Telkens weer op zoek. In de sporen van de Recherche van Proust

Marcel Proust 1871 – 1922
Illstr. Ingrid Bouws

De grote werken uit de Modernistische periode nodigen wellicht des te meer uit tot navolging en imitatie omdat ze zelf vaak variaties zijn op oudere kunstwerken. *Ulysses* en *De dood van Vergilius* zijn sprekende voorbeelden die bewijzen dat mimicry en citationisme blijkbaar niet voorbehouden zijn voor een postmoderne aanpak. In deze bijdrage willen we aantonen dat het inhaken op beroemde voorbeelden om deze op eigen wijze te verwerken ook tot een soort 'vormdwang' kan leiden (of sterker gezegd – met een lacaniaanse ondertoon – dat deze dwang inherent is aan zo'n onderneming). In ons geval zal het daarbij – in het kader van de voorliggende bundel – vooral gaan om aan te tonen dat kunstwerken die tijdens de laatste decennia als voorbeeld, oriëntatiebron of uitgangspunt *Op zoek naar de verloren tijd* van Marcel Proust hebben gekozen, als vanzelfsprekend karaktertrekken van het modernisme hebben overgenomen. Uiteraard gaat het hier om complexere processen dan alleen vormdwang, zoals bijvoorbeeld een 'terugkeer naar het modernisme' of, genuanceerder, een innige verstrengeling van modernistische en postmoderne componenten.

Als Jacqueline Harpman in *Orlanda* (Prix Médicis 1996) op speelse wijze omgaat

met de gegevens uit Virginia Woolfs *Orlando*, gaat dit gepaard met allerlei auctoriale knipoogjes en postmoderne springerigheid (met betrekking tot personages en motieven, maar ook qua compositie en stijl). Toch kunnen deze flikkerende versieringen en huppelende danspasjes niet wegnemen dat de kern van de zaak het zoeken naar identiteit betreft, alsmede de crisissituaties die dat met zich mee brengt, waarbij verhaaltechnisch het perspectivisme de toon zet. Het feit dat Harpman zelf psychoanalytica is heeft overigens wellicht een royale duit in het zakje gedaan (de psychoanalyse is een bij uitstek modernistische discipline).

Wanneer Willem Brakman in *De bekentenis van de heer K.* (1985) in het voetspoor van Kafka's Josef K. treedt, wordt de trefzekere 'eenvoud' van diens proza behoorlijk gepimpt. Brakman transplanteert zijn visie op Kafka naar zijn eigen variant op *Het proces*. Die visie verwoordde hij ooit als volgt (in een essay over Kafka): "Zijn overkwetsbaar naturel, al in de prille jaren scheefgetrokken, verwrongen en vervormd, zorgde voor de zo nodige maniakale trekken" (in Brakman, 2001). Maar ook al krijgt de wereld van K. bij Willem Brakman eveneens maniakale trekken (een soort intertekstuele pervertering)**[i]**, toch heerst in die tekst eenzelfde gevoel van 'unheimlichkeit', omdat achter de barokke stijlexercities de kilte van een gemechaniseerde wereld zich opdringt.

Een derde voorbeeld vinden we in de roman *Les Bienveillantes* van Jonathan Littell uit 2006 waarin een vroegere SS-officier tot in de gruwelijkste details verslag uitbrengt over zijn rol in de Tweede Wereldoorlog. Uiteindelijk blijkt dat familieverhoudingen uit zijn jeugd de verklaring tot zijn persoonlijkheid vormen. Enerzijds grijpen deze terug op een mythologische achtergrond (de Orestes-verhalen); anderzijds is een intertekstuele relatie met Musils *Mann ohne Eigenschaften* (met name wat betreft de broer-zus verhouding in dat werk) herkenbaar. Hoewel Littells roman opgevat kan worden als een gigantische stijloefening, een compositorische puzzel die bijvoorbeeld met Tolstoï wil wedijveren, kan men zeker ook door de verwijzingen naar de Oudheid en de daaruit voortvloeiende cyclische geschiedenisopvatting een modernistische gelaagdheid in het verhaal terugvinden.

Voor wat betreft de sporen en herscheppingen van modernistische kenmerken in het werk van Proust zullen we in het volgende een blik werpen op realisaties vanuit twee verschillende media om tevens aan te tonen dat deze tendens een transmediaal karakter vertoont, zij het met telkens specifieke eigenschappen.

Eerst blijven we bij de literatuur en bekijken de roman *Octave avait vingt ans* van Gaspard Koenig uit 2004. Vervolgens komt de stripbewerking ter sprake waarvan Stéphane Heuet tot op heden vijf delen publiceerde.

Octave avait vingt ans

Ms. A la recherche du temps perdu

Het debuut van deze jonge auteur van 22 jaar oud werkt in principe een uitgesproken postmodern procédé uit. De schrijver nestelt zich in een luwte/leegte van de Proustiaanse tekst om daar een soort pastiche op te richten. Het is imitatie in de tweede macht want ook Proust was in zekere zin zijn carrière als pastiche-schrijver begonnen. Het lijkt er echter op dat Koenig verder wil gaan door eigen materiaal toe te voegen: zo wordt de pastiche tot een soort van collage of zelfs tot een meer vrije variant op een thema.

Octave als personage van Proust is het vertrekpunt voor Koenig. Octave doet zijn intrede in de *Recherche* tijdens het eerste bezoek van de hoofdpersoon en (latere) verteller Marcel aan Balbec en hij duikt ook weer op bij een tweede zomers verblijf in die (fictieve) Normandische badplaats.

Kœnig heeft een vijftiental fragmenten hernomen die in grote lijnen alle tekst over Octave – op het eerste gezicht een vrij bijkomstig figuur – bij Proust beslaan. Hij heeft die lijnen uitgewerkt maar ook passages toegevoegd die zich tamelijk ver van de oorspronkelijke tekst verwijderen. Laten we daarom eerst eens kijken welke rol Octave in de *Recherche* speelt.

Wanneer deze in Balbec opduikt (in de gesprekken van de habitués van het badhotel) wordt hij gekarakteriseerd als een « Joli Monsieur » die elke dag luncht met champagne, « een orchidee in zijn knoopsgat »**[ii]**, en die vervolgens « bleek

en onbewogen met een onverschillige glimlach op zijn lippen in het Casino aan de baccarattafel enorme sommen geld inzet die hij eigenlijk niet zou mogen verliezen […] » (II 38)**[iii]**. Zijn vader heeft uitgebreide bezittingen in Balbec, wat de grillen van zijn aamborstige dandy-achtige zoon mogelijk maakt. Op een goede dag komen Marcel en zijn vriendin Albertine hem tegen: « Koeltjes en zonder emoties te tonen – wat hij blijkbaar beschouwde als het toppunt van stijl – zei hij goedendag aan Albertine – '*Kom je van het golfterrein, Octave?*' – '*Oh! Daar word ik zo moe van, ik ben in de bonen*', antwoordde hij. » (II 233). En zo ontstaat een vreemde bijnaam: « Octave dans les choux », letterlijk 'Octave in de kolen'. Dan volgt een lange uitweiding waaruit blijkt dat Octave een goede danser is en zeer verfijnd wat betreft kleren, sigaren, Engelse drankjes en paarden, maar dat hij geen greintje intellectuele cultuur bezit. Albertine houdt hem voor een « gigolo ».

Maar dat is niet het hele portret. Allereerst gaat Octave een belangrijke rol spelen met betrekking tot het netwerk van relaties in de *Recherche*: hij is een neef van de Verdurins (prototypes van de 'haute bourgeoisie d'argent'), hij is een tijdlang de minnaar van de actrice Rachel, maar bovenal trouwt hij met Andrée, vriendin en rivale van Albertine. Uiteindelijk wordt er zelfs gewag van gemaakt dat hij Albertine zou hebben willen ontfutselen aan Marcel (wanneer deze haar van iedereen tracht af te zonderen in *la Prisonnière*) en dat hij haar vlucht zou hebben gestimuleerd (gevolg van een oud plan van de tante van Albertine om een huwelijk tussen haar nichtje en Octave te arrangeren).

Maar het ware belang van Octave is nog ergens anders in gelegen: hij wordt een toonaangevend auteur met zijn « petits sketches ». De verteller tracht dit fenomeen te verklaren. Onder anderen denkt hij aan een "fysiologische" ommezwaai die van de lompe botterik een "schone slaapster" heeft gemaakt (IV 184). De verteller geeft toe dat hij zich kan hebben vergist en komt tot het inzicht dat blijkbaar "misschien wel de mooiste kunstwerken van onze tijd hun oorsprong vinden in een geregeld verblijf op de renbaan of in de *grands cafés*" (IV 186).

Men heeft modellen gezocht voor deze Octave onder wie Jean Cocteau, maar hij is natuurlijk allereerst een dubbelganger van Marcel (het neefje van « tante Octave », zoals de beroemde tante Léonie ook wel genoemd wordt, naar haar overleden man). Het laatste optreden van Octave in de roman toont ons een auteur die rivaliseert met de *ballets russes* van Djagilev en die zich helemaal aan zijn œuvre wijdt, terwijl zijn ziekte hem dwingt thuis te blijven en hij alleen nog voor "enige ontspanning" mensen ontvangt (we herkennen Proust in zijn latere

levensperiode).

Een van de merkwaardigste passages betreffende Octave gaat over de herinnering, centraal thema bij Proust, dat hier op een specifieke wijze naar voren komt:

Een van de prominente figuren in die salon was Dans les choux, die zich ondanks zijn voorliefde voor sport had laten afkeuren. Ik zag hem nu zozeer als de schrijver van een schitterend œuvre waar ik voortdurend aan dacht, dat ik alleen wanneer ik bij toeval de band legde tussen twee reeksen herinneringen, bedacht dat hij ook degene was die het vertrek van Albertine had veroorzaakt. Trouwens die dwarsverbinding liep wat betreft de resten van herinneringen aan Albertine uit op een dood spoor van jaren her. Want ik dacht nooit meer aan haar. Die herinneringen gingen een richting uit die ik nooit meer insloeg. Het werk van Dans les choux daarentegen was recent en dat spoor volgden mijn herinneringen voortdurend. (IV 309)

Voor Marcel luidt de boodschap: scheppend kunstenaarschap overwint elke rouw, maar tegelijkertijd worden de resten ("reliques" in het Frans, met een religieuze ondertoon) juist in genoemde "dwarsverbinding" tussen herinneringen wel weer gezegd.

Terug naar Kœnig nu. Hij schrijft over Octave een roman van 210 pagina's en er is dus sprake van amplificatie. De citaten (in cursief) leggen de nadruk op de dandy-achtige aspecten. Octave zal bij Koenig nooit tot een scheppend kunstenaar uitgroeien. Kunst speelt hier meer een rol in de persoonlijke relaties zoals die met de vader van Octave:

Voor Octave was dat kunstwerk iets zo intiems, iets dat zo zeer leefde binnen zijn geheimste innerlijk, dat hij er nooit over zou kunnen praten zoals zijn vader voor wie kunst hetzelfde betekende als mooie auto's voor Octave. (61)

Bij Proust kunnen we lezen:

Voor Octave was kunst waarschijnlijk iets zo intiems, iets dat zo zeer leefde binnen zijn geheimste innerlijk, dat hij er nooit over zou kunnen praten zoals Saint-Loup bijvoorbeeld voor wie kunst hetzelfde betekende als een rijtuig met paarden voor Octave. (IV 186)

In zijn proloog schrijft Kœnig met betrekking tot de citaten: “Soms zijn ze enigszins aangepast aan de context om bijvoorbeeld anachronismen te voorkomen.” De vervanging van de vriend door de vader hier gaat duidelijk verder vooral omdat het schilderij dat die vader (‘el Torero’) verwerft een doek van Goya betreft, “Saturno devorando a un hijo”.

Een andere intimiteit schemert zo door. De dandy van Proust is wellicht ontleend aan het personnage van Octave in de *Confessions d’un enfant du siècle* van Musset. Bij Kœnig is er ook sprake van een “geheime verwonding” die zijn sexualiteit betreft en die eerder doet denken aan Octave, de held uit *Armance* van Stendhal, op wiens impotentie ook op die wijze wordt gezinspeeld. Voor Koenigs Octave zou Elise, de dochter van de « koning van de parfums », (als een soort Madeleine**[iv]**) dit gemis moeten opheffen. Zij wil voortdurend verrast worden, en Octave voelt maar al te goed dat hij als een « impuissant dévot » steeds tekort schiet (56).

Na de openingshoofdstukken over de kinderjaren en de tijd op school, volgen er vier gedeelten over zijn relatie met Elise, tekens gemarkeerd door de angst verlaten te worden. Wanneer het over zijn prestaties in het schermen gaat doemt de voornaamste rivaal op in de persoon van Louis Roger wiens superioriteit hij erkennen moet. Vervolgens opent de relatie met Camille een venster op de Oudheid (« Octave versloeg Marc-Antoine zoals eertijds het gevecht tussen de twee erfgenamen van Caesar was afgelopen », 108), maar ook deze relatie brengt geen vervulling. Steeds overvloediger wordt dan het arsenaal aan personages en gebeurtenissen zonder echter het existentiële gemis te kunnen opheffen.

Het volgende hoofdstuk speelt op de renbaan en Octave wint daar een belangrijke prijs vooral door zijn perfecte samenwerking met zijn paard. Na afloop onderwerpt hij Elise op soortgelijke wijze. Het hoogtepunt van hun relatie vindt plaats in Venetië waar Elise zich in dezelfde Fortuny-gewaden kleedt waar Proust zo dol op is. Het Canal Grande en het Casino vormen het decor voor hun omzwervingen, maar Octave ontkomt er niet aan hallucinaties waarin een bedreigende moederfiguur opduikt. In werkelijkheid gaat het om beelden van Botero die zijn uitgestald op de kades: “Een kolossale vrouw, donker en lekker, zo groot als de reus die Octave verslond [die van Goya], wellicht zijn nachtelijke gezellin” (170).

De zes etappes van Octaves ‘éducation sentimentale’ in Koenigs tekst zijn in feite

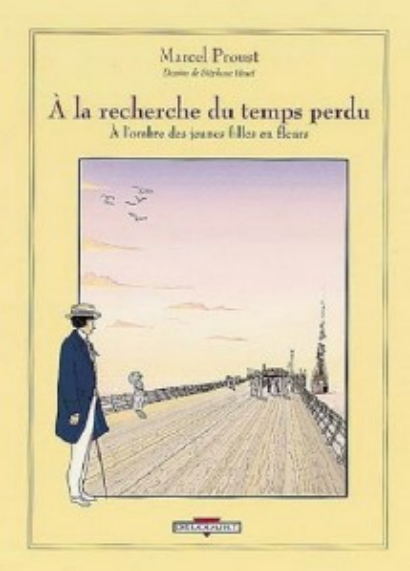
een flashback bij de proloog die door de epiloog wordt hernomen in een cyclische beweging die ook weer aan de *Recherche* doet denken.

In het begin loopt men over het strand waar in de epiloog Elise zich aan de rivaal van Octave overgeeft tijdens een soort archaïsche rite waarbij het strand in een kathedraal verandert. Proust vergelijkt eveneens de *Recherche* met een kathedraal en ook bij Koenig wordt de artistieke dimensie in het portret van Octave zo ingevuld. De kathedraal waar het hier om gaat is die van Antwerpen. De seksuele scène op het strand smelt op fantastische wijze samen met een uitvoering van *la Forza del Destino* tussen de doeken van Rubens die in die kathedraal hangen. De geëxalteerde dirigent, van der Voort, overleeft de climax van dit tijdloze *drama* niet. Kunst verbeeldt dood, geweld en genot waarna Octave achterblijft in zijn verlatenheid.

Postmoderne barokelementen waar pastiche en kitch zich verstrengelen vormen een opzichtige oppervlakte van de tekst waaronder echter modernistische motieven krachtig doorklinken: identiteitscrisis, de geboorte van het kunstwerk, de spiegeling van de autonome tekst. De metamorfose kan zo worden gedefinieerd: Octave is tot een muzikaal octaaf geworden: de acht etappes van zijn omzwervingen zijn uitgemond in de apotheose van de “octave supérieure”. Het hoogtepunt is ook een verstening, een doodssculptuur, zoals bij Verdi in *la Forza del Destino*, of zoals in het laatste gedeelte van de *Recherche* (het ‘bal de têtes’ waar de Proustiaanse personages in een soort fantomen veranderen). De ‘held’ gaat bij Koenig ten onder, maar de kunst zegeviert. Wat is er romantischer, postromantischer, modernistischer?

Gaspard van de Nacht (zoals het hoogromantische cultboek van Aloysius Bertrand heet) die met de naam van zijn moeder (Anne-Marie Koenig) signeert, is wellicht ook de *koning* uit het oosten die Christus komt bewieroken. De mysterieuze Octave uit de *Recherche* is in zijn ongrijpbaarheid een dubbelganger van de auteur en die andere Octave die twintig jaar oud was volgens de titel staat ook heel dicht bij de schrijver van een nieuwe generatie.

Proust verstript



Stephane Heuet

Ook in andere media is de *Recherche* als uitgangspunt gebruikt. Vele schilders maakten illustraties (bijvoorbeeld zeer aansprekende Van Dongens) en als verfilmingen zijn vooral *Un Amour de Swann* van Volker Schlöndorf en *Le temps retrouvé* van Raoul Ruiz bekend. Chantal Akerman breidt in *La Captive* voort op het verhaal rond Albertine en verder zijn de scenario's van Visconti en vooral van Pinter interessant (deze laatste inspireerde ook ten zeerste Guy Cassiers voor zijn toneelbewerking bij het Ro-Theater)**[v]**. Ook het ballet "Les Intermittences du coeur" van Roland Petit uit 2007 dient vermeld te worden.

Net als film heeft het stripverhaal steeds een nauwe band gehad met de 'grote literaire' teksten. Vaak ging het daarbij erom die teksten voor een groter publiek toegankelijk te maken. Dat is ook een van de beweegredenen van Stéphane Heuet die tot nu toe "Combray", "A l'ombre des jeunes filles en fleurs" (twee delen) en "Un amour de Swann" (twee delen) bewerkte. Deze albums werden ook in het Nederlands vertaald en verschenen bij uitgeverij Atlas.

De vormgeving van de albums is traditioneel (*Combray* telt 72 pagina's van 32 bij 23 cm; de andere delen 48 pagina's van hetzelfde formaat). Het kader van de buitenkant is klassiek, monumentaal, met de gelige kleurstelling van oude foto's. Het lijkt op lijsttoneel waar verschillende omlijningen de scène inkaderen. Zo wordt de monumentale aard van de *Recherche* benadrukt maar ook de theatrale dimensie van het werk. Op de grens van de kaders begeleidt telkens een afgebeeld personage de overgang. Bij *Combray* is dat de verteller die de lezer vergezelt naar de wereld van het kind. Deze nadruk op de constructie is meteen

heel modernistisch van aard.

Bij *Les Jeunes Filles* 1 wordt de volwassen verteller die de belevenissen aan zee van de jongeman in het boek gaat verhalen geplaatst op een lange pier waarvan het perspectief de vluchtlijn van de herinneringen lijkt aan te geven.

In *Les Jeunes Filles* 2 combineert de omslag twee belangrijke gebeurtenissen: enerzijds het bezoek aan het atelier van de schilder Elstir, die een belangrijk voorbeeld zal zijn als kunstenaar, en anderzijds het verschijnen van de sportieve Albertine. Het spel met de kaders (en dus met de conventies van het stripverhaal) is hier geraffineerd: we zien een atelier waar de zeegezichten van Elstir hangen terwijl hij zelf net bezig is een zonsopgang boven zee te schilderen. Albertine duikt op in het kader van het raam, op één lijn met de jonge bezoeker aan het andere uiteinde van het atelier. Maar deze laatste zit in feite half buiten het beeld op een krukje en houdt een portret uit een andere periode van Elstir in de hand (Odette, de latere Madame Swann, als actrice). Elstir is de schilder van picturale metamorfoses tussen land en zee: naar die kunst van de metafoor gaat de jongeman toegroeien waarbij hij de liefdesrelaties achter zich zal laten. Met Albertine verkeerde hij eigenlijk nooit in hetzelfde kader. Deze allegorische uitbeelding strookt heel goed met de modernistische dimensie van de *Recherche*.

Un amour de Swann tenslotte toont ons Swann die het kader in/uitstapt dat door het huis van Odette wordt aangereikt, een kader waarbinnen schaduwen een ander koppel laten zien. Men kan het beschouwen als hallucinaties van Swann die zijn rivaal daar projecteert terwijl hijzelf door dat kader buitengesloten wordt. Zo vertelt de kaft al de kern van het verhaal in een soort ‘mise en abyme’, sinds Gide een modernistisch principe bij uitstek. Op de cover van *Swann* 2 vliedt in een soortgelijke spiegeling Odette henen, ongrijpbaar zoals vrouwen nu eenmaal ongrijpbaar zijn.

De paratekstuele aspecten wijzen op een hoogst gestructureerde aanpak. Dit is ook het geval voor de globale opzet: het doel is in dienst te staan van de Proustiaanse tekst. Dit komt allereerst naar voren in de citaten. Elke pagina staat er vol mee en ze bevinden zich in duidelijk afgebakende vakken met een specifieke kleur (eigeel). Het album wordt zo een soort *condensé* van de *Recherche*, een opeenvolging van kernpassages waarbij ook de stijl hernomen wordt (met lange series adjectiva bijvoorbeeld). Wanneer de lengte in de tijd als hoofdkenmerk van het werk van Proust zo verdwijnt, wordt dit in zekere mate

gecompenseerd door een goed gedoseerd gebruik van ritme en herhalingen. Met name het feit dat de *Recherche* is opgebouwd rond een aantal kernscènes wordt in de stripversie benadrukt. Vooral de scènes met een sterk toneelkarakter zijn in de meerderheid. Het eerste album van de *Jeunes Filles* is zo als volgt opgebouwd: de aankomst in Balbec; de intrek in het Grand Hôtel; de ontmoeting met Mademoiselle de Stermaria (object van één van de liefdesprojecties van Marcel); de kennismaking met madame de Villeparisis (oude adel en vriendin van grootmoeder die Marcel begeleidt); uitstapjes; Saint-Loup arriveert (de vriend bij uitstek); grollen van Bloch (een Joodse kameraad); eerste contacten met Charlus (de oudere homosexueel); het verschijnen van de bloemenmeisjes (Albertine en haar vriendinnen). De gebeurtenissen betreffen vooral personen en zetten zo de deur open voor psychologische bespiegelingen en het werken met meerdere perspectieven, modernistische principes bij uitstek. Het herhalende karakter van Prousts tekst vindt zijn natuurlijke weerslag in de identieke weergave via simpele lijnen en trekken van de personages bij Heuet. In zekere zin kan dit corresponderen met de bedoeling van Proust: veranderingen grijpen plotseling en onverwacht plaats. Maar de karakterisering van de personages vertoont wel een behoorlijke simplificatie.

Het personage staat doorgaans centraal in het stripverhaal en heeft een repetitief karakter. De herhaling in gedragingen en de terugkeer van personages zijn ook heel belangrijk voor Proust. Voor de tekeningen van Heuet heeft Marie-Hélène Gobin opgemerkt dat de jonge Marcel sterk aan Kuifje doet denken en dat Françoise, de trouwe huishoudster, lijkt op Bécassine, een ander traditionele Franse stripfiguur.

Die conclusies kunnen worden doorgetrokken naar onder anderen Albertine, Charlus, Saint-Loup, de Verdurins, dokter Cottard of Swann. Tekeningen zoals bij Hergé met duidelijk afgebakende figuren en scherpe contouren, voorzien van slechts enkele kenmerkende trekken beantwoorden aan een eerste visie van Proust – zoals de jonge Marcel de wereld in eerste instantie bekijkt.

Maar bij Proust wordt het beeld al snel gecompliceerder: de bijfiguren behouden weliswaar ‘levenslang’ hun stereotype verschijning (en Heuet profiteert daarvan), maar de hoofdrolspelers ondergaan vele veranderingen en zijn ook geregeld omgeven door een waas van geheimzinnigheid. Bij sommige personages is de reden van hun veelzijdige verschijningsvormen gelegen in de uiteenlopende instellingen waarmee men (en allereerst hier natuurlijk de verteller) de ander

bekijkt met een blik gevoed door het verlangen; bij anderen (zoals Octave, maar ook Elstir en Vinteuil, de schilder en de componist) ligt het aan het feit dat ze als kunstenaar een belangrijke evolutie ondergaan

Heuet heeft er niet naar gestreefd om deze tweede dimensie weer te geven en een bescheiden poging in die richting bij het portret van Albertine is niet erg overtuigend. Een dansend vlekje kan maar heel gedeeltelijk de altijd wegvluchtende en ongrijpbare natuur van de geliefde aanduiden.

Marcel is het meest complexe personage van allemaal te meer omdat hij als vertellende instantie zoveel verschillende verschijningsvormen van de "ik" bijeenbrengt. Marcel is het knaapje in matrozenpak, hij is ook de nieuwsgierige, wat bangelijke adolescent, en verder de teleurgestelde man van de wereld maar ook de schrijver die helemaal in zijn werk opgaat. Hij is dat allemaal tegelijkertijd, want hij zoekt zichzelf, zijn eigen tijd en zijn roeping, een roeping die samenvalt met ons leesproces.

De *Recherche* van Heuet is daarom in zekere zin trouw aan de tekst van Proust, maar in een afgezwakte versie die (noodzakelijkerwijs ?) de verschrikking en de zaligheid van dat steeds weer verliezen van zichzelf uit de weg gaat.

