

Fine-tuning Failure: How to Fail to Succeed

Ajuste de Fracaso: Cómo Dejar de Tener Éxito

Réglage Fin de L'échec: Comment ne Pas Réussir

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ABSTRACT

The Gulf and Caribbean region, like many other parts of the world, is littered with failed or failing fisheries projects. They come in all sorts, shapes, and sizes. Under the rubric of fisheries governance, with its emphasis on civil society participation as an expected factor of success, of particular interest are projects that involve state fisheries authorities or fisherfolk non-governmental organizations and external donor agencies. Such project partnerships, if well designed, are intended to yield win-win outcomes. In this paper I examine the proposition that perhaps these projects are short term win-win, even if they truly fail in the long term. Such 'beneficial' failure may be the result of collusion amongst the actors that has serious implications for governance. Project failure (in its literal sense) is easier to define than success. The key is to refer to agreed goals and objectives. Goal displacement, adaptation or other adjustments must be taken into account. Still, observations suggest that it is not uncommon for grantees to 'almost succeed' on a recurring basis that provides the grantors with opportunities to continue funding the same grantees, and to forecast the likely outcomes. This fine-tuning of failure perpetuates a mutually beneficial supply and demand until some perturbation breaks the cycle. Fine-tuning failure is a coping strategy that constrains self-organization, adaptive capacity and resilience in fisheries governance.

KEY WORDS: Fail, fisheries, governance, projects, succeed

INTRODUCTION

Game theory is the study of the ways in which strategically planned interactions among agents produce outcomes with respect to the preferences of those agents, including situations in which the outcomes achieved are not those intended by any of the agents (Ross 2011). The uncertainty and non-linearity associated with predicting what actions and interactions among actors will most likely lead to which outcomes, is also a feature of resilience thinking, such as applied to complex adaptive social-ecological systems and governance (Walker and Salt 2006). Sometimes there are surprises. These surprises can be either 'good' or 'bad' as judged by the actors using the criteria for the original preferences, or perhaps based on new preferences that emerge over the course of their interaction. Some of these actors will be in positions of decision-making and hence able to determine whether interactions cease or continue depending on the outcomes. If such decisions, and the institutions that guide both them and the actions to follow, are at a societal level, they are within the realm of governance.

Put more formally, governance is about interactions to solve societal problems and create societal opportunities, including attention to the principles guiding interactions and institutions that enable and constrain them (Kooiman et al. 2005). Governance is the lens through which I look briefly at the ways in which fisheries funding agencies and fishing industry beneficiaries often play games characterized by having both positive and negative outcomes, but with considerable long term collateral damage to institutions of marine resource governance. In summary, fishing industry beneficiary organizations have incentives to perform credibly, but not quite succeed, if they hope to obtain a steady stream funds from a willing donor. Success may result in 'graduation' and the cessation of funding. The donor, in turn, needs beneficiaries who will perform credibly, but still provide a steady demand for their financial goods and services. These actors can engage in a cyclical pattern of performance and interaction that attracts funding by not quite succeeding, perhaps for different reasons, upon each new round of financial assistance that is offered because the previous one almost achieved its objectives. This cycle may break down after a couple of rounds, or it may persist for several. Ultimately, however, it is typically unsustainable. Reasons for collapse may emanate from either party. In the process, it is likely that institutions of local level marine resource governance will be injured by dependence on external assistance coupled with erosion of social capital and mechanisms for self-organization.

This scenario is good fodder for the application of rigorously quantitative game theory. My analysis here, however, is completely qualitative and slightly cynical. Nevertheless, it contains some serious messages for those engaged in this unsustainable game. In the next section I set out some simple rules of the game followed by examination of the funding agency and beneficiary strategies. The resulting rhythm is explored as well as the collateral damage caused by the patterns of interaction. I conclude with a few thoughts on how to 'grow' healthier institutions of governance.

RULES OF THE GAME

The principal players or actors are the funding agency (donor) and fishing industry organisation (beneficiary). The donor is typically an external agency, such as an inter-governmental or non-governmental body, rather than one embedded within national fisheries arrangements. The beneficiary is typically a fishery cooperative or association with limited internal

capacity and only moderate network capacity derived from relationships with individuals or other organisations. These actors are at the core of a network (Figure 1) that can be analysed at the level of the organization as well as at the level of key individuals within these organisations and among other stakeholders.

