The Rotorua Nutrient Trading Study Group (NTSG), 2007-2008

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The following is a "first person" account of the design and implementation of a dialogue group known as the "NTSG" in its work with Motu Economic and Public Policy Research. Motu researcher Suzi Kerr provides the economic research leadership for this project; Kit Rutherford from NIWA provides the science leadership along with David Hamilton from Environment Waikato. The NTSG is a cross-sectoral group of principally local people, with some agency players from a regional or national level, who have an active interest in the Lake Rotorua catchment. The NTSG group is still operative and Motu maintains communication with the members. All of the members are in their own way well connected to their communities, and maintain high standing. The dairy farming representative, for example, is a business partner in both dairying and forestry interests with the local (who is also a national) representative for Federated Farmers. The iwi representatives have national as well as local profile. Senior regional council representatives joined us at key milestones, and briefings on the project have been provided to central agencies (MAF, MfE, Treasury and others), to the wider network in Wellington through Motu's seminar series, and to Local Government New Zealand and Hydrological conferences as workshops. The work of the group is communicated by a series of short videos, and the Nutrient Trading Game has been played widely.

Genesis of the Research Programme

In mid 2006, Suzi Kerr and I scoped a design for a learning group based around water quality and nutrient trading. The initiative had grown from a working paper co-written by Suzi and Tim Bennetts of MfE, begun after the Taupo work and with the intention of bringing some further economic rigor into the design process around nutrient trading systems, and deepening understanding of trading inside government. A colleague of Suzi and mine, David Fairman of the Consensus Building Institute in Cambridge, MA, met in the US and then in NZ. We crafted a report published by Motu, some months before the project was formally initiated. Underlying that design was a series of learnings about effective learning and dialogue groups that I had harvested from colleagues at the MIT Centre for Organisational Learning including Peter Senge, Otto Scharmer, Adam Kahane (also of Generon Consulting), and other networks working on collaborative projects around sustainability in Europe, North America, and globally since 2005. My own post-grad experience in these fields of work extends from 1980.

Design report

In mid 2006, I undertook a series of interviews with leaders in the Office of the PCE (following their recent report on the Rotorua Lakes), Ministry for the Environment (Lindsay Gow, Tim Bennetts), Local Government (including EBOP CE Bill Bayfield and EW's Tony Petch), and science leaders in NIWA and at The University of Waikato. As it became clear that the Rotorua Lakes was a compelling area, we took a field visit and met with and interviewed around a dozen leading local and regional players – from the Landcare Trust, Te Awawa Lakes Trust and other Maori groups, farmers and Federated Farmer reps, representatives of environmental interests and recreation/tourist/fishing interests, and a variety of institutional players.

Selection of the Study Site

The study site was arrived at iteratively. The Rotorua Lakes were attractive because of the depth of science, the immediate management application, and in part because of their complexity. It became clear that the complexity of issues across lakes as a group would be more complex than manageable, so a catchment-scale study on Lake Rotorua was chosen. A catchment scale seemed a logical unit for a community dialogue as well.

Selection of a Group

In early 2007, we activated the design for a local catchment-based learning group. The group was selected with local advice and with a reasonably open approach. We explained that we wanted a balanced group and asked "Who would you suggest we consider?" There were no strong contests. The balanced design consisted of sixteen people representing (loosely) four from each of the design "quadrants" – "institutional players and thinkers", "technical players and thinkers", "iwi-Maori, community, NGO or players and thinkers", and "individualist players and thinkers". These distinctions reflect Wilber's four quadrants. People with an external view (detachment) or an internal view (strong belonging); a collective or an individualist view. The guiding principal was to have people who not only represented sectors, but also brought in different ways of seeing the world. Everyone uses each rationality to some extent. By early February, we had agreed on a group that participants and the key sponsoring agencies agreed was a workable mix for a prototyping study. Over the course of the next 18 months, only a few members changed – mostly the council or central government reps.

Design Intention

The design intention was developed and held at three levels:

- co-develop a workable nutrient trading system using community-based partners as a local "test bed" (ownership – Motu and technical team)

- take the participants through a learning process in which the participating sector players, iwi participants, and representatives from central and local government develop some prototype experience in designing and modeling a nutrient trading system which intends to have an impact on environmental quality (ownership – capacity and understanding at the individual and institutional level)

- take a cross-cutting group of community members from one catchment through a year+ long learning journey including retreat time, in which they get to develop a shared understanding of one another's perspectives, the practical limits to one another's interests, and the distinct and shared values; in an enquiry – can a new maturity of stewardship/kaitiakitanga emerge from working together in this way?

