

Ongoing Discussion “Thought Piece”

Prepared by

Russell Ackoff
rlackoff@aol.com

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Ongoing Discussion Host: Bill Bellows
(william.bellows@pwr.utc.com)
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Background: This is the transcript of a lecture delivered by Russell Ackoff on the occasion of the 25th Annual Tallberg Forum, which recognized him for the "consistent application of humanistic values, rigorous logic, and the highest standards of personal integrity in his professional work and personal relations." The Tallberg Forum, the Foundation's landmark summer gathering, was held July 30 to August 3 in the wooded Swedish village of the same name. The Forum theme was: "How on Earth Can We Live Together?" Additional details on this event, plus a short biography of Russell Ackoff, can be found at the end of this Thought Piece.

THINKING ABOUT THE FUTURE AND GLOBALIZATION

Russell L. Ackoff

So much time is currently spent in worrying about the future that the present is allowed to go to hell. Unless we correct some of the world's current systemic deficiencies now, the future is condemned to be as disappointing as the present.

My preoccupation is with where we would ideally like to be *right now*. Knowing this, we can act now so as constantly to reduce the gap between where we are and where we want to be. Then, to a large extent, the future is created by what we do *now*. Now is the only time in which we can act.

I have found widespread agreement among governmental and organizational executives that their current state is more a product of what their organizations did in the past than a product of what was done to them. Therefore, our future state will be more a product of what we do now than of what is done to us.

If we don't know what state we would be in right now if we could be in whatever state we wanted, how can we possibly know in what state we would like to be in the future? Furthermore, statements of where we want to be in the future are usually based on forecasts of what the future will be. Such forecasts are inevitably wrong; we cannot identify all the significant changes that will occur in our environments between now and then. It is for this reason that so many plans are never completely implemented; they are dropped when it becomes apparent that the forecasts on which they are based are false. I was once told by a public planner that only two percent of the public-sector plans produced in my country were ever completely implemented for this and other reasons.

Nevertheless, it is apparent that our current decisions are based on what we expect the relevant future to be. Obviously, we must do something about those aspects of the future that we cannot control but which can affect us significantly. But this should not be based on forecasts; it should be based on *assumptions*.

When forecasting addicts hear a statement such as this they think "Aha, gotcha! Assumptions are nothing but forecasts in disguise." They could not be more wrong. For example, we carry a spare tire in our cars because we assume a flat tire is possible, not because we forecast that one is going to occur on our next trip. In fact, one can easily show by examining our preparations for the next trip by automobile that we forecast implicitly that we will *not* have a flat tire on that trip.

Forecasts are about probabilities; assumptions are about possibilities

We handle future possibilities differently than we handle future probabilities. There are two nonexclusive ways of dealing with possibilities; *contingency*

planning and developing responsiveness. In contingency planning we identify a set of (hopefully exhaustive) possibilities that would be costly not to anticipate if they came about, and prepare a plan to identify and respond to the correct possibility as early as possible. In World War II I participated in planning the invasion of Leyte in the Philippines. We had poor intelligence on the conditions we would encounter on landing. We identified a set of possibilities that we thought were exhaustive and prepared a landing plan for each. Then the commanding general selected the one he thought most likely. We had hardly hit the beach when it became apparent that the possibility he had selected was wrong. The plan was changed immediately. If this had not been done, I and many others would not be here today.

Making organizations able to respond rapidly and effectively to the unexpected is appropriate when we can't identify anything approximating all the possibilities. For example, when I drive from my home in Philadelphia to New York City my getting there depends on what a large number of people do while driving their cars along the route I take. I do not try to forecast what I will encounter because I believe I can react rapidly and effectively to whatever confronts me. Design of a theater's stage does much the same thing. The designer cannot anticipate all the scenes the stage will have to accommodate, but he can design a stage so flexible that it can accommodate virtually any set that a producer wants to put on it.

Some, if not many, aspects of the relevant future are subject to our control. For example, a municipal government can control land use by zoning ordinances. It can control the availability of publicly owned utilities. It can control traffic, and so on. In addition it can *influence* much of the behavior it cannot control. The prices it sets on publicly provided services influence their use. Taxation influences

savings and expenditures. Financial aid influences attendance at universities, use of medical facilities, and so on.

There are two types of control: *control of causes* and *control of effects*. For example, we can use DDT to destroy mosquitoes bearing yellow fever and thereby avoid an epidemic of this disease. On the other hand we can avoid an epidemic by immunizing people against yellow fever. Where we cannot prevent negative effects we may be able to reduce them. For example, we cannot prevent earthquakes but we can build buildings that will not crumble when one occurs.