Figure 1 shows that the donor may be connected to other stakeholders such as NGOs, consultants or commercial firms in their home arena. On the beneficiary side, other fisheries stakeholders include individual members of the beneficiary organization who do not stand to benefit from the initiative (for example they do not do the type of fishing or other activities being financed). Less directly connected stakeholders can be non-members and other groups within the industry such as another primary cooperative within a two-tiered national cooperative structure, or the fisheries authority or interested parties in another sector such as tourism. The premise is that these stakeholders are not party to the initiative, although their support may have been used to secure funding. These stakeholders often are pawns in the game and, like most pawns, may get sacrificed as collateral damage. However, such stakeholders may have either already played, or could potentially play, a role in working with the beneficiary organization to achieve shared objectives were it not for the intervention of the funding initiative as a perturbation of the existing institutions and relationships.

The playing surface is typically a small-scale fishery in need of management (conservation and/or development), and populated by fisheries organisations and institutions (governmental and non-governmental) that are singly each too weak to significantly assist advancement of the industry. Inability to advance through collective action may stem from lack of a shared vision and goals for the industry. This directional vacuum is available to be filled, therefore, by the agendas of other actors such as external funding agencies that may or may not be genuinely well-

intentioned. Fishing industry groups are seldom financially well-endowed. Those without strategic plans and strong leadership are more prone to ‘follow the money’, taking opportunistic advantage of funding in order to garner any resources that they can. Such resources are most often for their members at large or for a select powerful few. Less often they may be for wider distribution to non-members or the industry in general. The flow of resources elevates the status of the organisation and may offer leverage for liberating additional resources from elsewhere. If the fishing industry is not in dire straits, then modest resource flows tend to be appreciated but not necessarily critically scrutinized. This playing surface allows both the donor and the recipient to play a well-modulated game of supply and demand over an extended period with few interventions from others with interest in the transactions.

The rules of the game encourage both principal players to seek an outcome of iterative, cyclical demand (needs) and supply (funds) that comes from repeated failure. Such failure is constrained by the need to show encouraging signs of success (fine-tuned) within every round played (herein lies the true art of the game). Strategies are elaborated upon below.

FINE-TUNING ‘FAILURE’ (BENEFICIARY STRATEGY)

The beneficiary’s strategy is primarily to fine-tune failure to the point at which it can calculate precisely how and when to reduce its performance and hence its efforts to meet agreed objectives without risk to the future funding stream. This is not a matter of merely guessing. It is a carefully cultivated skill designed to manipulate the donor into rewarding the beneficiary with additional funding based upon near-success. Its features include the ability to:

- i) Demonstrate a fisheries management need that is not too daunting,
- ii) Court a fisheries financier to offer assistance, preferably long term,
- iii) Set expectations below that of the donor, focusing on goods supply,
- iv) Show diligence in attempting to achieve stated objectives but fail,
- v) Ensure failure is attributable to external environment or assumptions,
- vi) Engage donor in repeated rounds of financing, flows of fresh resources,
- vii) Fine-tune failure to provide greater evidence of progress in each round,
- viii) Build cumulative capacity to ensure there are real gains for survival, and
- ix) Sacrifice stakeholder adaptive capacity, self-organization etc. for supplies.

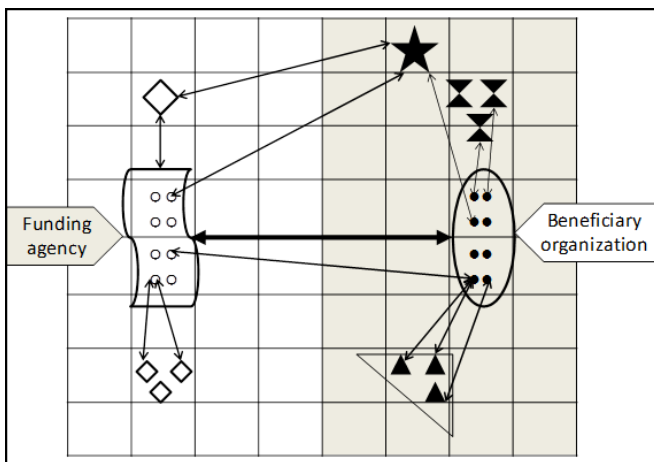


Figure 1. The game reveals a network of ties between the principal actors and among other stakeholders.

