

## **Initiating Social Transformation**

(Paul Shrivastava. Thanks to Dr. John Grant, and Club of Rome members Dr. David Corten, Carlos Pereira for inputs). Under 2500 words note raising fundamental questions to serve as a basis for discussion.

**Goal** – integrated understanding of Social Transformations needed for future capital that enables sustainable development and wellbeing, and enabling Action. The process of social change, How to initiate it. Evolution of social power, the role of money, Transforming power relations for public benefit, global systems change.

### **Outline**

Why Social Transformation  
What needs to be Transformed  
What is the Context of Transforming Econ and Corp  
Transforming the Economy  
Transforming Enterprises as containers of capital  
Barriers to Transformation  
Initiating Transformations

### **1. Why Social Transformations for Future Capital? - the Anthropocene**

We have entered a new era of human and earth evolution -The Anthropocene. It's a period in which human-nature relations have been reversed, from humans protecting themselves from the power & vagaries of nature, to humans being the primary force changing natural systems. The World Stratigraphic society voted in May 2019 to officially name this period – the Anthropocene, started in 1950, and by 2050 we expect

- World population going from under 2B to current 7.3B to 10B people,
- Global economy going from GDP of \$4 Tril to current \$80 Tril to \$200 Tril
- Global Debt escalating from \$240T to \$500T
- Global Carbon going from 410 ppm C to 450ppm, causing 2-3C temp rise.

- Since the 1950s there has been a Great Acceleration of socio economic trends (population, GDP, urbanization, use of fertilizer, water, energy, paper, dams, transport, telecom, tourism, etc.) and correlated increase of Earth System trends (Carbon, Nitrogen, Methane, Ozone, in atmosphere, earth surface temperature, ocean acidification, degradation of land, forest and biodiversity, etc.).

-There 9 Planetary Boundaries that have supported life for millions of years, being tracked by science. Two boundaries (genetic biodiversity and bio geochemical flows, Nitrogen and Phosphorous) are at high risk of breaching, two other boundaries (climate change and land system change) are in increasing risk of breach. The three variables (water, ocean acidification and stratospheric Ozone) are below boundary, but rapidly deteriorating, with parts of the world facing severe water shortages and ocean acidification contributing to death of the coral reefs.

- Deep and widespread wealth inequality. 26 individuals hold personal financial assets greater than the total assets of the poorest 50% (3.9 billion) of the world, while 2.2 billion are living in multidimensional poverty.

These facts have led to global consensus on pursuing sustainable development goals of Agenda 2030. We need socio-economic technological transformation affecting everything from Food-Energy-Water nexus, Health and Wellbeing, Economy, Education, Infrastructure, Jobs, Cities, Biodiversity, Oceans, needs to be rethought

We are at a point of crisis, a point of moral choices regarding human survival. Humans have never before faced such an existential choice. Our answers need to be bold and clear in affirming social transformation towards flourishing on earth.

*"It is not the strongest of species that survives, nor the most intelligent that survives . It is the one that is most adaptable that survives – Charles Darwin"*

2. **What needs to be transformed** – Short answer is – everything. Adaptive transformation needs to be systemic, holistic, planetary, and for long term equilibrium.
  - a. Scale and scope of transformation is determined by what we believe is disturbed  
In my view the disturbance is in “human-nature relations” – economic, technological, social, cultural, psychological,
  - b. So we need transformation of our view of nature (cosmology) and our place in it (consciousness) acknowledging deep connections and interdependencies between these.
  - c. We also need to transform our view of “the purpose and place of capital” (including markets and enterprise) in desirable futures? The concept and practice of capital now occupies too large a space in modern societies and cultures, eclipsing all other concepts. That centrality, is unwarranted, unnecessary, and even destructive. We need to clarify the purpose of capital

I cannot present all these changes today, so my remarks focus largely on transforming capital as constituted by the economy/markets and enterprise/corporations, as the engines that mediate Human-Nature relations. But first a point about the context for transforming economies and corporations

### 3. **What is the Context of Transforming Economy and Enterprises - 4 Points**

- a) We have two economies in operation - a financial economy of corporations, bankers, and growing flows of money and financial assets dedicated to expropriating living resources to make money, for the sake of making money, increasingly benefiting those with money. And we have a living economy of Earth, nature, and people trying to make a living. The financial economy is currently dominating the living economy. The two economies are at cross purposes and our institutions are losing credibility because they empower the dominant one.
- b) There are many versions of alternative economics in play now, such as, post growth economics, bioeconomics, well-being economics, inclusive wealth, development

economics, Degrowth, Buen Vivir, Small is beautiful, etc. Even main stream economics is starting to make accommodations to the reality of climate change. We need to experiment with several alternative economic approaches to find what works to reduce inequality, support well-being while conserving ecosystem quality and staying within the earth's carbon budget.

