

Preface

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TOWARD CONTEMPLATIVE SOCIAL SCIENCE

“The current crisis in the economy could teach us to look beyond material value and unrealistic expectations of limitless growth. When things go seriously wrong such as in the financial crisis, it is often because a new reality is still being viewed with outdated concepts, and this is certainly also the case in the domain of the economy today.” The Dalai Lama

As this quote, expressed by the Dalai Lama in 2009 after the eruption of the financial crises (Tideman, 2016), indicates, the changing economic reality calls for a fundamentally different way of thinking and seeing. Philosopher Thomas Kuhn (1962) defined this as a shift in paradigm, meaning a fundamental change in the mode of perception, frames of reference and underlying beliefs and assumptions. French novelist Marcel Proust (1923) described this shift in vivid terms: “The real act of discovery consists not in finding new land but in seeing with new eyes”.

The current book testifies that an increasing number of scholars recognize the need for such shift in perspective. They seem to agree with my view that the economic crisis has been created (and persists), because our political and economic leadership employs flawed and increasingly outdated frames of reference, based on limited assumptions about the current economic reality and the multifaceted drivers of human behavior.

These assumptions of classical economics were mainly derived from Newtonian physics and Darwinian biology. In this worldview, the economy and environment are seen as separate spheres of life, and humans – the ‘fittest’ among competing species – are supposed to hold dominion over all natural (and human) resources. This privileged role gives humans the power to extract value from all resources, against as low as possible cost, and utilize it for our human agendas (or, for that matter, to liquidate it to maximize GDP or quarterly profit margins). In this worldview, individuals and companies regard themselves as autonomous, individual agents who make their own rational choices – the image of *homo clausus* or *homo economicus* – in a relatively static and predictable context. Economist Milton Friedman (1970) expressed this worldview in the business context in a famous quote: “the only business of business is business”.

This way of thinking was the cornerstone of the industrial age when both natural and human resources seemed abundant and inexpensive. Its underlying worldview, however, is no longer fit for purpose. In fact, this rather simplistic ideology of economic activity is increasingly recognized as the prime driver behind the emerging ‘tragedy of the commons’, in which producers, consumers and financiers hold each other in a ‘prisoners’ dilemma’: a race to the bottom of over-production/consumption/borrowing and consequential ecological overshoot and social inequality. Given the fact that we have finite common resources for a rapidly growing population, by continuing to focus primarily on our own short-term business interests, we collectively end up as losers.

Fortunately, thanks to discoveries in many scientific disciplines, most notably in social psychology and neuroscience, there is a new worldview emerging that is more suitable to the modern context. It is a view in which people, business, economy, environment and society are no longer separate worlds that meet tangentially, but are deeply interconnected and mutually interdependent. This matches with the view of sociologist Norbert Elias (2000) who said that humanity should see itself as *homines aperti*, in which people are in open connection with each other and their environment, being formed by and dependent on others and nature.

For example, Daniel Kahneman (1979) who received the 2003 Nobel Prize in Economics for his studies on intuitive judgment and decision-making, has explored the intersection of neuro-science, psychology and real economic behavior. The significance of this work lies in its ability – for the first time in the history of economics – to describe the neuro-biological basis of economic behavior. This work is bridging the heretofore distinct disciplines of psychology and economics.

These insights are revelatory because they provide empirical evidence derived from a physical-biological basis for the notion that human nature is *not* driven by greed, materialism, extrinsic motivation and egoism alone; at least equally important are pro-social motives, such as inclination to cooperation, moral fairness, altruism, and psychological wellbeing. This not only uproots the classical model of *homo economicus*, but it also challenges the deep-felt belief that only external gratification through money and consumption can meet our needs.

The financial crisis that erupted in 2008 and the increasing impact of social technology has made it clear that this interconnected worldview is not merely academic: it best describes the reality of global society, business and finance, which functions as a tightly interwoven web of human relationships and interaction. This web extends into our global climate and ecosystems, which has been recently recognized by the global community as evidenced by UN Global Sustainable Development Goals. They are built on the scientifically determined notion that in order for our economies to function and societies to survive, we need to respect planetary boundaries and ecological laws (Rockstrom et al, 2009). In the new reality “business as usual” or “politics as usual” is no longer an option from a long-term survival viewpoint. Indeed, leading companies have recognized the new reality – which is generally labeled as “sustainability” - as the next business “Megatrend”, just like IT, Globalization and the Internet did earlier, determining their long-term viability. Or in the words of management scholar, Frank Horwitz (2010): “The only business of business is *sustainable business*”¹.

