

Project Epignosis - Transforming the City 2.0

White Paper on Initiating an Integral Economic Laboratory

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Abstract: Obviating the ways in which *neo-liberal economics* continue to exacerbate planetary wellbeing, this paper asserts that initiating *integral economic laboratories* would afford a means for transforming enervated urban settings into *social innovation ecosystems*. It identifies a prevalent 'problem' however of *efficiency* typically overriding *resilience* in relation to the design and function of system infrastructure(s). The paper points to ways then, in which *integral economic ecosystems* could subsequently effect sustainable alternatives for global societies.

Keywords: AQAL, community of practice, complex adaptive systems, innovation, integral economic laboratory, happiness economics, neo-liberal economics, resilience, sustainability, transformation (change) agent, wellbeing

The Problem

"For too long the debilitating effects of material poverty have been divorced from the spiritual causes of poverty that begin with what we value, with the way we think, and with the resulting economic systems and practices. In this book, we have revealed that the greatest poverty is that of our economic thought, encapsulated today in 'Western' neo-liberal economics." from "Chapter 22 - Co-creating the Future" of Lessem and Schieffer's, Integral Economics (1)

In recent years, and especially since the 2008-2012 [global recession](#), a number of academics including [Geoffrey West](#) and [Bernard Lietaer](#) have directed significant attention to the *growth* and *sustainability* of *complex adaptive systems*. As scientists however, because their work is generally relegated to measuring 'exterior' *quantities* utilizing sophisticated mathematical methods, it typically generates findings excluding dimensions of experience involving 'interior' *qualities* of [value](#), [meaning](#), [morality](#) or [happiness](#).

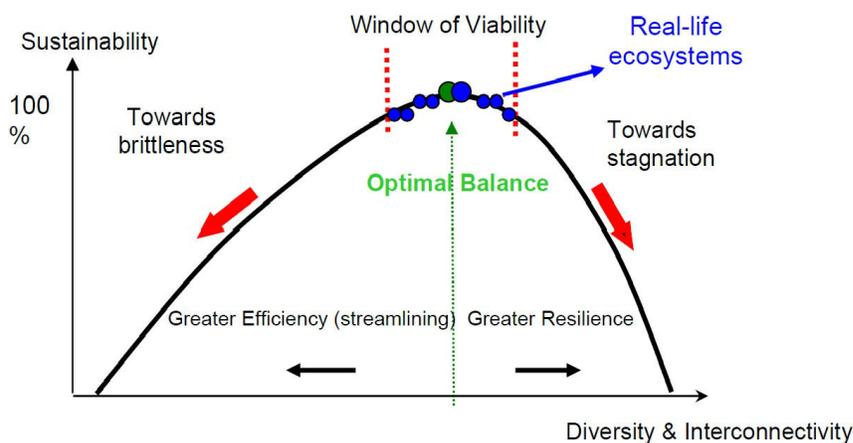
At the same time however, many have become aware that [money](#) (society's commonly ascribed measure of 'value') comes into existence as an interest bearing, debt-based obligation that ultimately pits its dependents against each other in competition for an ever-scarcer commodity. Consequently then, but as the [occupy movement](#) and [anti-austerity protests](#) have evidenced, a

massive number of people are voicing their collective outrage against the ruinous inequities attributed to those aspects of (Western) capitalism currently undermining the cultural, ecological, and economic health of global populations. Similarly also, but in browsing the historical course of development over the last twenty-five hundred years (see: "[Integral Economic Timeline](#)"), we can better appreciate why scholars like [Sheldon Wolin](#) have enlisted terms such as *inverted totalitarianism* and *totalitarian democracy* in referring to present forms of governance.

"For example, in Weimar Germany, before the Nazis took power, the "streets" were dominated by totalitarian-oriented gangs of toughs, and whatever there was of democracy was confined to the government. In the United States, however, it is the streets where democracy is most alive--while the real danger lies with an increasingly unbridled government." from "[Inverted Totalitarianism](#)" (2)

The 'Problem' as a Structural Factor

As already discussed at greater length in "[Toward a Sustainable Future](#)", the modern era following establishment of the [Bank of England](#) saw the British government by 1717 begin to transmigrate "what had originated as 'public debt' to the private sector". This blurring of lines between values equated with *objective* 'debt' as distinguished from those of *subjective* 'human nature' however, subsequently led to one of the [earliest financial crises](#) of record known as the [South Sea Bubble](#) (McConnell, 3).