Semantische ketens en verbanden
In zijn studie van de 'bande dessinée' legt Thierry Groensteen terecht de nadruk op het belang van de macrostructuur waar de microstructuur van afhankelijk is, en hij onderstreept de rol van de combinaties (de « arthrologie », verbindingen tussen verschillende niveaus) als ook de vorming van semantische ketens (de terugkeer van bepaalde elementen als refrein of echo). De lezer brengt die verbindingen tot stand en vult de afstand tussen de afbeeldingen zo op. Voor wat betreft de relatie tussen de tekst van Proust en het stripverhaal zou het essentieel zijn een goede formule te vinden voor de o zo belangrijke vorming van ketens in de *Recherche*.

Herhaling is bij hem differentie. De terugkeer van het identieke is de utopie van het buitentijdelijke. De semantische keten heeft ook artistieke waarde: wat in de mensen uiteenvalt en verbrokkelt kan in het kunstwerk samenklonteren. De verschillende verschijningen van Swann, de omvorming van Elstir, Odette die evolueert van Miss Sacripant tot madame Swann, Albertine de ongrijpbare, de 'ik' die zich over zichzelf blijft verwonderen: bij Heuet verhindert het

eendimensionale karakter een weergave van deze constante verschuivingen en onzekerheden. Anderzijds is er wel geregeld sprake van een creatieve zoektocht om de mogelijkheden van de vormgeving zo goed mogelijk te exploiteren.

Combray, het eerste album uit de serie, volgt vrij trouw de tekst van Proust. Het familieleven in Combray met de bezoekjes van Swann, met oom Adolphe, Françoise en de allegorische keukenmeid, de « Charité van Giotto », wordt genoemd; het lezen in de tuin, de wandelingen, de ontdekking van de schrijver Bergotte, de voyeuristische scènes in Montjouvain en het 'onfatsoenlijke' gebaar dat Gilberte, de dochter van Swann naar Marcel maakt, zijn enkele van de verwachte etappes. En wat gebeurt er met de beroemde madeleine die het herinneringsproces aanzwengelt?

We kunnen concluderen dat de beweging die gepaard gaat met het opkomen van de herinneringen de mogelijkheden van het beeldverhaal uitbuit. Wanneer het stripverhaal allereerst horizontaal en via sequenties voortgaat, is er toch ook sprake van een belangrijke verticale beweging: men 'leest' de pagina van boven naar beneden; maar deze verticale dimensie kan ook anderszins worden geëxploiteerd om dieptewerking te bereiken. Malcolm Bowy toont aan dat de verticaliteit behalve zijn rol als antropologische en mythologische dimensie in de 19^{e} eeuw ook zijn beslag krijgt in de paradigma's van de toenmalige wetenschap (archeologie, historiografie, filosofie). Deze invulling van de verticaliteit valt ook overal bij Proust terug te vinden.

Sleutelmomenten zijn bijvoorbeeld de beschrijving van de klokkentoren van Combray, het aanbreken van de dag, het naar boven gaan naar de slaapkamer of het afdalen in onderaardse ruimtes. Een moment dat bij uitstek met verticaliteit verbonden wordt is wanneer de herinneringen 'opstijgen'. Het stripverhaal kan op eigen wijze deze verticaliteit vormgeven. Bij Heuet treft men diverse voorbeelden aan van deze plastische dimensie: het naar boven gaan als inleiding op het drama van het naar bed gaan (13); de beelden van de kerktoren (22), het afdalen in de crypte (21) of het kijken naar de regen van boven af. Vaak zijn het panorama-achtige gezichten, van boven gezien, die de verticaliteit aangeven: bijvoorbeeld op pagina 5 waar de familie van bovenaf wordt gezien als hechte eenheid of wanneer de besloten wereld van het dorpje uit de hoogte wordt bekeken (45).

Bij de madeleine-scène wordt de materialisatie van het verleden ook zo vorm gegeven. Op pagina 14 herkennen we de winters aangeklede figuur van de

voorpagina die zo aankondigt dat er iets belangrijks gaat komen. Hij gaat bij ‘maman’ naar binnen en krijgt zijn thee met koekie. Van het lepeltje dat in de lucht lijkt te zweven beginnen weldoende dampen op te stijgen, terwijl de werkelijkheid van de theepot vervaagt en de tekst de ruimte gaat opeisen. Het afdalen langs de pagina wordt uiteindelijk omgedraaid omdat het laatste plaatje boven naar de volgende pagina ‘reist’ op het geurende wolkje dat dan overgaat in de haarlok van de extatische genieter.

De bijbehorende monoloog slingert zich over het gezicht via de plooien van de wangen en het voorhoofd. Het recitatief dat boven aan de pagina begint met de woorden “wat diep in mij klopt” eindigt vreemd genoeg beneden aan de bladzijde als volgt “zal de herinnering tot aan het oppervlak van mijn heldere bewustzijn kunnen komen?” Men bemerkt dat de opeenvolging van de tekst en de iconische verticaliteit met elkaar rivaliseren. Dat is een epistemologische en een ideogische rivaliteit, maar vooral hun technische en materiële weerslag. Het modernisme weerspiegelt immers allereerst de historische en wetenschappelijke overgang tussen verticale (theo-teleologische) systemen en horizontale (technisch-immanentistische) modellen. Dan kunnen we de pagina wel omslaan om een eerste plaatje te ontdekken dat zich over de volle hoogte van de pagina uitstrekt: via tafellaken, theepot, kop, Marcel in trance, slierten geurige theedampen en opnieuw de tekst “Dag tante Léonie”, komen we bij een goudkleurige hemel aan die dus niet naar buiten verwijst maar naar het universum van de tekst.

Na een stuk tekst komen we dan op een volle pagina die het dorp toont in een sprookjesdecor, met meidoorn en waterlelies omzoomd, en waar een krans van huizen de Sint Hilarius kerk omringt. De verbinding wordt expliciet gelegd door wolkenbanden die vanuit de kop van de pagina afkomstig zijn. Het recitatief staat als een soort wettekst boven het idyllische beeld van het dorpje en de pseudo-tekstbellen die opstijgen vanuit de theekop profiteren van de open ruimte en zeilen gracieus naar de wolken met als belofte het vervolg van het verhaal. Het dorp ademt met dit beeld harmonie, eenheid en geborgenheid uit. Eenzelfde soort geluksstemming gaat uit van pagina 27 waar een stralende Françoise een tafel vol lekker eten presenteert.

In *À l’ombre des jeunes filles en fleurs* 1 wordt de ruimte breed uitgemeten. Vooral het Grand Hôtel in Balbec geeft de tekenaar de gelegenheid om uit te pakken. Op pagina 13 zien we hoe de grootse raampartij het strand domineert: van daarboven beheerst men de wereld! De dubbele pagina 20-21 maakt het

mogelijk ‘s avonds rondom het grote gebouw te kijken, dan de eetzaal binnen te gaan met de geprivilegeerde gasten en vervolgens een meewarige blik te werpen op de dorpelingen die zich voor het grote raam aan hen vergapen. Het stripverhaal werkt met compartimenten en buit deze relatie uit. Zo bij het Grand Hôtel dat met zijn diverse locaties functioneert als draaischijf voor de opeenvolgende episodes en als ontmoetingsplaats voor de meest uiteenlopende personages. Voor Marcel is het hotel overigens allereerst een onbekende plaats waar zijn gewoontes hem wreed in de steek laten. Zijn kamer, doordrongen met de gehate geur van vetiver, bevindt zich op pagina 10 aan het eind van een angstaanjagend steile trap en slaat in al zijn enge beklemming op hol. Dan zien we de jongen van bovenaf in zijn bed liggen, verloren in een vijandig universum zonder houvast. De andere kant van deze dubbele pagina laat op specifieke wijze een contrasterend element naar voren komen zoals Proust die graag op zijn manier schetst. De volgende morgen gaat namelijk het raam open boven “de naakte zee” en de hele ruimte wordt dan gevuld met wind en wolken, rechtstreeks en ook in de ramen gespiegeld. Zee en land vermengen zich zoals in de schilderijen van Elstir en deze esthetische ervaring brengt redding. Heuet profiteert van de ruimte die de tekenaar ter beschikking staat, maar hij doet dit door tegenstellingen uit te werken (en niet door bijvoorbeeld een doolhof te creëren), en daarmee treedt hij resoluut in het voetspoor van de modernisten.

Een ander voorbeeld waar Heuet Proust imiteert treft men aan in het intermediale spel met de schilderkunst. Hij beeldt het portret van Zephora door Botticelli, waar de verliefde Swann zijn Odette in ziet, natuurgetrouw af en introduceert ook andere doeken in huize Swann; tegenover de striptekeningen fascineren deze ‘realistische’ schilderingen als echter dan echt, en dit geeft op wel heel bijzondere wijze een invulling aan het fetisjisme van Swann.

Liefde en kunst komen ook nog op andere manieren bij elkaar in het verhaal van Swann. Daarbij speelt vooral de sonate van de componist Vinteuil een belangrijke rol als “volkslied” van de liefdesrelatie met Odette. Een dubbele pagina 18-19 biedt alle ruimte om de muziek visueel weer te geven. Het resultaat is meervoudig gelaagd: tekstcitaten, beelden van de luisterende Swann en een achtergrond met een meer in de bergen alsmede een rozentuin met drie verlichte ramen daarachter, vormen een collage van boven en tussen elkaar geprojecteerde lagen. Aan de bovenkant van dat landschap hangen linten met muzieknoten erop die zweven als een bruidssluier. Nog verder daarboven bevinden zich de twee

muziekinstrumenten (viool en piano). Aan twee zijden gaan de muziekbalken even over het kader heen en zorgen zo voor een soort continuïteit die harmonieert met de aandacht van Proust voor esthetische fluïditeit welke ook het levende water van het meer weergeeft. De artistieke synesthesie die hier oplicht verwijst naar het belang van dit motief in de *Recherche*, nauw verbonden met de autonomie van het kunstwerk.

Ook in de episode rond de "catleyas" gaat het om de visualisatie van de gevoelens van Swann in een soort vreugde-explosie na een eerste periode van angst om Odette te verliezen (33). Een suggestieve passage gaat vooraf aan meer expliciete liefdesbetuigingen tijdens hun tocht per rijtuig door Parijs (waar men Emma Bovary op de achtergrond vermoedt). Het erotische gehalte van die beelden is nogal mager en het lijkt alsof de kunstenaar op zijn eigen manier hier wat aan heeft willen doen. Hij neemt eerst uitgebreid zijn toevlucht tot schetsen van Watteau waar Proust ook zijdelings gewag van maakt als hij ze vergelijkt met de uitdrukkingen op het gezicht van Odette wanneer ze lacht. Als uitdrukking van veranderlijkheid is deze visualisatie zeker interessant. Maar het beeld dat heel kenmerkend voor Heuet is en dat de serie afsluit beslaat vervolgens bijna de hele pagina 37. Odette ligt languit op de divan met rondom hoge boekenkasten vanwaar Swann op haar neerkijkt. Het is volstrekt duidelijk dat zij geen 'boekenvrouw' is, maar wel volledig een 'vrouw uit een boek'. "À suivre" sluit dan de tekst van dit album af waar echter de voornaamste semantische keten eindigt met een laatste plaatje van een catleya waaruit in stippellijn naar de toekomst gerichte geuren opstijgen.

De hechte structuur en de frequente verwijzingen naar de eigen kunstvorm geven een uitermate modernistisch air aan deze creatie uit het universum van de stripverhalen dat vaker als laboratorium voor postmoderne tendensen kan worden aangemerkt.

Dat tenslotte deze strips niet alleen door Proustkenners op prijs worden gesteld, maar dat ze ook een commercieel succes zijn geworden, is natuurlijk te danken aan de faam van de brontekst en aan het vakmanschap van Heuet, maar wellicht dat de hang van het publiek naar modernistische (of retro-moderne) artisticiteit de doorslag heeft gegeven.

NOTEN
[i] Zie Houppermans, 1987.

[ii] Cf het beroemde portret van Proust door Jacques-Émile Blanche.
[iii] Ik verwijs naar de Pléiade-editie van de *Recherche* uitgegeven Jean-Yves Tadié (Parijs, 1987); vertalingen uit het Frans in dit artikel zijn van mijn hand.
[iv]De 'petite madeleine' is de geurige gangmaker bij uitstek op het pad der herinneringen; maar Proust schrijft Madeleine met hoofdletter en naast andere associaties kan men dan denken aan het bijbelse geuroffer van Marie- Madeleine (Maria Magdalena).
[v] Zie Houppermans, 2007.

Bibliografie

Bowie, Malcolm, *Freud, Proust and Lacan, Theory as Fiction*, Cambridge, Cambridge University Press, 1988.
Brakman, Willem, *Vrij uitzicht*, Amsterdam, Querido, 2001.
Gobin, Marie-Hélène, *Proust et la bd? Que dira Baudelaire ; étude sémiotique*, Éditions Connaissances et Savoirs, 2006.
Groensteen, Thierry, *Système de la bande dessinée*, Paris, PUF, 1999.
Houppermans, Sjef, "Subject en intertekst" in *Spiegel der Letteren*, no 1-2, Leuven, 1987, 43-52.
Houppermans, Sjef, *Marcel Proust constructiviste*, Amsterdam, Rodopi, 2007.
Koenig, Gaspard, *Octave avait 20 ans*, Paris, Grasset, 2004.
Proust, Marcel, *A la recherche du temps perdu*, 4 delen, Paris, Gallimard, 1987 (la Pléiade).
Heuet, Stéphane Stripversie van de *Recherche*, 5 delen verschenen, Paris, Delcourt, 1998-2008 (Nederlandse vertaling bij uitgeverij Atlas).

Dit essay is verschenen in de bundel:

Jan Baetens, Sjef Houppermans, Arthur Langeveld en Peter Liebregst (red.) – De erfenis van het Modernisme. Modernisme(n) in de Europese Letterkunde – Deel 4.

Rozenberg 2010 – 978 90 3610 214 8

The Return of the Underground Retail Cannabis Market?

Attitudes of Dutch coffeeshop owners and cannabis users to the proposed 'cannabis ID' and the consequences they expect.

ABSTRACT
The sale of cannabis to persons aged 18 or older is permitted in the Netherlands under certain conditions in commercial establishments called coffeeshops. The present Dutch government has proposed that access to coffeeshops be restricted to persons holding a cannabis ID, a mandatory membership card known colloquially as a 'weed pass' (wietpas). Recent interviews with 66 Amsterdam coffeeshop owners reveal that they expect mainly detrimental effects from the proposed measure. In particular, they predict customer resistance to compulsory registration, the discriminatory exclusion of tourists and other non-members, and a resurgence of cannabis street dealing. Two surveys of cannabis users (in a local sample of 1214 Amsterdam coffeeshop customers and a nationwide sample of 1049 last-month users) confirmed that many, but not all, users would oppose registration. The majority of respondents intended to look for other suppliers or to grow their own marijuana if the cannabis ID becomes law. Surprisingly, about one in ten said they would stop smoking cannabis.

Introduction

Wide differences exist between Western countries in terms of national cannabis policies (MacCoun & Reuter, 2002; Decorte et al., 2011; EMCDDA, 2010). In the Netherlands, cannabis is officially an illicit drug, but the retail cannabis market has uniquely been decriminalised by measures providing for the legal toleration of hashish and marijuana sales to consumers via commercial venues known as *coffeeshops* (Box I). Most coffeeshops are cafés, but some function more as take-away shops, where cannabis can be bought but not consumed.

Box I – Coffeeshops and Dutch cannabis legislation
The first Dutch drug law dates from nearly a century ago: the Opium Act of 1919. The import and export of cannabis was added to the act in 1928; possession, manufacture and sale became offences in 1953. The statutory decriminalisation of cannabis took place in 1976. De facto decriminalisation had set in earlier, as local authorities began tolerating 'house dealers' in youth centres in the early 1970s. Experiments with this approach were formalised in the revised Opium Act of 1976. It distinguishes between Schedule I drugs (such as heroin and cocaine), seen as posing an 'unacceptable' risk, and Schedule II substances (mainly cannabis products), which carry lower official penalties.

The legal basis for coffeeshops had been laid by the Dutch government when it decriminalised cannabis in 1976. Latitude was created for sales of small amounts of cannabis to consumers (though selling remained officially illegal), on the crucial condition that the sale of cannabis be strictly separated from markets for hard drugs. Coffeeshops were one result of the deriminalisation process, albeit not exactly what policymakers had envisaged. A series of later court decisions effectively subsumed coffeeshops under existing legislation.

Since the 1960s, the Dutch retail market for cannabis has gone through different stages, originating in the sale of cannabis in underground markets. During the 1970s, sales shifted to tolerated 'house dealers' in youth clubs and nightspots, and coffeeshops took over the market in the 1980s (Jansen, 1991; Korf, 2002). The number of coffeeshops expanded dramatically during the 1980s, peaking in the mid-1990s at about 1,500 throughout the country (Bieleman & Goeree, 2001). A new phase then ensued, and the number began to diminish. Although coffeeshops must meet nationally defined criteria (Box II), policy modifications in 1996 gave local governments the right to decide whether or not to authorise coffeeshops within their jurisdictions; they may now close down or ban coffeeshops, even if these do not violate national criteria. In the wake of that

policy change, many municipalities decided to close down all existing coffeeshops or limit their number. By 1999, the number of coffeeshops in the country had almost halved to 846. The downward trend continued, and the most recent national figures reported 666 coffeeshops by the end of 2009; 340 (77.1%) of the then 441 municipalities had decided not to allow any coffeeshops at all (Bieleman & Nijkamp, 2010).

Box II – National guidelines for coffeeshops
Official national Guidelines for Investigation and Prosecution came into force in 1979. They stipulated that the retail sale of cannabis to consumers may be tolerated, provided that certain criteria were met: no advertising, no hard drugs, no nuisance and no young clientele (later defined in 1996 as under age 18). More recently, additional criteria were formulated: no large quantities (maximum of 5 grams of cannabis per client per transaction and per day; maximum of 500 grams of cannabis stock in coffeeshop at any one time); and no alcohol served on premises.

The newest criterion specifies minimum distances between coffeeshops and secondary schools. According to most current plans being discussed by the government, a nationwide minimum distance of 350 meters would be set, but the Parliament is still deliberating on this and other deterrent measures.

In recent years, the Dutch political agenda on coffeeshop policy has predominantly focused on issues involving the wholesale supply chains to coffeeshops (the 'back door problem'; Korf, 2011) and on the pull exercised by coffeeshops in border areas on customers from neighbouring countries, which is a source of considerable nuisance. In an attempt to combat the latter problem, the national government has proposed mandatory club membership for coffeeshop customers. This would make all coffeeshops into private clubs accessible only to residents of the Netherlands aged 18 or older who have been issued a cannabis ID, a membership card meanwhile colloquially known as the 'weed pass'. Persons wishing to patronise coffeeshops must register to do so, and this is intended to have a strong deterrent effect on cannabis users living in neighbouring countries (notably Germany, Belgium and France). Perhaps the most crucial question in terms of legal feasibility is whether the Netherlands would be entitled under EU treaties to exclude other EU citizens in such a way.

The future will tell whether and how the cannabis ID will be introduced. If that

should indeed happen, though, what consequences could then be expected for the retail cannabis market? The purpose of this article is to gauge the breadth of support for the cannabis ID among the immediate stakeholders in that market and to assess the potential consequences of the measure.

Amsterdam coffeeshop proprietors and their opinions on the cannabis ID

One third of all Dutch coffeeshops are located in Amsterdam, though only 5% of the country's population lives there. About half of the 222 Amsterdam coffeeshops are found in the city centre, and many attract a substantial number of tourists. Unlike the situation in border towns, the foreign visitors do not come to Amsterdam primarily for coffeeshops. Most stay in the city for several days at least, and coffeeshop customers cause little or no nuisance. Coffeeshops outside the city centre cater mainly to local residents.

In view of the large number of coffeeshops in Amsterdam, whether or not frequented by tourists, the introduction of a cannabis ID could have relatively drastic consequences for such businesses. In the spring of 2011, we therefore conducted face-to-face interviews with 66 coffeeshop owners (or their managers). Their coffeeshops were found all over the city, both in the inner city and in more outlying districts; the sample reliably reflected the variation in Amsterdam coffeeshops in terms of size, number of customers and customer profiles.

Almost nine in ten of the interviewed owners expected the introduction of IDs to have exclusively negative consequences. The rest likewise foresaw mainly detrimental effects but did cite some advantages, such as guaranteed custom. 'Your regular customers will have to register at your coffeeshop and will be allowed to buy their grass or hash only from you. That ensures customer loyalty.' Virtually all respondents listed a range of drawbacks to the proposed system, falling roughly into three categories:

1. The registration and privacy problem

To many coffeeshop owners, it was patently self-evident that the registration system would spark disquiet amongst customers. 'People don't want to be registered for anything, let alone as potheads.' One proprietor with many doctors and lawyers in his clientele pointed to the detriment they might suffer if they were registered as cannabis users. 'Nobody needs to know how much and how often they smoke. Why would they?' A question many owners were asking is what would be done with the stored data. An additional drawback in this category is

the constriction of customers' freedom of choice if they can register for only one coffeeshop.

2. Exclusion of foreign tourists and other non-members

Introduction of cannabis IDs would, according to proprietors, 'exclude tourists from participation', a prospect that caused considerable indignation. 'It's pure discrimination!' and 'Tourists can now buy safe, good-quality cannabis. Who in the hell would want to change that?' Since tourism is a mainstay of the broader Amsterdam economy, the measure might also deal a hard blow to the municipal coffers. Not only foreign tourists, but also shoppers and visiting relatives from other Dutch towns would be prohibited from buying cannabis in Amsterdam. People who only smoke cannabis occasionally would also be stigmatised; even if you only smoke once a year, you would still have to register as a pot smoker.

3. Revival of street dealing

If tourists are banned from coffeeshops, proprietors said, the lively cannabis street trade of decades ago will resurface. Dutch customers who oppose registration will also seek their sustenance elsewhere, and that could well be from street dealers. The illegal market would generate crime and nuisance. Some also foresaw an increase in under-the-counter sales. 'Your customers will still be coming in to buy their joints from you, whether you're a coffeeshop, a pub or a snack bar.' A final objection was an expected black-market trade in cannabis IDs, which would provide tourists and minors with a good alternative means of procuring their drugs.

Two surveys of cannabis users

Directly after our interviews with the coffeeshop owners in the spring of 2011, we conducted a site survey of customers in 59 Amsterdam coffeeshops, similarly dispersed across the city. The 1214 respondents did not constitute a representative sample of all coffeeshop customers in the city. In our recruitment strategy, the more frequent customers had a much higher probability of being interviewed than occasional customers. The sample did provide a reasonably reliable picture of the clientele present in coffeeshops on peak days and at peak hours. By concentrating on peak days (Thursdays, Fridays and Saturdays) and peak hours (3 to 9 pm), we compensated somewhat for the overrepresentation of frequent or daily customers in the sample. The survey was further confined to customers who spoke sufficient Dutch, which in practice mainly excluded foreign tourists.

Subsequently, from May to mid-July 2011, we conducted a nationwide online survey entitled Sex & Drugs via the website of BNN, a Dutch public broadcasting organisation that targets mainly adolescents and young adults. A total of 3257 persons completed the questionnaire, of whom 1049 had smoked cannabis in the past month (current users). Questions on the cannabis ID were submitted to the latter group only.

The minimum age for entering a coffeeshop is 18. In our Amsterdam coffeeshop survey, the average age in the sample was 32.4, with a peak in the 25-34 age category. In the online survey, not confined to coffeeshop customers, the average age of the current cannabis users was distinctly lower (23.4), peaking in the 18-24 category (figure 1).

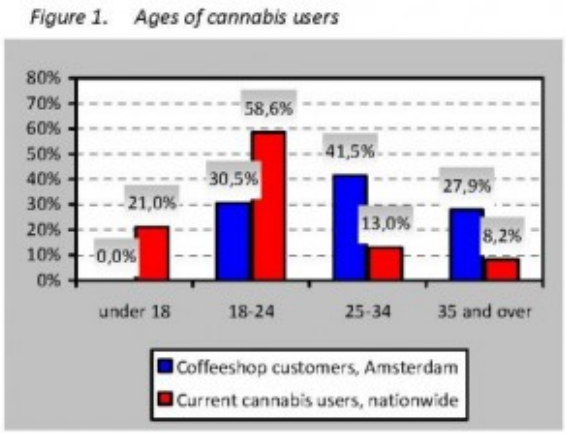


Figure 1 – Ages of Cannabis Users

The samples also differed in gender terms. A small minority of respondents in the coffeeshop survey were female (13.6%), whilst more than half (52.5%) of the current cannabis users nationwide were female.**[i]**

The Amsterdam coffeeshop customers we polled were also far more likely than the online respondents to be daily or near-daily cannabis users (figure 2).

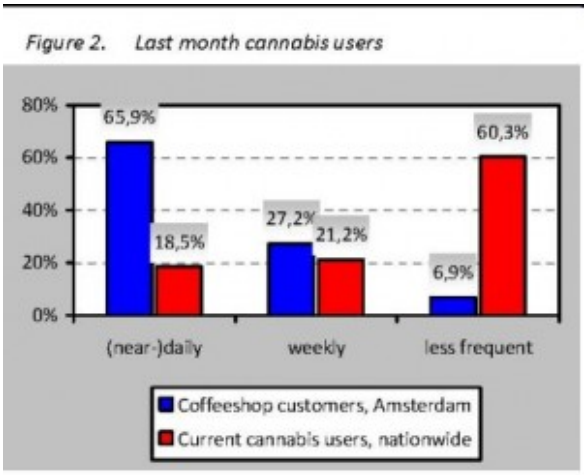


Figure 2. Last Month Cannabis Users

Willingness to register for the cannabis ID

Both in the interviews with Amsterdam coffeeshop customers and in the online nationwide survey, we asked two questions about the proposed cannabis ID. The first was: 'Imagine that a mandatory cannabis ID has just been introduced. You would then get registered at one coffeeshop and you would only be allowed into that coffeeshop. What would you think about that?' Respondents could choose from three answer options (see table 1).