- c) We have inherited certain core Values, Social Relations and Institutions, Mindsets and livelihood systems from the centuries of the money driven financial economy. All of them need modification.
- d) We have normed our "space- time" perceptions around the notions of "the nation state" and our "lifetime". Both these are in conflict with requirements of planetary sustainability. Earth systems do not recognize national boundaries. Norming around our life time ignores nature's cyclical time, needs of multiple generations, and evolutionary scaling

**4. Transforming the Economy** will require personal, organizational and social changes.  
6 Points here

- a. To me all transformation begins with Personal transformation – our values and consciousness, about money, ownership, rights and freedoms, consumption, that we have taken for granted or arrogated to humans, need to be questioned and balanced in favor of ecosystems survival.
- b. Sustainable human-nature relations will require reeducation, regulations, and social norms that curtail needlessly excessive production and consumption. We need to prioritize the principle of 'frugality' and 'sharing', over the principal of 'efficiency' in both production and consumption, and accept 'cooperation' over "competition" as main drivers of evolution
- c. Current economics is focused on money rather than well-being. Value is determined by market prices. Gold has a price and therefore value, clean air does not. Market value is easily assigned to tradable commodities (such as food, water, energy, land), but not to well-being elements of love, beauty, self-worth, and meaning. Their value increases when protected and shared.
- d. We need to develop new measures and accounting systems that allow wellbeing to be understood and expressed in policy making
- e. The ideas of 'work' and jobs needs to be fundamentally rethought in face of an AI and Robotics explosion, ... we should find ways of decoupling work from income, and recoupling work with art and expression, dignity and satisfaction.
- f. We have to build 'place-based economic wellbeing' – every place must be made livable and within bioregional ecosystems equilibrium

**5. Transforming Enterprises as containers of Capital** – Enterprises/corporations are modern day engines of wealth creation. We should not seek to replace them or destroy them, instead we should reform them in 6 areas

- a. Purpose. The role and purpose of Enterprises/Corporations for primarily enriching investors is unsustainable, and immoral in face of extreme inequalities.

Enlightened investors know this, as evident in the rise of “impact” investing in contrast to the “maximise returns” investing. Recent announcement by the US Business Roundtable acknowledges the interest of investors in meeting the needs of diverse stakeholders. Enlightened companies are seeking profits with purpose, through their corporate social responsibility programs.

- b. Ownership/Transparency/Accountability. The interests served by enterprises need to be pluralized, from purely private interests to the collective interests of private, public and nature. Corporate ownership could be accountable to the communities in which they do business. Worker and community ownership of enterprises and recent trend towards B (Benefit) Corp structure are promising. Transparency is essential for making enterprises accountable. Transparency of product and production impacts, wastes, and financial flows and holdings can limit scale of legitimacy concerns sourced in secrecy.
- c. Performance Horizons. Enterprises are chartered and incented toward short term (quarterly/annual) performance. Climate and sustainability solutions have long term horizons. By lengthening performance time-frames from short term to long term enterprises can be aligned with nature’s regenerative cycles, climate requirements, and intergenerational equity.
- d. Limits to Carbon Growth. Carbon is a surrogate for global ecosystem impacts of economic activities. The Global Carbon Budget is a biophysical reality for maintaining global temperatures at certain levels. Carbon Science suggests that we need global Carbon emissions to fall to net-zero by 2050 to avoid 1.5C of warming (with 66% chance). Corporations must get on a path to carbon neutrality.
- e. Responsible Products. Currently enterprises have unlimited discretion to design and produce products with little regard for their ecosystemic and social impacts. It has resulted in proliferation of harmful and unhealthy products. We need to restrict companies to producing ‘responsible products’ involving only wastes that are recycled by humans or nature, and can be accounted for cradle to cradle. Limit foods to only cruelty free food system in which all food is healthy for people and the Earth. Restrict arms and weapons production, especially weapons of mass destruction.