The "Window of Viability" - 'Our Monetary Structure'

toward urbanization worldwide", Geoffrey West's team of academics found that not only does 'the city' serve as a "predominant engine" for societal innovation and wealth, but is also "its main source of crime, pollution, and disease" (see also: "[The surprising math of cities and corporations](#)").

As a result, their group also determined that "major innovation cycles" were occurring at "a

Similarly, but in pointing to a string of "more than 96 previous banking crises and 176 monetary crises" occurring since "the early 1970s", Bernard Lietaer has alluded to the possibility of a "bug" in *money's* mechanism possessing sufficient might to crash the entire "operating system of capitalism" (4). Likewise, but noting an "inexorable trend

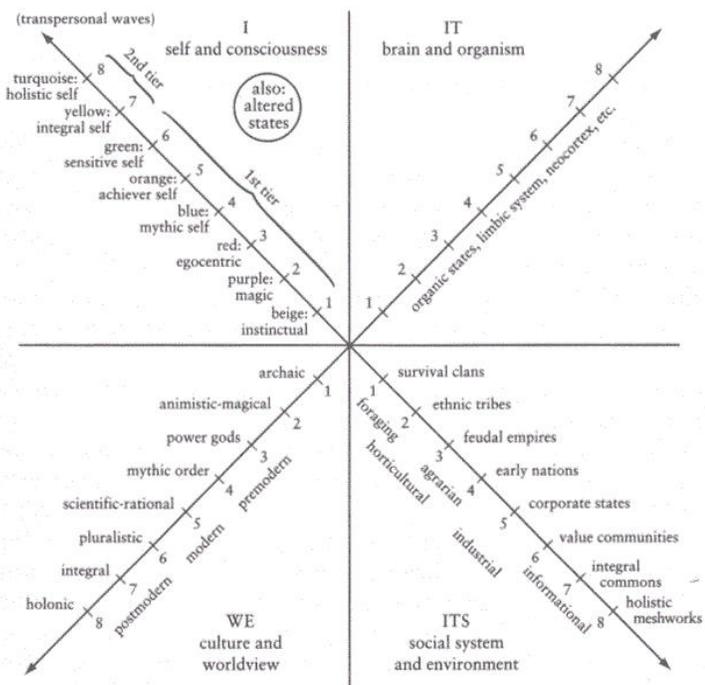
continually accelerating rate" which served to "sustain growth" by forestalling the formation of 'hockey stick' patterns otherwise signalling the "stagnation or collapse" of those same systems (Bettencourt et al. 5). In this way too, their research parallels that of Lietaer's team who investigated *efficiency* as a natural state of the ecosystem and not one functionally contrived or imposed through *economies of scale*.

Consequently, Lietaer's study revealed that systems not utilizing externally constrained, ultra-efficient (e.g. 'monopolistic') streams to channel or otherwise control the distribution of *money, energy, water*, etc. were in nature, optimally counterbalanced by *resilience*. Representing a scientific breakthrough, their findings rendered "a single metric as an emergent property of (the ecosystem's) structural *diversity* and *interconnectivity*" [italics added] which otherwise connotes a *sustainable* balance between *efficiency* and *resilience* (6).

Inspiring Global Transformation: The Integral Economic Laboratory

"These spiritual sciences include the contemplative and meditative traditions of a collective humanity, East and West, North and South, traditions that have been carefully collecting 'interior' spiritual data for at least three thousand years, and traditions that, in deep structure analysis, show a surprising unanimity as to the basic architecture of the 'higher' or 'spiritual' stages of human development." in a section titled, "The Spiritual Domains" from Wilber's, *The Marriage of Sense and Soul: Integrating Science and Religion* [single italics added for emphasis] (7)

In respect to Ken Wilber and integral theory however, presentation of 'the problem' to this point has been relegated to the quantifiable dimensions of empirical Science, or the right-hand column of exterior IT and ITS of his AQAL matrix (see figure on right). A United Nations resolution adopted last July though, in acknowledging "that unsustainable patterns of production and consumption can impede sustainable development" and that ('by nature') the "gross domestic product indicator" (GDP) doesn't "adequately reflect the happiness and well-being of people in a country", poses a relevant commentary as to the role



