

Conversations on Social Cybernetics

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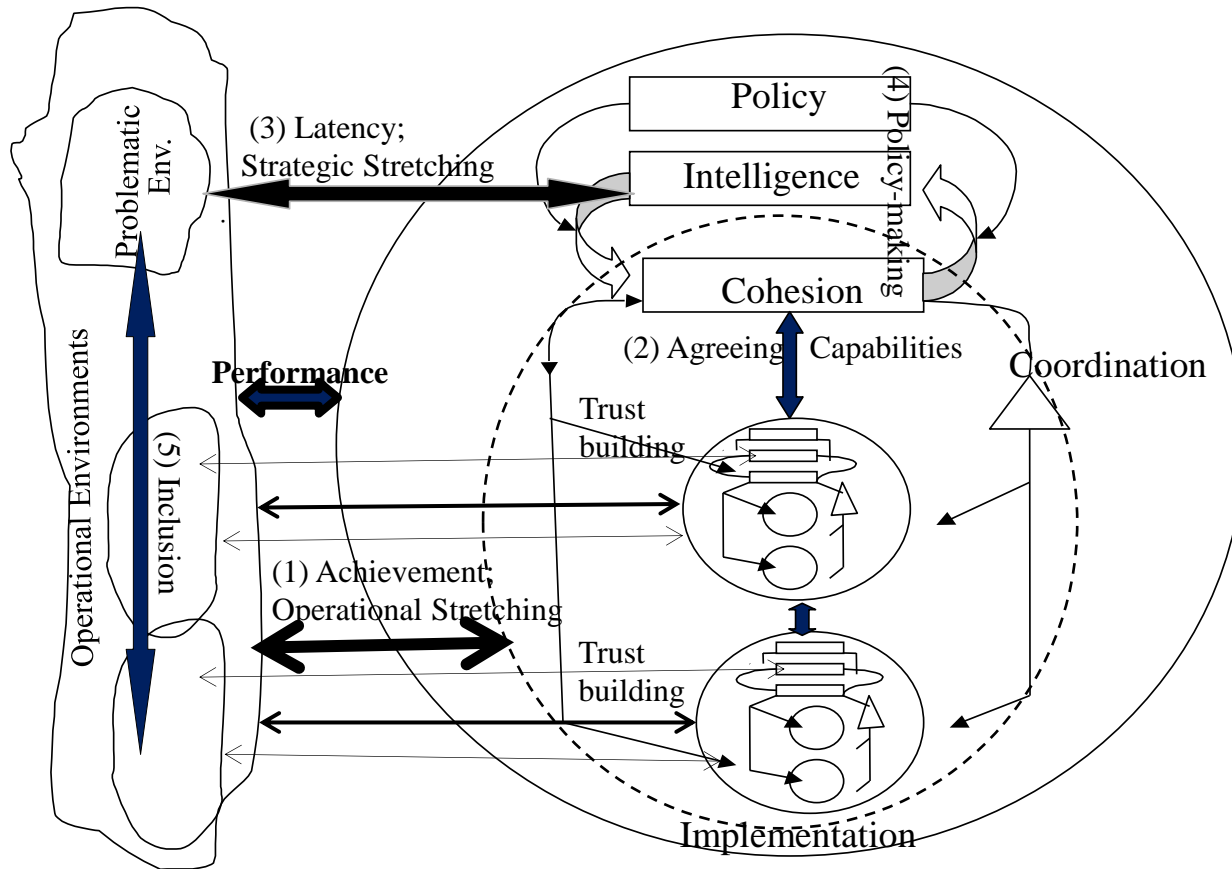
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Session 4

Themes for conversation

- Effective organisation and relationships
- The tragic life of baby P: centralised auditing and poor local cohesion
- Trident: hierarchy inhibiting local value co-creation
- Energy system: lack of a shared policy framework
- The 2008 Financial Crisis: fragmentation and dysfunctional autonomous roles

The VSM as a heuristic to balance prosumers relational complexities



The cybernetics of policy processes

My concern is studying and highlighting the cybernetics of problematic situations. How is it that they fail the test of good cybernetics? I argue that guided self-organisation is necessary; this is offered by the Viable System Model as well as by self-reference and reflexivity.