It should also be noted that many of those relevant aspects of the future that we cannot control or influence may, nevertheless, be subject to control or influence if we and others collaborate. For example, sanctions unilaterally imposed by one nation on another may have little effect; but the same sanctions imposed by a number of nations may have a considerable effect. The same is true of measures to reduce or eliminate environmental pollution.

So much for how I believe we should think about the future, we should do so by focusing on the present and the gaps between where we are and where we want to be *now, ideally*. We can then march into the future redefining those gaps as we and our environments change, and by closing or reducing them.

Now let me focus on what I believe to be the major gaps between where we collectively are and where we would most like to be.

I believe that those attending a meeting like this would like a world in which in the future there would be a more equitable distribution within and between countries of standard of living, quality of life, and opportunities to improve both. Despite

this desire, the War on Poverty is at best stalemated globally and even within many developed countries. Ronald Reagan, former president of the United States, referred to the version of this war initiated by his predecessor, Lyndon Johnson, as a war that poverty won. It is still winning.

If poverty is defined as living on an income of less than two dollars a day, fifty per cent of the world's population is still living in poverty. In parts of Africa it goes up to as high as seventy per cent. Even if one argues that we are making progress globally, it is apparent that we are a long way from solving the inequity problem. The World Bank currently estimates the number of poor there will be in 2015 to be exactly the same as Robert McNamara estimated there were in 1973.

I am aware of the large amounts of relief given to the disadvantaged in crises. This is obviously necessary and an appropriate thing for governments and government institutions to engage in. Of course the victims of man-made and natural catastrophes should be helped. But this is a bottomless pit unless what is provided is an ability to help oneself. *To provide charity is not to facilitate development.* There is a Chinese proverb that makes the distinction between development and charity clear. If you give a hungry man a fish, he will be hungry again tomorrow. But if you teach him how to fish, he will never be hungry again.

I see little evidence that international programs currently directed at producing development know what development is. *Development is not the acquisition of wealth*, an increase in the standard of living, as they assume. *Standard of living* is an index of growth, not development. *Quality of life* is an index of development. Development and growth are not the same thing. For example, cemeteries and rubbish heaps grow without developing. On the other hand

Einstein and Beethoven continued to develop long after they had stopped growing.

Development is a process, the process of increasing one's competence, an ability to satisfy one's own needs and legitimate desires and those of others.

A legitimate desire is one the fulfillment of which does not decrease the ability of anyone else to satisfy their needs and legitimate desires.

Development occurs in the process of learning, not earning, as growth does. Development is not so much a matter of how much one has as it is of how much one can do with whatever one has. Robinson Crusoe is a better model of development than J. P. Morgan. A developed person can produce a better quality of life with few resources than an undeveloped person can with many. Of course, at any level of development a higher quality of life can be produced with more rather than less resources.

Because one person cannot learn for another, development cannot be done for, or imposed on, another. The only kind of development that is possible is *self-development*. But like learning it can be encouraged and facilitated by others.

The UN is correct in believing that education is essential for development, but it is wrong in assuming that education and schooling, and that being taught and learning, are the same things. Ivan Illich (1972, pp. 1-2) wrote:

The pupil is... 'schooled' to confuse teaching and learning, grade advancement with education, a diploma with competence, and fluency with the ability to say something new. His imagination is 'schooled' to accept service in place of value.

Therefore, Illich concluded,

public education would profit from the deschooling of society.

Relevant experience, not schooling, remains the best way to obtain an education.

Knowledge of how to facilitate development of disadvantaged communities and nations is already available. Supported by corporations as well as government agencies, it has been used in disadvantaged neighborhoods in developed countries (Ackoff 1974 and Ackoff and Rovin, 2003), in peasant villages in Mexico, and in many other places. The extension of the method employed in these small societies to larger social systems presents no problems that lie outside the minds and will of people. But this is no small obstacle.

I have learned the following from my efforts to facilitate the development of others.

First, organizations, institutions, or government agencies of any size can serve as facilitators of development. They should engage in it directly by providing support to others without intermediaries. Only by so doing can they learn how to facilitate the development of others. Furthermore, by so doing they acquire “something to show” for their efforts and can more easily justify continuation and expansion of their efforts.