Design Decision on Group Size

Peter Block (2008) in *Community* - the structure of belonging (Berrett-Koehler) uses the phrase – "the small group is the unit of transformation". Even if large scale change is sought, it will always involve fundamental change at the small group level. I have been following Block for some years – this informed our design thinking. A group of 12-16 felt practical; it also created the opportunity to test the dynamics and design of small group process embedded in a wider catchment context.

I use the words "learning" and "transformation" in the text below. They have a specific meaning to me in individual and group terms. "Learning" involves some kind of self-aware distinguishing of the known from the unknown, and an exploration of what is known, and the edge of what is not known, and the relationship between each. The learning can be purely intellectual, can be tacit (embodied, or practical), empathic, or touch the very edges of conscious awareness. The focus is on what is learnt. "Transformation" concerns the state of the learner, or the participant and observer. Transformation refers to a shift in the context from which the world is observed – at a deeper level, a shift in who the observer knows himself/herself to be. These play out at the individual, and at the group level. A group can, through a learning journey that is transformative, come to a place where "it doesn't know itself as the group that it was" – that is to say, the world occurs to it quite differently to how it occurred to the group (or its individual members) before the learning journey began. The two dimensions of group process I am interested in working with in dialogue, are epistemological (to do with *knowing*) and ontological (to do with *being,* and therefore

with context and perspective). If understood, one can give access to and support the other. Relatively few practitioners of group process are masterful at working with both.

Design Intention on Group Composition (the Mix)

The four quadrant approach referred to above is not a doctrinaire matter, or even "good practice". It is a particular research inquiry of mine, and I find it helpful. It resonates well with work by Howard Gardner (amongst many other works, the author of "Five Minds for the Future"). It invited us to consciously engage with *diversity*, and with *balance*. It was also a very pragmatic cookie cutter – we knew there were certain groups and sector that had to be represented, and we had agreed on the size of the group. So, we used the frame as a useful discipline for checking against.

Group Composition:

INSTITUTIONAL PERSPECTIVES

Institutional players tend to wear "hats" that represent "positions and interest". This gives a measure of stability and transparency to society, but indulged to the exclusion of other perspectives, leads to non-learning patterns. The "four players" were from EBOP, RDC, MAF and MfE. The primary source of truth is power – the ability to make or enforce rules (could say more!)

TECHNICAL PERSPECTIVES

This included our economist and scientific advisors, but in practice many participants had technical skills to bring and much of the design work was technical. The risk is getting caught in only one modality (the technical), which seeks to get things *right*, and, automatically (unless held consciously), also tends to make another who thinks differently *wrong*. Hence, from a technical world-view, a right-wrong conflict is latently "built in". It tends towards stuckness. Lots of evidence!

CULTURAL, ENVIRONMENTAL AND RECREATIONAL PERSPECTIVES

This set of perspectives use the term "we" in a variety of ways (initially, "us versus them", more maturely, "we" including the common good). It's a shared pattern of thinking common to cultural groups, environmental groups and recreational groups – and also to sector groups like Federated Farmers. Unlike those coming from a technical perspective, the source of truth is not referential to science or anything objective, but is *declared* (in the hermeneutic realm). We invited the Fish and Game Council, DoC (as a representative of environmental groups more than as a Crown player), The Lakes Water Quality Society, Te Arawa, The Maori Trustee to join and being these kinds of perspectives. (It takes a bit of mastery to get institutional, technical and "cultural" thinkers in dialogue"!)

BUSINESS PERSPECTIVES

This set of perspectives tend to use the word "I" or speak from their individual world view. They have clearly defined interests but do not necessarily act in self interest rather than stewardship. In fact, deeply responsible stewardship cannot be exercised without a deep willingness to "be the one who is responsible for the change". However, the group of participants we invited from this perspective were: A dairy farmer, a sheep and beef farmer, a forester, and a strongly motivated iwi land developer. For dialogue, we each want to be able to see and speak through one another's eyes and mouth.

Participant selection criteria

Participants were selected on individual merit – their ability to engage with technical material, bring their distinct perspective, to stay curious, and work imaginatively.

The relationship between NTSG and "community and sector leadership"

The NTSG was designed to work "below the radar". It was not intended to respond directly to public inquiry, or to politically influence players during the design process. In the early design, I had proposed a process by which participants would go back to the "parent or associated organizations and networks" and provide and receive feedback, informing and developing the prototype nutrient trading system as well as generating a wider network who had an initial understanding of its intentions, workings; limitations and strengths. This didn't happen because (inter alia) of the focus on more technical matters; and in terms of future learning this may be a key element that was missed in the implementation. Wider engagement takes resourcing, time, intention and some consciously developed skills and capacities, as well as a soundly based model. In few cases have new initiatives been "taken to scale"; and one of the reasons is the models we are generally working with, don't work very well. There are better alternatives, and we should be testing these. We are about that now. (You're soaking in it).