The cybernetics of policy process

Social policies are presented as possible catalysts for the self-organisation of varied resources to create, regulate and produce these policies. As these resources come together they produce organisational systems and the Viable System Model is a heuristic to guide their self-organisation. This model offers criteria to speed up desirable relationships for policy creation, regulation and production.

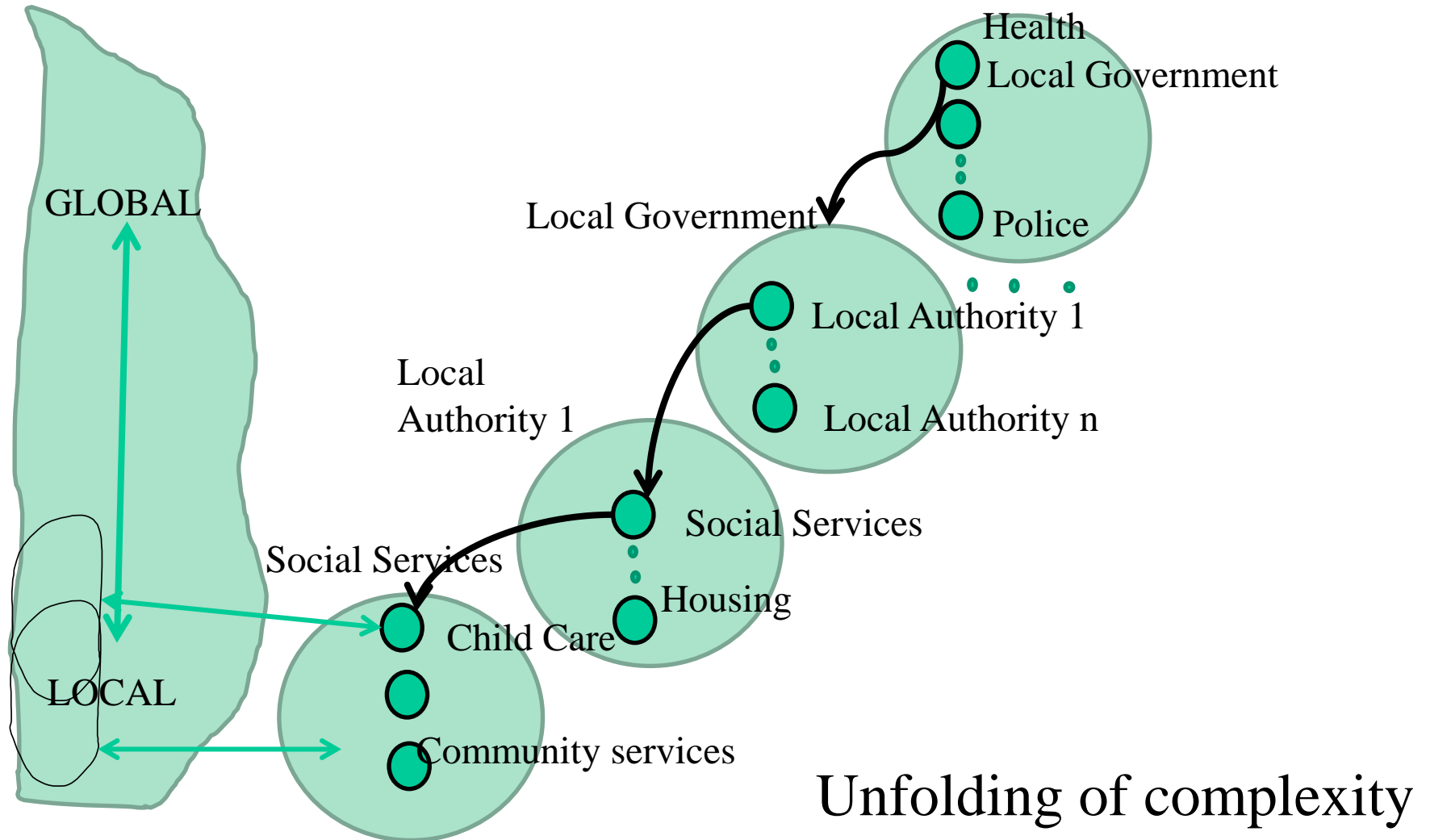
Emphasis in relationships

Disempowered agents, as ordinary stakeholders often are, have a limited capacity to stretch the organisational system decreasing its need for structural recursion; this situation makes more likely “objective” products, lacking the advantages of co-creation. On the other hand empowered agents see better means for their self-regulation and self-organisation, thus articulating their needs and demands as stakeholders; the organisational system will be stretched for more structural recursion to satisfy their expectations.

First vignette: child services

The child services' vignette illustrates weak communications between national regulators, local policy implementers and stakeholders. This is an instance of inadequate relational self-organisation.