Table 1. Attitudes to mandatory registration for the cannabis ID

	Coffeeshop customers Amsterdam	Current cannabis users nationwide
I'd register and get a cannabis ID from a coffeeshop of my choice.	6.3%	5.2%
I'd only register if the ID would allow access to several coffeeshops.	10.3%	20.9%
I'm against registration.	83.4%	73.9%
Total	100%	100%

Table 1. Attitudes to Mandatory Registration for the Cannabis ID

Despite the large differences between the two surveys in terms of age, gender distribution and frequency of cannabis use, only a tiny minority in each survey indicated a willingness to register and obtain a cannabis ID from the coffeeshop of their choice. Slightly more respondents said they would register if the cannabis ID gave access to several coffeeshops of their choice. Large majorities came out against registration in the online survey and, still more strongly, in the Amsterdam customers' survey.**[ii]**

Perceived consequences of the cannabis ID

We next asked both samples: 'Suppose that the cannabis ID were absolutely restricted to a single coffeeshop. What would you do then?' Out of eight answer options, respondents could choose the one that suited them best (see table 2).

Table 2. – Suppose that the cannabis ID were absolutely restricted to a single coffeeshop. What would you do then?

Table 2. 'Suppose that the cannabis ID were absolutely restricted to a single coffeeshop. What would you do then?'

	Coffeeshop customers Amsterdam	Current cannabis users nationwide
Register at my regular coffeeshop	24.6%	28.8%
Register at a different coffeeshop	7.0%	1.7%
Refuse the ID and get others to buy for me at a coffeeshop	7.9%	13.9%
Refuse the ID and grow my own	13.5%	7.9%
Refuse the ID and buy from a cannabis grower	9.9%	10.8%
Refuse the ID and buy from a non-coffeeshop dealer	21.0%	18.2%
Refuse the ID and have cannabis delivered	5.2%	6.6%
Refuse the ID and stop smoking	11.0%	12.0%
Total	100%	100%

Table 2. Cannabis ID restricted to a single Coffeeshop

Notwithstanding small variations between the surveys on various answers, similar patterns emerged (figure 3).**[iii]**

Figure 3. Consequences of cannabis ID

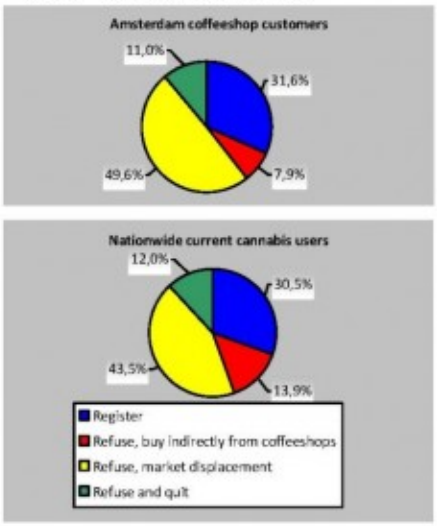


Figure 3. Consequences of

Cannabis ID

The proportion that would now register despite earlier objections grew to just under one third, most of whom would opt for their regular coffeeshop. In contrast to them, a markedly smaller but noteworthy proportion (11%-12%) reported they would shun the ID and stop smoking cannabis should they be obliged to register with and patronise a single coffeeshop only.

The majority reported that they would refuse the cannabis ID and then obtain their cannabis from other sources outside the coffeeshops. Three types of intentions were distinguishable:

Delegating. These respondents would get someone else to go to the coffeeshop for them. Current cannabis users in the nationwide survey were about twice as likely to choose this 'indirect supply from coffeeshops' option as compared to the Amsterdam coffeeshop customers. The difference could be traced mainly to the non-daily users.

Market displacement towards home growing. Nearly one quarter of the Amsterdam coffeeshop customers and one fifth of the current users nationwide said they would grow their own marijuana or buy it from a grower.

Market displacement towards other drug dealers. Over one quarter of respondents in both surveys said they would buy marijuana or hashish in a setting other than coffeeshops (e.g. street settings), from a different source (e.g. a home-based dealer), or through home delivery.

Conclusions and discussion

Amsterdam coffeeshop owners foresee almost no advantages from the introduction of the proposed cannabis ID. They predict that it will compromise the privacy of customers (many of whom are expected to shun registration); that it will impose a discriminatory ban on foreign tourists and other non-residents of the city, which could eventually also have a significant impact on the local economy; and that it will trigger a revival of street dealing in soft drugs, thus weakening the current separation of markets and making hard drugs more easily accessible to cannabis users.

The coffeeshop owners' prediction that many customers will resist the cannabis ID is confirmed by our survey of Amsterdam coffeeshop customers. When informed about the proposed ID, the vast majority of customers spontaneously answered that they would oppose registering to qualify for an ID, as did a substantial majority of current cannabis users throughout the country. Resistance slackened somewhat when respondents were presented with a strict scenario of compulsory registration; almost one in three said they would then register after all. The majority of refusers would opt for growing their own marijuana or buying directly from a cannabis grower, or for purchasing cannabis through other channels than coffeeshops, such as drugs delivery services, home-based dealers or street dealers. Some refusers would get others to go to coffeeshops for them, thus still indirectly patronising the coffeeshops.

Notably, over ten per cent of respondents said they would stop smoking cannabis if the ID becomes law. Coffeeshop owners did not appear to expect any such development, and it is questionable whether those who say they would quit would actually do so. After all, intention is no guarantee for real behavioural change (Ajzen, 1985; Bamberg et al., 2003; Bandura, 1986; De Vries et al., 1998; Prochaska & DiClemente, 1982). Similar uncertainty applies to the prediction – made by coffeeshop owners, customers and surveyed current users alike – that the cannabis supply would shift to the streets and other locations and to home grow.

A limitation to this study is that the surveys were based on non-normative convenience samples. Some caution is therefore warranted as to the generalisability of the reported percentages. That said, there were striking similarities between the two samples both in attitudes to mandatory registration and in the perceived consequences of the cannabis ID, despite differences between the surveys in terms of method (site versus online survey), geographical scope (Amsterdam versus nationwide) and respondent characteristics (age, gender, frequency of cannabis use). Displacement of the retail cannabis market to non-coffeeshop settings, as indicated by both surveys, therefore seems a very real possibility, although it is unclear to what extent and in what ways that might happen.

All in all, our surveys of cannabis users provide empirical evidence in support of fears, as expressed by opponents of the cannabis ID, that it will lead to a resurgence of the underground retail cannabis market and the accompanying

crime and nuisance. Proponents of the ID will undoubtedly be keen to argue in the political debate that introducing the ID will help curb the use of cannabis.

Notes

[i] Women were somewhat overrepresented in the total *Sex & Drugs* sample (55.1% female versus 43.6% male). Males in that sample were slightly more likely to have consumed cannabis in the past month (34.3% versus 30.9%, $p < .05$).

[ii] Some of the current cannabis users in the nationwide online survey were under 18 and hence too young to enter a coffeeshop. Amongst respondents 18 and older, the percentages were similar to those in the overall sample (6.0% and 22.7% would register and 71.8% would refuse; percentages for under-18s were 2.3%, 14.8% and 82.9%**.**

[iii] Confining ourselves to the nationwide respondents aged 18 or older, virtually the same pattern emerges as in the overall sample: 32.1% would register, 12.9% would refuse and get others to buy for them in a coffeeshop, 43.5% would opt for a non-coffeeshop supplier (market displacement) and 11.5% would refuse and give up smoking (percentages for under-18s were 25.0%, 18.1%, 43.1% en 13.9%.

REFERENCES

Ajzen, I. (1985). From intentions to actions: *A theory of planned behavior*. In J. Kuhl & J. Beckmann (eds), Action-Control: *From Cognition to Behavior* (pp 11-39). Heidelberg: Springer.

Bamberg, S., Ajzen, I., & Schmidt, P. (2003). *Choice of travel mode in the theory of planned behavior: The role of past behavior, habit and reasoned action*. Basic and Applied Social Psychology, 25(3), 175-187.

Bandura, A. (1986). *Social Foundations of Thought and Action: A Social Cognitive Theory*. Englewood Cliffs: Prentice Hall.

Bieleman, B., & Goeree, P. (2001). *Coffeeshops in Nederland*. Aantallen en gemeentelijk beleid in 2000. Groningen: Intra-val.

Bieleman, B., & Nijkamp, R. (2010). *Coffeeshops in Nederland 2009.* Aantallen coffeeshops en gemeentelijk beleid 1999-2009. Groningen: Intraval.

Decorte, T., Potter, G.R., & Bouchard, M. (eds) (2011). *World Wide Weed. Global Trends in Cannabis Cultivation and Its Control.* Farnham: Ashgate.

De Vries, H., Dijkstra, M., & Kuhlman, P. (1988). *Self-efficacy: the third factor besides attitude and subjective norm as a predictor of behavioural intentions*. Health Education, 3, 273-282.

EMCDDA (2010). Annual Report 2010: The State of the Drugs Problem in Europe.

Lisbon: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA).
Jansen, A.C.M. (1991). *Cannabis in Amsterdam: A Geography of Hashish and Marihuana.* Muiderberg: Coutinho.
Korf, D. J. (2002). *Dutch coffee shops and trends in cannabis use*. Addictive Behaviors, 27(6): 851-866.
Korf, D.J. (2011). *Marihuana behind and beyond coffeeshops*. In T. Decorte, G.R. Potter & M. Bouchard, (eds), *World Wide Weed. Global Trends in Cannabis Cultivation and Its Control*. Farnham: Ashgate, pp. 181-195.
MacCoun, R., & Reuter, P. (2002). *The varieties of drug control at the dawn of the twenty-first century*. The Annals of the American Academy of Political and Social Science, 582(4): 7-19.
Prochaska, J.O., & DiClemente, C.C. (1982). *Transtheoretical therapy: Toward a more integrative model of change*. Psychotherapy: Theory, Research and Practice, 19, 276-288.

Published in The Bonger International Bulletin – September 2011

The *Bonger International Bulletin* reports and discusses findings from research studies conducted at the Bonger Institute of Criminology.

Willem Adriaan Bonger (1876-1940) was one of the founding fathers of Dutch criminology and the first professor of sociology and criminology in the Netherlands. He argued that crime is social in origin and is causally linked to economic and social conditions.

Bonger Institute of Criminology
Faculty of Law, University of Amsterdam

Holland vs The Netherlands

Ireland and the European Economic and Monetary Union

"A theory of capitalism that recognises the pluralist, multi-dimensional and internally conflicted nature of social systems restores politics to the central place it deserves, in contrast to efficiency theories in which politics is about no more than the instrumental problem of defining and implementing the most efficient institutions for the essentially technocratic task of coordination" (Wolfgang Streeck, 2010)

The financial crisis has called into question the capacity of national sovereign democratic states to reconcile the distributional tensions that emerge from capitalist market expansion. This problem has become particularly acute for countries of the Eurozone (De Grauwe, 2010, 2011). They cannot devalue their currencies and must adjust their economies through IMF-ECB induced structural reforms in labour, wage and fiscal policy. The problem of coordinating wage, fiscal and monetary policy in the interest of employment and economic performance, or capital accumulation, is not new. It was central to the construction of different variants of national incomes policies in European political economies during the neo-corporatist Keynesian era.

But how did domestic political actors respond to the adjustment constraints of globalised variants of capitalism during the neoliberal era, and what has been the trajectory of institutional change in European industrial relations and welfare regimes? This question guides the theoretical dimension of my PhD *The Rise and Fall of Irish Social Partnership – The Political Economy of Institutional Change in European Varieties of Capitalism (2012)* which is grounded on an argument that the politics of democratic capitalist change can be traced to the disorganisation and flexibilisation of institutions that enable labour to constrain capital. The decline in trade union strength and an increase in business power underpins the public policy paradigm shift from Keynesianism to neoliberalism across Europe. The role of the state in conditioning this pattern, and the diverse trajectory of change it invoked, is central to the study of comparative political economy. National labour market regulations have been flexibilised and the problem of employment resolved either through supply side reforms aimed at activation or low wage employment (Hall, 2011).

The political shift was a response to the adjustment constraints of globalisation, liberalisation, capital mobility and financialisation in general and the European Economic Monetary Union (EMU), in particular. The diverse mechanisms through which the adjustment played out, however, are endogenous to historically evolved national institutional politics. This interplay between exogenous constraints and endogenous politics explains the process, form and variation of change in a given capitalist institutional regime. Or, more precisely, in Streeck (2009, 2010) and Polanyian (1944) terms, the attempt to resolve the tension between capitalist market expansion and national democratic stability explains the trajectory of institutional change in the study of comparative political economy. What is most interesting about the shift in European varieties of capitalism, and the decline in the institutionalised power resources of trade unions, is that it was compensated by new forms of state led social pacts and tri-partite dialogue in European industrial relations (Baccaro & Howell, 2011). Ireland stands out in this literature as a particularly challenging case given the liberal market orientation of its production regime.

The analytic approach adopted in my thesis is premised on a variant of actor centred institutionalism (Scharpf 1997, Jackson, 2010), in the study of comparative capitalism, which appreciates the historically evolved, structural and context specific constraints in shaping domestic actor strategies and preferences. But unlike most theories of purposive action in comparative political economy, it is constructed around a power distributional (Mahoney & Thelen, 2010) rather than a rational choice, historical institutional framework. The latter, most associated with the varieties of capitalism game theoretic school of analysis (Hall & Soskice, 2001), traces institutional variation to the strategies of efficiency seeking and benevolent multinational firms seeking to improve economic performance. A power distributional approach does not assume efficiency seeking actors, nor the functional design of capitalist institutions. It conceptualizes the latter as a political process of compliance, compromise and non-compliance between organised interests with unequal power resources that change over time. Economic institutions are traced to unstable political coalitions' not benevolent employers seeking efficient solutions to technical problems. Hence, it takes history, politics and capitalism seriously.

This has significant implications for how we explain the trajectory of institutional change and variation in the domestic governance of European industrial relations,

in liberal market and coordinated market type economies, as will be shown in chapters 1 and 2 of my thesis. In these chapters we set up a debate between functional economistic and historical political modes of inquiry in the study of comparative political economy. We conclude that variation in European industrial relations can be traced to institutionalised power resources. The importance of which can only be observed by adopting a transformation rather than a varieties of capitalism perspective. New variants of contemporary corporatism and centralised wage bargaining in Europe will be presented as different modes of economic governance (Crouch, 1993, Traxler, 2010a), in various democratic state traditions, to ensure social order, settle class conflict and embed democratic stability (Streeck, 1999). The economic performance effects, whilst important, are secondary to this political function of managing the distributive conflict that emerges from capitalist expansion.

Our empirical case study is grounded in a comparative historical analysis that traces the institutional origins, development and collapse of centralised wage bargaining in Ireland's political economy. We conclude that the capacity and willingness of the state to engage in a market conforming political exchange with organised economic interests, in the interest of political stability, is central to explaining the formation of corporatism in this liberal oriented economy.

Ireland is a paradigmatic case of liberal globalisation. Social partnership was a strategy of the state to manage the opportunities and constraints of this process. The outcome was a distinct trajectory of liberalisation premised on a historically specific national political coalition or mode of economic governance: the *'Irish third way'* that exhausted itself over time. In this regard, it is a challenging case of politically embedded neoliberalism in the European Union.

The Irish Case

Irelands' model of social partnership prior to the Eurozone crisis was held up by policymakers across Europe as a successful form of negotiated governance, for all member states to follow. Social partnership, it was argued, involved all major societal stakeholders in the pursuit of economic and employment growth and provided the political and institutional foundations for the Celtic Tiger. A complementary relationship between national wage restraint, an unaccommodating exchange rate regime and industrial policies aimed at export led growth contributed to a particular institutional framework that provided

Ireland with comparative advantage (see Teague & Donaghey, 2009). National competitiveness, for a period, was the guiding strategy and national income agreements provided the political motor to achieve this through organised socio-economic planning. It secured industrial peace, political stability and settled distributive dilemmas through coordination not conflict (Hardiman, 2002). But in 2008 the Irish domestic economy collapsed and the government subsequently pursued the largest unilateral fiscal adjustment ever experience by a western capitalist economy (Whelan, 2011).

The Irish model concealed underlying contradictions that ultimately proved irreconcilable, particularly the institutionalisation of a volatile low tax regime in the context of a permanent increase in public sector spending. To explain the origins, development and collapse of social partnership, as a wage bargaining institution, in the pre and post EMU era, requires a historical examination of the coordinating role for the state. This state centred strategy is not captured by the domestic Irish literature on social partnership. Those who consider it as a legitimation of neoliberalism focus on the strategy and outcome for trade unions (Allen, 1999, 2000, D'Art & Turner 2003, 2011) not a constrained strategy of the state to manage a small open economy in a single European market. In terms of the process of engagement, the focus has been on the ability of the political system to increase its capacity for problem solving (O'Donnell, 1998, 2001, 2008) not evolving mechanisms of political exchange or a changing role for the state in managing a liberal oriented market economy.

Those who come closest to examining social partnership as a strategy of the state assume an efficiency seeking objective of national competitiveness (Hardiman, 2000, 2002) rather than a political compromise based on shifting power relations. Teague & Donaghey (2009), on the other hand, argue that social partnership was part of a system of institutional complementarities that generated a period of economic growth rather than a market conforming alliance premised on a contingent political coalition. Their use of the concept complementarity assumes efficiency seeking actors rather than conflicting interests that change over time (see Streeck, 2005). Based on a comparative historical analysis we argue that it was elite networks centred on the political executive of the state that enabled the institution to consolidate over time not economic complementarities. Access to political power, in the context of declining trade union density, was the glue rather than the coordination of wage restraint in the interest of national

competitiveness.

Actor strategies and the process of political coalition formation can only be understood if contextualised against country specific and historically evolved structures of collective bargaining. This focus on the interactive effect of collective bargaining structure on actor strategies will enable us to unpack the *political coalition* and class configuration that conditioned the rise and fall of social partnership, as an institutional regime of economic governance, over time.

Central to this analysis is trying to explain why the Irish state adopted a negotiated adjustment to a fiscal, debt and employment crisis in 1987 but a unilateral market response to the crisis 2008? We conclude that social partnership could not internalise the Eurozone crisis because trade unions lacked sufficient deterrent power in the labour market to be considered a social partner. The government considered them part of the problem not the solution. The remainder of this introduction outlines the core empirical features of the Irish case, pre and post EMU.

The origins of centralised wage bargaining

Social partnership was born out of a political adjustment to economic crisis in 1987 and re-instituted centralised wage bargaining in Ireland's political economy. The purpose of this was to ensure industrial stability, control inflation, cut the fiscal deficit and reap the rewards of the 1986 devaluation. State managers in the Prime Minister's office negotiated, quite unlike what Margaret Thatcher had done in the UK, a three year wage agreement with trade unions and employers as a complement to an unstable monetarist environment. Ireland had pegged its currency to the European Exchange Rate Mechanism (ERM) since 1979 but lacked the corporatist institutional foundations for a coordinated labour market that had made this monetarist framework a success for countries such as Germany and the Netherlands (Scharpf, 1988). Ireland did not have a history of coordinated wage settlements or encompassing trade union and employer associations that could strategically interact with a central bank (see Hall & Franzese 1998), nor did it have a political system willing to share public space with organised interests. This all changed after the election of Charles J Haughey as Prime Minister in 1987, who adopted a negotiated fiscal adjustment to generate industrial stability in the public sector and develop the conditions for Irelands entry into the Single European Market in 1992.

In 1989, trade union density was 55 percent. The implication was that approximately 70 percent of employees were covered by national collective bargaining (Visser, 2009). In a voluntarist industrial relations regime this provided trade unions with significant institutionalised power to be considered a 'social partner' in the organisation of Ireland's new political economy. The negotiation of the Programme for National Recovery (PNR) in 1987 and the Programme for Prosperity and Fairness (PESP) in 1990 lifted the negotiation of wage settlements for unionised companies out of the firm and into a single negotiation with the political executive of the state. In exchange for wage restraint the Irish government cut the marginal rate of tax leading to a significant increase in real take home pay for all employees. An increase in private disposable income became directly associated with the new '*social partnership*' process and muted the distributional conflict of Irelands fiscal adjustment in the late 1980's.

But the newly emergent social partnership process was more than an isolated political exchange between a new trade union leadership and a pragmatic Fianna Fáil government. It was premised on the idea of national strategic planning. In 1980, the UK government adopted a national medium term plan to improve employment and economic growth (Howell, 2005). This was driven by a strong political executive in the British state and premised on controlling the money supply though a strict monetarism. Working under the neoclassical economic assumption of rational expectations, it was assumed that trade unions and employers would internalise the monetarist signals and autonomously negotiate lower wage settlements. In practice, it was a political mechanism to tame labour and led to higher unemployment, de-industrialisation and a collapse in investment. Contrary to monetarist theory, the money supply continued to increase, inflation continued to grow and unemployment grew to record heights. Recognising the failure of monetarist scientific management, Margaret Thatcher changed course, cut public pending and deregulated finance markets as a means to technically manage the money economy.

Charles J Haughey also aimed to move beyond short termism through the introduction of medium term strategic economic policies via social partnership. The state managers behind this shift had been transferred from the 'Department of Economic Planning' to the Prime Minister's office in 1982. The strategy was not premised on a scientific monetarism that assumed employers

and employees, under rational expectations, will automatically internalise monetarist constraints. It was constructed on the basis of a national incomes policy aimed at generating the institutional and political conditions for a coordinated relationship between monetary, fiscal and wage policies. But, similar to the UK, this shift in economic policy required a strong political executive. The difference was that the UK governed unilaterally whilst Ireland crafted a coordinated response amongst the main organised economic interests in society.

In this regard, Irish economic actors were following the German rather than the British model of industrial relations. German policy makers adopted a strict monetarist economic policy aimed at controlling inflation but unlike the UK, it was not premised on a neoliberal political practice of excluding labour. Strict monetary policies, premised on an independent central bank, were complemented by an organised industrial relations regime that empowered trade union and employer associations to coordinate their particular interests into a public regarding interest of the German political economy (Streeck, 1997, 1999). In all three industrial relations systems the state was the prime architect. This political role for the British and Irish state in constructing distinct industrial and welfare regimes has been completely overlooked in the varieties of capitalism literature (Howell, 2005).

According to documentary evidence, Charles J Haughey modelled Irish social partnership on the willingness of the German state to directly negotiate with organised economic interests. Whilst this type of coordination was never implemented at firm or sectoral level in the organisation of production (Roche, 1995, 2000, 2002), it is important to note that the idea of social partnership and tri-annual wage agreements emerged out of a preference by Irish administrative, political and trade union elites for a European style industrial relations regime.

Fiscal, wage and macroeconomic policies required a negotiated approach to problem solving. Despite the institutional inheritance of a British adversarial industrial relations regime, and a Westminister style parliament, Ireland managed to develop the conditions for a variant of German inspired neo-corporatism. Much like the smaller open economies of Europe, this was centred on instituting centralised wage bargaining. But the classical pre-conditions considered necessary for this institutional framework were supposedly non-existent in Ireland. ICTU and the FUE were not encompassing associations capable of disciplining their members and there was no parliamentary social democratic

party willing to share political space with organised interests (Hardiman, 1988).

The absence of these conditions were compensated by a strong coordinating role for the political executive of the state, a new market conforming political exchange, premised on cuts in income tax, and the willingness of Fianna Fáil to share political space with organised economic interests. This was not the case under the previous Fine Gael coalition.

These are the background conditions that launched the first period of Ireland's new political economy (1986-1992). Ireland, as a small open economy on the periphery of Europe, was operating under the exogenous constraint of the European Monetary System (EMS) of fixed exchange rates within flexible bands, in a period of growing inflation, unemployment and growing public debt across Europe. The chief executive of the state, Charles J Haughey, actively sought to adjust to this new economic monetarist environment through strategic interaction with organised economic interests. The willingness to share political power gave rise to social partnership and the purpose was to ensure Ireland maximised the opportunities of the single European market through generating industrial stability for foreign direct investment (MacSharry & White, 2000). This direct role for the state, however, required a trade union leadership capable of acting autonomously from the immediate interest of their members but simultaneously capable of generating the political legitimacy for centralised wage agreements.

This legitimacy was achieved through the introduction of democratic ballots (Baccaro & Lim, 2007), turning the Irish trade union movement into a series of tri-annual wage referenda. The democratic process of legitimation was made possible by the underlying political exchange of national wage agreements. Trade unions promoted the national agreement and centralised wage bargaining to their members on the basis of real after tax income. It was the guarantee of an increase in real wages that enabled trade union leaders to put the national agreements to a democratic vote. The ability to influence fiscal and labour market policies, in the context of a rise in support for neoliberal political party; the Progressive Democrats, empowered a newly emergent technocratic oriented trade union leadership to shift the strategy of Irish trade unionism from organised mobilisation in the labour market to social partnership with the state. In turn, this was made possible by the willingness of the leadership of Fianna Fáil, via the Prime Minister's office, to share political authority with organised interests.

The outcome was the emergence of a non-parliamentary political coalition; the Irish third way (see Colin Hay, 1999, on the background to the political economy of New Labour in Britain). The Irish Congress of Trade Unions (ICTU), given the weakness of the Irish parliamentary Labour party, became the non-parliamentary coalition partner of Fianna Fáil, who, since the foundation of the state, maintained a strong Catholic corporatist preference for accommodating trade union interests.

