**What the Deliberative Society Process is and How It Works, And Why It Focuses a Region on Outcomes-Focused Policies.**

The Deliberative Society Process can be scaled from business unit level, to city, county, state, national or transnational levels. Developed by Reframe It, the methodology in the corporate setting won the McKinsey/Harvard Business Review Management 2.0 Challenge in 2011. The methodology combines Reframe It’s technology with research on the methodology called Deliberative Polling. Reframe It Board Member James Fishkin and Stanford University Communications Department Chairman came up with the concept of Deliberative Polling and has implemented over 70 Deliberative Polls since 1995, throughout the world. Deliberative Polling has been used to make policy in Texas, Japan, Italy, and elsewhere. It was has built a global reputation managed in significant part by Stanford University Center for Deliberative Democracy.

The Deliberative Society Process

In summary, there will be 2-3 Deliberative Society processes:

(1) Deliberative process to determine the nature of the Social Impact Bonds governments should support and/or the nature of Social Impact Bonds organizations should support. In the case of governments, sometimes these are conducted in collaboration with the Legislative or Executive Branch of city or state government, and sometimes in consortium with other organizations which lead to initiatives to be placed on the ballot.

(2) Deliberative process to improve the details and approaches of social innovations and to decide which social innovations get funded and incubated and to what degree over time

(3) Deliberative process to disentangle which social innovations were relatively more important retrospectively.

Biases Deliberative Process Overcomes

* Self-guided learning is biased and even professional topical research can be skewed when done by an individual or small group: people have a cognitive preference for accepting information that supports our preconceived ideas.
	+ Example relevant to the second stage of deliberation in the process for investing in social ventures: In venture capital and angel investing settings, this can mean that an investor will look more at what they are already biased to appreciate, and read less carefully that which might dissuade them of that pre-conceived idea. This can cause them to overlook a fact which if things fail in retrospect would have been persuasive, but at the time was glossed over. These biases can hurt social and financial returns.
* Crowd-sourcing and open forums can be overrun with highly mobilized special interests. Example relevant to the First Deliberative Stage, at the governmental level there are contexts in which 1% of the public will mobilize and bombard legislators and the executive branch with letters and phone calls and will seek to make themselves appear much larger than they are. This can be a successful tactice.
	+ Part of why outcomes based budgeting doesn’t get changed is because there is always the public fear when any change is proposed that it is primarily to benefit some private interest primarily. Private interests often benefit as a side-effect of public policy. But the primary intent of public policy has got to be to ensure the optimal public returns to diverse stakeholders. So the advantage of a deliberative process is that these stakeholders can participate in proving how an outcomes approach can lead to changes all are compatible with.
* Top of the head opinion is uninformed on some aspects of complex social issues and on budgetary tradeoffs.
	+ Government decision-making in the Region Lazio (which includes Rome) found that the Deliberative Poll there allowed them political “cover to do the right thing”. In essence, there was a public misunderstanding of the issues in which empty hospital wings had been supported for more than a hundred years because they had placed all of the teaching hospitals in Rome over the years. Once people realized that they could close wings that were empty, still have plenty of rooms for them based on population, and use the extra funds that got created to pay for more doctors given that there was a shortage of doctors, they shifted in opinion. Policies were changed. <http://cdd.stanford.edu/polls/italy/>. This can relate to people not understanding tradeoffs they are making. If people get given the opportunity to really understand tradeoffs about budgeting for outcomes (such as investing in preventing recidivism is economically more effective than keeping more people in prison) then sometimes they shift in opinion once they understand these tradeoffs.
* Pressures for consensus lead to false consensus. (Note: Since Venture capital allocation has historically been a consensus-based process, it’s likely that removing forced consensus will improve financial returns.)
* Informal feedback channels are skewed. This can lead to “group think” within socially self-segregating sub-communities within capitalism. When outcomes require massively-multi-disciplinary approaches no individual in an isolated discipline is qualified as an expert about all components of it. Conversation is required to make sense of such approaches and their relative value and potential merits.
	+ When policy makers in Denmark were considering concerns citizens might have about the Euro, the focus was all on monetary policy, economic growth, taxes. It turned out in the Deliberative Poll, pensions were the most important issue for citizens thinking about joining the Euro. Deliberative Processes can help to debug potential challenges in populations through deliberation among potential beneficiaries of the services to ensure that after conversation there would be support for that approach.

California Deliberative Poll Supports Outcomes-based Policy

A California-wide Deliberative Poll was conducted in 2011. *What’s Next, California?* explored a variety of policy issues, including several that were related to measuring government outcomes and measuring success and failure at reaching targets measured in outcomes. The Deliberative Poll showed that once people discussed the issues they shifted their opinion in favor of setting targets for and measuring outcomes. Social Impact Bonds are a further step beyond measurement. The degree to which Social Impact Bonds can be accelerated in California will likely be revealed on the 2012 California Ballot, which will have include Measures regarding measuring outcomes. (quote from WNCa – cite articles that show the legitimacy of that process.)

On the question of “Establishing clear goals for each government program and

assessing whether progress is being made toward these goals at least

once every ten years” the pre-deliberation ratings of this were 86% in support of the approach. 6% of those surveyed pre-deliberation were against the proposal, and 9% were neutral pre-deliberation to the proposal. After deliberation there was 90% support, with opposition falling by nearly a third from 6% to 4% and with a third of those neutral shifting towards being positive towards the proposal.

Importantly, deliberative processes to select social innovations need to include all those who are affected. One group that began the process with a lower percentage of support for outcome-focusing policy change that was proposed than other economic groups is the poor. Those making under $25,000 began with the process with 74% support compared toed 86% support in the overall population. After deliberation, they increased their support to 87% support. On the other end of the spectrum, those earning greater than $150,000 a year shifted in their opinion from 84% to 95%. Also interesting, is that Republicans began the Deliberative Process with 77% support for the outcomes based proposal (shown here in the insert with photograph). Republicans after deliberation shifted to 91% in support of the outcomes based proposal. Indeed, opposition among Republicans fell from 14% to 4%, a remarkable change in which more than 70% of opposition among Republicans disappeared after deliberation.

It is the prevailing hypothesis and scientific theory of this paper that outcomes based approaches can receive the support of some portions of the public which in certain regions for certain issues after deliberation would secure all requisite support. Deliberation can be done representatively through Deliberative Polls and processes, and where necessary it can be taken to the voters in referenda. But the point is that outcomes based approaches are not always as popular as this specific measure that the What’s Next CA Deliberative Poll measured. Other outcomes based measures require the support of citizens to pay funds into social impact bonds for example, and these may have lower initial support than this proposal. Nonetheless, this outcomes based approach suggests that deliberation might lead voters in general, the Republicans and the poor in practical applications of similarly outcomes-focused approaches to support outcomes after deliberation. This can help improve the political capital context for making decisions about outcomes by reducing opposition. If necessary, deliberation can be extended through other technological means such as video conference deliberation among citizens and incentives for participation to ensure enough citizens deliberate so that if in fair, impartial, balanced and rigorous deliberation they shift opinions in favor of outcomes-focused approaches then the government compatibility with such approaches increases. This is a process of creating a regional movement in favor of securing such outcomes facilitated through deliberative democratic participation in the consideration of tradeoffs.