Child Care System in England: Case Baby P

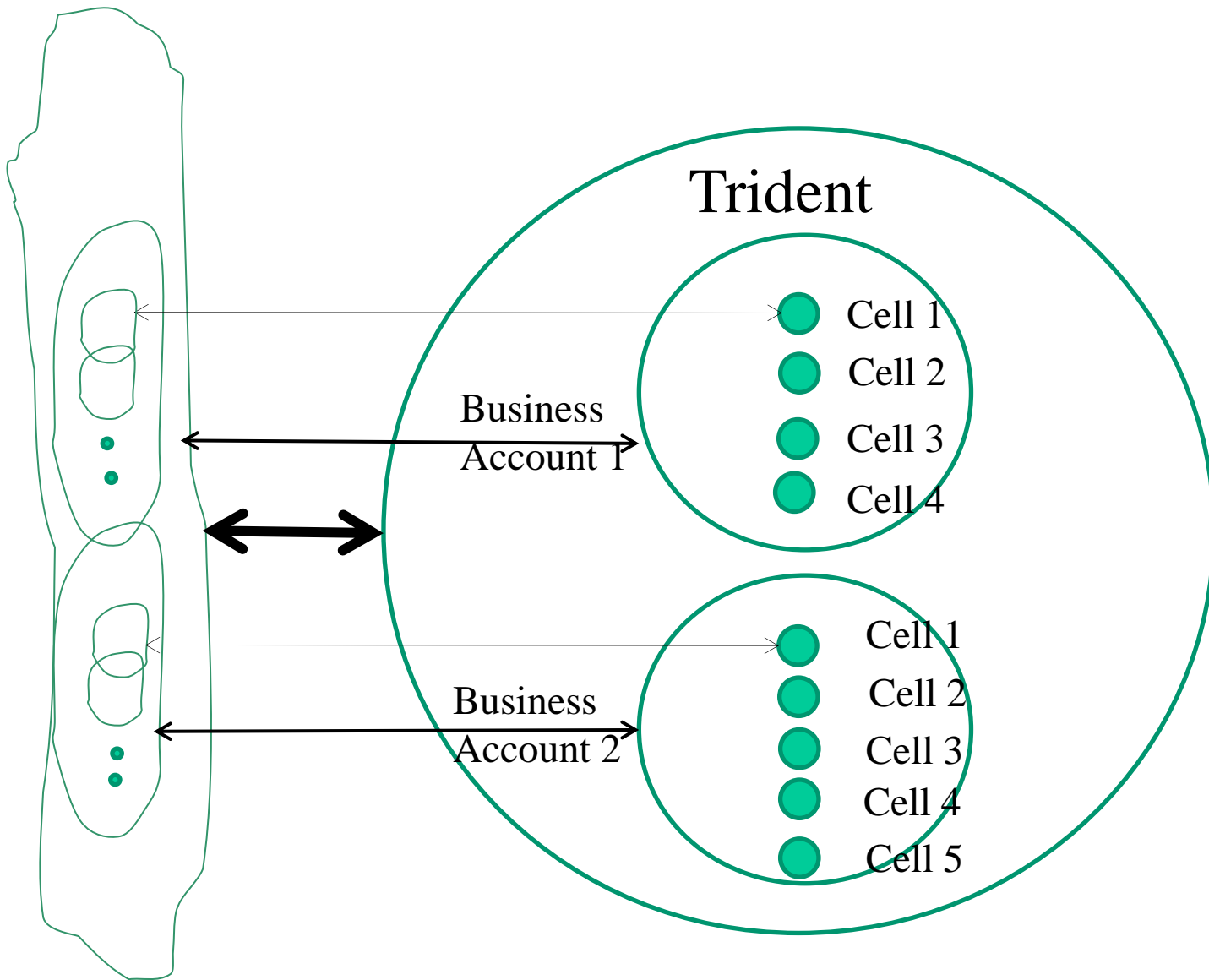


First vignette: child services

Confronting a problem situation, like in this case failure in child care, requires enacting a policy and providing resources. However, at the core is improving relations among institutional actors and between these and stakeholders; what are the communication requirements to improve services and avoid failures such as that illustrated by the case of the baby P?

Second vignette: Trident

The marketing vignette is an instance of company policies that failed developing value co-creation with customers, with the consequence that customers imposed their requirements and the company failed to create products of its own design. This is an instance of weak internal and external relations



