001). Good historical examples can serve as interest-evoking introductions (Frankel 2004; Lukacs 1999). Some of the ideas on crisis handling in business enterprises are in part applicable, but especially pertinent are the few books focusing on the role of leadership in crisis (Carrel 2004). Persons with experience in crisis coping can help as can visits to crisis management units and special demonstration runs to be evaluated later.

## 1.12 Holistic View

Rulers need to adopt holistic views of main policy spaces and of their policy cosmos as a whole, so as to set well-considered priorities for grand-policy crafting, understand cross-impacts, and try to achieve synergism.

The need for “holistic governance” is increasingly recognized, at least in theory (Perri 6 et al. 2003), but the best frame for comprehensive grand-policy thinking is provided by the systems approach. Its central ideas are quite clear: overall performance is not a simple additive function of the output of components. Therefore the interaction of components has to be carefully considered so as to prevent negative effects and achieve overall system improvement. Main implications are also clear, such as the advantages of self-managing systems, the need for overall systems understanding and management when self-management does not work, systems costing, and so on—all within appropriate timeframes.

Especially pertinent are implications for the mission of rulers: they are in charge of overall governmental and societal perspectives; and, when self-management does not work, of systems redesign, oversight, and management. Furthermore, it is up to them