FAILING TO 'SUCCEED' (DONOR STRATEGY)

The donor, in turn, must be a willing accomplice in accepting this habit of failing to succeed. The game cannot proceed into repeated rounds without continued cooperation, and indeed collaboration, from the second principal player. The donor's payoff is to look good in rendering assistance and to be able to reliably forecast both the future demand for funds as well as the likelihood of performance that will not be detrimental to its reputation. Trust is an essential ingredient, and features of this strategy include the following:

- i) Select a problem and set of interventions within the agency comfort zone,
- ii) Find a fisheries organization willing to pursue funds, but fairly competent,
- iii) Set expectations that may unrealistic, but not ridiculously unattainable,
- iv) Demonstrate diligence in assistance, but also a face forgiving of failure,
- v) Ensure failure is attributable to external environment or assumptions,
- vi) Encourage the beneficiary to maintain the pursuit of donor expectations,
- vii) Provide additional financing and accept failure to succeed as inevitable,
- viii) Use minor cumulative capacity building as evidence of longer term success, and
- ix) Sacrifice stakeholder adaptive capacity, self-organization etc. for demand.

RELISHING THE RHYTHM

The relationship established between donor and beneficiary due to their strategies of collusion set up a rhythm which is sustained through a few to several funding cycles or rounds (Figure 2), but seldom indefinitely as eventually things fall apart.

The graph is a conceptual illustration of several features and sequences starting from the provision of funding. This is not to discount the importance of the preceding period of networking, image building, information exchange, negotiation and development of trust that would have occurred, but to accept it as given. Once funding is received, the beneficiary begins to mobilize and

implement. This is slower in the first round than in subsequent rounds since later the beneficiary is primed to mobilize more quickly, in part to demonstrate responsiveness and increased capacity. The incrementally improving performance of the beneficiary declines in rate, but typically does not reach an asymptote, before dropping precipitously to some level that is higher than when the funding round began, but not by much. The dramatic drop in performance comes shortly after the funding has reached its peak and is coming to an end.

From the start the stated donor expectations are high. They may well be matched in word by the beneficiary and reflected in suitably lofty goals and objectives. However, the real expectations of the beneficiary are typically much lower in terms of realistic sustained capacity. It slowly inches towards its own expectations with each new round of funding but does not reach that of the donor. Yet as it builds capacity with each round, and maintains a trajectory of slowed progress prior to the precipice, it signals that additional funding is justifiable. The reasons for the precipice can be numerous and are usually partially beyond the control of the beneficiary. For example, a critical skill that was not included in the capacity building or an event that takes priority at a critical time. Few donors can resist evidence of built capacity, even if below expectations, as a tangible reward for their effort and a lure to encourage additional funding rather than to abandon the noble cause. When the rhythm breaks down it is more likely to be due to changes in the priorities (issue, geographic, political, etc.) of the funding agency (the meta-game) than to any flaw in playing the game itself. Thus the collapse may also originate with an externally generated perturbation. Alternatively the levels of trust may deteriorate to the point of being insufficient to sustain a further round, an internal perturbation.

Here is a practical example based upon a real situation with the identities of the actors withheld. The situation is a nearshore small-scale fishery for a demersal resource. The fisher association and fisheries authority are beginning to contemplate co-management. A donor agency is supportive and expects that its first step of funding joint resource surveys will develop into more concrete and meaningful governance arrangements following the typical three

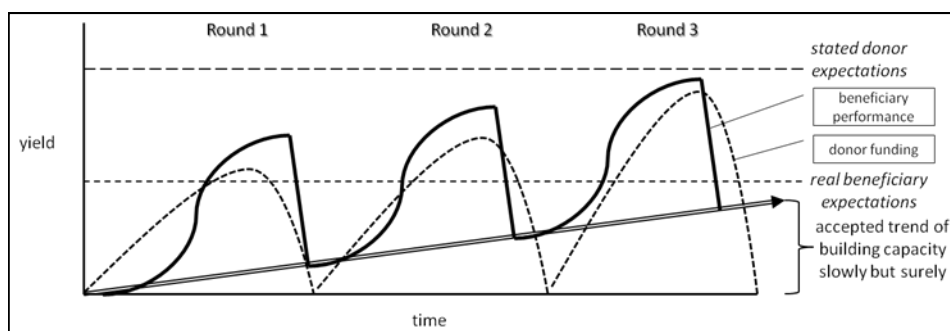


Figure 2. Patterns of interaction over three rounds of performance and funding.

phases of co-management (McConney et al. 2003). Round 1 concludes with the joint surveys done and management advice offered, but there are issues with empowering the fishers to play a more meaningful role in management.

The second round of funding focuses on strengthening collective action and capacity within the fishers' group. The intent is to get them further into data analysis, interpretation and decision-making rather than data collection alone. In the first round the members received valuable training and personal income from the surveys. However, efforts to strengthen the group from the bottom up are unsuccessful despite some evidence of them becoming more aware of the co-management process and their potential to influence policy. Leadership is lacking and interest is short-term.

