Perfect ignorance;

Any compliance management system operates at some level of 'imperfect ignorance';

Optimal location of point e?

Cost-efficiency: Optimize value of info relative to cost;

Cost-effectiveness: Optimize value of info relative to decision needs

Risk minimization: Optimize total learning as long as value > cost
J.M. Keynes, 1921: “About these matters there is no scientific basis on which to form any calculable probability whatever. We simply do not know.”

C.S. Holling, 1986: “Experience shapes concepts, being incomplete, and surprise accumulates to those concepts. . . . held beyond its time, the resultant adjustment.”

1. Inability to fully conceptualize a system
2. Lack of information
   - "The more you know, the more you know you don't know!"
3. Limit of information availability

- Progress in reducing uncertainty
- Intensity of info program (time & effort)
- Cost of obtaining information
- Value of information
- Cost to obtain & manage information

Subjective Scales
A Pragmatic View of Uncertainty

1. Inability to fully conceptualize a system
   - Perfect ignorance;

2. Lack of information
   - The more you know, the more you know, the more you don’t know!
   - All market investment and economic analysis occurs at some level of ‘imperfect ignorance’;

3. Limit of information availability
   - Optimal location of point e?

a → Cost-efficiency: Optimize value of info relative to cost;

b → Cost-effectiveness: Optimize value of info relative to decision needs

c → Pure research: Optimize total learning as long as value > cost
J.M. Keynes, 1921:
"About these matters there is no scientific basis on which to form any calculable probability whatever. We simply do not know."

C.S. Holling, 1986:
"Experience shapes concepts, and eventually produce surprise; and the longer one view is held beyond its time, the greater the surprise and adjustment."