This political coalition adopted a shared analysis on the need to integrate national wage agreements with fiscal and monetary policy and made possible by the National Economic and Social Council (NESC). This tri-partite forum, affiliated to the Prime Minister's office, generated the policy space for the technical definition of how to confront the collective action problem of generating employment and economic growth whilst avoiding distributive conflict (see Hastings et al, 2007). NESC enabled the leadership of ICTU, FUE and state managers to engage in the exchange of criticisable validity claims without representing the entire interest of their membership. The technical focus was aimed at reducing the national debt through industrial policies aimed at export led growth. Fiscal policies would be aimed at lowering income taxes in the interest of employment creation whilst wage costs would be held down to allow investment to grow. But the political focus was aimed at constructing a corporatist political democracy.

NESC, throughout the period of social partnership, provided an institutional analysis that differed from the neoliberal labour market prescriptions that would dominate the OECD and EU Commission from the late 1990's. It prioritised state planning and active industrial coordination to generate the conditions for employment performance. In this regard, it was heavily influenced by the corporatist political economies of the Netherlands, Austria, Sweden and Finland (Mjoset, 1992). The general point is that the origins of social partnership can be traced to a strategic response by the political executive of the state to an economic crisis. They actively sought a negotiated rather than a unilateral adjustment. Trade unions had sufficient deterrent power in the labour market to be considered a social partner and the outcome was a distinct political coalition; the Irish third way, centred on the Prime Minister's office, and a privatised political exchange.

The consolidation of centralised wage bargaining pre-EMU

By 1992, the Irish state had begun to embed its new social partnership approach to managing a rapidly changing domestic economy and provided the conditions for the second period of Ireland's new political economy (1992-1999). This, much like the first, was conditioned by exogenous constraints of the European monetary system, particularly the Maastricht criteria for entry into the Eurozone. Political stability and wage restraint, in the interest of Foreign Direct Investment (FDI), was the defining feature of social partnership and increasingly recognised as such by the main organised economic interests. The export stimulus provided by the 1992 currency devaluation and the Single European Act, was guaranteed by a further 6 years of wage restraint in the two national pacts in this period: the Programme for Competitiveness and Work (PCW) and Partnership 2000 (P2000), negotiated under a Fianna Fáil-Labour coalition in 1993, and a Fine Gael-Labour coalition in 1996. The underlying political exchange of these pacts was, much like the PNR and PESP, a reduction in marginal rates of income tax and active industrial policies aimed at sectoral employment growth. Importantly, they were premised on the state adopting an explicit 'developmental' role in the institutional coordination of the economy.

For a variety of reasons Ireland experienced what can only be described as a jobs miracle during this period. Between 1994 and 1997 economic growth increased, on average, by 8 percent per annum and employment by 25 percent. 650,000 jobs were created from 1992-1999 (O'Connell 1999). Most of these were driven by a boom in domestic demand made possible by the increase in disposable income associated with cuts in income tax. The multi-national sector was responsible for the productivity boom but not the rapid increase in job creation. Employment was driven by private market services which created 100,000 jobs, from 427,000 to 527,000, in 7 years (O'Connell, 1999). These were primarily located in the non-traded retail, business, transport and professional services in the domestic economy. Overall private sector employment grew by 32 percent whilst public service employment grew by 3.2 percent.

This employment boom became indirectly associated with the social partnership process not because of national wage restraint but because of the stability it provided to manage a rapidly growing economy. The organised economic interests began to 'sell' Ireland's model of social partnership, premised on a low tax exchange and active state developmental policies, as the Celtic equivalent to the 'Asian Tigers'. Remarkably, Ireland went from a 12 percent unemployment

rate to labour shortages in less than eight years (Sweeney, 1998). Almost all of the employment being generated occurred in the non-unionised sectors of the economy. By 1999, trade union density had decreased to 40 percent of the labour force with the implication that less and less employees were covered by the national wage agreements. The structure of collective bargaining, unlike most European countries, was still premised on a UK voluntarist model. This meant that wage agreements were not legally extendable to non-union employees and sectors of the economy but exclusive to those who are in a trade union. Union density was increasingly concentrated in the public and semi-state sector with the implication that these sectors set the headline rate for the rest of the economy.

The technical coordination of the labour market in most European countries is premised on multi-employer wage bargaining led by the unionised export sectors. This underpinned the neo-corporatist governance of Germany, Netherlands, Austria and Finland. This collective bargaining structure historically acted as a constraint on the type of investment strategies available to firms. The outcome was a model of organised capitalism premised on diversified quality production (Streeck, 1991). Hence, contrary to the monetarist assumptions underpinning the UK and US neoliberal approach to industrial relations, these countries illustrated that a strong export led growth model is dependent upon a coordinated labour relations regime. A regulated labour market acted as incentive for high end investment because it constrains the short term interest of employers whilst a deregulated labour market incentivises low skilled domestic consumer oriented employment (Hall, 2010, Soskice 1990, Streeck, 1991).

By 1999 social partnership had become the default position of Irish politics and industrial relations and institutionally conditioned the strategic behaviour of trade union and employer associations (Roche, 2002). As stated previously, unlike most European industrial relations regimes, social partnership was not premised on a legal formal structure of collective bargaining. This made it dependent upon the political preference of government. The coordinating role of the state compensated for the absence of embedded collective bargaining structures at firm and sectoral level. This absence of institutional constraints on employers is a core condition in explaining the institutional reproduction of social partnership over time.

The Irish Business and Employer Confederation (IBEC) could represent the interests of multinational firms whilst negotiating with government but these firms had little or no interaction with ICTU or the formal industrial relations institutions of the state. Unlike European employer associations, IBEC acted as a lobby group for specific business interests rather than an encompassing association organising strategies of production that would link the domestic with the export economy. ICTU, on the other hand, given the increasing concentration of trade union density in the public sector and growing resistance to unionisation amongst incoming high-tech firms (Geary & Roche 2005, Gunnigle et al 2009), were becoming a motor for the specific interests of public service unions rather than an encompassing association representing the interests of a rapidly expanding and increasingly precarious private sector labour market (see Olson, 1982).

In a period of full employment, rapid economic growth and ten years of wage restraint, distributional tensions began to emerge across the economy. But labour disputes were increasingly settled through the industrial relations institutions of the state. New industrial relations legislation, institutions and agencies began to change the playing field within which the actors operated. Strike action did break out in the health and education sectors but the exogenous constraint of Maastricht provided the political cover to control public sector pay and resist new demands from public sector unions. Social partnership was embedded as an institutional norm.

Given the constraints of Maastricht the centrist government continued with an austere approach to income, fiscal and monetary policy. This proved controversial electorally and the Fine Gael/Labour coalition was voted out of office in 1997, despite achieving the entry criteria for EMU. They were replaced by a Fianna Fáil/Progressive Democrat coalition who instituted an aggressive pro-cyclical low tax fiscal policy regime that would create, in addition to the perverse incentive of negative ECB interest rates, a colossal property boom in the domestic economy (Hardiman & Dellepiane, 2011). The general point is that in a period of economic and employment growth, access to political power, via the political executive of the state, ensured that centralised wage bargaining was kept intact. This embedded the underlying political coalition and led to the development of social partnership as an institutional regime of the state.

The consolidation of centralised wage bargaining post EMU

Domestic pro-cyclical fiscal policy choices aimed at revitalising economic growth led to the third period of Ireland's new political economy (2000-2007). Again, the distributional tension was managed through social partnership agreements: Programme for Prosperity and Fairness (PPF) in 1999 and Sustaining Progress (SP) in 2003. Ireland was now a member of the Eurozone and no longer had the exogenous constraint of Maastricht to provide political cover for austere economic policies. The stability, and political capital, that had been invested into the institution meant that the actors continued to use it as a mechanism to advance their interests. Increasingly, government policy dominated the national agreements such that it became difficult to distinguish them from the programme for government. Social partnership, as a strategy of medium term socio-economic planning, was, in effect, official government policy. Against the background of average annual economic growth rates of 7 percent per annum, a reduction in the debt-GNP ratio to 65 percent and 270,00 jobs created in five years, the focus shifted away from economic and employment performance to redistributing resources to those who had not benefitted from the economic boom. Total expenditure on social welfare increased from € 6.2bn in 1999 to € 13bn in 20065. Developing the welfare state was now directly associated with social partnership.

Given that Ireland had one of the highest levels of income inequality in the OECD (Nolan et al, 2000, Whelan, Nolan et al 2003, 2006, 2007), and one of the lowest social protection regimes in Europe, the attempt to redistribute economic growth was a legitimate objective. Quite unlike the cutbacks being experienced in the embedded welfare states across Europe, Ireland was engaged in a process of welfare development. This did not lead to any restructuring of the welfare state but the easier task of increasing payment rates. The payment of state pension, child care and job seekers allowance, single parent supplement amongst a whole host of other schemes were increased on an annual basis. This led to a significant reduction in those living below the poverty line, which, in 2001, was 21.9 percent of the population. By 2008, this has been decreased to 13.8 percent (Whelan, 2011)

Despite a permanent increase in social spending, the government were simultaneously cutting income taxes in every budget from 1999-2008. The tax reform agenda was initially about incentivising employers to create jobs. But, by 2005, employer social insurance contributions and marginal corporate tax rates

were one of the lowest in the Eurozone and the income tax base narrowed to 50 percent of employees. Revenue was becoming increasingly reliant on domestic consumption and transaction taxes associated with an emergent property bubble (Lane, 2009). Increasing social spending and decreasing taxes was a central strategy of the state to maintain the distributional coalition underpinning social partnership. It guaranteed political stability.

Ireland's entry into the EMU meant that austere coordination of wage and fiscal policy increased rather than decreased in importance. Nominal wage growth grew, under the PPF and SP, on average, by 5 percent per annum. This increase was designed to compensate for the perverse incentive created by Irelands entry into the EMU; a rapid spike in inflation. Irish inflation rates jumped from 2 percent per annum in 1999 to 7 percent at the end of 2000. The total pay terms of the PPF, over three years, amounted to 18 percent whilst inflation was 15.5 percent. Furthermore, house prices were increasing, on average, by 30 percent per annum (Kelly, 2010). It was not until the Irish economy collapsed in 2008 before it was recognised that a growth in the money supply associated with deregulated finance markets was a core factor in driving up inflation. This was fuelled by cheap credit flowing into the Irish banking system and subsequently lent into the real estate, property and mortgage markets, and made possible by the deregulation of European finance markets. But the willingness of government and IBEC to compensate for an increase in inflation meant that centralised wage bargaining was kept intact.

This compensating role for the state and the underlying political exchange was central to the stability of social partnership. The voluntarist flexibility of the collective bargaining structure meant that employers in the MNC sector could pay above the national headline rate whilst small firms throughout the private sector could pay significantly below it. Unlike most European countries US MNC's free-ride on the national wage bargaining framework that is led by the unionised economy. This was not a problem until it started to put wage pressure on the construction, healthcare and education sectors in the non-traded domestic economy. An overheating domestic economy went unnoticed by European policy makers given the focus on traded prices in the EMU. Domestic unit labour costs were rapidly increasing and directly associated with the controversial exercise of public sector benchmarking. This political exercise awarded, on average, an 8.9 percent increase, in addition to the national wage agreement, to all public sector

workers in return for productivity increases. The purpose of benchmarking was to generate industrial stability in the aftermath of a nursing and teachers pay dispute but the outcome was to destabilise centralised wage bargaining as the process was now perceived to be an institution that represented the narrow interest of public sector insiders.

Trade union density by 2004 had collapsed to less than 36 percent, with the implication that fewer private sector employees were represented by the social partnership process (D'Art & Turner, 2003). Collective gains such as the minimum wage benefitted all employees but in general, centralised wage agreements were becoming indistinguishable from the interest of the public sector. In response, large private sector unions such as SIPTU began to seek long term strategic gains for non-union employees. This was particularly important when it emerged that employers in previously owned semi-state unionised companies were actively choosing to ignore the formal industrial relations institutions of the state. In response SIPTU demanded mandatory arbitration and a legal right to collective bargaining. This culminated in the 2001 Industrial Relations and 2004 Industrial Relations and Miscellaneous Act, and central to the negotiation of Sustaining Progress in 2003. The legislation was designed to provide a mechanism for trade unions to gain recognition to represent employees in non-union firms. Ryanair challenged the legislation in the Supreme Court in 2007 and it was declared unconstitutional (Sheehan, 2008, IRN 2009, Irish Times 2007b). This was the beginning of the end of social partnership.

Private sector employment rights and non-union interests increasingly dominated the social partnership process, culminating in the social pact agreement; 'Towards 2016' in 2006. The demand for legally binding arbitration, in addition to an influx of migrant labour after EU enlargement, exposed a divergence of interest between ICTU, IBEC and the state on how to regulate an increasingly flexible labour market. The Irish trade union movement were beginning to recognise the implication of their institutional weakness and the limitations of a strategy that made social partnership institutionally dependent upon the political preference of government.

The emergence of a dual labour market

In effect four different labour markets were operating in Ireland's political economy which we can separate into the unionised and non-unionised sectors. The first is the highly organised public, state and semi-state economy. These

include the public sectors of health, education, policing and public administration. It also includes the semi-state or previously state owned companies of SR Technics, Eircom, Aer Lingus, Dublin Bus, ESB, Bord na Mona and Bord Gáis (Sheehan, 2008). The state and semi-state sectors are strategically important in that they provide the delivery of essential services and infrastructure to make possible private market activity. Historically, and for a variety of reasons, these sectors have dominated the Irish economy. In a developmental context where emigration was the norm, the state and public sector provided employment for graduates that would have otherwise had to emigrate to seek work (Garvin, 2004). The state remains the largest employer in the Irish economy, employing approximately 400,000 people (CSO, 2008a, 2008b, 2010). Furthermore, the public and semistate sectors have a union density that has remained stable since 1987. In 2008 it was over 80 percent. Collective bargaining coverage is approximately 100 percent. Hence, centralised wage bargaining was explicitly bound up with these unionised sectors, most of which are high salaried professional or technical occupations (Roche, 2007, 2008).

The second labour market, although not formally segmented, is the domestic industrial, banking, construction and manufacturing sectors. These industries have been traditionally highly unionised with close links to Irish business associations. In terms of industry they include traditional bread mills, Waterford crystal and Irish sugar. They also include domestic printing, construction, electrical contracting, hoteliers, catering and a variety of allied or declining trades. Since the creation of the Labour court, under the 1946 Industrial Relations Act, many of these industries have been covered by legally binding minimum wages and industry specific pay and conditions; 'registered employment agreements (REAs) and employment regulation orders' (EROs), established and negotiated through 'joint labour committees' (JLCs). Collectively, this unionised sector of the domestic economy is in decline but when construction is included, it employs 200,000 people. These are the sheltered sectors of the economy, traditionally covered by collective bargaining arrangements in a pluralist industrial relations regime; both in terms of management style and the process of conflict resolution (see Roche, 2002, Gunnigle et al, 2002, 2005, 2006). Combined, these two 'unionised' labour markets operate according to the regulations and legal mechanisms of collective bargaining as laid out in the 1990 Industrial Relations Act.

This established the Labour Relations Commission (LRC), as an agency of the state, to provide a framework for the resolution of industrial disputes, and central to the mode of economic governance that emerged under Ireland's model of social partnership. It is these institutions that would become the focus of flexibilisation and deregulation in the interest of competitiveness under Irelands IMF-ECB structural adjustment program in 2009.

The third labour market is the foreign owned multinational sector and includes a variety of multinational companies in the IT, electronics, chemical, engineering, food, healthcare, finance and pharmaceutical sectors (IRN, 2004: no. 9). Most of these export companies began to invest and construct their enterprises in Ireland from the early 1990's and in receipt of state aid grants from the Industrial Development Authority (IDA). Exports include high end manufacturing goods (with high levels of research and development capacity, particularly in chemical engineering), business and financial services. In 2010, Ireland exported over 85 percent of what was produced in the economy. Of this 85 percent, 60 percent came from the pharmaceutical and chemical sectors. Whilst some of these companies are unionised they are generally non-union. The most widely recognised MNC firms in Irelands robust export economy include Accenture, Arvato Bertelsmann, Amazon, CITCO, MBNA, Intel, Hewlett-Packard, Siemens, Google, Pfizer, GlaxoSmithKline and a whole host of other companies. The largest growing sector, in terms of employment creation, from 2000, however, was the export of financial services.

These multinational companies generate a significant source of revenue in corporate tax and contribute to Irelands high productivity rates, but they have never employed more than 140,000 employees in the economy despite being the strategic focus of government employment policies. Importantly, these export oriented firms also include companies in receipt of state funding from Enterprise Ireland, which was established under the social partnership agreement, PCW in 1993. These are domestic Irish industries with an explicit export remit and include a variety of indigenous sectors such as food & drink, medical devices, print and packaging, electronics, media and communications. These Irish companies are predominately non-union and employ less than 80,000 people in the economy. Whilst strategically important for inward investment, marketing and export led growth; these sectors of the economy tend to employ very few people as a percentage of the overall workforce. In 2007, total employment in the Irish

economy was 1,878,400. The number of those employed in the state assisted export companies was 272,053. This is less than 15 percent of total employment (Forfás, 2008). The fourth labour market is also concentrated in the domestic economy and predominately made up of small and medium sized enterprises dependent on domestic consumer demand. This large and precarious labour market is where most jobs have been created over the past twenty years. It includes everything from hairdressing, retail, restaurants, shops, car sales and a variety of other consumer focused services. In 2008, it was estimated that the domestic small and medium sized enterprise sector employed approximately 400,000 people and have little or no strategic interaction with the industrial relations institutions of the state. It is predominately nonunion but also lacking the strategic human resource management techniques focused on quality production, or process innovation that one finds in large MNC companies. These sectors expanded after 2000 inresponse to a consumer driven boom in the domestic economy. It was this boom in the domestic economy that facilitated full employment to match the rapid increase in the labour force, associated with increased female participation rates.

By 2007 trade union density had collapsed to less than 20 percent of the labour force in the private sector (IRN, 2000: no. 39). It is in this context of declining trade union density and collective bargaining coverage in the private labour market and the increasing concentration in the public and semi-state sectors that one must examine the strategic orientation of the Irish trade union movement and the state to embed social partnership as a political strategy. In a context of declining power resources in the labour market and a weak Labour party in parliament, trade union leaders focused their strategy on gaining access and influencing the political executive of the state, under successive Fianna Fáil governments. This shift in strategic orientation, from the economic to the political realm, would create a Faustian dilemma for the trade union movement; how can they be considered a legitimate social partner, and an encompassing association, if they only represent employees in the public and semi-state sector?

The collapse of centralised wage bargaining and the Eurozone crisis

The negotiation of the PPF, SP and their culmination in the negotiation of a ten year framework in 2006; Towards 2016, simultaneously consolidated the strategic position of the political executive of the state, the Prime Minister’s office, in coordinating public policy across state departments. This was always the strategic

objective of the political architect of social partnership, Charles J Haughey and state managers in the Prime Minister's Office. The corporatist policy making process, or the concertation function of social partnership, was increasingly used to build state capacity. To a certain extent this was a consequence rather than a cause of Ireland's weak parliamentary legislative system. What began as a mechanism for fiscal adjustment under the monetary constraints of ERM, evolved into a process to manage industrial relations under Maastricht, was gradually morphing into a mechanism to improve policy coordination across state departments. Unlike the consociational parliaments of Netherlands, Austria, Finland and other small open economies, the Irish parliament has remained Westminister in structure (MacCarthaigh, 2005). Despite a multiparty political system and successive coalition governments, the parliament remains adversarial and lacks any capacity to influence a government dominated by the political executive.

In this regard, there was no institutional relationship between social partnership (as corporatist policy making) and the parliamentary system in the same way there was no complementary relationship between social partnership (as national wage bargaining) and firm-sectoral level corporatist coordination. It was a national institution constructed around elite networks of organised interests feeding into the political executive of the state. This centralised the strategic capacity of government to manage the democratic constraints of an increasingly globalised economy. In an ideal rational efficient world this centralisation of policy authority in the political executive would have meant the technical internalisation of the new monetary constraints of EMU. But, in a stochastic world, monetary constraints themselves proved to be the problem (Regan, 2011). This leads us to the fourth and final period of social partnership; the collapse of the Irish economy and the shift from a negotiated to a unilateral market based adjustment in response to the Eurozone crisis (2007-2010).

After 2002, interbank lending on wholesale money markets created a colossal real estate bubble in Ireland's domestic economy. By 2002 land prices in Ireland were the highest in Europe and by 2007 construction accounted for more than 20 percent of GNP (Kelly, 2009). This created a second employment boom in the Irish economy. Between 2002-2007, an additional 400,000 jobs were created. Less than two percent of these were accounted for by Irelands export sectors. Almost all of the jobs were generated in domestic retail, construction and public

services and central to generating full employment in the Irish labour market. During this period, the populist centre-right Fianna Fáil/PD coalition introduced a series of tax reliefs on the purchase and expansion of residential and commercial property. The 2003 and 2004 budgets, in particular, widened these schemes with the result that government revenue was directly linked to construction related capital investment (Gurdgiev, 2011). Government spending simultaneously rose by 11 percent during 2002-2006. Property related transaction taxes increased from 8 percent of total government revenue in 2002 to over 15 percent in 2006. This increase in spending, premised on pro-cyclical taxes, was totally inappropriate to the conditions of the EMU.

When the property bubble burst, government revenue collapsed, and the extent of the crisis was revealed. Employers and government opted to internalise the liberal market policy constraint of EMU and shifted the entire burden of adjustment on to the labour market. A series of fiscal adjustments, including a public sector pay cut, was introduced after a failed attempt at negotiating an encompassing social pact. Government lacked the capacity to engage in a political exchange that would enable trade union leaders to ballot their members. The entire focus of fiscal adjustment was now concentrated on public sector pay and unit labour costs.

This fundamentally changed the balance of power underpinning the political coalition of social partnership and it is this shift in the distributional coalition that collapsed the institution. Trade unions, unlike 1987, no longer had the institutionalised power resources to be considered a legitimate social partner in Ireland's political economy. The main constituent of ICTU: public sector unions, were considered part of the problem not the solution.

Social partnership as a mechanism of economic governance was de-legitimised because it did not internalise the monetary constraints of EMU. But the government and public sector unions still have a preference for formal social dialogue on issues pertaining to industrial relations. All actors strategise to engage in negotiated compromise rather than industrial conflict. A deeper level of corporatist engagement in socio-economic planning such as the coordination of production strategies, however, depends on the ability of trade unions to wield significant deterrent power in the labour market (Traxler, 2010a). This is contingent upon on a collective bargaining regime that is absent in Irelands liberal oriented market economy. Social partnership was dependent upon the

political preference of government not the autonomous organisation of production amongst encompassing economic interests. It was a strategy of the state to embed political stability and manage the distributional constraints of a small open economy in an increasingly globalized world market. In this regard, it is a challenging case of centralised wage bargaining in the neoliberal era.

Conclusion

The adjustment to the eurozone crisis is now being driven at a transnational European level and more Hayekian than Polanyi in design (see Höpner and Schäfer, 2007). The process of monetary induced Europeanisation has removed many of the traditional policy tools available to national governments in managing the economy under conditions of crisis. Ireland never internalised this constraint. But contrary to neoclassical economic assumptions this would have required more *not* less of a role for organised economic interests in coordinating the labour market. Or, alternatively, it would require the complete liberalisation of industrial relations akin to what occurred under Reagan in the USA and Thatcher in the UK. The ECB, IMF and EU Commission are now adopting this role. In exchange for providing financial loans to pay the debt of private creditors this troika are seeking increased neoliberalisation of labour market institutions, in addition to deep cuts in public expenditure, without a corresponding strategy to increase economic and employment growth. This is the opposite of the initial state led social partnership adjustment programs. Europe, in this regard, has become a force to increase the liberalisation of Ireland's political economy.

The general observation to be drawn from the Irish case is that social partnership was not institutionally embedded in the labour market but dependent upon the political preference of government. A political exchange was required for the negotiation of national wage agreements whilst elite networks feeding into the political executive of the state consolidated the institution as a mode of economic governance. This generated a distinct political coalition that led to a historically specific trajectory of liberalisation; the Irish third way: a liberal market policy regime built around a state commitment to generate economic growth aimed at securing business confidence for inward investment. Access to political power, in the context of weak structures of collective bargaining and a weak parliamentary Labour party, embedded 'social partnership' as the strategic position of Irish trade unions, not the technical coordination of wage restraint.

The Irish case also provides three theoretical contributions to the literature on

comparative political economy. Firstly, the coordinating role of the state highlights the hybrid nature of liberal market economies. Ireland does not have an egalitarian variety of capitalism but it contains both developmental and liberal oriented tendencies in the organisation of labour relations. Given the central role of the state, Ireland, in many ways, is closer to the Mediterranean variety of capitalism outlined by Hancké et al (2007). Secondly, centralised wage bargaining in Ireland shows that trade unions can engage in a political exchange that is market conforming rather than social democratic in design. It is the only case of centralised wage bargaining in the neoliberal era. Thirdly, it illustrates that a strong political executive operating autonomously from parliament rather than a weak government was the condition that explains the institutionalisation of social partnership over time.

Hence, the core factor in explaining the rise and fall of social partnership in the Irish case is the coordinating role of the state. This still begs the question – why? To unpack the causal process we argue that the state adopted this position to increase the strategic capacity of government to compensate for declining policy making autonomy in a globalised economy.

Social partnership increased state power to embed and legitimise a market driven economy. The Irish case illustrates that neoliberalism is heavily mediated by institutional formations, political forces and complex state-society relations. This central role for politics and the state in liberal oriented market economies is not captured by the varieties of capitalism (VoC) theory. Therefore, we must disaggregate 'neoliberalism' if we are to understand the complexities and social forces that led to the rise and fall of Ireland's political economy (O'Riain, 2008). To do this, we propose adopting a *transformation of capitalism* perspective that is grounded in Polanyian social theory.