Trident Unfolding of Complexity

Second vignette: Trident

The emphasis of this second vignette is autonomy and value co-production. The case shows that failing to enable autonomous cognitive domains within Trident, capable of constructing the relations between business accounts/cells and customers make marketing relations weaker and reduces the company to being a sub-constructor with inhibited innovation.

Second vignette: Trident

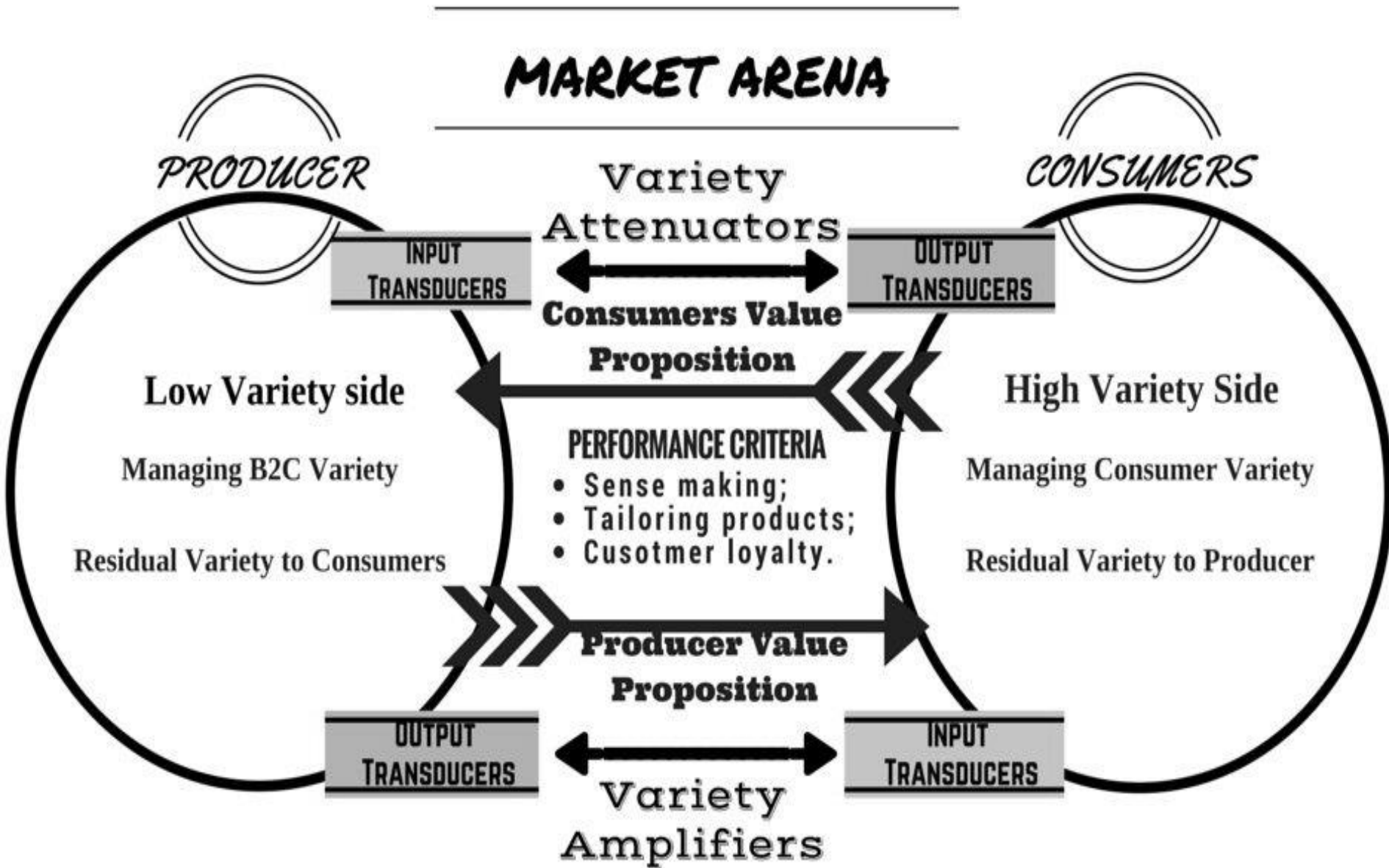
Corporate managers settled for hierarchical relationships, inhibiting Tridents' amplification through additional cognitive domains; those of business accounts and cells.

