

Confronting The World Risk Society

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The Most Predicted Moment In History?

After 9-11 the futurists Peter Schwartz (Dearlove, 2002) and Richard Slaughter (Else, 2002) were asked if the terrorist attacks on America could have been predicted in advance. Their consensus (which echoed critiques of the 1997 Asian currency crisis) was that 9-11 *was* predicted in advance but that an effective response was blocked by fragmented information, territorial policymakers and inadequate organisational capabilities. Geopolitical crises like the Asian meltdown and 9-11 have repopularised scenario planning and threat assessments as pragmatic futures methodologies. International risk management has become a lucrative niche for management consultancies and futures practitioners.

Two recent books have highlighted divergent responses to international risk management. Mark Daniell's *World of Risk* (2000) described the 'opportunity evaluation' of the volatile risk environment, summarised Bain & Company (Asia) 'best practices' ('Next Generation Strategy'), surveyed the 'litany' of geopolitical problems, and responsive strategies. Daniell's methodologies included corporate strategy tools, risk/threat assessment, visioning and soft systems modelling. His book is both a 'social causes' response and a 'near future context' map (Slaughter, 1997) of capability gaps in the global architecture (Daniell, 2000, 22-23). Ulrich Beck's *World Risk Society* (1999) was a sociological meditation on the interlinked forces of 'globalization, individualization, gender revolution, underemployment, and global risks (as ecological crisis and the crash of global financial markets)' (Beck, 2000, 2). Beck examined the 'risk calculus' concept, the power dynamics and sociology of risk (why groups profit from 'manufactured uncertainty'), the 'sub-politics' of global dissent (anti-globalist and environmental campaigns), and how reflexive modernity uses conjecture in response to crises. The two books have implications for practitioners and how futures methodologies will be applied to global risk management.

Defining Risk

Beck defined risk as 'the modern approach to foresee and control the future consequences of human action' which were the 'unintended consequences of radicalized modernization' (Beck, 1999, 3). Daniell 'focuses primarily on the negative concept of risk', which for corporate strategists impacted on prioritization, resource allocation and opportunity cost (Daniell, 2000, 10, 12). Risk had 'become a major force of political mobilization': a discourse that rendered traditional political categories obsolete (Beck, 1999, 4).

'Systemic events'—the aforementioned geopolitical crises, the Exxon Valdez and Challenger disasters, and the Bovine Spongiform Encephalopathy scare—both defined risk in the public consciousness (being 'staged in the mass media') and showed that industrial societies were generating hazards 'that they could not control' (Beck, 1999, 51, 44, 72). 'Compounded risk' had become the new meta-norm in a networked society (Daniell, 2000, 18).

Foresight and the Risk Calculus

The risk concept also dramatically altered our perception of time. The onrushing future—‘something non-existent, constructed and fictitious’—had now displaced the past as an influence on the present (Beck, 1999, 137). The most significant response to this change was international risk management, whose genesis was in financial and insurance systems that were precautionary to ‘future events that have not yet occurred’ (Beck, 1999, 52). The shift from corporate to scenario-based planning, and the popularity of Michael Porter’s ‘Five Forces’ and McKinsey’s ‘7S’ models, reflected these altered perceptions (Daniell, 2000, 105-109). The growing acceptance of chaos and systems theories as management tools reflected the planners’ belief that a ‘best possible future’, even if ‘fictitious’, could be detected and actualised. Risks are, after all, a type of ‘*virtual reality*, real virtuality’ (Beck, 1999, 136). Consequently the ‘risk calculus’ reshaped managers’ mind-sets, from ‘fixed norms of calculability’ to contextual thinking (Beck, 1999, 4). The ‘risk calculus’ also became a speculative tool used by corporations to enhance their forward-looking financial statements.

Turbulence and volatility have, for Daniell, created unparalleled opportunities, while chaos and systems theories have enabled managers to ‘upgrade’ their strategic processes. But many practitioners overlooked the true goal of Visioning: risks and opportunities could ‘be managed in a manner consistent with the overall redirection’ of the corporation (Daniell, 2000, 161). Daniell also focused on ‘the architecture of risk definition’ (Beck, 1999, 83). One third of his book on ‘risk and opportunity management’ surveyed the *global problematique*, and like a Bain & Company report, noted capability gaps in the global architecture.

International risk management consultancies have flourished because ‘risk presupposes decision’ (Beck, 1999, 4). Surveys like Daniell’s summarised the systemic problems: a ‘briefing document’ for the new clientele of consultancies that offered a solution-set of chaos/systems models. Here Daniell and Beck’s worldview diverged. The ‘risk calculus’ was embedded, Beck contended, within ‘industrial’ and ‘techno-economic’ decision-making that failed to consider ‘social accountability’ and ‘responsibility’ (Beck, 1999, 50, 74). Some management consultancies served ‘countries, sectors and enterprises which *profit* from the production of risk’ (Beck, 1999, 62). Foresight practitioners offered pragmatic solutions yet failed to surface ‘the hidden power-structures of risk conflicts’ (Beck, 1999, 5). The *de facto* ‘risk assessment bureaucracies’ found ways to deny systemic hazards (Beck, 1999, 150). Finally the social arenas which judged business-generated hazards—‘in the mass media, in the experts’ debate, in the jungle of interpretations and jurisdictions, in courts or with strategic-intellectual dodges’—had become estranged from everyday life (Beck, 1999, 64-65). The triangulation of foresight methods, corporatist elites and an alienated public raised the spectre of ‘a post-political technocratic world society’ (Beck, 1999, 15).