—

http://aregan.wordpress.com/

Aidan Regan – *The Rise and Fall of Irish Social Partnership – The Political Economy of Institutional Change in European Varieties of Capitalism.* PhD, 2012 – University College Dublin.

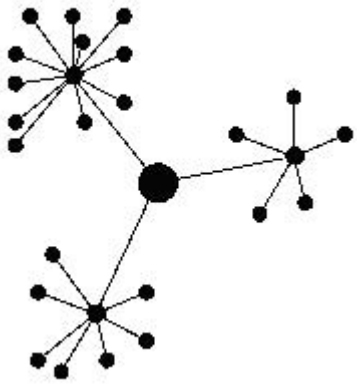
Irish social partnership was the result of a historically contingent political strategy to navigate the integration of a small open economy into a globalized

market, in which being able to attract and retain volatile capital was paramount. The main architect behind this strategy was the state, and the primary objective was industrial stability. At a critical juncture in 1987 the Irish government chose to adopt a labour inclusive strategy of adjustment to a fiscal crisis, the opposite of what occurred in the UK.

This choice resonated with the ideational toolbox of the leading political party in power, Fianna Fáil. Given external constraints, and institutional legacies, the terms had to be such that no beneficial constraints were going to be imposed on business. Unlike other small open European countries no legal-statutory changes were introduced to institutionalize the countervailing power of trade unions. In light of these features the author argues that the outcome was broadly neoliberal in orientation. Social partnership was premised on a privatized political exchange in which wage moderation was compensated with increases in private consumption through tax reductions. It was not premised on the social democratic bargain of increasing public consumption and redistribution that occurred in classic Scandinavian corporatism. The author drives us through the various stages of social partnership pre an post EMU, from its origins as crisis management and economic development, to a subsequent phase in which government used the spoils of economic growth to buy off social dissent, to its eventual collapse in response to the Eurozone crisis. The book takes a strong stance against economistic accounts of institutional change in which actors pursue rational strategies and come up with optimal institutional designs. Drawing upon theories of institutional change in comparative political economy, it argues that economic institutions are premised on volatile political coalitions, and the main determinants of outcomes are the power resources controlled by the various actors. It is these domestic institutional resources that condition how national actors respond to the adjustment constraints of global market capitalism.

From Big Brother to Radical

Decentralization



In the past centuries governing has become more centralized, out of necessity and because it made the most sense. The state and its organizations, national as well as international, will not disappear as sources of power and government. However, they can no longer govern alone.

Many things will have to be radically re-organized. Districts organize their own waste collection and every home is energy supplier. The adage for the next decennium will be: Radical Decentralization.

Sun and waste

Governed from Beijing and in its well-known particular brand of *go getting*, China is creating giant fields full of solar panels in the Gobi desert. The European Union has found the spirit after the accession of 10 new countries in 2004 and is getting ready to accept the rest of former Yugoslavia (Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo and Macedonia) after the accession of Slovenia. The role of centralized government is far from played out. And yet a different trend marks the second decennium of this century: Radical decentralization, meaning organizing general interest issues on a micro scale. The size of the scale varies, and ends with the individual. Currently, individualism is not a popular term and brings to mind images of self-enriching bankers. That is one side of the coin. Thanks to the high level of education of for instance Western societies and ongoing technological advancements, we are more than ever capable of shaping our own lives, which creates great opportunities for the individual as well as for society at large. It does require changes from bureaucrats and administrators. In the next decade they will either have to adjust or make room for new ones.

Radical decentralization is made possible by the technological advances of the past twenty years and an increasingly higher educated population. Since we are now both intellectually and practically able to shape a large part of our lives as

we see fit, we expect the same from the service providers we encounter in our daily lives. It doesn't matter whether these are housing corporations, banks or (local) governments. We expect all these providers to function quickly, efficiently and customer focused. If they don't, we will take matters into our own hands. Why? Because we can! A telling example can be found in England. A number of districts have started organizing their own waste collection. The inhabitants were not satisfied with the frequency and quality of the municipal service. Organizing the inhabitants of a district is a breeze with the help of a Facebook page, making it easy to set up an initiative such as this one. The municipality pays 75% of what they would have spent and the inhabitants buy the service from a private party. Everybody benefits: The city spends less money and the people are now responsible for something they always complain about. The net return: Probably less nagging about politics and more unity within the district.

The Netherlands is not standing still and a better distribution of responsibilities between citizen and government is made possible by technological advances. The city of Eindhoven premiered an iPhone app called BuitenBeter (OutsideBetter) this year. This app makes it easy to file a complaint about trash on the streets or streetlights that don't work. Take a picture of the complaint with your iPhone and with one tap the complaint is not only filed, but sends along the exact location. Instead of turning the government into Big Brother, the iPhone makes individual citizens into *"Little Brothers"*. Whether it serves our privacy remains to be seen, but fact is that the Internet plays a central role in these developments. Social media offer the possibility of self-organization and growing access to mobile Internet makes it easier to take action. Services that previously could only be centrally organized are now returning to those who want and are able to take responsibility for the lives they lead. The same trend can be observed in the way people are increasingly able to decide how and where they choose to work for their employers.

No place like hub

Thanks to, among other things, the Internet and the service economy, more and more employees work from home, one or more days a week. Combined with the fact that increasingly more Dutch people choose to be entrepreneurs, many homes have become a part-time office. While running a business from the attic or spending a workday with a view of dirty dishes is all well and good, people are social creatures and prefer the company of a group. The result is the rise of the

hub: An office for small businesses and freelancers aimed at inspiring each other, or at the very least having social interaction at the coffee machine. It's simply more fun working with other people than pining away with your laptop behind the geraniums. A place in the neighborhood where you can set up your laptop, get a nice cappuccino and meet potential business partners – this is the main attraction of a hub. Since one of the reasons for working at home is the time wasted on commuting, every neighborhood should have a hub.

A housing corporation could easily fill this need. Bank branches that have become obsolete with the rise of online banking may also have a second life this way. Services that were previously only available at a bank branch are now Internet only. An easy way of cutting costs, but it also cuts down on interaction with the client. Bank branches are perfect to redesign into hubs. Clients and potential clients of the bank work there for a day (or two) and schedule their meetings there. When projects come up that require financial advice or assistance, it is a no-brainer where to find it.

Energy

One of the sectors that will for sure encounter radical decentralization in the next decade is the energy sector. For the longest time it made the most sense to generate energy centrally and then distribute it. It meant the end of coal stoves. Although it is still convenient to have a central power grid, in ten years time we may be better off decentralizing it. The advance of solar panel technology will have turned our homes into the main energy producers, with solar panels on the roofs and in our windows. Combined with windmills and bio mass technology, the more than 7 million home in the Netherlands will produce the energy necessary for powering our houses, cars and industry. One might say we have written off the light bulb too soon.

Since housing corporations (there they are again) own over 2,5 million homes, in ten years time they will potentially be the largest energy producer in the Netherlands. A keen member of the House of Parliament still has to file a motion: By law housing corporations can only occupy themselves with housing. Meaning the building or buying of houses and subsequently managing, renting or selling these houses. One could argue that installing solar panels is part of managing, but it involves huge investments. It is no wonder many corporations are hesitant. Smart homeowners are already working on it. All those sleeping Owners

Associations will be wide-awake in a few years. There is money to be made with the house we live in, by producing decentralized energy and selling it to the central grid. It's radical decentralization in optima forma!

Do it yourself

The social implications of widespread decentralization are manifold. The current generation of young citizens has grown up in a society in which marching in a demonstration or the membership of a political youth organization or union is no longer an important political act. It's much more interesting to try and change something yourself than to surrender to an organization on which you have little to no influence. We all shape society with the thousands of decisions we make each day and when we use these decisions for the good, then we are really acting in a revolutionary way. Do it yourself – future adult generations will shape their citizenship by solving small and big issues themselves. Add to this the fact that the citizen of the future will – more than ever – be able to have a fast and big impact on society with a good idea by using the available network and means. In order to achieve this we must combine commercial and social interests in a new way of *"doing business in public"*. In doing this, we will radically transform today's problems into tomorrows opportunities by using new insights and techniques. Such a bottom-up approach gets the best out of citizens and is one of the most empowering forces of the future.

A bigger contrast with last century is virtually impossible. Where the 20th century was top-down, the 21st is not only bottom-up but also horizontal: Networks take the place of organizations, the power of the group is replaced by the power of your connections. The number is interesting, but even more important is the quality (how well can you relate to another?) and the diversity (how do you and your network improve the network of your connections?). Most connections will be local, just like now, but the rest of the world is never more than 3 connections away. Hyper local and global will go hand in hand. For environmental organizations, which will be able to stop worrying about clean energy, there's a good chance that in the future more money will be raised from networks like that than from the government. The question will be whether that's still an issue. From energy shortages we will go to food and space shortages, and environmental organizations will organize themselves around these themes. They could do this by advising all those districts making money by selling energy about how they can

produce their own food locally. You have to do something with your money and investing in tomatoes from your own district will become an interesting option. Environmental organizations will roll up their sleeves, bring together local and global networks of people and organizations and work on realizing their ideals.

Other institutions will have to roll up their sleeves as well. Knowledge is an important condition for taking initiative at any level. In order to gain knowledge we need transparency. The fact that they had insight in the costs of waste collection for the city, helped make it possible for citizens in England to unite and organize their own waste collection. Both England and the United States are radically transparent in a number of ways. Whether it's government costs, crimes committed in a district or licenses granted by the local government, it can all be found on the Internet.

Knowledge is power, and citizens and corporations will become more powerful by transparency. It allows people to take action when they feel things can be done differently: Cheaper, more humane, more sustainable or whatever cause they pursue. Dutch society can no longer be caught in the web of 100-year-old institutional arrangements. We are consumers, citizens, entrepreneurs and much more. All these roles have taught us better. Let's transform this attitude of "knowing it all" into action. Let the consumer, citizen, entrepreneur or employee take the wheel and start the engine. It's in our common interest.

—

Farid Tabarki is founder and director of Studio Zeitgeist. He has been researching the (European) zeitgeist since 2000. His insights are successfully used in several (international) organizations. He has been involved with Coolpolitics since its beginnings, has advised Internet company Hyves, the International Filmfestival Rotterdam and 'The City'- European Centre for Culture and Debate in Belgrade. Farid has done research for the Open Society Institute and the Netherlands Institute for Social Research (Sociaal Cultureel Planbureau) and has organized the Berlin Conference (for the civil society initiative 'A Soul for Europe'. He presents TV shows such as MTV Coolpolitics and Durf te Denken, van Socrates tot Sartre (Dare to Think, from Socrates to Sartre). As co-founder of The Finishing

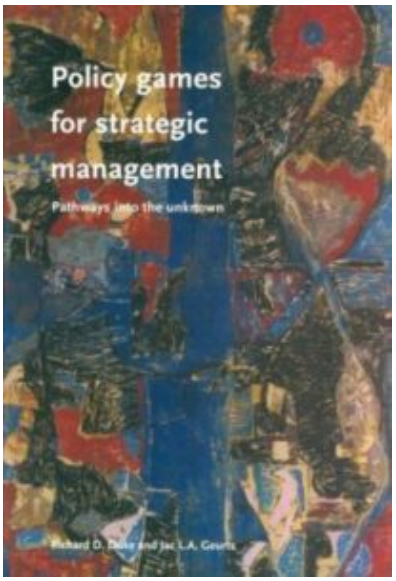
School Farid supports and encourages top talent from governments and corporations to develop further. More information can be found at www.studiozeitgeist.eu, www.finishingschool.nl and www.radicaldecentralisation.com

—

This article has been published before in the collection 'Dappere Nieuwe Wereld', edited by Joop Hazenberg, Farid Tabarki en Rens van Tilburg

* Translation: sunnyny, Amsterdam

Policy Games for Strategic Management



Rozenberg Publishers
2004 – ISBN 978 90 3619
341 2

In the life of each organization, situations arise that are completely new to the history of the organization. These situations are complex, surprising, urgent, inspiring, threatening and sometimes enduring. Leadership is forced to bring the organization into uncharted territory. Facing these situations, and often after a period of muddling through in a business-as-usual way, leadership has to recognize that a breakthrough response will only emerge from a previously unexplored (and, for this organization, a revolutionary) strategy process. Think about the bewilderment in a high-tech company when an emerging technology from a competitor threatens the whole existence of their organization.

The California energy crisis in 2002 is another example: by initially oversimplifying the problem and failing to identify and evaluate major alternatives, the state found itself in a crisis of its own making. If there had been proper communication about this complex system among all interested parties (e.g. suppliers, regulatory agencies, distributors, and consumers), it is unlikely that the decisions made would have proven so unsatisfactory. Yet another instance is the dilemma faced by a nationalized railway or postal service – is deregulation an opportunity or a threat? Should they lobby against adoption of a new deregulation law, or pursue it as a great opportunity?

According to William Halal, who assessed the state-of-the-art of strategic planning in his study of 25 major corporations: *"Issues can be thought of as stress points resulting from the clash between the organization and its continually changing environment. The magnitude of change is so great now that the social order has become a discontinuity with the past, creating a deep division between most firms and their surroundings that allows the environment to bear against the organization like a drifting continental plate. Issues comprise the societal hot spots that are generated at this stressful interface, forming social volcanoes that often erupt unexpectedly to shower the corporation with operational brush fires"* (Halal, 1984, p. 252).

Two examples of such change are cited in the following pages. Suffice it to say that there is a class of macro-problems in uncharted territory which lead to *"bet the organization"* decisions.

How to Enter an Unknown Land?

Much has been written for leaders of organizations about the need to improve the quality of strategic decision making when one is faced with conditions of

turbulence and revolution. Decisions have to be taken faster, they have to be more creative, they must draw on the wisdom of many, and they also need the commitment of several internal and external stakeholders. Academic and popular writers on strategy and policy mention the growing complexity and turbulence of the environment, the growing interconnectedness of organizations, and the growing importance of stakeholder participation and organizational responsibility. Management must become aware of the need to flatten the organizational structure because of increasing knowledge intensity and the escalating professionalism of work.

This is just a short list of the underlying causes for the need to dramatically change the style and process of strategic management. When entering terra incognita, leadership has to ensure that those involved in policy development create consistent, doable, relevant and creative strategies. These must be based on a shared understanding of context and totality, an inspiring image of the future, clear value tradeoffs and well-tested and explored alternatives for action. How is it best to realize all these demands? How can all of this be brought to life in a typical conference room? That is the question the book *Policy games for strategic management – Pathways into the unknown* addresses. We want to show how a discipline called gaming/simulation can help organizations to realize these objectives.

There are reasons enough to become somewhat cynical when one reads the above summary. Many limiting factors in the capabilities of even the wisest individuals and the best-run organizations make it very difficult to even begin to live up to the standards of decision making now required. There are always time and resource constraints, and there is the basic human tendency to simplify complexity. Because of differing (and often conflicting) perspectives pertinent to the many disciplines and functions present in every large social structure, organizations frequently face severe communication problems. Within and between organizations, many opportunities for cooperation are never explored because of real or perceived differences in values and interests. There is often a lack of talent, imagination and/or patience to examine a strategic issue thoroughly instead of adopting the most obvious alternatives, which are easiest to implement given the existing balance of power.

Policy Exercises: Preparing for the Unknown

In the book, we analyze the structure of strategic problems in uncharted territory

and explore what it takes to handle these problems. We show in detail how certain organizations have successfully dealt with them, using the policy exercise methodology based on the discipline of gaming/simulation. Experienced and responsible clients and observers of this methodology have evaluated this approach as very effective and practical. To stay in line with common practice, and also for stylistic reasons, we use the terms *"policy exercise"* and *"policy game"* synonymously.

The policy games presented in the book were created as "safe environments" where people who have a key role in confronting major problems can bring their knowledge and skills to the forefront of the strategic debate. They provide the opportunity for *"as real as possible"* experiential learning to mobilize core competencies and test the skills that may be needed in the future. They help to develop confidence and ownership and reduce the fear of the unknown.

Games have an important role in making sure that strategies are doable in the eyes of the doers. The basic assumption and thus the message of this book is that gaming/simulation is a powerful strategic tool for organizations which are required to enter uncharted territory. A gap exists between the gaming discipline and the literature on strategic management. In professional and academic journals on policy, strategy, and organizational change, one finds little about successful gaming applications. This is unfortunate, because a properly devised gaming/simulation rapidly enhances the sophistication of the participants. The technique is particularly well suited for circumstances where the objectives are to provide an integrative experience, illustrate management techniques in an experiential manner, develop esprit de corps among a group, convey an overview or systems *"gestalt"* (the big picture), and provide an environment for experimenting with improving group process. Gaming/simulations offer a fruitful potential for melding many skills.

The Goals

Two goals motivated the authors to write *Policy games for strategic management – Pathways into the unknown.* These aims are inseparably intertwined but require independent logic to be properly addressed:

• We want to contribute to the further development of the discipline of gaming/simulation as a method to solve strategic problems; and

• We want to improve communication between our discipline and the related policy disciplines.

The current state of the gaming/simulation discipline is represented by a wide array of formats in projects where this technique has been employed worldwide. To the uninitiated, this great variety (scope, purpose, subject matter, technique, nature of the product, etc.) implies that gaming/ simulation is all things to all people. The image conveyed does not contribute to the credibility of the discipline.

The irony, of course, is that the allied fields of policy, strategy, and organizational change are each well-established users of gaming/simulation. The difference is that each of these fields tends to select gaming applications as specifically appropriate to their need. As a consequence, colleagues from these fields are often unfamiliar with the broader spectrum, the history and the methodology of the discipline of gaming/simulation. Policy issues must increasingly be resolved under conditions of complexity and there are few effective techniques for dealing with these situations. With the book, we want to show that a well-understood, clear, replicable and practical method to create policy games exists for the unique decision situations that organizations sometimes face.

Key Concepts

The more conceptual parts of the book analyze the gaming/simulation approach. This approach is relevant for strategic problem solving because – in a well-structured, transparent and effective way – it can put into operation a large number of the lessons that have emerged from the literature that deals with resolving macro-problems. To capture these lessons in a tangible format, we define five key process criteria for handling macro-problems or *"bet the organization"* decisions. We have labeled these criteria the **"five Cs"**: *complexity, communication, creativity, consensus,* and *commitment to action*. We give a short introductionto these key concepts below.

Complexity

Macro-problems are complex from a cognitive point of view. Framing such problems correctly is difficult. There are many variables involved, but no one knows what and how many the important variables are. The same is true for the relationships between the variables. The causes of the problem are often obscure, and so are the future trends. There is no overview or solid past knowledge of how

to act vis-à-vis this problem. Usually, many potentially relevant sources of knowledge are available, but the existing knowledge household might prove to be scattered and incomplete, and its elements are often of unequal quality. It is not available in a format useful for decision making, nor is it shared by the relevant people.

In the case of the IJC Great Lakes Policy Exercise, the policy exercise designers had to identify and cope with close to a thousand variables. The exercise was intended to help the assembled group arrive at a holistic understanding of a complex problem. This could only happen if the "shared images of reality" were viewed as authentic by a clear majority of the hundred (or so) policy makers as they debated the best course of action to pursue (this story is told in Chapter 3 of the book).

The first criterion for entering the terra incognita of macro-problems is that one must apply a method for handling the complexity of such a problem. As we will demonstrate, gaming/simulation can produce policy exercises in which many different sources and types of data, insights and tacit knowledge can be integrated in a problem-specific knowledge household. Furthermore, these policy exercises provide an environment that allows the exploration of possible strategies for entering uncharted territory. These games offer a safe environment to test strategies in advance. They help decision makers to create a possible future and allow them to *"look back"* from that future. We call this capability of gaming *"reminiscing about the future"* (Duke, 1974).

Communication

Communication is essential when important decisions are to be made. There are not many organizations in which one individual has the authority to make strategic decisions alone. Even when a final decision will be taken by a single individual or a limited number, these top decision makers have to rely on and collect the wisdom of many people within and beyond the borders of their organization. In complex situations where a group must resolve a perplexing issue, traditional modes of communication have proven not to work very well. New methods are needed which provide an overview and stimulate gestalt communication. The book will show that policy games, if applied properly, are a hybrid form of communication. They are hybrid in the sense that they allow many people with different perspectives to be in communication with each other using different forms of communication in parallel. We label this the multilogue

characteristic of policy games (Duke, 1974).

Creativity

In many cases, problems can be approached with new combinations of proven and well-tested lines of action. But this can only be done if the analysis of the problem leads to the *"aha"* effect of recognizing the analogy between the new situation and familiar examples. Discovering analogies is basically a process of creativity: it needs the playful exchange of perspectives and the retrieval of intuitive or tacit knowledge. Accumulation of experience in a person, a team or an organization leads to the development of a repertoire of responses to many different challenges. As Mintzberg (1994) points out, finding the appropriate response to a challenging issue is not a science, but a craft. It is about combining experience with creativity to find a new, original, inspiring and adequate pathway into the unknown. To the extent that science does *not* have a complete answer, the policy exercise can provide a disciplined approach that requires confronting the known and the unknown.

'[S]cience is an endeavor in which one gets such wholesome returns of conjecture out of such a trifling investment of fact" (Mark Twain)

The Dutch philosopher Johan Huizinga (1955) has made a major contribution to the understanding of the fundamental link between play and creativity. In his famous study on man as a player (*Homo Ludens*), Huizinga puts forward the thesis that innovation can only be achieved by play. In the free and safe activity of play, and consequently in the free spirit of a playful mind, the individual can go beyond the borders of the limiting forces of everyday life. Only through play can new combinations be developed which, according to Schumpeter (1934), is precisely what innovation means. Policy exercises combine the realistic element of simulation with the playful stimulus of gaming. People in roles explore the dynamic consequences of the available knowledge base in a free and stimulusrich environment. They test each other's responses to trigger novel alternatives and to challenge and play with any idea that seems to have potential.

Consensus

New challenges often bring out old, and sometimes unsuspected, conflicts of values. Organizations in a steady-state situation have often developed a balance in *"frozen"* conflicts. In most organizations, conflicts of values and interests have been brought to rest. They have resulted in workable arrangements: compromises that reflect the existing power balance. In short, there is a workable degree of

consensus. But in turbulent times, in periods of transition, and under the strong pressures of major challenges, this consensus will be tested. The power balance might shift because the owners of new and suddenly relevant resources (skills, knowledge, networks, capital, etc.) want a stake in the issue. Newly affected parties appear in the arena and the old supporting stakeholders may become marginal or even hostile. As a consequence, *"new rules of the game"* have to be defined. There is a need for a new consensus, which, preferably, should not be the result of a long and costly battle in the period after a strategy has been chosen. The concerted action and support of many stakeholders is needed to deal with major problems. Gaining understanding (with regard to complexity), finding a novel course of action (with regard to creativity), and the negotiation of consensus should all be part of the process of communication which precedes the adoption and implementation of a strategy. A painful and conflict-ridden collective thought experiment is much more desirable that a conflict-ridden and stalled implementation process.

The simulation character of policy games helps to avoid a major threat involved in other forms of finding a consensus. When a group of people reaches consensus without proper analysis or without looking beyond the borders of traditional perspectives, there is a real danger that only politically feasible and easy-to-implement strategies will be discussed. In the literature, this is called *"group-think"* – and the history of organizational decision making is full of fateful examples of this phenomenon.

Policy games are *"social simulations*" (Van der Meer, 1983) in the sense that they model the social organization around an issue. They put real people in roles as caretakers of certain interests and positions and distribute resources as in real life. They allow players to explore the consequences of the issue at hand within the existing structures and rules. In a game, one is often surprised to discover that the gains and benefits of a certain strategy affect parties in a completely different way than expected. Win-win options might be discovered, and the *"early warning"* nature of the game might signal potential win-lose situations at a stage when policy adoptions can still be discussed.

Commitment to Action

People are action-oriented beings. This is especially true for individuals who have a long career of *"making things happen."* Of course, strategy without action is not strategy at all. Initiatives lacking the entrepreneurial drive to succeed will soon

end up on the pile of good intentions. That is why a good process for entering into the unknown must create a commitment to action for those people whose energy and endurance is vital to the success of the strategy. Charismatic and dedicated leadership is important, but, increasingly, this is not enough. In the de-layered, more knowledge-intensive, more professional and faster-moving organizations of our time, strategy is realized in the day-to-day decisions of many individuals and teams in the work force at the points of interaction with clients and other stakeholders. More and more people are active in realizing a strategy as relatively autonomous decision makers. It is essential that all members of a group move into uncharted territory at the same time. This presupposes that all the individual actors understand the problem, see the relevance of the new course of action, understand their roles in the master plan, and feel confident that old skills or skills to be acquired in due time will help them to conquer the obstacles and seize the opportunities ahead.

A Short History of Policy Gaming

Space permits only cursory attention to this topic. Suffice it to say that there is a rich history of gaming activity and much of it relates to policy concerns. The purpose of this section is to describe the origins and evolution of the policy exercise as a relatively new phenomenon that emerged out of a very old tradition. Games are as old as humankind, and have always had a culture-based learning function. Tribal rituals, games of the young knights in the Middle Ages, the childhood games of our youth; these are all examples of games to internalize rules and master important skills.

Games for Learning

Gaming has been used for centuries as an exercise in military strategy; the technique has also been widely used for other serious learning purposes. Since World War II, gaming has expanded its scope to include theoretical and practical endeavors in every imaginable discipline. Beginning with the advent of training games for business, the field has broadened to embrace the social sciences and educational needs of modern society. Information and communication technology has fundamentally changed (and will keep on changing) the gamer’s toolbox. The new technologies have given the gaming discipline an enormous boost. Improved computational, graphic and communication methods have resulted in games with more dynamic realism, a much shorter production time, and simpler facilitation procedures. The element of simulation can also be found

in games from the past. In their extensive study of the history of games and play, Gyzicki and Gorni (1979) found that backgammon is the oldest known board game in the world, dating from 2450 B.C. Backgammon, of which many varieties exist all over the world, simulates a match on a track court.