The third round focuses on the fisheries authority, the other co-management partner, making greater effort to put in place the arrangements for co-management, thereby creating an enabling environment. Funds are provided for more attention to the institutional arrangements with the fisher group, there are funds for a public awareness campaign to promote conservation and of course the usual funding for surveys. In this round it becomes obvious that the latter will remain the limit of the engagement. Funds for this are readily absorbed and promising starts are made on other fronts. However, it is now clear that neither the fisher group nor the fisheries authority is seriously interested in co-management beyond this limited engagement. The expectations of the funding agency are dashed and the funding cycle collapses. Despite this overall failure, all parties can claim to have made progress during their brief collusion.

CALCULATING COLLATERAL DAMAGE

The above strategies are not without external costs. That is, those who are not directly involved in the enterprise bear some of the costs but few, if any, of the benefits. Observation suggests that these losers are often the other fisheries stakeholders (see Figure 1) and their institutions. However, a few may also be silent partners to the enterprise, not benefitting greatly but not objecting either as perhaps they see their turn in the future. I argue that stakeholders:

- i) Become encouraged by prospect of assistance to improve and/or sustain livelihoods,
- ii) Become discouraged by repeated failures which 'prove' inability to effectively organize,
- iii) Share in the goods and services provided by the project to the extent of not objecting,
- iv) Develop a dependency syndrome that stifles adaptive capacity and self-organization,
- v) Remain resilient in the dependency domain once the meta-game also remains stable ,
- vi) Cannot transform the system since cumulative capacity does not reach the threshold , and
- vii) Do not develop institutions of good governance that facilitate achieving transformation.

In the previous practical example of the nearshore fishery heading towards co-management there were other actors with an interest in the fishery such as an environmental NGO, fish traders, other fisher groups and unorganised fishers (Figure 1). It is possible that by pooling resources and collaborating that the surveys could have been done while at the same time building stronger collaborative institutions among diverse fishery stakeholders. This is not to suggest that such a scenario would be inevitable or without its own challenges and constraints. Yet it would have provided an alternative opportunity for self-organization that may have thrived in a genuinely enabling policy environment that favoured co-management as a governance arrangement.

GROWING GOVERNANCE

Using the concept of an adaptive cycle (Gunderson and Holling 2002) we can envisage that building the donor-beneficiary relationship is a networking phase, followed by the relative stability of the repeated rounds of successful funding, and then collapse after which there is a period of rethinking the funding and governance arrangements (Figure 3).

The funding cycles are not sustainable because there will either be a change in the game that originates externally, or the disenchanted stakeholders will find a window of opportunity internally that lowers the funding system threshold sufficient for transformation and rethinking. I argue that the latter offers an opportunity for growing governance. It is an opportunity for promoting self-organising institutions and changing the game from what stakeholders remember it to be into a regime with less dependence and more adaptive capacity. The institutional memory of the funding game is important for measuring progress towards improved governance arrangements. Marine resource governance in the Caribbean appears to be at a crossroad where stakeholders are seeking new directions. Caribbean fisheries are not as attractive to

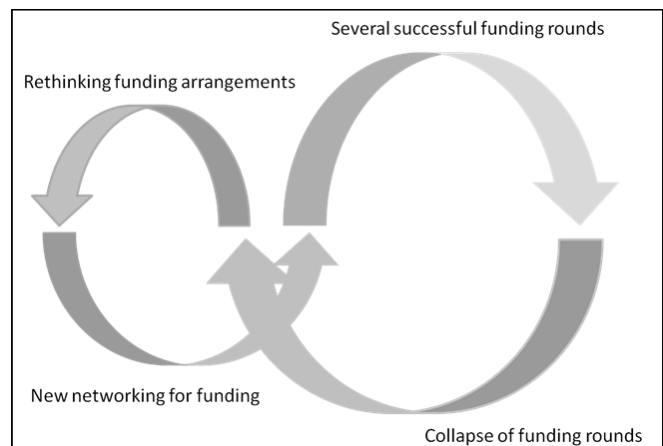


Figure 3. Cycle of funding, collapse and rebuilding provides opportunity for transformation.

donors as they used to be. The notions of social-ecological systems and resilience thinking may be useful in re-shaping images to guide governance arrangements towards new definitions of success that contribute more tangibly and sustainably to social and economic development. Donors are still required to be partners in this new game, but playing by different rules. The first steps, however, need to be taken by the beneficiaries to break the funding cycles, forego fine-tuning failure, and engage fully in strategies that favour success.

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