Daniell and Beck's worldview also diverged because they focused on different foresight layers ('pragmatic'/'social causes' and 'critique' respectively). They also dealt with different elements of the foresight process itself. Daniell had collected and summarised multidimensional crises, translated them into 'risk and opportunity management' language (Daniell, 1999, 27, 29, 162), and aligned his output with Bain's 'best practices'. In contrast Beck was concerned with interpreting the epistemological reasons for these crises and how they altered political commitments (Horton, 1999, 6-7). Daniell offered a horizontal overview of geopolitical challenges whereas Beck provided the vertical depth of an interpretative framework. The transition from the techno-industrial era to what Beck called 'the risk epoch of modernity had occurred 'unintentionally, *unseen*, compulsively', the result 'of *unintended consequences*' (Beck, 1999, 73).

Welcome To . . . The World Risk Society

The debate about the Club of Rome's controversial report *Limits to Growth* (1972) characterised many aspects of what Beck called a 'world risk society'. The dystopian 'overshoot-and-collapse' model exemplified the 'social birth' of the type of hazard that 'is equally improbable and dramatic, traumatic and unsettling to the entire society' (Beck, 1999, 57). The mathematical calculations and probabilistic scenario of World-3 directly challenged the 'cultural definitions and standards of a tolerable or intolerable life' (Beck, 1999, 138). The perceived threat generated an '*ad hoc* global risk community' and 'discourse coalitions' which debated the report's 'cognitive maps' (Beck, 1999, 41, 29). Finally the ensuing debate personified two crucial aspects of the 'world risk society'. World-3's simulation of ecological trends questioned 'the taken-for-granted rules of everyday life' (Beck, 1999, 143); it was a dystopian projection of unprecedented breakdown. The 'world risk society' consequently 'balances its way along *beyond the limits of insurability*' (Beck, 1999, 32).

Limits to Growth embodied the 'naïve realism' of early 1970s 'doomsday scenarios' in contrast to Daniell's emphasis on opportunities. Beck contrasted this 'naïve realism' with social constructivism that mapped strategic actors (Beck, 1999, 26). 'Naïve realism' underpinned precautionary international treaties, and while Daniell recognised its fragmented decision-making, he still had hopes for 'institutional consolidation' as a pre-emptive response to future crises (Daniell, 2000, 180-181). Beck's solution was a proposed third way of 'reflexive' realism and 'naïve' constructivism. But for critics, *Limits to Growth* left readers with 'doing nothing and demanding too much', leaving everyone caught in the '*risk trap*' (Beck, 1999, 141).

Bypassing the 'Postmodern Turn': 'Reflexive' Modernity

By the mid-1990s the 'postmodern turn' had mutated into a relativistic nightmare. 'Grand narratives' were dead. Personal agency had become nihilistic. Yet the 'litany' that the French postmodernist school and its American interpreters had exalted—notably advertising, economics and consumption—were simultaneously being buffeted by a German school of 'reflexive risk-modernity' (Beck, 1999, 46). The 'public scientific and political controversies' of this period—*l'affaire* Sokal, resurgent Green parties in Europe, evolutionary psychology and Internet-created schizophrenic identities—were an 'end to ordinary history' but not an extreme relativist dead-end. Rather they highlighted the reflexive foundation of the risk society (Beck, 1999, 146).

The postmodernist school had become culturally significant for several reasons. Techno-industrial limits and 'incalculable hazards' (the genesis of the 'world risk society') had eroded traditional symbols, social foundations, and faith in progressive 'rationality' (Beck, 1999, 78). Postmodernists coevolved with an information society that defined productivity as 'the self-application of knowledge' (Beck, 1999, 113). Deconstructionist and post-structuralist critiques recognized that in risk societies 'the logic of control collapses from within' (Beck, 1999, 142). Postmodernists dwelled on the '*fabricated uncertainty*' which increasingly defined modern civilization (Beck, 1999, 19). Finally both the postmodernist and the 'reflexive' modernist schools acknowledged that risk 'imposes . . . the burden of making crucial decisions which may affect our very survival without any proper foundations in knowledge' (Beck, 1999, 78). Both agreed that humans were a fiction-creating species. Yet they had different conclusions about 'how individuals produce the fictions of a system' and what to do next (Beck, 1999, 95).