Early War Games

Sun Tzu

The origin of war games is unclear; however, it is likely that chess was one of the earliest versions of this activity. The game of chess, originating in the army of India around the fifth century, simulates a war between kingdoms. Not only the shapes of the figures, but also the hierarchy and the mobility of the pieces represent the structure of an army from that period. Shubik (1975) found concepts of gaming and elements of a theory of strategic gaming in the writings of a great Chinese military genius, the general Sun Tzu (original about 500 B.C., republished 1963), whose book on the *"art of war"* is still widely read.

Certainly there is a great similarity between chess and many of the later versions of war games played on a board as the symbolic equivalents to warfare. They represented abstractions of military confrontations, and by the turn of the 18th century, they were formalized to ensure consistency of play governed by rules and standardized penalties. Significant changes were introduced into the *"new"* German war games in that actual maps (instead of a grid game board) were used, and a greater complexity was introduced into the decision structure. By the 19th century, because of the different requirements for *"realistic"* as opposed to *"playable"* games, their construction split along the lines of *"rigid"* and *"free"* games. Both versions tended toward a higher level of sophistication, but whereas

the former version relied heavily on formalized procedures to govern play (maps, charts, dice, extensive calculations), the free games substituted the judgment of experienced umpires to expedite the play. Both have been employed as techniques for analyzing and evaluating military tactics, equipment, and procedures.

Casimir (1995) studied two 19th century German textbooks on war gaming in the library of the University of Göttingen. In Von Aretin (1830), Casimir found a discussion on the development of war games between 1664 and 1825. Von Aretin sees a development of constant decrease in the level of abstraction and a growing complexity of the games. Casimir quotes Von Aretin's very modern-sounding opinion on the value of the war game as a tool for training: *"that playing a game is better than listening to long, tiring, half-understood and quickly forgotten lectures or paging for hours through books"* (Casimir, 1995). In Meckel (1873), Casimir found a summary of the many advantages of war games compared to other forms of learning, such as practice in giving and receiving orders. This, as Casimir rightly points out, is quite comparable to modern experiences with the use of games to train for teamwork (Geurts, et al., 2000).

The two major forms of war games, free play and rigid play, still exist. Both are used as techniques for analyzing and evaluating military tactics, equipment, procedures, etc. The free-play game has received support because of its versatility in dealing with complex tactical and strategic problems and because of the ease with which it can be adapted to various training, planning, and evaluation ends. The rigid-play game has received support because of the consistency and detail of its rule structure and its computational rigor. In addition, the development of large capacity computers has made it possible to carry out detailed computations with great speed, and thus enabled the same game to be played many different times. These developments have allowed for an increase in the number and types of war games.

Concurrent with these developments, there has been an increased popularity of war gaming, and the technique has spread to other countries. Initially, West Point copied various British versions, and war gaming developments have continued in the armed forces to the present. Prior to World War II, Admiral Isoroku Yamamoto convinced the Naval General Staff to stage a theoretical attack on Pearl Harbor during the annual naval war games. During the early days of the Gulf War, some 50 years after the attack on Pearl Harbor, newspapers reported that Norman

Schwartzkopf had been given operational responsibility for this mission in Kuwait and Iraq. Schwartzkopf was selected because he had prepared a new and surprising strategy for this mission in a war-gaming exercise. These are just two of many instances where military leaders have utilized games for both training and problem-solving purposes. One thing is clear: war gaming is a very important predecessor of the form of policy gaming described in the book.

Modern War Games

Over a 3000-year period, the prime use of war games has been for instruction. However, they have also been used for analysis (as in the Pearl Harbor incident), particularly with respect to testing alternative war plans. The Axis powers made more extensive use of war games during the period leading up to World War II than did the Allies.

In addition to the Japanese Naval War games previously mentioned, the Japanese Total War Research Institute conducted extensive games. Here, military services and the government joined in gaming Japan's future actions: internal and external, military and diplomatic. In August 1941, a game was written up in which the two-year period from mid-August 1941 through the middle of 1943 was gamed and lived through in advance at an accelerated pace. Players represented the German-Italian Axis, Russia, the U.S., England, Thailand, the Netherlands, the East Indies, China, Korea, Manchuria, and French Indochina. Japan was not played as a single force, but instead as an uneasy coalition of the Army, the Navy, and the Cabinet, with the military and the government disagreeing constantly on the decision to go to war, X-day, civilian demands versus those of heavy industry, etc. Disagreements arose and were settled in the course of an afternoon with the more aggressive military group winning most arguments. Measures to be taken within Japan were gamed in detail and included economic, educational, financial, and psychological factors. The game even included plans for the control of consumer goods, which, incidentally, were identical to those actually put into effect on December 8, 1945. Postwar military gaming efforts have reached high levels of sophistication, approaching the ingenuity displayed by science-fiction writers. There have been other extensive war gaming developments since the advent of the computer. For reference purposes, see Shubik (1975), Brewer & Shubik (1979), Osvalt (1993) and Boer & Soeters (1998). On a happier note, gaming efforts are now being directed towards the pursuit of non-military purposes as evidenced by the examples.

Positioning Policy Games

The above section has made clear that gaming/simulation has a long tradition and that games can have many forms and functions. Although we explain our view on the policy exercise in more detail in later chapters, this introductory chapter provides an initial definition and positioning of policy games.

Meaning of Play – Central Characteristics

J. Huizinga – Homo Ludens

Play is a central human characteristic; a basic counterpoint to life itself. The Dutch philosopher Johan Huizinga has probably contributed the most to the systematic analysis and philosophical interpretation of the concept of play. Huizinga (1955, p. 1) views man as a game-playing animal: *"play is to be understood … not as a biological phenomenon but as a cultural phenomenon. It is [to be] approached historically, not scientifically.*" Huizinga notes that animals play, therefore playing is not solely a human activity. Games have been a fundamental aspect of our lives from infancy. There is both playful play and serious play (e.g. Russian Roulette as a pastime by soldiers on the front line). Huizinga claims that play is the basis of culture from which myth and ritual derive. In his book *Homo Ludens*, he finds several elements that define a game (see also Geurts, et. al, 2000). In this context, he states that play:

- Is a voluntary, superfluous activity (one enters into it out of free will);
- Is stepping out of real life into a temporary sphere of activity;
- Means being limited in terms of time and place;
- Has fixed rules and follows an orderly process;
- Promotes the formation of new and different social groupings;
- Is itself the goal; and
- Is accompanied by a sense of tension and joy and the awareness that the activity

is different from normal life.

There seems to be a contradiction here: is a game only a game if the activity itself is the goal? For Huizinga, game and play are the main forces for cultural change and innovation: only by stepping out of the ordinary routine of everyday life will individuals discover new routes and perspectives. *"Culture arises in the form of play,"* says Huizinga (1955, p. 46). There is only a hazy border between play and seriousness. Just as humankind is able to develop more and more games for joy and entertainment, in the same way, there seems to be no limit to the fantasy of people when creating games in which creative and learning effects are directed towards a consciously chosen *"outside-the-game"* goal.

Comparison of Simulation vs. Gaming
Gaming is valuable in part because it responds to a human need – people crave information: they enjoy exploring, discovering and learning. They do not like just to be told about something; they learn most readily from concrete instances and information strong in imagery. A simulation generally involves a detailed representation of reality in a computer whereas, in a game, the players are the central part of the model construct. Gaming has some valuable features:

• It is an explicit statement that provides a framework that incorporates player strategies in an integrative structure;
• It permits players to employ these strategies in a group process;
• It provides the opportunity to break through old interpretative frameworks; and
• It brings many ideas to bear on the problem at hand.

What is simulation? The Latin verb *"simulare"* means *"to imitate"* or *"to act as if."* Duke (1980) defined simulation as *"a conscious endeavor to reproduce the central characteristics of a system in order to understand, experiment with and/or predict the behavior of that system."* To be able to simulate the behavior of a system, one creates or uses a model of that system. Leo Apostel (1960, p.160) defines a model as follows: *"Any person using a system 'A' that is neither directly nor indirectly interacting with a system 'B,' in order to obtain information about system 'B,' is using 'A' as a model for 'B.'"* Simulation models are specifically made to help clients understand the systems in which they are embedded.

A model can have many different forms: a road map, a three-dimensional representation of a building, a mathematical algorithm or a complex computer

program possibly accompanied by graphical representation. A gaming/simulation is a special type of model that uses gaming techniques to model and simulate a system. A gaming/simulation is an operating model of a real-life system in which actors in roles partially recreate the behavior of the system. The word *"partially"* refers to the fact that a game can contain many other elements that play a part in simulating the system, such as maps, game pieces (e.g. poker chips) and computer software . The game invites the players to jointly create a future from a starting position.

Step by step, they make decisions, alter cooperative or competitive relations, and act within the rules of the game on the basis of their joint or individual insights and preferences. The policy exercise can be thought of as a small group problemsolving technique that offers a means of experimenting with the management of complex environments (these are often called *"wicked problems"*). The approach clarifies these problems and demonstrates to managers the need to be proactive in exploring a variety of solutions before a decision is taken.

A simulation is an operating model of the central features of a system; that is, it shows functional as well as structural relations (Greenblat, Duke, 1975). Some simulations are operated within computers, other types are performed by human players. This eliminates the need to build in psychological assumptions. The actions of players within the game consist of a set of activities aimed at achieving goals in a limiting context with many constraints. At this point, a clarification of terminology is important since this definition of gaming/simulation encompasses a wide range of exercises. Business games, war games, operational gaming, management games and other exercises with a great variety of prefixes fall into this category. The function of these gaming/simulations will vary. There are exercises to motivate a group, ice-breaking activities, games for education and training in schools or organizations, and games for policy making. Our focus is on the latter and we will start to explore them in the next section.

Figure 1.1 helps to illustrate the nature of these different approaches. The figure shows that the level of abstraction appropriate for policy exercises can be placed between very abstract games and very detailed large-scale simulations that prove useful for operational planning in well-understood areas.

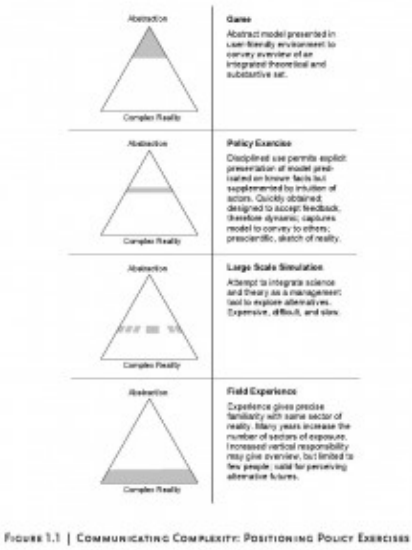


FIGURE 1.1 | COMMUNICATING COMPLEXITY: POSITIONING POLICY EXERCISES

Figure 1.1

Policy Games: One Form of Gaming/Simulation

A policy exercise is a gaming/simulation that is explicitly created to aid policy makers with a specific issue of strategic management. A policy exercise will function as a managerial support process that uses gaming/simulation to assist a group in policy exploration and execution. A large and growing number of professionals devote a substantial part of their energies to the effective use of gaming/ simulation tools. In each new situation, the professional has to complete essentially the same sequence of activities:

• Validate the decision to use this approach;
• Clarify the client's needs;
• Structure the problem effectively;
• Develop a prototype exercise;
• Test and modify the prototype;
• Deliver the exercise to the client; and
• Evaluate the final product.

A major characteristic of the policy exercise approach is that it allows players to experience the complexity of strategic problems and their environments. It allows the players to understand the interaction of social, economic, technological, environmental and political forces that exist in planning and decision making problems. The objective of a policy game is to create an operating model of the problem environment that is general and structural. The use of a game employs a process that lets the participants debate the model; it also makes the model vivid

so that it will be retained. As a consequence, facts and particulars will be better understood (bits and pieces now have a logical place to be stored). It is best to think of the policy game as falling along a continuum of related phenomena ranging from sports and pastimes, educational games, policy games, manmachine simulations, and pure simulation to the mathematical theory of games (Figure 1.2)

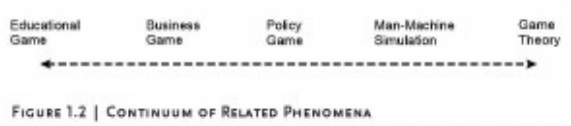


FIGURE 1.2 | CONTINUUM OF RELATED PHENOMENA

Figure 1.2

Meier (1962) described gaming/simulation as *"invention in reverse"*; it transforms a macro-phenomenon into a workable exercise. The degree of compression in time and scale must achieve a reduction or magnification of several *"orders of magnitude"* as it combines experience with technology, frequently using trial-and-error methods. There is the challenge of retaining verisimilitude while selecting one part per million. The challenge of designing an exercise is well stated by Meier & Duke (1966, p.12): *"... the real challenge is to reproduce the essential features of a (complex system) in a tiny comprehensible package. A set of maps is not enough. Years must be compressed into hours or even minutes, the number of actors must be reduced to the handful that can be accommodated in a laboratory ..., the physical structure must be reproduced on a table top, the historical background and law must be synopsized so that it can become familiar within days or weeks, and the interaction must remain simple enough so that it can be comprehended by a single brain. This last feature is the most difficult challenge to all."*

The policy exercise method uses a variety of design features to ensure a seamless integration of the final product. Both Richard E. Meier (1962) and Harold Guetzkow (1963) have emphasized simulation as an *"operating representation of the central features of reality."* The list of techniques from which to draw is long; however, these are central:

- The selection of critical variables
- Contrived face-to-face groups
- Role playing

• Time compression
• Scale reduction of the phenomena
• Substitution of symbolic for alpha-numeric data and vice versa
• Simplification
• The use of analogies
• Replication

A policy exercise typically involves extensive preparation and analysis of the system being addressed, setting the stage for a workshop where expert participants work through scenarios from various stakeholder perspectives. The game is made to represent the current situation in an organization; very often the policy exercise is used only once. That means that great care has to be given to the aspects of validity, reliability and credibility. The policy exercise is designed to provide a shared image of the complex system under investigation. This enables participants to communicate about the issues, appropriate strategies, and the probable impacts of policy decisions. To be able to deliver these services to a client, the game designer has to use a wellstructured design process. Given the nature of policy games, this design process must include:

• Techniques from model building (to represent the system);
• Concepts from strategy theory (how to model the strategic *"space"*);
• Design techniques for ad hoc work environments (ergonomics; e.g. players have to be able to handle the materials and master the rules and steps of play); and
• Techniques involving arts and crafts (e.g. creating visual representations).

Armstrong and Hobson (1973) have developed a useful diagram (Figure 1.3). If simulation (Quadrant I) can be described as the reasoned reaction to complexity.

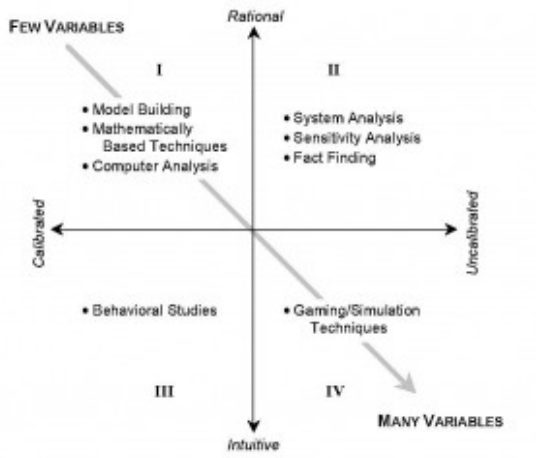


FIGURE 1.3 | DECISION HELPING TECHNIQUES: A TYPOLOGY

Figure 1.3

Simulation (pure Quadrant I mathematical simulation) cannot be used as a foundation for the synthesis of complex systems to invent new patterns. Simulations only allow you to repeat history – they do not permit a group to *"play"* with new ideas, whereas games allow a group to *"invent"* the future. Simulation must be exclusive in the variables it incorporates; a game is inclusive and forces players to confront these factors even though they are vague. Simulation is useful in purely scientific environments (e.g. sending humans to the moon) where the environment is data-rich and the solution must be mathematically correct. However, in dealing with problems that have Quadrant IV characteristics, there is a risk of over-reducing complexity and oversimplifying the problem. If a Quadrant I technique is used in a Quadrant IV environment, things must be rationalized, measured, logically structured, quantified, and carried through a logical process that gives logical results. Incorrectly employed Quadrant I techniques can produce a self-fulfilling prophecy; on the other hand, a properly used policy exercise can, and often does, produce profound counterintuitive results.

Towards a Professional Gaming Paradigm

The gaming/simulation approach to strategic problem solving described in the book is a multidisciplinary and eclectic modeling methodology. It is nurtured by and uses theorems and techniques from a wide variety of professional and academic fields. Humankind has created many areas of expertise, each with its own knowledge, tools, recipes and specialized skills that are potentially relevant when designing a strategic game to analyze a perplexing strategic problem. Figure 1.3 positions policy exercises on a continuum of modeling techniques

that are reflected in the main disciplinary and professional areas the reader will encounter in this book. The book will hopefully convince the reader of the added value of the risky but stimulating adventure of crossing the borders of the many mature and fast-moving disciplines that appear in Figure 1.4.

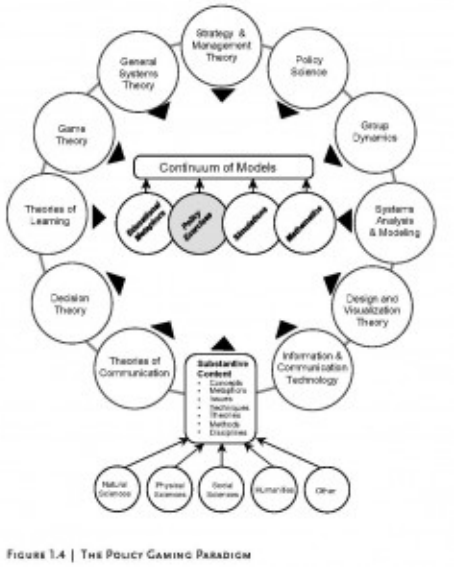


Figure 1.4 | The Policy Gaming Paradigm

Figure 1.4

Multidisciplinary oriented academics, like the authors, are motivated by strong ideals of enlightenment, relevance and the unification of science. However, they run the risk of falling into the trap of academic hubris or even worse, of propagating and using half-understood or obsolete knowledge from fields that are not their own disciplines. There is only one good preventive line of conduct to avoid these fallacies: dialogue with specialized colleagues: in our case, with the disciplines of organization and strategy.

Case One – Strategy Making in a University Hospital

The Client

As far as the strategic agenda for the University Hospital was concerned, there were several issues that needed hospital-wide thinking and concerted action. For example, the future patient flow was expected to change radically, from inpatient care to outpatient care. One of the forces behind this was the need to reduce healthcare costs. The case is a good example of some of the core functions of gaming. It is about collective futuring in a safe environment in order to experience the problems of current strategic patterns and to explore new and more productive lines of behavior. It is also an interesting example of strategy

making in a large professional organization. The intended outcome was not so much a strategic plan of action but rather to improve the strategic capabilities of all the relevant professionals who actually create the future of the hospital in their daytoday actions.

The University Hospital is part of a large Dutch university, and is also one of the most highly regarded medical institutions in the Netherlands. The organization has three primary processes: patient care, research, and education. In the Netherlands, all academic hospitals fulfill these three functions, and the non-academic hospitals usually restrict themselves to patient care. The client hospital was a very large and diverse institution. The many different functional departments all exerted constant pressure internally to search for the optimal contribution to the three primary processes. However, this does not mean that the hospital was not affected by pressures from its environment. On the contrary, one of the more pressing issues at the time of the project was how to respond to an emerging trend in healthcare policy. Increasingly, organizations like the hospital had to work more closely with local peripheral health institutions. The hospital's initial structure was strongly dependent on the concept of the matrix organization. This proved to be incapable of dealing with the complexity facing the organization. Due to internal and external pressures, a new organization structure had been introduced some eight years earlier. The Board of Directors created a divisional structure that proved to be rather successful. This was based on the business unit structure adopted by many large corporations in the private sector. The model that the new structure followed was the concept of the functional division in which the three primary processes were fully integrated.

Division management was given considerable autonomy to decide on resource and task allocation. In the divisions, medical professionals were "*put in the lead*." Cooperation with other divisions was accomplished via contracts, and coordinating structures were created for the training programs and the multidisciplinary research programs. The supervising board took on more of a coaching and facilitating function and formalized the agreement with the divisions in contracts and budget statements. Within the 11 newly created divisions, the managers proved to be successful in managing their own operations and staying within their budgets. External assessments of the hospital research and training showed that the new structure was both efficient and effective: the assessments continued to be rated good to excellent. However, for some members of top

management, the new structure created an awareness of a serious danger: perhaps the innovation had been too successful.

The Problem

The division structure had been operational for several years. Some members of the Hospital Board and some division leaders had observed a tendency by the division managers to focus primarily on issues of their own concern. The Board of Directors considered this to be a serious problem. When resources had to be divided over the 11 divisions, the division managers defended the interests of their own division as much as possible. The new division structure and the idea of the medical professionals being in the lead assumed that the division managers would agree on resource distribution while balancing divisional and general hospital interests. It was further assumed that they would be able to do so without strong interference from the Board of Directors; however, this proved to be very difficult. Gradually, some members of the hospital administration began to worry that there was neither sufficient stimuli in the new structure nor a proper attitude to take care of the interests of the whole hospital both now and in the future. At the same time, there was no real interest in reinstalling the Board's former central powers. The challenge was to solve this danger of a *"tragedy of the commons"* within the existing structure.

As far as strategic and hospital-wide challenges were concerned, there were several issues that needed strategic thinking and concerted action. For example, in the future, the patient flow was expected to change radically from inpatient care to outpatient care. One of the forces behind this was the need to reduce the cost of healthcare. The Board of Directors, working with the senior managers, identified several problems:

• Within the hospital, there were internal and structural determinants that complicated decision making on organization-wide issues;
• Divisional managers had developed stereotypical behavior that complicated the search for an organization-wide strategy; and
• The hospital as a whole was confronted by a strategic challenge so important that the Board of Directors had to take the initiative to drastically improve joint decision making.

These convictions and insights were not yet shared by all the division executives and central services managers. In order to meet the expected future challenges, a

shared awareness and definition of the problem was needed among both the members of the Board and all divisional management team members.

Goals, Purposes, and Objectives

The policy exercise had to fulfill two main goals within the hospital organization. On the one hand, the hospital management needed to become more aware of the problems mentioned above. In that sense, the game had to function as a mirror. On the other hand, the game needed to help the participants explore more productive ways of making decisions that were vital for collective future success. This was called the *"window on the future"* function of the game. These two goals can be divided into four objectives:

• Participants had to learn about known and unknown strategic challenges within their organization. There needed to be an increased awareness of the problems of the internal organization and in the rapidly changing external environment;
• Therefore, the participants needed to develop a joint problem definition. The game needed to help them to communicate about the general organizational obstacles;
• Participants had to learn to act more flexibly. This was unavoidable in the complex organization of the hospital environment; and
• The game needed to stimulate the participants to develop a more positive attitude towards change. It had to motivate employees to consider important conditions for change in the organization.

Why Did the Client Select the Policy Exercise Process?

The Board of Directors had tried to communicate their concerns about the problems through a report and several discussion meetings, but this effort had no serious effect on the behavior of the relevant managerial echelons. For this reason, they adopted a Board member's suggestion to apply the gaming technique. This member of the Board had heard about the potential experiential learning power of the gaming tool. He was convinced that top professionals working in the hospital would be more open to this involving and confrontational type of interactive learning than they had been to reports and non-committal discussions.

Specifications for Policy Exercise Design

The exercise was designed for use in an eight-hour framework that included the introduction, playing time, and a debriefing session. The game was designed for

36 people and was to be used only once. The exercise was initially intended for the Board of Directors and Division Management. During the interviews in the systems analysis phase, it became clear how important the department heads were for the gamed problem (departments are units within the division usually chaired by a professor). Several of these senior professionals indicated that they did not want to be excluded. After careful reconsideration, the Board of Directors decided to involve the department heads. Finally, the following participants were selected:

• Hospital Board of Directors (4 people);
• Divisional Management Teams (11 times 3 people: a senior professor as chairman, a manager of patient care and a finance and operations manager); and
• Department heads (variable numbers).

The Schematic: A Model of Reality

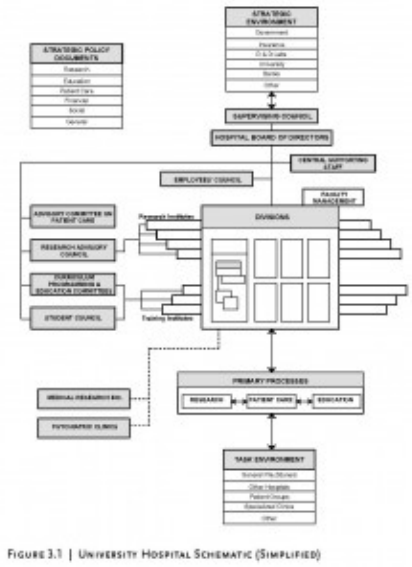


Figure 2.1

A schematic of the problem was developed in an attempt to create a visual presentation of the internal and external characteristics of the hospital (see Figure 2.1). The initial description of the problem environment usually emerges in discrete, partially organized, and sometimes conflicting pieces. It is the task of the research team and the client to synthesize these elements of the system into an integrative and explicit model that can be easily described and discussed. The objective is to develop a graphic on a wall-size chart which contains the "Big Picture," or an overview of all the considerations that might be significant to the

policy issue being addressed by this process. This schematic is an indispensable element of the game design process and its use brings about some surprising results.