Design Journey

From practice experience (as well as the small but insightful dialogue and group transformational literature), we know that "action" and "change" is occurring all the time at four levels: within the individual (the individual learning and transformational journey); between participants (in the "conversational field", which is also a space of shared learning and transformation); at the group and organizational level (i.e. within and around the group as a whole, and the organizations represented and therefore "participating" to a greater or lesser extent); and in the wider field (the world which is touched indirectly by the learning – for example, through briefings, workshops, videos, minutes, networks, rumours, and media).

The design focus of this process of learning (and transformation) was at the conversational and group level. We attended to individual learning as it showed up in the group; we did not engage in in-depth interviews or surveys of learning. We did use reflective processes during meetings where participants interacted in pairs, in small groups, or periodically (usually at some point in most meetings) spoke reflectively to the whole group (in a "round") about some aspect of the process and their learning or confusion; confidence or anxiety (both of the mechanics of a trading system, and of its application). We did not try to actively evaluate the merits of trading in its own right, but focused our attention on what could work, what would produce a given result, what could create unexpected or undesirable consequences etc. It was in the exploration of the building a prototype together, rather than in its academic evaluation, that participants began to get a feel "from the inside" of how a trading system *might* work. The focus was predominantly technical (in an applied way), somewhat ethical (there were at least private reservations expressed at most meetings about some aspect or its consequences), but rarely political.

This in large part reflected the design journey.

It is fair to say, initially, that the NTSG learning journey was a more technically focused and constrained process than I initially had in mind. I would not, for example, choose to design in monthly to six weekly sessions of only a half day's duration. It is hard to reach a depth of knowing or to get access to deeper insights and reservations, without overnight breaks where the group returns the next day to share. The deepest thinking of an individual and a group happens overnight. However, this did happen in our early 2008 retreat at Lake Okataina. It pointed to the ability of local groups (which can have higher empathy than more technical national groups) to undergo something of a transformation journey, even on a "tight time allocation". Duration (from February 2007 to May 2008) makes a big difference, if group membership is stable.

The design journey included the three levels named in "design intention". Motu and the researchers had (the governing) agenda, of developing a workable prototype trading scheme. Participants would learn whatever they did, in process. However, we did not make it a strong aspect that each member build equal capacity – there was no evaluation of individual technical learning. The main focus of the dialogue process, as a support the prototyping (design and development) process, but also as an intention in itself, was to consciously build a deeper, (ethical) capacity to reflect individually and collectively on our stewardship of the land, water, and community resources that are touched on by the decline of water and environmental quality. The

intention was to create a container in which this took place in a participant sponsored manner, not led through direct inquiry.

The design process was based on a four (or five) stage process, drawing on a number of dialogue lineages. The clearest is that of William Isaacs (1999) *Dialogue and the Art of Thinking Together*, who names four key enablers of effective dialogue: Listening, Respecting, Suspending, and Voicing. As part of the design process, these were mapped to a series of stages of group dialogic development; and a linked set of interventions. While this is both subtle and (literally) complex (because of the multiple layers, issues and intentions at play at once); when these matters are harmonized a group will find a certain "common tone" (like a choir finding its note) when invited to take the next natural transition. And so, over the course of the 17 months from February 2007 to May 2008, it was possible to distinguish a series of distinct "turning points" or transitions in the way the group spoke to and of one another, through which it possible to infer how they were making sense of the system was shifting. These shifts can be hard to notice as a participant (William Isaac's astutely calls the design of dialogue – *The Architecture of the Invisible – p233*) but are more easily seen by a participant-observer. And, the deeper work of dialogic *practice* is to allow the participants to see what is going on (to become consciously competent), and the *work* is to make the invisible, visible. In this learning group process, the purpose was quite heavily weighted towards the prototype design; and the amount of time and opportunity for intentional reflection was limited. As groups become practiced at intentional reflection, and develop their individual and collective practice, the difference in the quality of experience and insight is substantial – and nearly always enough to rebalance the (understandable) skepticism of being "over processed" or subject to "mumbo-jumbo". The art in leading a group into dialogue in practice, is to take it in small and digestible steps, allowing the benefits of each stage in the process to be manifest in the quality of insight, trust and clarity. A deep dialogic space opens up an access to many if not all the participants, to a deep (and sometimes vast) shared access to complexity of the whole system; and sometimes, surprising clarity of insight (and surprising through whom the insight comes).