'Reflexive' modernists refused to become consumed by uncertainty. Beck and Daniell both noted that reflexivity triggered 'a politically mouldable impulse' to 'cooperative international institutions', 'subpolitic' coalitions which were 'at once global and direct', and collectivist responses that transcended the nation-state (Beck, 1999, 20). Postmodernists diagnosed that uncertainty had fragmented a civilization's knowledge base and ended traditional structures of personal agency. Yet individuals still had to act. Beck's analysis of Green parties in European politics and Daniell's focus on visioning and capability gaps were two such attempts to reconstruct social meanings. Postmodernists contended that those who were 'released from structures' were caught in a slipstream of 'other' relativistic structures. 'Reflexive' modernity pulled back from this abyss by contending that such individuals 'must redefine their context of action under conditions of constructed insecurity' (Beck, 1999, 110).

The Limits of Knowledge and the Promise of Critical Futures

Limits to Growth cast the die for subsequent debates about eugenics, genomics and corporate governance. The Club of Rome's research team was soon criticised by *another* group of futures experts: the University of Sussex's Science and Technology Policy unit. Which experts were we to believe? Was *Limits to Growth* a fraud, as suggested during acrimonious public discussions about the Kyoto Protocol, because its dramatic 'overshoot-and-collapse' scenario has not yet arrived?

Beck warned that 'predictions of risk contain a double fuzziness' (Beck, 1999, 58). The *Limits to Growth* team sought 'cultural acceptance' for their World-3 model, but preconceived notions of constraints on the global system would not automatically lead to mass acceptance of their proposed solutions. The U.S. Presidential investigation into the *Challenger* space shuttle disaster and the post-Enron demise of Arthur Andersen showed how 'new knowledge can turn normality into hazards overnight' (Beck, 1999, 58). The paradigm shift in futures studies from forecasting to critical and epistemological methods was partly due to this 'double fuzziness' and growing evidence that predictive and extrapolative tools were rendered ineffective in a 'world risk society'.

Daniell believed that ‘aspiration’ and ‘idealism’ were crucial parts of ‘applying global strategic models to societal change’ (Daniell, 2000, 204). Beck felt that these emotional qualities were reflected in his ‘subpolitics’ and the Green political movement in Europe. Early futures tools had revealed the dimensions of hazards to scientists and the general public, and both groups now had critical traditions to facilitate counter-arguments. Yet Beck warned of a Machiavellian clash between Jurgen Habermas’s ‘communicative rationality’ and Michel Foucault’s ‘discursive power’ (Beck, 1999, 117). He also foresaw that ‘human error rather than system risk can be cast as villain of the piece’ (Beck, 1999, 151).

Responses to these crises needed more than political will, systems mapping or visioning to be truly effective. Foresight practitioners needed to appreciate that risk, when combined with ‘manufactured uncertainty’, created ‘a peculiar *synthesis of knowledge and unawareness*’ (Beck, 1999, 140). Aaron Wildavsky summarised five common errors: the ‘*selective reception and transmission of the knowledge of risk . . . uncertainty of knowledge . . . mistakes and errors . . . inability to know . . . and . . . unwillingness to know*’ (Beck, 1999, 122). These errors have featured in socio-political debates about global risk. Foresight models (Horton, 1999) and ‘Next Generation’ strategies (Daniell, 1999, 118-159) deal with the uncertainty factor but may fail in application if practitioners forget Wildavsky’s five common errors.

Beck’s theory of risk society and the critical futures discipline share several powerful commonalities. Both discourses attempt to reveal new conceptual spaces and challenge received ‘mental models’ (Beck, 1999, 147). Futures studies may provide the critical vocabulary for risk societies trapped by ‘modern catastrophes’, and ‘uncovering’ challenges to ‘manufactured insecurities’ (Beck, 1999, 150). Finally both Beck and critical futurists, including Ziauddin Sardar and Sohail Inayatullah, have warned about attempts to ‘colonize the future’, which international risk management has been used for (Beck, 1999, 139).

The post-911 and Bali Bombing spectre of ‘rogue states’ and ‘loose nukes’ also has subjective dimensions: ‘engagement of our individual and collective will in the pursuit of a vision of hope’ rearticulates the utopian promise of futures studies in a contemporary context that is increasingly dystopian (Daniell, 2000, 310). Yet this utopian vision could easily be hijacked, under pretexts, for other ends. Foresight practitioners also face the inherent mistrust of experts that risk environments have generated. Here the plurality of organizations and perspectives works in the practitioner’s favour. The volatility of the ‘world risk society’ requires that prevailing biases and prejudices be shed. The foresight practitioner must be flexible enough to work as a balancer and facilitator with whoever needs these capabilities—activists, corporations, governments and risk management agencies—and at the appropriate times. Confrontations ‘against’ and harmonization ‘with’ the ‘world risk society’ has failed as personal strategies. The final secret the ‘world risk society’ yields is that it provides an arena for ‘personal hermeneutics’ and ‘alchemical ontological transformation’. Meta-model the chameleon and become a question mark.

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