Second, a pool of resources—financial, human, and equipment— should be made available to those who are less developed. This should only be used in development efforts, ways that contribute to an increase in the competence of the recipients. The recipients, not the donors, should decide how. The donors

may express their opinions but should not impose them on the recipients of their efforts

Third, the less advantaged should be allowed to make non-self-destructive mistakes. Recall that experience is the best teacher. We do not learn by doing things right because we already know how to do them. What we get by so doing is confirmation of what we already know. This has value but it is not learning. We can only learn from mistakes, by identifying them, determining their source, and correcting them. Furthermore, people learn more from their own mistakes than from the successes of others. The great composer Igor Stravinski put it very effectively, "I have learned throughout my life as a composer chiefly through my mistakes and pursuits of false assumptions, not by my exposure to fountains of wisdom and knowledge."

Fourth, decisions on how to use these resources should be made democratically: by those who will be directly affected by them or by representatives that they have selected, and by others who will be indirectly but significantly affected by these decisions.

Fifth, corruption should not be tolerated. Its presence should be a sufficient reason for discontinuation of a development-support effort. This should be made very clear at the beginning of an effort.

Sixth, the effort should be monitored and evaluated objectively by a group whose members are acceptable to both the recipients and the donors of the aid.

Consider some aspects of these conditions in more detail.

Sources. Each developed country should have an agency to administer development programs. It should receive and process applications for aid.

A percentage of the income tax collected in every more developed country should be designated for investment in equalizing development among nations. Institutions and organizations receiving subsidies or contracts from the governments of more developed countries—especially colleges and universities— should provide the human resources required on development projects.

Development. recall, is an increase in competence. “Omnicompetence,” the ability to obtain whatever one wants or needs, is an unattainable but continuously approachable *ideal* for *all* mankind— past, present, and future. No one can want anything, including the absence of desire or need, without wanting the ability to obtain it.

Corruption. In this context, corruption consists of the appropriation of resources intended for use in the development of others. Where it is rampant, it is a major obstruction to development. It also produces a feeling of futility in many of the intended recipients and provides a fertile soil for fanaticism and terrorism.

Monitoring should be directed at facilitating learning by those whose development is intended. In order to do this a record should be prepared for each significant development-intended decision. This record should include, among other things, the expected effects of the decision, by when they are expected, and the assumptions, information, knowledge, and understanding on which these expectations are based. It should also record how the decision was made and by whom.

The monitors should then track the expectations and assumptions. When a significant deviation from them is found, it should be diagnosed to determine

what produced it. Corrective action should then be taken by the decision makers.

A record should also be kept of these corrective decisions. Monitoring these makes it possible to *lean how to learn*. This may well be the most valuable thing one can learn.

How can one create the critical mass required to move the developed parts of the world into a sustainable effort to develop the rest of the world? If this decade were not already pre-empted by a number of declarations, proclamations and evocations I would suggest establishing a Decade for Development. The most notable preemption is the United Nations Development Program and its recently proclaimed *Decade of Education for Sustainable Development*. This is neither the time nor place to criticize this effort but I must say I have little expectation of good to come from it. I do not think it is based on a sound concept of either development or education. It confuses development with its products and it confuses education with schooling.

There are parallel declarations and proclamations from the World Bank, the International Monetary Fund, the European Union, the Club of Rome, The Club of Budapest and recently from Tony Blair, among others. I see no reason to expect little more than no development from any of these.

The current alleged effort by corporations to contribute to sustainable global development does not strike me as any more promising than the efforts of governments and international institutions. Corporate efforts are largely focused on finding ways to convert less developed countries into profitable markets, to convert the poor into profitable customers. They seek to modify products sold in developed countries so as to be saleable in less developed countries. It is hard

to see how shampoo and toothpaste, however modified and packaged, can contribute to development of their users. They may increase quality of life but without increasing development.

I don't believe that calls to action addressed to others will evoke much action. We, not they, should start *doing something* here and now, *each of us* with or without the organizations of which we are a part.

In response to a request from GlaxoSmithKline, one of the world's major pharmaceutical companies, one that already has a distinguished record of community involvement, I developed the following proposal to which the company is now committed. The idea behind the proposal derives from two sources. The first is a very successful community development effort carried out by a research center at The Wharton School of the University of Pennsylvania with a so-called urban black ghetto in Philadelphia. The story of that effort appears in print in several places (Ackoff and Rovin, 2003). It led to the adoption of the process used in sixty-two other cities in the United States.

The second source is an anti-littering campaign conducted in the United States in which non-governmental organizations accept responsibility for keeping a designated stretch of highway clear of litter. They regularly police the designated stretch of road removing litter. Signs are posted that identify the organization that has adopted the part of the highway affected.

