

Why do Some Societies Make Disastrous Decisions?

A. Failure to anticipate the problem

1. No prior experience, not sensitized to possibility of the problem.
2. We have experience, but it happened so long ago it is forgotten
3. We reason by false analogy. If old and new situations are not comparable, this kind of reasoning will not work.

B. We don't perceive the problem when it arrives

1. Origins of problem are literally imperceptible.
2. Managers are distant from the problem.
3. A slow troubling trend is concealed by wide up and down variations ("noise").

C. Failure to attempt to solve the perceived problem

1. RATIONAL BEHAVIOR. "It's good for me, bad for you and everyone else".
Advance own interests by behavior harmful to others.
 - "Tragedy of the Commons". A community resource is overharvested, in the best interests of those doing the harvesting. "No need to refrain from harvesting. If I don't harvest, someone else will".
 - Principal consumer has no long-term stake in preserving resource; society does.
 - Interests of decision-making elite in power (who are insulated from others) conflict with the interests of the rest of society.
2. IRRATIONAL BEHAVIOR. Behavior that is bad for everybody.
 - When torn by clash of values, people hold on to deeply held belief we're invested in, even if they lead to our demise. Religious values are frequent here.
 - Public widely dislikes those who first perceive and complain about the problem.
 - Clashes between short- and long-term motives in an individual.
 - Crowd psychology. We get swept along with group decision. "Groupthink".
 - Psychological denial.

D. Despite attempts, we do not solve the problem

1. Problem is beyond our current capacities.
2. Solution exists, but it is too expensive.
3. Our efforts are "too little too late".