## **6. Understanding Barriers to Change - 4 Points**

- a. Entrenched interests in status quo is perhaps the biggest barrier. Its not just the rich or 1% who control wealth who want status to not change against their personal interests (although recently some ultra-wealthy seemed open to higher taxation rates). The barrier is structural. It's the rest of us who are employed in current corporations/organizations, our pensions are implicated in stock market growth, who are equally unwilling to make radical transformations to the current system.
- b. A second barrier is extreme inequality and skewed power relation (top 1% control as much as bottom 50%) eviscerates the political will to change the

system. At a time when modern politically pluralist market economies are drifting into stasis, there is little will or ability to tackle large problems such as climate change.

- c. Modern global capital system is highly complex and interconnected to the point of structural incoherence (literally, no one understands the entire system's dynamics). Policy makers don't have confidence that policy solutions will work in predicted ways, leading to inaction or ineffective tinkering with sub-systems they are more familiar with. This calls for both research on systems of capitals (financial, social, and other) and their interconnectivities and for simplification and transparency in financial relations and transactions.
  - d. Leaders in power and our leadership ideas are beholden to status quo. They need a system to lead, and that system is what exists from the past – hierarchical, patriarchal, self-reproducing. Leading from the future is an act of imagination few leaders indulge in.
7. **Initiating Transformations for Future Capitals** – Initiating transformations requires articulating Change Agencies, & a Theory of Change + Some Experiments
- a. Change Agency – Change cannot be Evolutionary (takes too long, is too slow, in face of rapid ecosystems changes)  
nor can it be Revolutionary (too disruptive and violent, uncontrolled, high collateral damage including the environment)  
So I see a role for ‘tempered radical Practitioners’ as change agents – change from within systems, but pushing boundaries, favoring earth over human, favoring collective over individual, favoring poor over rich, not destroying current enterprises and markets but bounding them to serve human-ecosystem purpose.
  - b. Theory of Change – There is no one single solution for all situations, we should commit to small positive changes (seeds of the good anthropocene) to build them into mass movements, leveraging the power of aligned networks. Have voice, make noise and most importantly ACT to reduce barriers.
  - c. Experimenting with Future Capitals have already begun -
    - i. Examples within current economic paradigm include, - Task force on Climate Financial Disclosures and Climate Disclosure Project (TCFD, CDP) seeking transparency, Impact Investing seeking to shift capital flows, Sustainable Accounting Standards Board (SASB) seeking norms and standards, Crypto based Decentralized Autonomous Organizations (CryptoDAO) innovation in governance and finance, B-corps seeking accountable structures
    - ii. Examples of attempts to Change Economic Paradigm – Wellness economy, Degrowth movement, Buenvivor, Happiness index,

A Closing thought – We have options, we have hope, in Arundhati Roy's words “Another world is not only possible, she is on her way. On a quiet day, I can hear her breathing.”

Thank you.

## Possible Questions for discussion

1. I suggested the scientific case for why transformation is necessary, do we also need to make a moral case, what would that be?
2. What changes in consciousness would enable humans to see themselves are part of the planetary system, rather than current identities sourced by nation, religion, caste, class etc.
3. The economy and corporations are deeply embedded in their social, cultural, ecological, contexts. Modifying them will unravel some societal fabric, cause some destabilizations, create some victims – how can we anticipate the potential losers and address their concerns? Example, in the transition to renewable energies what do we do with fossil industry workers?
4. Transforming economy and corporations is fraught with conflict of interests. Stakeholder engagement and skillful facilitation at multiple scales is needed. How, where, when can we do these convenings? What are training needs?
5. How do we engage Corporate power under highly skewed power structures – outright confrontation (shareholder activism)? Infiltration (join corp Boards)?, mutual cooptation (CSR).
6. What are effective processes of social change. How can they be consciously initiate
7. How does social power evolve in a society
8. How is money related to other forms of social power.
9. How can power relations be transformed for public benefit  
Global system change

Coup de Tat - Seize the TV and Papers – WB to convene a study group to vet ideas of ""Global Citizenship week, create new cognitive framework, SDG

Mila – Rodolfo's model and method to make connection between systems, b/w how to build effective social movements, who is the system – we are! Be the Change you want.

How are you going to leverage individ and as org, in strategic ways lean on scientific,

Value of science versus value of consciousness. Money Military, ... another M-Mother matrix, everything else is a side show.

Hazel -