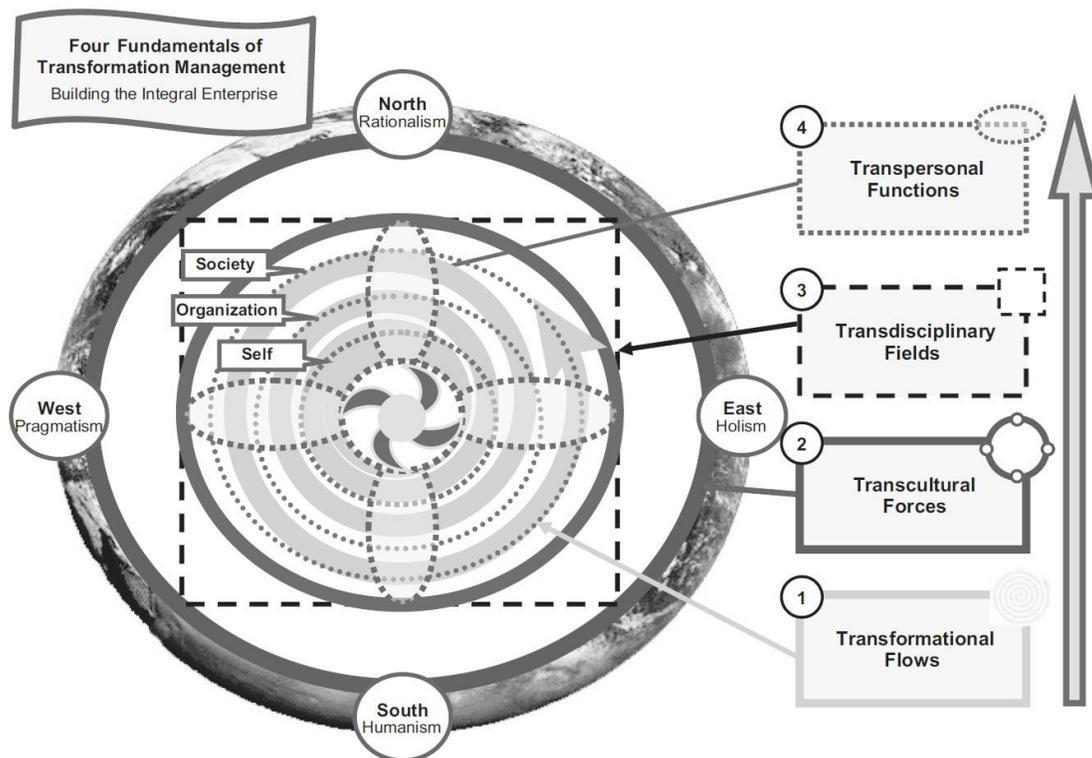
Aspects of the Four Quadrants (AQAL) - "Excerpt G"

the left-hand 'value spheres' of *interior* I and WE will likely play in espousing a more "holistic approach to development" (8).

"Sustainable Development" is the term given to the combination of human well-being, social inclusion, and environmental sustainability. We can say that the quest for happiness is intimately linked to the quest for sustainable development.

The most basic goal is that by measuring happiness across a society over time, countries can avoid "happiness traps" such as in the U.S. in recent decades, where GNP may rise relentlessly while life satisfaction stagnates or even declines." from an Introduction to the *World Happiness Report*

For these reasons perhaps, the entire field of *happiness economics* "has grown substantially since the late 20th century" thanks to such visionaries as [Jeffrey Sachs](#), editor of the *World Happiness Report* and [Helena Norberg-Hodge](#), producer and co-director of a documentary film, *The Economics of Happiness* (Wikipedia, 9). Their respective work is part of a "generation of studies by psychologists, economists, pollsters, sociologists, and others" showing "that happiness, though indeed . . . subjective experience", can be a strong benchmark of either "underlying crisis or hidden strengths" (Helliwell et al., 10).