The schematic is discussed more fully in Chapters 7 and 8 in the book.

Description of the Policy Exercise
The design team followed a formal process to create, employ, and evaluate the policy exercise. Only a few steps central to the understanding of the significance of the exercise are described below. The design team consisted of four external gaming specialists and two members of the hospital organization. This team had several meetings with an ad hoc advisory group within the hospital. The design team studied a large number of documents and

interviewed many representatives of the managerial echelons. A number of external experts were also interviewed. A period of 15 weeks elapsed between the initial agreement on the project contract and the final use of the game. In cooperation with the client, the consultants decided to develop an open game format. In this case, it was not important that the effects of decisions be simulated in a detailed way (the participants were expert enough to know what the results of certain actions would be). What was needed was a very flexible form of role play on the basis of one or two scenarios about the future. The game needed to start with steps of play that mimicked the normal routine of decision making. The game was to be observed by external experts. Both the experts and the players were able to ask for timeouts to discuss and possibly improve the style of collaboration and negotiation.

The scenario was as follows:
It is now January 2003. The strategic plan for 1997 (the year in which this game was played) is valid. The organization has not changed much compared to 1997, but some relevant developments have taken place in the meantime. The emphasis has been put more and more on the transformation of care to permit patients to be increasingly cared for in their own environment. For this hospital and other large hospitals, this has led to a radical decrease in the number and duration of admissions, while the number of outpatient treatments has clearly risen. The Ministry of Health, with the support of the Association of Academic Hospitals, has approved the enlargement of the hospital's outpatient clinic to twice its current size; by the end of 2003, a plan of implementation has to be ready. The plan has

to be neutral budget, which means that the resources have to be reallocated internally. In addition, the plan must be supported by the Board and the managers present at this meeting.

Major Sequence of Activities
Pre-Exercise Activities – The Hospital Board sent personal invitations to all participants announcing the date of the Hospital Strategy Simulation. To give the participants enough time to prepare, the organization took great care to provide clear information concerning the goals to be reached. The invitation to all participants asked that they contribute to the realization of the plan. In the plan, many deciions had to be made, including the distribution of the budgets for the divisions (for research, education, patient care and personnel). The participants had to decide how these decisions were to be made, by whom, and when. All participants played roles that corresponded with their real positions within the hospital organization. In the game, the hospital had six divisions with corresponding management teams. The board was fully represented and present during the exercise. Several department heads played the roles of the leadership of the coordinating research and education programs, positions they also held in real life.

Policy Exercise Activities – The participants started play in the morning with a rolespecific brainstorm session about the consequences of the enlargement of the outpatient clinic. They had to take into account the consequences for budgets and personnel and the effects on research, education and patient care. The remarks were written on flipcharts and, after the brainstorm session, every team had to give an opening statement; this technique ensured that all the participants were informed about the others' points of view.

The next step consisted of deliberation and negotiation. The participants had the opportunity to meet other teams to talk about the proposed approach for doubling the size of the outpatient clinic. Important aspects of this part of the session were continuous consultation, lobbying, and informal decision making. After that, a meeting was held between the Hospital Board and division chairpersons. The other players were the audience; however, they were permitted to intervene with written questions. In the afternoon, a new cycle started. Each original team had a new opportunity to offer a brief opinion about the outpatient clinic and the negotiations and meetings. The Board provided a response to these interim statements and some observations by the external experts were discussed. For

the second time, the participants had the opportunity to meet other teams informally and talk about the plan. This was followed by another meeting between the Hospital Board and the division chairpersons. The other teams served as the audience and were permitted to intervene.

Post-Exercise Activities – Finally, an extensive and lively debriefing session was held with the players and the consultants. Summaries written on the overheads were used to extract interesting remarks, and to explore the ambitions of the participants. The objective of the last activity of the exercise was to evaluate and learn from the sessions. Questions addressed included: What have we achieved today? What have we done differently than usual? Did we do better than normally? What do we have to do differently from now on? Each team had to summarize its deliberations on an overhead sheet, and these were used in the critique. Questionnaires were completed before and after each cycle of play. The results were publicized in the final report.

The Results

During the game, attention was directed primarily towards the first goal (hospital members should become more aware of the problems) and, to a lesser degree, towards the second goal (exploring strategic challenges). Agreement about the problem was a necessary condition for the success of the concept of *"medical professionals in the lead."* The game assignment had required them to make a plan for the strategic challenge presented in the scenario; this was used primarily to obtain a joint problem definition and secondly to give some insight into possible solutions.

With regard to the first goal, the game can be considered a success. This can be concluded from the debriefing and the questionnaires. In January 1998, a final report that contained conclusions by the participants and consultants was sent to the Board of Directors. Four important lessons can be distinguished:

• The Board of Directors should consult the division managers about strategic issues before establishing a policy framework;
• The division managers should consult each other more often about strategic issues;
• Ways need to be found to take advantage of the expertise of the nursing and financial managers for the formulation of the general hospital policy; and
• There is a need to pay attention to the essential role of the department heads

and other executives in developing and implementing the general hospital policy.

The participants agreed about the overall value of the simulation, but when answering the question: *"Did you learn anything?"* they indicated that the upper hospital management had probably learned more than the participants themselves. This can be seen as a remarkable unanticipated result. During the game, top management paid little attention to the department heads (many of these players complained that they were bored and underused). In the evaluation, this led to the recommendation to involve them more intensively in the client's policy cycle.

Case Two – Globalization and Pharmaceutical Research & Development
In this case, a large U.S.-based pharmaceutical company had developed the idea of starting an R&D facility in Europe. R&D management, whose task was to put this strategy into operation, had to address several important questions: Should we expand into Europe? If yes, what activities should we expand? Do we need to acquire new skills? Where should we locate these new activities? And, how should we best implement these plans?

They opted to use a policy exercise that required top management to explore the issues in a simulated environment as they thought through the implications. The result was unexpected, in that the leading option at the outset was *rejected in favor of an alternative that was not articulated until the exercise was played*. As a consequence, much smaller sums of money were put at risk and favorable results were achieved in a fraction of the time the initially favored option would have required.

This case is noteworthy because it was a good example of the game design process actually guiding the strategic debate. The project covered both the phases of strategic analysis and strategic choice. The participatory systems analysis proved vital for the proper framing of the problem. In this phase, it became clear that enormous sets of data had already been collected. The game design process helped the client to develop a format for analysis so that scattered data became real information. It proved essential to ensure that all the tacit knowledge of the relevant professional functions was used.

The Client
The client for this project was the pharmaceutical research and development

division of a large international drug company. The company was faced with increasing problems in getting new products developed and to market. A multinational, publicly held corporation, the company had substantial existing foreign investments. In response to an expanding global awareness, they were concerned with remaining competitive in the rapidly changing pharmaceutical industry. To remain competitive, they had to adapt to a changing environment; it was essential for them to examine the corporate mission as it needed to change in the future. To achieve the goal of timely product introduction worldwide, thus increasing market share and profitability, it was felt within the company that its drug discovery and development effort had to be extended into new markets; the establishment of new foreign discovery capabilities was thought to be essential. A new R&D facility in Europe was believed to be their best option.

An earlier decision to expand in another country had not gone well. Analysis revealed that this was largely due to a failure to recognize the complexity of the decision environment and the importance of involving key personnel in the process. As a consequence of these difficulties, management resolved to use a process that would involve the appropriate people within the organization from the outset. Due to many uncertainties associated with this decision, they elected to use a policy exercise to help them decide on a specific location. The aim was to have a consensus-building activity that would draw upon the wisdom available within the organization.

The main decision under consideration concerned the expansion of pharmaceutical R&D facilities. Since the decision would impact on many facets of the corporation, the proposed European Discovery Facility (EDF) needed to be evaluated in terms of key endogenous and exogenous factors, with a future's perspective in mind, as the 5-year, 10-year, and 25-year implications of any decision were investigated. At an operational level, they were concerned with how to implement the EDF to enhance the company's long-run global posture.

The external considerations affecting their mission were:

• The state of the global economy;
• The public's growing concern over the burden of healthcare costs;
• A shift in the provision of healthcare services from the expert to the concept of self-help;
• The possibility of reduced rates of return in the pharmaceutical industry;

• The prospects for supporting research and development with diminishing resources; and
• The increased significance of new product introduction in the pharmaceutical industry.

In response to these changes in the industry, they had to address a number of strategic and operational issues. Strategic issues that were considered included:

• Research and development productivity;
• The company's foreign role;
• Internal standards and their application abroad;
• Enhancement of a global posture; and
• The strategic policy implications of a European Discovery Facility.

The Problem
In an effort to remain competitive in a rapidly changing international context, the company decided to seriously examine the pros and cons of locating a research facility in Europe. The problem was to identify all the significant variables, to delineate these variables in some clear format, and to analyze them to establish their relative priorities. All of this was accompanied by the need for participatory decision making and effective communication among the staff of the R&D Division, as well as with other divisions and upper management. In this particular case, the problem that was initially presented by the client was: "In which country should we locate this facility?" After a period of time, the question changed to four broad questions that addressed both strategic (what?) and operational (how?) considerations: Should we expand? If so, how should our capability be changed? Where should we locate? And, how can we bring this transformation about?

The 16 tasks given to the participants during the exercise were designed to help the R&D staff formulate an accurate and innovative conceptualization of the EDF problem. Participants in the process were asked to make a decision on questions centered on the following areas:

• Discovery and development emphasis;
• Research activity proposed for the EDF;
• Therapeutic/technical mix;

• Geographic location of the EDF;
• Structure and implementation of the EDF;
• Internal organization;
• Degree of home office involvement; and
• Staffing the EDF.

Goals, Purposes, and Objectives
The exercise was developed to aid top management in formulating and assessing their strategy. The explicit objectives were:

• To assist R&D management in the development of the parameters for the proposed research facility (location, style, capacity, configuration, and primary mission);
• To provide for participatory and interdisciplinary problem formulation and effective communication among the management team facing the decision;
• To help management of the R&D Division reach consensus on the optimum siting of a new facility in Europe, thus aiding the Office of the Chairman in reaching a decision; and
• To encourage the advancement of alternative approaches to research, thus helping to formulate an innovative conceptualization of the problem; and
• To transmit to appropriate staff the decision process as well as the dimensions of the problem that had to be considered in reaching a decision.

Why Did the Client Select the Policy Exercise Process?
In their attempt to deal with the problem, management selected the policy exercise methodology as the most appropriate one because of its ability to:

• Investigate the complexities of important, non-reversible decisions under conditions of uncertainty by identifying all the variables under consideration, delineating them in a clear format; and analyzing them by establishing relative priorities;
• Provide explanatory, if not predictive, insights about the problem and its environment to participants in the process;
• Overcome disciplinary, language and cultural barriers; facilitate communication in a situation where varied jargon was used; induce and evoke a high level of participation; and, allow participants of widely varying perspectives to gain a shared overview of the problem;
• Compress time, and when employed through several cycles representing

defined time spans, enable the long-range outcomes of one or another course of action to become more comprehensible; and
• Augment the rational systems approach to problem solving by allowing infusion of subjective judgments into the process.

Specifications for Policy Exercise Design
The successful development of an exercise requires a careful delineation of responsibilities and lines of authority. These, and other appropriate administrative matters, must be fully resolved before the substantive material is addressed. In this case, it proved necessary to explain the approach to the central stakeholders. Although the technique is very old, its use in serious policy debates in large corporations is relatively new. Special attention on the part of the project team was required at this stage to legitimize the effort. The project team consisted of researchers from the University of Michigan, an internal (client) advisory committee and external consultants. The duration of the project was negotiated to be four months. It was important at the outset to define the criteria that would later serve as the measure for the evaluation of the product. The objective of the specifications was to raise and address specific questions that pertained to and anticipated the final conditions that would govern the design and use of the exercise. This is a natural extension of the problem statement, in which the objectives and constraints for assessment of design, construction and use are made explicit. In this particular case, the specifications included a definition of the intended audience, primary goals, stylistic considerations (reflective, mutual problem-solving style), and practical constraints: duration (one day), number of participants (12-18), computer usage, room and material requirements, and the planned recording of the participants' responses.

The participants were drawn from the Research & Development, Control, International, Medical Affairs, Manufacturing, Regulatory Affairs, and Treasurer divisions. These participants were senior staff members who were asked to work from one of five "perspectives." The perspectives did not coincide exactly with the position these participants held in real life; rather, they were an amalgamation of several executive responsibility areas. The players were selected on the basis of their familiarity with the actual role that was subsumed under that perspective.

The Schematic: A Model of Reality
Several trial schematics preceded a final form for delivery to the client. This graphic had been reduced to those factors considered relevant within the

constraints of the problem statement; this process of selection took place in the context of an ongoing dialogue with the client. The final document needed to retain enough detail to adequately represent the problem environment; however, it also needed to communicate the central aspects visually and quickly. It became an integral part of the exercise and provided the frame of reference for the policy exercise activity. A simplified version of the final schematic of the EDF problem environment is presented below in Figure 2.2 The schematic places the following elements in relation to each other:

• The primary stages of the drug development and drug discovery process;
• The interaction of this process with related exogenous processes (competition, universities, etc.);
• The primary in-house (endogenous) perspectives (medical, marketing, regulatory, management, manufacturing and science);
• The relationship of the discovery and development process with the rest of the company, the market and the company owners;
• A wide range of endogenous and exogenous concerns placing the discussion about the discovery facility against a 25-year time horizon; and
• The four central questions that the gaming exercise addressed: What was the future of the drug development and discovery process? What type of facility was required? Where should it be built? And, how can the plan be placed into operation?

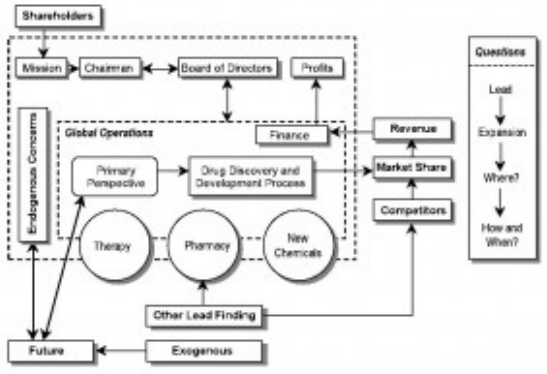


FIGURE 3.2 | SCHEMATIC OF THE PHARMACEUTICAL CASE (SIMPLIFIED)

Figure 2.2

The interactive development of the schematic was an important part of the process for the client who viewed this document as extremely valuable. The schematic was significant for the following reasons:

• It showed the client that the consulting team had reached a mature understanding of the problem and its environment; as such, it was an early step in the legitimization of the project;
• It served as a discussion vehicle because it forced the respondents who held different views on how the organization functioned to resolve those differences among themselves. Conflicting views of the "big picture" had to be integrated into this compromise view;
• It forced all the different stakeholders to look beyond the boundaries of their normal work environment and, in doing so, it established a sharp image of the problem; and
• It was a solid basis for the selection of the main topics to be addressed by the exercise.

The problem set, as initially perceived, was too broad to be included in the exercise. The factors of primary concern were identified based on the original problem statement and the specifications. The schematic proved very useful in the process of selecting components for inclusion in the exercise. The process guaranteed that the exercise met the primary criteria: it was situation specific, relevant and parsimonious.

The evolution of this schematic experienced a dramatic moment! It had been reviewed and approved by all senior staff except the Vice President of Sales (the design team had not been allowed to present the draft to Sales because "We create products; they sell them!"). After the schematic was finalized, the design team prevailed in getting access to the Vice President of Sales. He immediately recognized that the drawing was invalid in capturing the primary research flow process – it failed to illustrate products that were licensed at the several decision points in the development of a product. The schematic was redrawn and an intense debate followed; it was approved as modified. During the play of the game, this information proved decisive in rejecting the leading pre-game strategy and in the development of an unexpected (and successful) final strategy.

Description of the Policy Exercise
The EDF format employed participants playing roles that represented diverse perspectives on the problem. The exercise consisted of 16 tasks designed to help the R&D staff formulate an accurate and innovative conceptualization of the problem. The focus of attention was on the parameters of the primary mission (location, style, capacity, and final operational configuration). The overall purpose

was to identify the R&D activities that would increase their ability to remain competitive over the next 20 years.

The scenario focused on the question: What should their strategy be to be successful in the 21st century? The scenario outlined a brief history of the corporation, the company's mission, the pros and cons of a European Discovery Facility, and future considerations from a variety of perspectives (science, medicine, management, manufacturing, marketing, regulatory activities, international concerns, drug development, etc.). The scenario focused on the premise that the expansion of the research and discovery activities in Europe would:

• Contribute to their acceptance as an international pharmaceutical company;
• Increase scientific networking with the international academic community;
• Allow them to tap local and regional knowledge relevant to new drug discovery;
• Expand the pool of scientific talent that they could tap to fill critical staff positions;
• Improve their ability to develop drugs outside the U.S. regulatory climate;
• Accelerate the registration process in the region where the facilities were located;
• Allow for more effective capacity to respond to regional disease entities;
• Expand marketing potential outside the U.S.; and
• Inject fresh ideas and approaches into the thinking of the R&D organization.

During the course of the exercise, events were introduced to update the scenario; players were expected to evaluate the impact of these events on their decisions. The roles in the EDF exercise represented the key perspectives that influence the R&D process. The participants were asked to assume and represent the issues and concerns that would be particularly important for each perspective. Following are short role descriptions for each role.

• The Management Advocate Role was responsible for administrative efficiency; management style; personnel and staff development; finance, including budgeting; and efficient utilization of resources; and exogenous concerns such as economic conditions in the marketplace and communications.
• The Manufacturing Advocate Role dealt with equipment and technology requirements, production scheduling, development, feasibility, and efficiency; its exogenous concerns were new process technology developments, governmental

standards and controls; and consumer safety.
• The Marketing Advocate Role had to think through strategies on product promotion and recognition, pricing, corporate image, product line; and analysis of domestic and international markets and distribution, market share, competition, and cultural sensitivity to therapeutic needs.
• The Medical Advocate Role was responsible for thinking through strategies that related to lead finding, therapeutic needs, new indicators, product introduction, drug development and testing technologies. Exogenous concerns included access to and strength of academic/clinical contacts, clinical support, journal publication, data transfer, and cultural sensitivity to therapeutic needs.
• The Regulatory Advocate Role was to create the strategies about internal control standards, licensing, and corporate liability. Exogenous concerns included country-specific drug registration, patent requirements, governmental standards/ controls, consumer safety, and political concerns.
• The Science Advocate Role focused on strategies that related to lead finding, pre-selection of new drugs, pharmaco-therapeutic concepts, new chemical entities, drug development, internal research environment and support, and research flexibility. Exogenous concerns were access to the scientific community, publication in journals, new drug development technologies, communication and data transfer networks, external lead finding, new chemical entities, pharmaco-therapeutic technologies and concepts.

The complex nature of the problem being addressed by the EDF exercise required that players have access to a wide variety of specific and factual information. As the exercise did not intend to make factual experts of the players, the majority of the information and data was presented as accessory material that was available for players to draw upon as the need arose. This information assisted players in realistically assuming and playing their roles. The data was made available through a number of formats including document files and abstracts, topic-specific notebooks, charts, and graphs.

The need for accessible information dictated a format that allowed for easy filing, storage, retrieval, and presentation of data essential to the decision-making process. The selected format made extensive use of graphic displays, indexed notebooks, and computerized database capabilities. The room layout and environment was similar to a war room model. Graphic displays were posted in ready view of all participants and additional information was easily accessed in

the notebooks or from a computer. Trained staff was in the room to assist as required.

The document files provided a source of primary, uncondensed data for the players. Information contained in the document files was also abstracted. The abstract directory, abstracts and document files were available to the players throughout the exercise. The most important and pertinent information was condensed into topic-specific notebooks of the following types:

• Country-specific notebooks for each country being considered as a potential EDF site;
• Topic-specific notebooks pertaining to the subject areas of the advocate roles;
• Strategic question notebooks containing background information and evaluation criteria; and
• A notebook containing historical and current information on the corporate mission, goals and strategies, growth and profit, public image, public interest and other general types of information on the corporate operation.

These formats were used to simplify the presentation of data and encourage its use; they promoted the desired policy exercise format and playing environment. Following are some examples of the types of data presented through this form:

• Country/company-specific production over time;
• Country/company-specific market shares over time;
• Country/company-specific drug development activities;
• Competition and market share;
• Drug development costs;
• Regulatory criteria and timelines for U.S. and international registration; and
• Markets and market share.

Major Sequence of Activities
Pre-Exercise Activities – Participants were required to participate in a three-week pre-game set of activities. The first week, they were given a reference manual and access to reference staff. The next week, the participants received pre-game reading materials, which raised substantive and theoretical issues. Finally, one week before the exercise, the vice president of R&D made a presentation to all the prospective participants; at that time, he again emphasized the significance of the project. The project team then distributed pre-game manuals. These manuals

had 17 steps; each step was a pre-structured decision exercise, related to one of the central questions of the exercise. Each participant, acting alone, was required to answer all the questions from the perspective of his or her role. The pre-game manuals were returned to the project team for evaluation and encoding onto wall charts. This process forced each participant to assume a posture on each question; during the game, these were modified after discussion.

Before the beginning of the exercise, the facilitator gave a brief introduction to orient the participants to the exercise. Next, the participants were given the player's handbook including the introductory information, problem background, problem schematic, scenario, sequence of activities, role descriptions, as well as the following questions:

• What is the industry-wide future of the pharmaceutical drug discovery and development process?
• What is the mission of the proposed EDF facility? How should this be defined?
• Where should the EDF be located? What key attributes should be used to rate individual countries?
• How should the EDF be placed in operation? This question addressed the physical plant, internal organization, the degree of home office involvement, and staffing as key components.

In addition, participants were given a suggested format for a response to the questions, an individual decision form, a group reconciliation decision form, abstracts drawn from the document files, as well as other appropriate data and/or information. After going through these materials, the participants filled in a matrix on future impacts on drug discovery. This concluded the pre-game activities.

Policy Exercise Activities – The actual play of the exercise consisted of three cycles. Each cycle addressed one of the strategic questions introduced during the pregame activities. By addressing these questions in the order they were presented, the participants evaluated and made judgments on the essential variables in the EDF location decision. If, for some reason, an important variable was missing or was not accurately represented, the participants offered suggestions about possible new variables or representations.

Each cycle represented one progression through the steps of play. The

progression of activities within each cycle was characterized by three general activities (phases): value clarification and strategy generation (advocate position phase); strategy evaluation and design of a hybrid strategy (reconciliation phase); and impact evaluation (impact evaluation phase).

In the first phase, the participants assumed the roles of advocates for various interests in the drug discovery and development process. These interests included the scientific, medical, management, marketing and regulatory perspectives in the drug discovery process. In the advocate roles, the participants formulated strategies from their role's perspective and identified the values and assumptions on which their strategies were based as a response to the strategic question presented at the beginning of the cycle.

The participants were asked to take a critical look at the question: Europe or not? Based on their previous detailed consideration of the proposed European Discovery Facility, they were now asked to use the insights they had gained to compare their chosen European location with other alternatives including expanding at home, further development of a facility in Japan or other possible locations. In the second phase, the participants had to reconcile their differences and produce a group strategy. All the participants made judgments and acted in the corporate interest as defined by the corporate mission statement. In this phase, the players evaluated the recommendations from the previous phase, considered forces and events outside the corporation, formulated a hybrid strategy in response to the strategic question, and developed a mission statement.

In the third phase, which occurred after all the strategy questions had been addressed, the impact of the selected events and various strategies were examined. The impact assessment was based on 25-year forecasts generated by the exercise participants. This involved evaluating the decisions they had just made. Participants were asked to step out of their roles; they were required to summarize the decisions that had been completed. In reviewing their decisions, participants were asked to keep in mind the importance of getting the EDF on line as quickly as possible. The group was given the task of constructing a decision tree that helped to summarize their individual responses to the previous tasks.

Post-Exercise Activities – After the third cycle ended, the exercise director led a post-game discussion and evaluation. The first phase of this debriefing involved letting the players discuss the things that happened during the exercise. This

allowed the players an opportunity to leave behind their feelings and emotions about the exercise. Following this catharsis, the model of the EDF problem that had been presented in the exercise was analyzed from the perspectives of the different roles. Finally, in the last stage of the debriefing, the players and the facilitator made an effort to assess the EDF problem as an actual decision. This was achieved by reviewing strategy statements from the three cycles, evaluating overall strategies with regard to corporate goals, introducing events, and reviewing the possible impacts of events on decisions to be made.

The Results

In this case, it was essential that the results of the exercise be transformed into a report that captured the main arguments, opinions, and any agreements or decisions that might have been reached. In the run of the exercise, all conversations of the players were tape-recorded (each of the five groups individually as well as the general group discussions). The process was self-documenting in the sense that all group and plenary votes were registered on the wall charts. Staff summarized all information in one document, a white paper that captured the discussions, points of consensus, and areas where there was still a difference of opinion.

This "*white paper*" summarized the response and supporting rationale to the four primary questions raised about the Pharmaceutical Drug Discovery and Development process (in the context of an EDF). In addition to presenting the results of the exercise to the company Board of Directors, a follow-up version of the exercise was used in the management development program of the company as a hands-on case study of in-house decision making. The exercise was evaluated using a composite set of criteria based on the design specifications and our general objectives in designing a strategy formulation exercise. Although the exercise was not evaluated extensively, a systematic feedback component was built into the materials. Participant evaluations were elicited through post-game debriefings that included an informal discussion of the process and results of the exercise as well as a questionnaire that assessed the success of the exercise on several criteria.

