

COGNITIO



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A Brief Look at the “Wild” Side

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This article seeks to provide a brief working literature map and analysis of the idea of “wild cards”. Given the theoretical and definitional “fuzziness” associated with the term, there is a need to provide greater conceptual clarity on the subject. In particular, the following germane questions need to be addressed: what exactly is a wild card? Are wild cards gradual or abrupt events? How best to anticipate wild cards?

Defining the Wild Card

According to John Peterson, wild cards are big surprises that are hard to anticipate and comprehend. Specifically, he defines them as “low probability, high impact events that happen quickly”. Others such as Edward Cornish note that while wild cards are by definition unexpected and startling, there is more to them than just the element of surprise. Instead, their exceptional nature lies in their unusual qualities: the more extraordinary or atypical the event, the more it qualifies as a wild card because it upsets our expectations. This nonconformist character is illustrated in Nassim Taleb’s analogy of the “black swan”. Drawing on the classical misperception that “all swans are white”, Taleb suggests that people get blindsided by “black swans” precisely because such events go against the norm. So to a certain extent, wild cards are like “black swans”.

Closely related to the idea of the wild card is the notion of “discontinuity”. Indeed, Liam Haley and Robert Randall describe wild cards as “events that are wholly discontinuous”. Structural discontinuities are analogous to wild cards because they generate inadvertent consequences or cataclysmic effects so different and massive in scale that they have transformative effects on society. Wild cards, in that sense, can be conceived as surprises that have the power to completely change “the hand and the outcome of the entire game”. As another futurist puts it, wild cards are events that are going to “change life as we know it”. That said, Marcus Barber points out that while a wild card event is likely to be a discontinuity, not all discontinuities are wild cards. Using a ‘cascading discontinuity set’,

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he envisions a linear spectrum of the anticipated discontinuity at one end to the unexpected wild card at the other end. Therefore, according to his model, wild cards are more like mergers between these sets of discontinuous high impact events that form a larger more significant event.

Sandro Mendonça puts forward his definition of a wild card from the organization management perspective, describing it as “an occurrence that is assumed to be improbable, but would have large and immediate consequences for organizational stakeholders”. A wild card thus renders an organization vulnerable if it takes place with a pace and intensity that a normal, planned management process cannot reasonably make allowance for. Incidentally, Mendonca argues that if a wild card precludes the organization any possibility of reaction, e.g. a meteor hitting earth and killing the human race, it can be considered as irrelevant. This is somewhat different to Richard Posner’s interpretation, where in his book *Catastrophe*, he suggests that it is precisely such hard-hitting events—especially those that threaten the existence of mankind—should be focused.

Another point about wild cards is that its effects can result in system destabilization and transmutation. Peterson terms this the “butterfly effect”: while unpredictable interactions among parts are independently small and insignificant; collectively, they can result in huge shifts in the network. This “punctuated equilibrium” changes the system and transforms it, forcing it to take a new shape in a rapid fashion. They are also not always unitary events, but one wild card can set off a chain reaction that will magnify the impact of the initial wild card. They can also have a synergizing effect, where two unrelated wild cards in close proximity can intensify the net effect. This is what Posner calls “catastrophic synergy”, where an event may correlate or interact with another event to increase the overall impact.

The Temporal Dimension

Central to the definition of a wild card is the issue of time. Is the wild card a sudden abrupt event, a gradual emergent event, or both? The general consensus among futurists, it seems, holds that the wild card is an event that materializes so quickly and abruptly that underlying systems cannot effectively respond to it. Peterson, for one, draws the boundaries clearly. To him, major unforeseen events with great impact but are gradual—cannot be considered as wild cards. Mendonca, on the other hand, argues cogently that there is no *a priori* logic that suggests a wild card needs to be abrupt in nature: the time taken for an event to be felt and impact a system can either be long or short. Then there are those that take a more “constructivist” and nuanced position, whereby the distinction between what is abrupt and gradual is not always clear. Rather, it depends on the time scale and disciplinary perspective of the beholder. For example, what may seem discontinuous may well become continuous from the long-term perspective. This position essentially recognizes and emphasizes the “subjectivity of time” in the reading of wild cards.

Dealing with Wild Cards

The dominant approach used in the anticipation of wild cards is the identification of pre-event “weak signals”. As Edward Cornish has argued, “there are always warning signs that have failed to be communicated or are disregarded which point to the impending

occurrence of a wild card event”. Therefore, by collecting and analyzing “faint and nascent traces” of potential wild card events, it is envisaged that wild cards can be anticipated, and if possible, avoided. That is why Peter Schwartz calls wild cards “inevitable surprises”: they can be anticipated with a certain degree of certainty because the early stages are always there.

The problem with the “weak signals” approach, however, is that it is neither always easy nor straightforward in recognizing these early warning stages. The reality is, there are huge amounts of faint signals, pertaining to all kinds of issues, emanating across the horizon daily. Sieving out the “correct” or relevant signals amidst the noise—can be an exercise akin to picking out a needle inside a haystack. At the same time, human cognitive capability is also constrained by the innate propensity to generalize and fit facts within stable predictable patterns or known mental models. The human mind may thus miss out on “weak signals” that are beyond its extant level of comprehension and imagination. In “Rumsfeldan” language, these are the “unknown unknowns”.

Given these limitations, what some futurists have done is to advocate a “no-holds barred” visualization approach. This entails the crafting of “untamed” or “fantasy” scenarios that “free up thinking and deconstruct the perception of reality”, thereby pushing the boundaries of the cognitive envelope. This forces the mind to abandon all pre-packaged rationalities and expands the thought process to encompass a total range of possible threats and opportunities. Nevertheless, it must be mentioned that legitimate question marks still exist regarding the extent in which the human mind can really shake off its underlying bias and cognitive “fences”. Very often, so-called “out-of-the-box” scenarios spring out to find themselves trapped in a larger box.

Concluding Assessment

Like most interesting ideas, the concept of wild cards is subjected to differing interpretations and intense contestation. Still, from this brief inspection of the extant literature, it appears that we can flesh out a number of common and recurring themes relating to it: (1) extreme low probability; (2) typically atypical; (3) systemic discontinuity or transmutation; and (4) deep impact. Identifying these facets is important because getting a firm conceptual understanding of the wild card is at least as significant as anticipating one effectively. Without a clear conceptual grasp of what constitutes a wild card, keeping a look-out for one will be nothing more than just a wild stab in the dark.

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