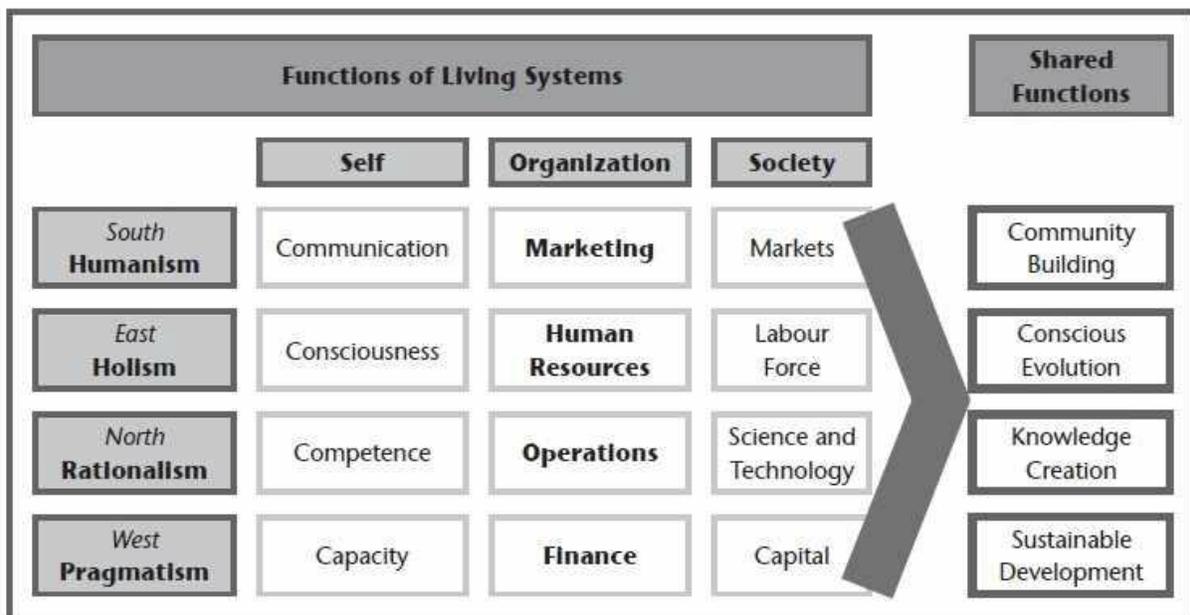
The Transformation Management Model (Figure 2.8)

Similarly, but in lending his own insight to the cause of global transformation, economist and Senior Research Fellow [Christian Arnspenger](#) recently reviewed Lessem and Schieffer's *Integral*

Economics for the *Integral Leadership Review* in an article entitled, "A New Economics of Cultural Cross-Fertilization". Consequently, and by further adopting "The Practice of Transformation" enlisting the authors' 'Four-World (GENE) Approach' (see also Chapter 2 of *Transformation Management*), "Chapter 22: Co-creating the Future" specifies the 'Five Core Success Factors' for releasing economic gene-ius through the initiation of *Integral Economic Laboratories*.

"As you have seen, we have designed this framework in a way in which it links economic theory and practice. Indeed, through the rhythmical GENE-IUS built into the four economic paths introduced, the 'student of economics', as an academic theorist or as a business, governmental or civic practitioner, is invited to critically engage with the economic context of their society, in both theory and in practice." from "Chapter 22 - Co-creating the Future" of Lessem and Schieffer's, *Integral Economics*

The text subsequently models *four economic paths* using Muhammad Yunus', Grameen (Southern path) Ryuzaburo Kaku's, Canon (Eastern path) Father José María Arizmendi's, Mondragon (Northern path) and Ray Anderson's, Interface (see Appendix 1 - attached) as real-life examples. Serving to build "up a generic integral knowledge" then, laboratories function "as community hubs for local economic *transformation agents*." Furthermore, but from "this community of researchers and practitioners *communities of practice* [are] formed, that mutually complement each other and become catalysts for *innovation* in relation to economic thought and practice on a local basis" [italics added].



Functions of Living Systems

For these reasons, and with establishment of the *Integral Economic Laboratory*, its principals are subsequently charged with identifying a 'burning issue' derived from "a strong moral inspiration"

that's "relevant and authentic to the core protagonists" and their "particular context". Consequently, and in the same way that [SEKEM](#) devoted itself to 'material and spiritual renewal', [Grameen](#) determined to 'alleviate poverty through economic inclusion', [Canon](#) adopted the philosophy of [kyosei](#), [Mondragon](#) came to 'promote social justice' and [Interface](#) set out to 'restore the earth' (see [Appendix 1](#)), the laboratory is poised to assume its denizens' most pertinent quandary as the underlying impetus for its existence (11).