The shift toward sustainability implies a departure from the simplistic three-pronged production-consumption financing model in which money is abundantly made available by banks, to a more holistic and realistic life-based model in which constraints in financial, natural and ecological resources are recognized as natural and consumers are recognized as real people. It is a shift from the speculative debt/growth economy to the real economy, not only in a macroeconomic sense but also in terms of understanding the *real* drivers of economical value and sustainable performance.

Matching real needs and resources entails a focus on *the way we think and relate to each other*. Given the central role of human thinking and interacting in the new economic paradigm, we should shift our perception of markets as anonymous transactional trading places to a community operating in an interdependent economical and ecological context. The members of the community are all interrelated stakeholders who are engaged in a continuous complex inter-dependent process of co-creation of value, whilst fulfilling needs, both short- and long-term. These needs go beyond merely material economic needs, but also include emotional, social and ecological needs. Therefore, the rules of the new economic game should no longer be to maximise return on invested capital, but to create optimum resilience of the system by enhancing well-being, shared value creation and performance of all participants within the system. This presents a major shift in economic thinking indeed!

The leading management thinker Gary Hamel (2007) described this shift as follows:

“The biggest barrier to the transformation of capitalism cannot be found within the observable realm of org charts, strategic plans and quarterly reports, but rather *within the human mind itself* [.....]. The true enemy of our times is a matrix of deeply held beliefs about what business [and economics] is actually for, who it serves and how it creates value”.

The reinstatement of the mind as a prime driver in economic value creation, and the revolutionary insights into the mind’s pro-social nature, are giving rise to a new economic science. It is here that one can find the exciting intersection with *contemplative science*. This field, first postulated by Francesco Varela (1992), gained popularity through the research conducted by medical researcher John Kabat-Zinn (1990) whose program called Mindfulness Based Stress Reduction (MBSR) turned out to diminish the suffering experienced by people with chronic pain, and neuroscientist Richard Davidson, who has shown that contemplative practices such as meditation and other forms of mind-training, can be observed in measurable change patterns in the brain (Davidson & Begley, 2012). Since then, multiple research studies have shown that this process of contemplation results in positive effects on one’s mental and physical health and well-being. Most interesting is the fact that, when these practices are complemented with other educational methods, they become more than tools for people’s sense of wellbeing: they help people to expand their awareness of one self and one’s environment – in other words, they expand our frames of reference. MIT researcher Otto Scharmer (2013) describes this shift as a transition from ego-system consciousness to eco-system consciousness.

Continued research in this field shows that contemplation is not merely an internally oriented process: it is both embodied and interpersonal, which means that it is shared in and through relationships and with the world (Siegel, 2016). The process of contemplation, over time, is set to evoke the discovery of one’s natural interconnectedness with the world around oneself. Such recognition will inevitably lead to shift in the perception of one’s role in the world, ultimately to the point of recognizing one’s interdependence with the world around oneself, which typically results in an adjusted sense of purpose. At that point, one can no longer see oneself as a disconnected isolated *homo economicus*, but rather as a full co-creative member of the human family and the sacred natural world.

While this mind-state has been recognized as a possibility for individuals, the question is if it can be applied to the field of economic policy. For example, when people become overly greedy/fearful when confronted by the ups and downs of markets, can policies be envisioned that help people to make more balanced choices by not giving in to the ‘primal’ fight-flight-freeze response? Can governments design economic policies that discourage mindless consumption, and instead empower consumers to make sustainable purchasing choices? Currently, many policies achieve the opposite: they reinforce a vicious cycle of desire and fear, with countless negative impacts on nature and society.

Thus, the crucial question: can the groundbreaking insights of the emerging contemplative science be translated to the level of policy making? Can we learn to develop policies that help people to transform negative mental states into constructive and compassionate action, replacing negative economic incentives into more positive ones that stimulate sustainable economic behavior of individuals *and* institutions? These are excellent questions to ask in this new field of science, which we can call *contemplative social science*.

In conclusion, while there are many initiatives addressing the crisis in capitalism directed at changing political-economic systems from the ‘outside’ – such as ecological footprint reduction, the circular economy, green product innovation, sustainable investing, new governance and accounting systems - this book makes the argument that equally important is

changing the ‘inside’ realm of the mindsets and worldviews underlying the outer economic systems. Contemplative science has ascertained that these mind-sets can be developed through education and mind-training (they are available to us because they are integral to our human nature) this argument is not just theoretical: it may be the most important work that we need to do in order to sustain human life on this planet. *Contemplative social science* can now take this further by exploring how to develop the mind-sets, beliefs, assumptions and mental models that can help us create sustainable economic systems that are in line with actual human nature and respect planetary boundaries.

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