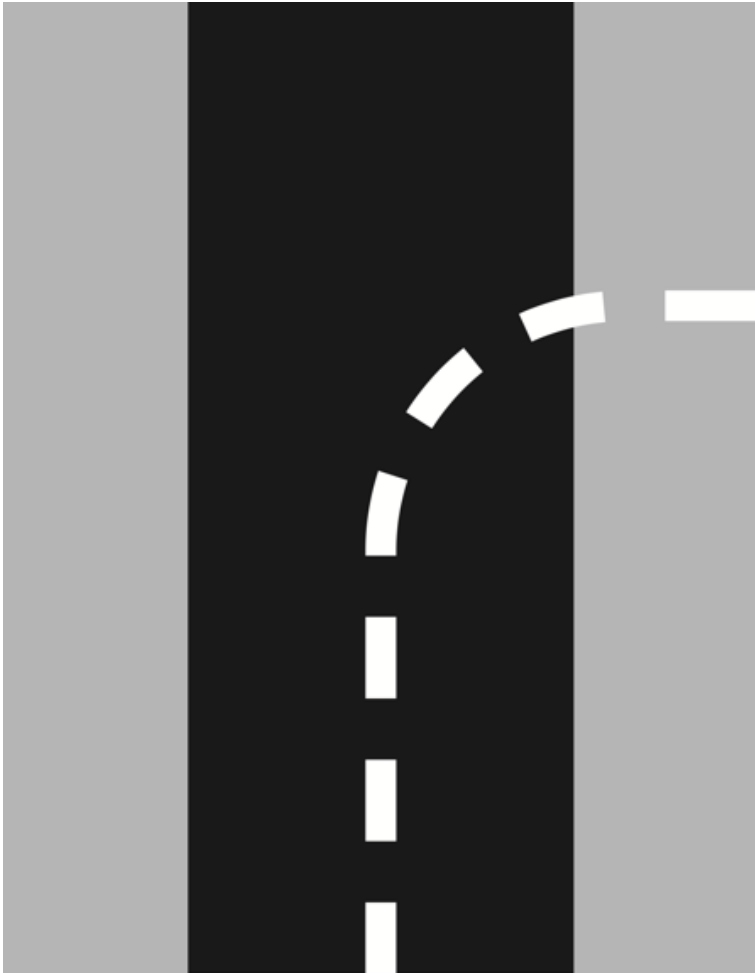


# 1. LOST BUT NOT FORSAKEN



To begin exploring the discord I sense in society, I first needed to understand the system we are in. Starting with: what is actually wrong with it? A simple enough question, I thought. Before I knew it, I was tumbling from wormholes into bubbles and realising just how complex our modern lifestyle is. In too many areas, we have lost the distinction between fact and fiction. Never before had I realised how profoundly every aspect of our lives is shaped by the prevailing economic system. By a system that now seems stuck. It's as if we have become lost amid all the possibilities. It scares me to think we may no longer know the way. But that's the feeling that comes over me when I look at the big changes that are needed. We have the numbers to back it up. Worldwide prosperity has surged in recent decades, but at the high cost of exploitation and pollution. Many people are working in appalling conditions. We have been crossing swords for centuries over what is humane, but if we come to a point where the Earth is truly spent, the question becomes moot. So, who is benefiting from the current system? How can we all coexist better? How can we keep the Earth habitable? Where do we start? Can we do it painlessly? The way we design our economic system is too important to simply leave it up to economists.

## 1.1 CULTURE: ORDER IN THE CHAOS

Our world seems to be stuck in an endless loop of rising poverty rates, unhealthy diets, outdated agricultural models and limping healthcare systems. Every problem seems to unleash yet another. These are wicked problems, so called because they are complex and seemingly contradictory and there are no obvious solutions. Some call for a 'system change', often ignoring the fact that existing systems were created by people and are a reflection of what our societies once valued, or still do. Rather, the change we need is in ourselves, in our culture. And that is very tricky. If you look through an anthropological lens, you start to see that seemingly unrelated incidents, protests and escalations in society are all part of a larger, interconnected whole. Humankind seems to be ready for a new stage in its development, but how do we change ourselves? Let me start by showing you how I, as an anthropologist, look at groups of people, at culture creation and culture change. Using this anthropological lens, we can start to make sense of society, the economy and all the crises happening now.