Conclusion

"Our approach to culture is entirely different on two counts: one, we see culture in the larger movement of humankind's journey through the Four Worlds, and two, we perceive culture as a natural extension of nature." from "Chapter 2 - The Four Fundamentals of Transformation Management" of Lessem and Schieffer's, [Transformation Management](#)

Faced with the unprecedented scope of ecological, societal and economic challenge with which our planet is currently presented, Ronnie Lessem and Alexander Schieffer have fashioned a working framework from a foundational conviction that *nature* and *culture* are profoundly interrelated. Along these same lines, they've articulated an approach that while originating with the *individual*, entails a transformational process extending to *organization* and *society* (12).

"For us, then, the ultimate resolution of the financial crisis, if not also the energy crisis, and indeed the crisis of our civilization, lies neither in government ownership, nor in financial regulation, nor indeed in the media indulgence in 'the blame game', but rather in a much more fundamental transformation and re-integration of enterprise and society. Building such an Integral Enterprise is indeed the core objective of Transformation Management." from "Prologue: Time for Transformation!" of Lessem and Schieffer's, [Transformation Management](#) (13)

Consequently, but in recognizing that humanity's most perplexing dilemma's are frequently traceable to the misperception of one's self as *separate* from 'the other'; this paper has ventured to convey a framework through which its readers might be inspired to take practical steps of faith.

"Finally, any lack of fundamental transformation will result in inauthentic rather than authentic Freedom, that is, freedom for the few, outwardly, rather than freedom for the many, both inwardly and also outwardly. For freedom to take authentic root, it needs to be specifically and intrinsically lodged, in culture and nature locally and non-locally." from "The Practice of Transformation" (Lessem and Schieffer, 14).

By so doing, and in respect to the process outlined here; the resulting path appears to reflect the means by which humanity's highest possible obtainment (through shared experience) of Being may ultimately be realized.

Appendix 1

Integral Economic Ecosystems

(from *Integral Economics* - "Chapter 22: Co-creating the Future")

Middle-Up-Down-Across: Towards an Integral Economy						
Case	Burning Issue	Path	Approach			
			Middle	Up	Down	Across
Sekem Egypt (⇌4)	Material and Spiritual Renewal	Center: Moral Economic Core	Abouleish Founder, with Family, Employees, Local Community, National and International Support	Fusion of Cultural and Religious Perspectives: Islam & Anthroposophy, Orient & Occident / Economics of Love	Building Up of Sekem from the (desert) Ground; Revitalization of the Ground (Sekem meaning: Vitality of the Sun)	Spreading of the Sekem-Way: From Food to Clothing to Health Products / Establishing a University for Sustainability
Grameen Bangladesh (⇌8)	Alleviate Poverty, Economic Inclusion	Southern Economic Path: Self-Sufficient Economy	Yunus, Economics Professor, with Students and Local Women	Micro-Finance Theory, linked to Social Context in Rural Communities	Experimentation on the Ground; Building a Bank for the Poor with the Poor	Expanding the New Approach to all sectors of Society (Clothing, Health, Telecom etc.)
Canon Japan (⇌12)	Address Global Imbalance	Eastern Economic Path: Developmental Economy	Kaku, Chairman, with all Canon Employees	Meta-Philosophy 'kyosei' Rooted in Japan's Cultural Grounds	Implementation of the 'kyosei' Philosophy in Canon	Connecting Kereitsu-style with every Stakeholder including Suppliers, Customers, Community
Mondragon Spain (⇌16)	Promote Social Justice	Northern Economic Path: Social Economy	Arizmendi Catholic Priest, with Local Workers	Distributivism / Design of the Worker Cooperative, Rooted in Previous Cultural & Social Designs in Basque Country	Building Mondragon Up, Together with Local Workers, continuously Co-evolving the Underlying Theory and Practice	Expanding in Other Industries, including a University; Connecting with Basque Community at Large
Interface USA (⇌20)	Restore the Earth	Western Economic Path: Living Economy	Anderson with all Employees and Clients	Literature on Sustainability / New Enterprise Design	Back to the Roots / Learning from Nature / Taking Every Employee on the Journey	Becoming a Role Model / Active Sharing of Knowledge / Initiating a Movement

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