The data from the questionnaire indicated that the participants perceived the policy exercise to be successful in accomplishing most of the stated objectives. They were particularly satisfied that the exercise created a positive atmosphere for open discussion of the sensitive issues. All the participants felt free to

contribute their perspectives on these issues. Furthermore, it was their overwhelming opinion that the exercise was an enjoyable process for formulating company strategy. They felt that the policy exercise uncovered aspects of the problem that they had not been aware of before and that they themselves had come up with some new ideas that were given careful consideration. The process of development of the exercise modified the perception of the problem, thus changing the definition of the problem itself! Because of the design process used, it was possible to use progressive insights into the problem. It was discovered that product development as seen by R&D was only part of the picture (it undervalued products that were licensed during the several stages of product development). This led to a re-framing of the problem and, in the play of the exercise, a new and innovative solution was conceived that involved not building a new center at all.

In this particular case, the client viewed consensus as a very important issue (a prior decision had *not* been based on consensus and significant problems had resulted). This exercise did not guarantee that the resulting consensus was the "best" one – there is no decision process that leads to "certain" results in highly uncertain environments. The purpose of the exercise was not to predict or reach a final decision, but instead to be sure that the actors were very carefully grounded in the data, rationale and literature of the problem and to ensure them an opportunity to be heard.

Before the start of this project, the client had assembled literally a room full of data. For several years staff had collected data and expert opinions, and many studies had been completed. One of the activities of the project was to develop a computerized system for storing this information. In designing the exercise materials, a careful effort was made to connect the data and the literature with the process. For each question the participants addressed, there were specific documents that dealt with that concern. In this way, a considerable amount of data was brought into the process. They were buried in data, some of which had been transformed into information; knowledge was largely segmented on a *"need to know"* basis; and they were in dire need of wisdom for making their decision. The process used for this game/simulation facilitated an effective data -> information -> knowledge -> wisdom sequence.

The EDF process resulted in the formulation of two options for the structure and organization of the proposed facility. The group came close to making a

consensus decision. The first option was a centralized facility located in one of several (specific) countries, while the second option was a satellite concept that would identify and support the best available talent wherever this might be found. Both of the options would tap resources unique to the European scientific community and enhance their potential to discover new pharmaceutical agents for research and development.

The client readily acknowledged sharp changes in the players' views of the new facility resulting directly from the exercise experience. Interestingly, the decision ultimately taken by the company was unique, dramatic, and clearly emerged during the discussion of the exercise: *"… through your gaming technique you allowed us to come to closure on this problem and to present to …[The Board of Directors]… a proposal which will have profound effects upon the future of the R&D program … the concept was very enthusiastically received and final closure for action was achieved."* (Director of International Programs, June, 1985)

The Potential of the Policy Exercise
The Emergence of Policy Exercises
Games are as old as humankind. They are used for different reasons – to entertain, to educate and, in some instances, to find a solution to a policy problem. They provide a planned, safe environment where participants temporarily remove themselves from reality. Within the artificial reality of the game, it becomes possible to deal with problems such as uncertainty and risk in a playful, relaxed and functionally focused way. Perspectives can be taken which are not possible in a serious day-to-day setting. Historically, gaming was a tool of the military that was adopted by business schools and the applied social sciences. In the past three decades, the technique has been employed with growing success in non-military strategic policy making. The potential of these applications is far from exhausted; the most exciting developments still lie ahead.

As a form of applied science, the concept of the policy exercise did not come out of the blue. It evolved from techniques widely referred to in the literature as gaming, operational gaming, gaming/simulation, simulation, and decision exercises. Evidence of the presence of these techniques dates back to the 1800s in their use by military strategists to develop mental discipline; other games of strategy date from a much earlier time. Recent uses of the discipline have extended far beyond their original military purpose and far deeper than their role as a social pastime; indeed, gaming is now common practice in the social

sciences, public policy, business, management science, and a host of other disciplines.

Macro-Problems and Strategic Management
Large organizations are now using policy exercises for strategic management purposes to elicit a shared vision of the unique and confusing challenges we have called macro-problems. The book concentrated on these latter applications. (In Chapters 1 and 2, we described and analyzed the macro-problems that organizations confront.)

The causes of the underlying problems are varied; exogenous influences are usually important causal factors. However, organizations also often contribute to the negative impact of these situations through a variety of reasons, including:

• Management may lack an adequate, shared perception of the problem; this results in decisions being taken predicated on tunnel vision;
• Whatever organizational structure may be in place, the pressure of a macroproblem is often coincident with the emergence of a value dilemma, a lack of mutual trust, avoidance of productive discussion and/or open conflict;
• Macro-problems tend to create urgent situations that demand attention *now*; as a consequence, managers tend to respond to short-term considerations. Some fear the consequences of their actions and lack commitment to the decisions taken; others display hubris, resulting in an escalation of commitment to disastrous policies;
• Hundreds (sometimes thousands) of variables are in play in a given macroproblem; this is bewildering to even the most dedicated management team. In these situations, they may postpone a decision and be forced to act when confronted by a crisis; and
• The reasons cited above contribute to another problem – the failure to consider enough alternatives and/or create adequate novel strategies; as a consequence, sub-optimal decisions are taken.

Unable to attend to all the factors and their interrelationships over time, individual managers and other stakeholders focus on the few aspects that appear to be the most influential or hit the closest to home. However, by selecting a limited set of variables, each individual is also establishing a unique conceptualization of the situation, leading to different perspectives on the formulation of effective strategies. Personal values and human cognitive

limitations generate different interpretations of the same situation. Other factors that contribute to variations in individual perspectives include perceptual and cognitive biases, personality, individual competence, and organizational or social roles.

Macro-problems typically involve implicit or explicit disagreement about actual or potential strategies, reflecting competing views on the nature of the decision environment. The issue is usually partially the result of prior disputes internal to the organization or in conflicts concerning the definition, classification, and evaluation of a problem at the interface of the organization and its environment. Individuals with different professional, cultural, and divisional backgrounds are likely to view a strategic situation differently, reflecting their own values, interests and perspective on how the world operates. These internal differences are another source of dispute that is as much of a problem as are issues originating as clashes between the organization and its environment; both have the potential for igniting brush fires with similar results.

In the book, we documented these and other characteristics of the intellectual, political and cultural crises that macro-problems create. The difficulties organizations experience in dealing with these challenges can be thought of as a single underlying problem best described as a lack of synthesis of the knowledge and aspirations of the individual members of the organization. In turn, this is the result of the lack of any reasonable communication format to address these situations.

The multi-dimensionality of these *"messy"* macro-problems demands hybrid strategic processes which, in accordance with Ashby's law of requisite variety, can do justice to the unique and seemingly chaotic constellations of factors and forces. We have summarized the demands on such a process with the five Cs: *complexity, communication, creativity, consensus* and *commitment to action*. These process criteria are recognized by many experienced strategists and in leading publications on strategic management. However, they are very hard to make operational in one and the same process. Traditional management methods need to be integrated and supplemented in situations that have macro-problem characteristics. The new approach must be faster, employ a team, be reasonable in cost, be flexible, and be capable of assimilating a very large number of variables that derive from both exogenous and endogenous environments. Policy gaming is such an approach. We characterize it as scoring high on a *"scale of*

strategic power." By this we mean the ability of a decision aid or process technique to put the five Cs into operation in a fast and efficient process. The policy exercise employed must be precisely responsive (in terms of the five Cs) to the uniqueness of the macro-problem.

Policy Exercises and the Five Cs

This book has shown that the extremely complex strategic issues we call macroproblems can be clarified through the use of carefully constructed policy exercises. This process of policy gaming helps decision makers as they attempt to creatively find a way through the *"terra incognita"* of the macro-problem they confront.

Gaming is not only strategic thinking, but also strategic action. The property of games to remove the participants temporarily from daily routines is very helpful in keeping them focused on a strategic issue. Participants are sheltered from political pressures and from the stifling effects of etiquette and protocol found in real-life situations. The interactive situation and *"virtual reality"* created by the game can quickly convey enduring structural information. In that sense, a game is a communication mode that is capable of linking tacit knowledge to formal knowledge by provoking action and stimulating experience.

Policy gaming, as described above, shows that there is no essential difference between learning and problem solving. As a consequence, when confronting uncertainty, an experiential learning process can be very powerful, especially when it can be combined with a scientific (systems analytical) approach. The process presented here of designing policy exercises as dynamic, open models of a problem situation incorporates features from both learning theory and general systems theory. Problem solving requires creative experimentation. Policy gaming is a realistic but sheltered experimentation within the system of complexities in which the problematic situation is embedded. The power of games is that they organize and convey a holistic erspective on a given problem in a format that allows the direct translation of these holistic insights into orchestrated strategic action. At the same time, games help to develop new knowledge because they allow participants to experiment with behavior and strategies never tested before. For the most complicated strategic macroproblems, policy exercises translate existing knowledge into action and potential action into knowledge. It is this determining property of the kind of gaming described in this book that makes it a major tool to assist policy makers in coping with the increasingly complex

problems that confront organizations and societies today.

Within the context of a game, one develops a highly organized jargon or special language that permits the various participants to talk to each other with greater clarity than they might through traditional communication modes. At the beginning of the last century, ships at sea still communicated brief messages to their land base via carrier pigeon. Carrier pigeons are no longer used; rather, computers, radios, and satellites keep a continuous surveillance of all ships. As the communication forms of a previous era (e.g. telegrams), have given way to improved forms over the past century, it is inevitable that still more sophisticated forms must evolve. Both role-playing and expert panel games can facilitate effective communication within diverse groups (multilogue as opposed to dialogue), encouraging consensus building and bridging communication gaps Another feature of the gaming approach is the conflict resolution and consensus seeking that is facilitated by the multilogue communication process. The game works as a vehicle for transmitting and clarifying the various perspectives and interests among the participants.

Through their participation in the game, the stakeholders have an opportunity to present their perspectives and encounter others of which they were unaware. During the joint experimental action in the game, value debates become focused, sharpened and placed into operation in such a way that value tradeoffs can be negotiated. This increases the chance that the views of many different stakeholders will be considered in the formulation of a strategy and that these stakeholders will understand the rationale behind the strategy that finally emerges. This communication of perspectives and the establishment of a value tradeoff is desirable to eventually secure consensus and thus acceptance of and commitment to the emergent strategy.

As they move collaboratively through the game adventure and towards the assessment of possible impacts of major decision alternatives, the participants become involved, reassured and motivated. However, in a positive sense, the game is, at the same time, a startling and demystifying experience. The process of objectification that takes place in a game helps to reinforce memory, stimulate doubt, raise the right issues (disagreement forces further discussion), and control the delegation of judgment (those who are affected can check the logic of action). This *"virtual look into the future"* also helps to explore the unfortunate situations and conditions in which an elected strategy got off track and/or became a fiasco.

All this fosters the power of these *"exercises in explicitness"* to prevent escalation of commitment. The exercise places the potential of failure on the policy agenda and that makes it much easier to redirect a failing strategy in the future.

Games serve as vehicles to develop realistic, mature, and well-grounded commitment. In summary, the policy exercise is a versatile method for dealing with complex and ambiguous issues; it has established itself both theoretically and practically as a valid means of portraying complex realities and of communicating coherent overviews of those realities. The technique conveys sophisticated information with novel perceptions of the interrelationships involved. In a pragmatic sense, the power of this approach derives from several underlying concepts (defined above). When carefully integrated in an exercise designed for serious purpose, gaming techniques:

• Are relatively quick and inexpensive (compared to the limited number of alternative methods available);
• Are palatable and somewhat seductive; this derives from the well-documented fact we humans are *"game playing animals"* (Huizinga, 1955);
• Permit the creation of a safe environment for learning where risky notions can be explored under controlled conditions; and
• Induce the suspension of disbelief among participants that is required if new ideas are to be given a fair hearing.

Policy Gaming as a Strategy Process
Policy gaming is more than attending a policy game. In our view, policy gaming is an integral participative strategy process. Its architecture has been described in Chapters 7 and 8 of the book; there are five broad phases in which 21 specific steps are followed. The actual run of the policy game is only one, albeit important and highly visible, step in this collective process of inquiry and communication.

The gaming process is an interactive and sequential process to help sharpen the problem statement and the specific objectives to be achieved. The 21 steps guide the client organization through a series of collective inquiries and communication activities producing interim results that help the organization to arrive at a holistic understanding of a complex problem. As understanding improves, more detail is added and the developed exercise becomes a professional seminar with a playful and involving character. It also has an effective and efficient content and format. Previous chapters in the book have shown the conceptual roots of this

methodology. Like any innovation, the process architecture of policy gaming is a hybrid, a new combination of techniques. It combines, functionally, ideas and tools from a wide variety of relevant disciplines, such as systems theory and modeling, learning theory, strategy theory, participative management, communication theory, group dynamics, organizational behavior and project management. We have used several analogies and comparisons to explain how the different steps in the process form an integral and consistent whole. For example, we have referred to interactive modeling, participatory policy analysis, and multi-loop learning. All these references help us to explain our choice for the step-wise, cyclical and interactive format of the process of policy gaming described here. Concepts like *"cognitive map"* and *"knowledge household"* have been introduced to convey the ability of policy gaming to accommodate an enormously wide variety of substantive inputs. In modern academic terms: our approach supports the pleas for a constructivist and discursive approach to strategic management.

The eight cases presented and analyzed in Chapter 3 of the book show the 21 steps in action. Some of the insights about this process are summarized below. The process guarantees on-time delivery of tailor-made products under severe time pressure. The process realizes ideals and demands of good project management under the very difficult conditions which macro-problems create for clients and supporting professionals. The value of this feature of the process cannot be underrated – the kind of problems described in this book inevitably cause chaos and confusion.

The process facilitates contingency. In each of the eight cases, a different gaming approach was needed and created. For that purpose, the method has several provisions and tools that help to explore, frame and analyze a problem from the perspective of the five Cs. Parallel to the substantive analysis of the problem, the approach helps to establish what the necessary contribution of the gaming process should be. A unique profile of process ideas emerges that is summarized in the specifications for design and tested in several other steps.

Each of the five Cs has several anchor points in each of the phases of the gaming process. The resulting impact on the five criteria is reached step by step when progressing through the gaming project. For example, the mastering of complexity is made possible by provisions in almost every step of the process. Commitment is definitely not only the result of participation in the game but also

the product of many different involving and motivating elements in the chain of events. Similar observations hold for communication, consensus and creativity. We consider this cumulative, progressive character of the process one of the important factors explaining the success of the projects described. An effective overall strategy is critical to the organization's successful day-to-day operations. This point was made by Peter Drucker when he suggested that it is more important to *"do the right things than to do things right."* Moreover, strategic decisions on macro-problems are synonymous with high stakes because many of these decisions require large commitments of capital over long periods of time. Incremental decision making and allocation of resources may not be an option. The combination of internal and external constraints may force the organization into high-risk decisions that would normally be avoided. The risk is especially great when high stakes are combined with a high level of uncertainty about the outcomes of a strategy; this is frequently the case when the decision is made in a turbulent environment and lacks precedent within the organization. It is often true that one individual has the final authority to set policy for an organization; however, that person is usually well advised to seek the counsel of close associates. The book attempts to document the evolution of a new and powerful process architecture designed to assist those groups who are responsible for collaborating on the creation of policy for their organization. In Chapter 4 of the book, we have shown how empirical research supports the idea that, for certain turbulent environments, an interactive form of strategy making is the most desirable.

Research also suggests that the internalization of such a form of strategy making is a strategic (i.e. competitive) competence for an organization, especially when combined with the skill to alternate between process styles. An increasingly complex world has required that professionals concerned with strategic management develop and disseminate generic interactive techniques that can be quickly applied in a disciplined, professional manner to assist top management in orienting itself to rapidly changing situations. Policy exercises are most often used in exceptional situations to engage busy managers, support staff and experts to confront and negotiate issues, and to elicit a shared vision or plan for the organization in those situations where precedent is of little value. It seems worthwhile for an organization that has once used this process with satisfaction to install the skills and procedures to make policy gaming a lasting part of its strategic repertoire.

In Chapter 5 of the book, we have conceptualized gaming/simulation as a hybrid communication form, as a language for complexity. Mastering this language is an important strategic skill for organizations. One could also call it essential to modern society because of the complex nature of policy issues, both public and private. It is essential that these multi-dimensional issues be addressed in their totality as a gestalt phenomenon. Serious games have evolved as a form of human communication centering on situations that are symbolically represented in a relatively safe context. As its point of departure, gaming takes the view that man is a grammatical being (Campbell, 1982). Thus, gaming is instrumental in extracting the dynamics of communication and inter-subjectivity, and hence helps to reveal and capture the essence of thought and behavior as it is exhibited in complex situations. As with every language in its infancy, the structure (grammar) of the policy exercise has not yet been rationalized (most people who use a language do so without an explicit understanding of the inherent rules of that language). The technique of gaming/simulation urgently needs thoughtful attention to this structure. However, even in its current stage of development, the technique provides leadership with a realistic method to integrate a diversity of skills and understandings; when effectively internalized by an organization, it serves as an ongoing forum for inventing the future.

Properly designed games can be viewed as abstract symbolic maps of various multi-dimensional phenomena. As such, they serve as basic reference systems to assist in the formulation of inquiry from a variety of perspectives. If these constructs are properly elaborated, they can represent not only a present reality but also alternative futures. In this era of data overload, there is an urgent need for the acquisition of heuristics, a flexible set of highly abstract conceptual tools which will let those responsible for the strategy of their organization view new and emerging situations in a way that permits comprehension and in-depth discussion with others.

Rephrasing Drucker's famous expression will make clear how we position this strategy process we call gaming. It is true that it is most important to *"do the right things."* But it is not easy to find out what they are. Our book strongly supports the claim that, when confronted with macro-problems, policy gaming is the right way to discover *"the right things to do."*

The Discipline of Gaming/Simulation

The two goals that motivated us to write the book (to contribute to the

development and dissemination of gaming/simulation as a method of strategic problem solving and to improve communication between this discipline and related policy and organizational fields) have much to do with our personal conviction developed during our professional careers. An important and realistic task remains to be done: gaming/simulation must be further developed as an applied scientific inter-disciplinary field.

We believe that the book is one illustration of the fact that gaming/simulation has its own body of knowledge, its own research tradition, its own professional practice and its own forum and that it learns from systematic reflection on its professional practice. And, of course, we also hope that the future might show that this book has become a well-appreciated link in the chain of progress in the discipline. We are optimistic about the future of gaming/simulation, but we also think there is much to be done. One important task is to better understand, internalize and communicate what the discipline of gaming/simulation really is. A well-established discipline, especially if it positions itself on the more applied end of the theory-practice continuum, will develop a permanent interaction and dialogue between application and research. Both activities are relevant forms of knowledge acquisition and both help to develop the principles and theorems of a discipline. For such an interactive progression to work, one needs a professional culture of openness and critique and an environment that brings together the professionals and academics in the field.

Gaming/simulation is an inter-discipline because it develops in part through the internalization of knowledge from other disciplines. The 21 design steps, for example, put into operation insights from several academic disciplines. However, from the point of view of professional application, each individual gaming project is always a multi-disciplinary effort. As the cases in Chapter 3 of the book show, each project needed substance that had to be drawn from many sources usually including several academic disciplines. In this sense, the interdisciplinary process know-how of gaming/simulation functions as a *"supporting science"* to organize and realize major multi-disciplinary applied studies – in our case to support strategy and policy. Framing the nature of our work in this way has many consequences, particularly with respect to the professional attitudes and skills of the individual gamer. For example, professional gamers need to have a very open mind and a broad, albeit not necessarily deep, overview of many different fields of science. They also have to be able to work productively together with many

different and highly specialized individuals. Their cognitive skills have to be in lateral and integrative thinking, their social skills have to make them team players and coaches, and their aspirations have to stimulate them to serve and facilitate. An analogy that uses the evolution of statistics would be useful here. Statistics is very much an art and a science (as is gaming). There are a variety of methodological issues, approaches and techniques within the discipline of statistics; but, overall, statistics is used to serve other disciplines (forecasting, model building, etc.). Statistics is clearly defined and, as a consequence, it is very much an acknowledged and respected discipline; however, the discipline had to struggle to overcome the impression of being *"just a technique."* Practitioners of gaming/simulation would do well to reflect on the difficulties encountered by the successful discipline of statistics.

Clarity and communication about this conception of gaming/simulation as a *"supporting inter-discipline"* might take away part of the confusion about the various phenomena called games. The most central cause of the confusion is that games are typically viewed from the perspective of a particular substantive discipline; they are seen as a tool being utilized by a professional whose primary interest lies with content, not technique. This confusion is an obstacle to the evolution of the gaming discipline; authors continue to define terms and concepts from their own disciplinary perspective and against the backdrop of the unique substantive needs of the moment. This is especially true when thinking about the demarcation between gaming/simulation and the different disciplines that study policy and organization. For example, social psychology with its successful studies in group dynamics contributed a great deal to the body of knowledge that is incorporated in the gaming processes described above. On the other hand, social psychologists are very active users of games, both for their research environments to study social behavior and in their professional practice, e.g. in role play and social drama. And again, social psychologists are also often consulted during the systems analytical phases of game design to give their professional inputs for the diagnosis of the strategic situation of the client organization.

Gaming is a relatively new profession that has grown in a topsy-turvy fashion; opportunities to use gaming products have come rapidly. It must be acknowledged that, as professionals, gamers have been slow to become attentive to the need to establish a well-grounded foundation through which their products

and processes can reasonably be evaluated. Designers tend to believe (with passion) in the efficacy of gaming that is predicated on an internalized model of validity of the games. Unfortunately, neither the gamers nor their clients have consistently demanded rigorous evaluation (as Chapter 6 of the book has documented).

Problems within the gaming discipline are certainly compounded because gaming professionals are scattered around the world and, as a consequence, communication is limited and intermittent. Clients present subject matter that is extremely diverse; this results in products that are quite dissimilar in their characteristics. Few gamers have had formal training in this area; they have academic degrees in a wide array of fields. Specialized academic nuclei in the gaming discipline are limited to a very few. On the other hand, there are several professional organizations that we have mentioned (ISAGA, ABSEL, NASAGA and SAGSET). The professional journal *Simulation & Gaming* is now 34 years old and, in our opinion, better than ever. However, if the gaming profession is to achieve its goals, gaming professionals must intensify their efforts to communicate the above concepts about the nature of gaming/simulation to our contemporaries, clients, and fellow professionals. We hope the book contributes to improved communication along the interface between gaming and policy making.

Conclusion

"Today's generation has to solve, in real time, situations for which there is no precedent. These situations cover a wide spectrum of problems. They all have characteristics of complexity, a future's orientation, the lack of a clear paradigm for action, the need for a dynamic communication process within and beyond the affected organization, and finally, the need to transmit a clear image beyond the organization of any policy decision that may be taken" (Duke, 1987, p. 6).

The management of macro-problems is like a fourth-dimensional problem we three-dimensional beings cannot comprehend. We are unable personally to encounter these complicated and chaotic phenomena, and therefore also unable to communicate with one another, even at elite levels, about possible management schemes to solve some of the "*messy*" problems of today. We need to relax the constraints on our communication. This means moving to the gestalt end of the communications continuum. Here, through the proper use of gaming/simulation, we find very strong promise for re-establishing the comprehension of totality that is necessary for the intelligent management of any

complex system. This is especially true with certain public policy issues. For example, how shall society, in its search for more peace, freedom and justice, deal with the new terrorist threat? Serious questions must be addressed for which we have no functional precedent, yet society is pushed relentlessly into action. There are also many private sector concerns (e.g. how shall private industry adjust its functioning to accommodate to the reality of a global economy?). Gaming/simulation has proven successful in meeting similar needs.

Dramatic and fundamental changes in society over the past century are permanent, irreversible, and profound. These changes require humankind to alter its languages to permit thoughtful and rapid speculation about a many-faceted future, and to permit policy makers to venture decisions for which there is no precedent. The complexity of these issues points out the urgent need for conveying holistic thought. In particular, the elaboration of the concept of systems, the dramatic improvements in computers, and the rapid evolution of related technologies have generated information networks beyond ready human comprehension.

Recent trends indicate that a new growth period for gaming is about to begin. A world growing in complexity combined with the development of a discipline of gaming/simulation and the information and communication revolution may indicate a renaissance. The base of knowledge and experience from the last 30 years provides a good foundation for further development of policy gaming into a direction that most probably will surprise even the current specialists. The modern high-tech entertainment games with their virtual reality and their worldwide (internet) participation and dialogue suggest one of the sources from which the new generation of tools for the *"language of complexity"* might emerge.

As we suggested before, we are not Orwellians who believe in or aspire to a surprise-free future. It is a technocratic illusion to think that any process or technique will provide a policy maker the mythical crystal ball. Preparing for the future is a managerial responsibility, knowing the future is not. We wanted to bring across that there are better ways of taking on that responsibility. *Decision quality* is an ethical category. It refers to the situation in which those who had to take a dramatic decision and those who assisted, can without doubt and remorse say: *"We took the best decision we possibly could and we did everything in our power to prepare for its successful implementation."*

Gaming/simulation techniques hold considerable promise for improving decision quality. They have the ability to abstract phenomena to humanly meaningful terms, to facilitate the internalization of a model of a complex system, and to enable the player to operate in a dynamic environment which requires periodic decisions, the results of which are emphasized through various feedback techniques. Policy gaming is an appropriate process for dealing with the increasing complexity of policy environments and the problems of communication within these environments. Designed for organizations facing crisis, the technique provides a multiple-perspective, small-group problem-solving and decision making approach for organizational strategic management.