Tridents' products were not the outcome of accounts and cells value co-creation with customers. Demand and product supply were the outcome of unilateral customer requirements. Indeed, better communications were necessary to produce creative meanings for their products.

Second vignette: Trident

Conceptually the vignette highlights reflexivity; for powerful interactions producers and customers have to offer value propositions to each other overriding the offerings of “objective” products and “objective” requests.

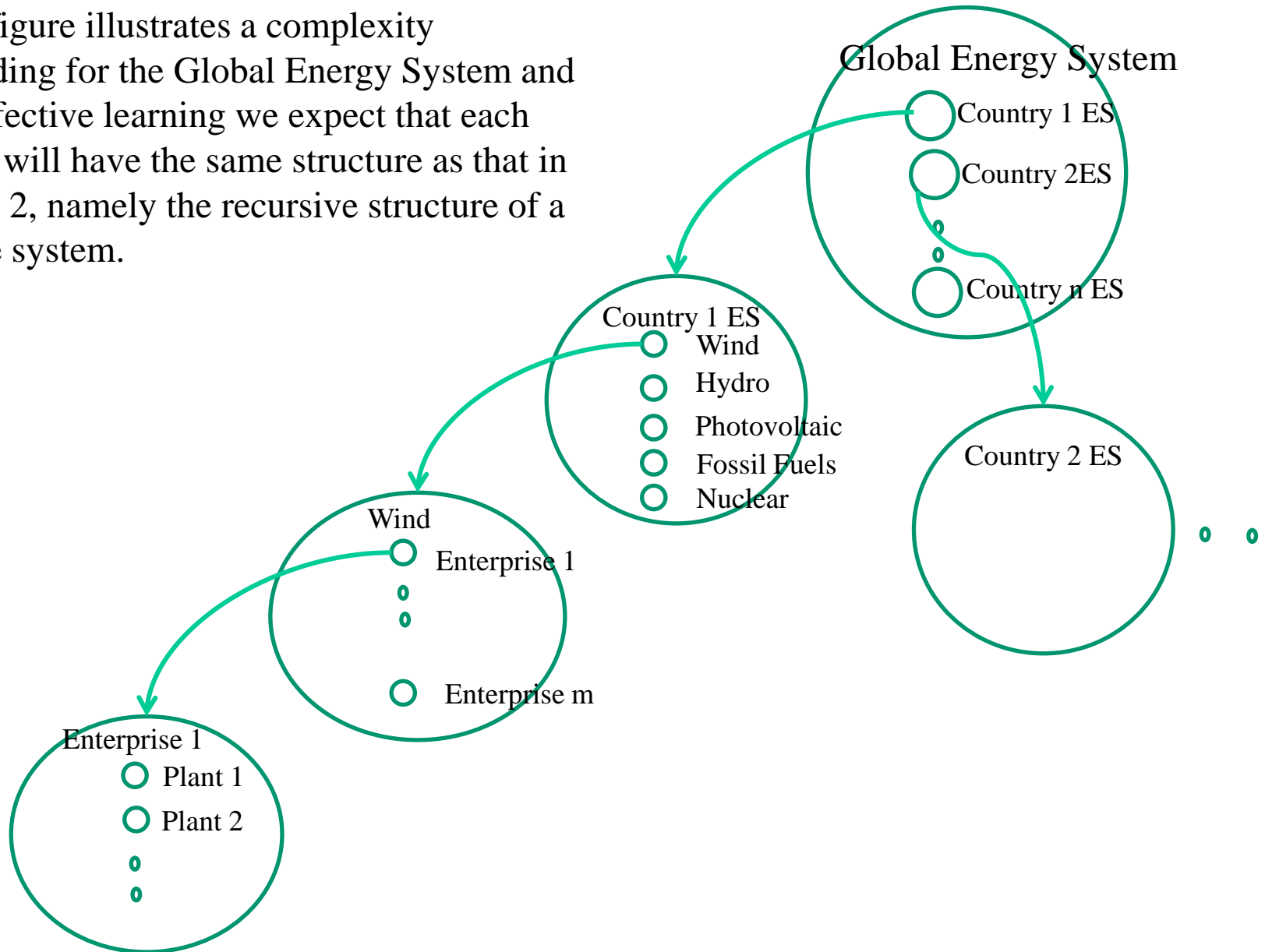
Complexity Asymmetry and Variety Balance in Value Cocreation



Third vignette: Energy

The third vignette is an instance of a weak identity of the energy sector as it fails to integrate under the same policy framework energy technology development and energy production. This is a case of a fuzzy self-reference as the necessary relations between actors focused on the “outside and then” and on the “inside and now” (Beer, 1985) are not developed.

This figure illustrates a complexity unfolding for the Global Energy System and for effective learning we expect that each circle will have the same structure as that in figure 2, namely the recursive structure of a viable system.



Third vignette: Energy

The third vignette highlights the need to question the identity of the energy system. It is argued that the identity-in-use for the energy system is one that leaves out the energy technology development enterprises and this identity increases the risk of fragmenting learning by doing from learning by searching. This is inconsistent with the espoused theory of an integrated energy system operating under the same policy framework.

Third vignette: Energy

Self-reference is necessary to clarify identity and systemic boundaries. This vignette shows the value of having autonomous enterprises developing energy technology as non-autonomous actors in the energy production system.