In more moderate dialogic process such as this, the most distinct moments of "shift" became apparent in the following transitions and distinctions:

1. From *raruraru* to productive conversation. In the first meeting (at the Rotorua office of Environment Bay of Plenty), we had the use of a small, narrow conference room with fixed table. The conversation was dominated by a small number of louder voices, and there was dismay voiced by more than one member. While it is common to name "storming" as a first stage of a group process ("forming, storming, norming, performing") it can be shallow form. We took a number of interventions. We shifted to a larger, more round, light and open space. (Room and group shape is a primary shaper of how conversation goes). We attended to some clarity around membership, intention and design. We did not invoke ground rules or patronize the participants. We invited them to bring their commitment to our work into the room with them. What shifted was their quality of **listening**.

2. The next series of meetings were quite didactic, and then we introduced a trading game. In an early stage of the game, one participant (who in the game represented Maori Trustee land owners) lost all her capacity to trade. The jubilant "boy farmers" crowed with delight at their win – and then, as it dawned on them the impact socially and culturally of depriving those with Trustee land yet again of their assets and earning potential, there was a collective realization of the risks in the game and in design. There was a collective empathy – and a collective maturing. There was a perceptible shift in the "field" of the conversations. What was shifting was the quality of **respect** for each other. Participants were beginning to think for the whole system.

3. The evidence for a shift began to flow through in meetings. If someone was not present, when a question came up that might bear on their interests, someone else would say, for example, if Tina was here, I think she might say "x….". The group members were developing a capacity to **suspend** their individual perspectives, in favour of seeing the world through another's eyes – even if clumsily, or momentarily.

The most fundamental shifts in group process usually have to happen outside the ordinary meeting space. (Things become familiar, and patterns in the world become triggers for patterns in the mind and for familiar conversations.) In early 2008, we scheduled a residential retreat to Okataina Lodge, in a beautiful bush setting. It was there we were able to spend evening time for two nights, reflecting on learnings and in conversation with visitors. A deeper (in some ways imperceptible) shift occurred. The results came later. It was an opportunity to connect deeply with some of the "sponsoring groups" of the process – to explore related issues, especially implementation issues, and to test assumptions again.

4. In May 2008, the NTSG gathered to report to a meeting of council and other community representatives in the Rotorua District Council Chamber. A number of the NTSG members spoke, and all with clarity, with individual perspectives and passions, but with a quality of "speaking for the whole" (speaking with other's voices) that would have been uncharacteristic and impossible, earlier in the process. The participants had developed their capacity for **voice**, at a new more mature level. The distinction of voice as a more mature or senior distinction of dialogue, is that that *voice* speaks not just for the one or the part, but for the *whole*. It is a voice that speaks *in service*.

We do not yet have sufficient "independently anchored" points of reference to declare that these shifts are independently verifiable. In a complex system such as dialogue, this may never be the case. However, amongst the tests that Peter Senge offers in response to the question "how do you know what you know? (and how do you know it works?)" is "can you keep creating what you love?" My own answer, from my increasingly reflective practice of dialogic processes over the last ten years is yes. And I leave it to others to uncover whether they loved being a participant.

As to whether those in the outer system love the process, this quite a complex and distinct question. It concerns two separate dimensions:

1. What is the relationship between a dialogue group (lets say, a small group – the unit of transformation – and its surrounding (and directly linked) ecosystem? and

2. What is the process by which we take new ways of doing things in small groups, to scale (that is, to a larger scale at which we could say we have "rolled it out"?

What is the relationship between a dialogue group and its surrounding/directly linked ecosystem?

Even though New Zealand is a small country with a widely reported "two degrees of separation", we cannot assume that a group like a dialogue or learning group can propagate its learning (its technical and social innovation) by osmosis. To the contrary (and because human beings by nature *are contrary*), the more radical the innovation, the more likely the innovation will be met with resistance rather than uptake.

I think the experience in Rotorua (current divergence of views and publicity) is a good sign of awakening rather than a reflection of failure by the NTSG or agencies to "control things". Control is an unlikely option in any case. What could happen in a more mature way, is for us to develop "nodes of maturity" of cross-sectoral small groups who have "done the yards" of learning and transforming, and begin to working in respectful and invitational ways with their capacity to listen, offer and generate respect, suspend judgment and give voice to a new voice of local leadership.

What is the process by which we take new ways of doing things in small groups to scale?

This is best answered in an admirably short but trustworthy article by Meg Wheatly and Debbie Frieze: www.margaretwheatley.com/articles/emergence.html