I propose that organizations engage in the following type of development effort, one divided into four stages.

Stage 1. Each organization selects a disadvantaged community in the city or region in which its headquarters are located. It adopts this community and becomes a facilitator of its development, using the steps described earlier.

Stage 2. It induces the local Chamber of Commerce, or some similar community-based organization, to induce other organizations into doing the same thing. In this way it initiates a City- or Region-Wide Development Program.

Stage 3. The originating organization initiates similar community adoptions in each city or region in its home country in which it has operations. Other organizations in the community or region of the originating company do the same thing.

Stage 4. Each organization then adopts a community in each foreign country in which it has an operation.

I have found it desirable to employ one or more persons who live in the community selected and who have shown leadership potential. It also helps to provide him or her with a small amount of funds to use at his or her discretion, but for development purposes only. In the United States I have been able to do this for a neighborhood of 22,000 people on an annual budget of only \$35,000. That neighborhood was eventually able to generate several million dollars of income each year by its own initiatives.

My hope is that public and private organizations will make a commitment to initiate a development-facilitation effort in a community to which they have or can gain access. Unless organizations are willing to become engaged in community development efforts, I can see no reason for us to expect public efforts to become more effective than they are currently. On the other hand, if non-

governmental organizations become involved in facilitating the development of the less developed, they can make such facilitation efforts contagious.

There is no more effective way of developing themselves than facilitating the development of others.

This requires inspirational and courageous leadership from such people as are assembled here.

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Noted Author and Management Scholar Russell Ackoff Receives Tallberg Foundation/Swedbank Leadership Award; First-ever Prize Acknowledges Lifetime Commitment to Humanistic Values in Practice

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TALLBERG, Sweden (Business Wire) -- Dr. Russell Ackoff, the author of more than 20 groundbreaking books on corporate management and leadership strategies, last week received the first-ever Tallberg Foundation/Swedbank Leadership Award for Principled Pragmatism.

The award, given in Sweden August 3 in conjunction with the 25th Annual Tallberg Forum, recognized Ackoff for the "consistent application of humanistic values, rigorous logic, and the highest standards of personal integrity in his professional work and personal relations."

"Russell Ackoff's crystal clear analysis and systems thinking has helped the world understand the social, economic and political questions in their broader and more complex contexts," said Bo Ekman, founder of the Tallberg Foundation. "Throughout the years, Ackoff has been one of the most important sources of inspiration for the Tallberg Foundation."

The Tallberg Forum, the Foundation's landmark summer gathering, was held July 30 to August 3 in the wooded Swedish village of the same name. Some 350 of the world's most inspired and effective thinkers met there, including presidents and politicians, writers and musicians, CEOs and community leaders. The theme this year was: "How on Earth Can We Live Together?"

For more than a half-century, Ackoff has advocated a new approach to systems analysis, planning and leadership. An advisor to more than 50 governments and 250 companies, Ackoff is Anheuser-Bush Professor Emeritus of Management Science at The Wharton School at the University of Pennsylvania. He was also the August A. Bush, Jr. Visiting Professor of Marketing at the John M. Olin School of Business at Washington University in St. Louis, Missouri from 1989 to 1995.

The award comes with a diploma and antique artwork from Dalarna, Sweden. The award jury consists of the Tallberg Foundation Board of Directors and an international Advisory Board.

For more information on the Tallberg Forum, please visit www.tallbergforum2005.org.

Caroline Stiernstedt Sahlborn
caroline.sahlborn@nextwork.se
(011) 46 70 249 7781

or
Strategy XXI

Erin Martin, 212-935-0210
emartin@strategy-xxi.com

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RUSSELL L. ACKOFF

is the Anheuser-Busch Professor Emeritus of Management Science, the Wharton School, and Distinguished Affiliated Faculty, Center for Organizational Dynamics, both at the University of Pennsylvania. Prior to retirement from Wharton in 1986 he was Chairman of the Social Systems Science Department and Director of The Busch Center for Systems Research. He authored twenty two books: most recently *Beating the System* with Sheldon Rovin (Berrett-Koehler, 2005) *Redesigning Society* with Sheldon Rovin (Stanford University Press, 2003), *Re-Designing the Corporation* (Oxford, 1999), and *Ackoff's Best* (Wiley 1999). He has also published more than 200 articles. A former president of the Operations Research Society of America, vice president of the Institute of Management Sciences, and president of the Society for General Systems Research., he has received six honorary degrees and is a member of the Academy of Natural Sciences for the Russian Federation and The International Academy of Management.