Fourth vignette: Finance

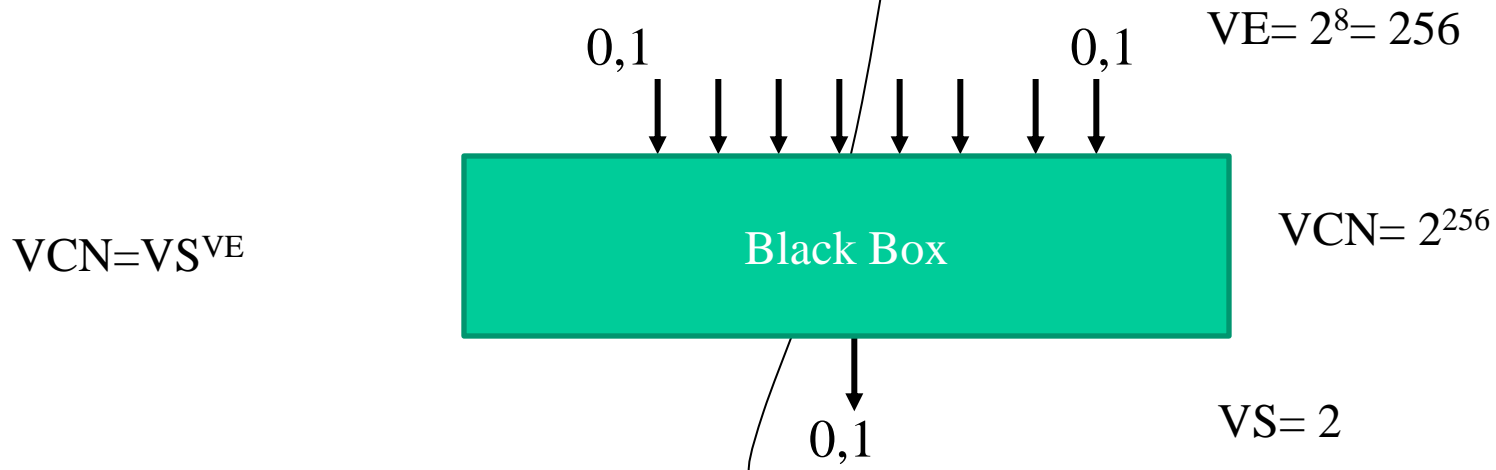
The last vignette relates to the 2008 financial crisis. This is an instance of a market driven self-organisation process that failed to recognise that financial services had to go hand in hand with the recursive structure of the economy from the global to the local.

Fourth vignette: Finance

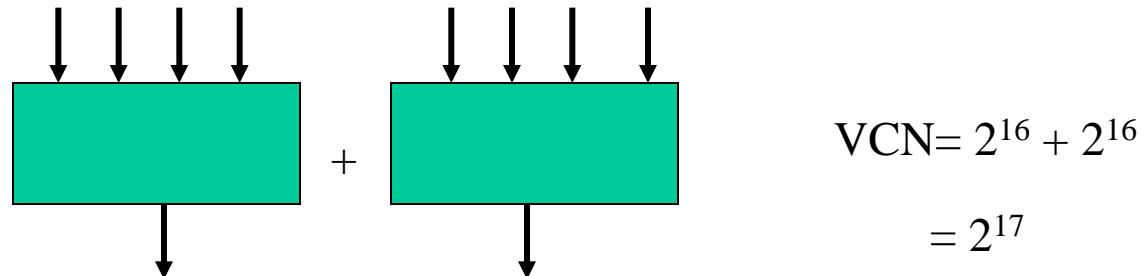
This last vignette implies the need of guided self-organisation to change dysfunctional market relationships. As the global markets connectivity increases, the risk of uncontrolled economic failure grows.

Economists need to understand the ramping complexity of this global economy, which today more than ever before, includes social and ecological imperatives.

Strategies to manage complex situations



Fragmentation: we split the Black Box in two, each with 4 inputs and one output:



Finance

My argument is for distributed regulation of the economic activities. Financial services should be enablers and regulators of the economy, and should map the economy's unfolding of complexity from the global to the local; economic aspects should intertwine with financial aspects at all structural levels under the umbrella of the economic system.

Fourth vignette: Finance

In particular they need to understand that guided self-organisation implies a recursive social system that avoids an unfair extraction of wealth from the less well-off countries and more than that, that avoids in all countries the extraction of wealth from the less well-off citizens, something which fuels injustice and social conflicts. Good social cybernetics is a must in policy processes.