### **Order in the chaos**

Cultures don't just drop out of the sky. We make them together. People shape cultures and cultures shape people. Cultures are systems of meaning. They tell us about aesthetics: about what is beautiful and what is not. About morality: what is right and what is wrong. About what we should believe: what is true and what is false. Culture gives us unique answers to all sorts of universal questions so we won't have to rethink everything all the time. Universal questions such as: what is good leadership, how do we conceive of time, how should we coexist fruitfully, deal with male/female differences, the lures of wealth, the natural environment and so on. Every group of people down the ages has formulated slightly different answers to these same human questions. Given that nothing has meaning in itself, people have to imbue life with meaning together, and every group does that a little differently. The most basic questions are how we can coexist peacefully and how we can cooperate fruitfully. A society's unique answers shape its particular culture. If the environment changes or culture evolves in such a way that those answers no longer fit, people have to go in search of new answers. That is culture change.

Decisions about what you do and don't value are made as a group, family, organisation or society. In organisations, it is usually a directed process involving whiteboards and flip charts. In other areas of life it's less targeted and shared values seem to emerge of their own accord. These kinds of values tend to be universal and involve things like 'respect', 'enterprise' and 'integrity'. Most important is which of these values end up in your group's top three. It makes a big difference whether your family puts 'sport' or 'creativity' at number one, because those values feed into norms that in turn shape your collective behaviour. Culture provides ground rules for members of the group. The same values can give rise to different behaviours in different groups. Take 'respect': does it require shaking hands, bumping fists or bowing? All groups develop norms of behaviour, however different they may be. Some are so absolute

they become law. These are rules that, if you break them, you pay a fine, go to jail, are punished or get sacked. Other rules of behaviour are less strict, but still important. The group uses peer pressure to send the message that overstepping these rules is not OK.

So, we have values and we have norms. They form the nucleus of a culture; of the collective story we believe in and the shared patterns of behaviour that guide our actions. We design the world around us based on what we value, embedding our collective story in a physical reality of buildings, landscapes and systems. And also in a virtual reality of digital processes and social media. This is how what we hold dear becomes tangible and 'true'. It is worth underlining that it is only in the last thirty or so years that the virtual world has become an integral part of our daily lives, which of course is an awfully short time within the 50,000 year span of human history. The apps we make and our exponential advances in artificial intelligence are impacting not only the practicalities of daily life, but also our inner landscapes. The addictive effects of smartphones and the way algorithms influence our perception of reality pose challenges that humanity has never before faced.

### **Culture: the 'hard' and 'soft' sides**

Culture creates order in the chaos around us, shaping our relationships, our systems and the physical and virtual worlds we live in. There is a persistent misconception that culture is only about 'relationships, manners and symbols'. But, despite what many people believe, systems are not independent of culture. Culture reveals itself in the interplay between the 'hard', organisational side (also called the 'blue' side or system world) and the 'soft', relational side (lived experience). Culture is also sometimes described as a collective fantasy that we have all come to believe in. If we all believe in the same framework, it provides a scaffold for our thinking and actions.

### **Culture and power**

Power dynamics play an important role in forming culture, because culture, and so our lived experience, is shaped through interactions and decision-making. In every interaction, we are creating the stories we believe in. It matters what you say, where you say it, how you say it, but also who says it. Not everyone has the same power to take decisions or the status to even be part of the conversation. We listen to some people and not to others. There are always individuals who have power over others, because humans are hierarchical creatures and always establish a pecking order. The groups we form also always have boundaries. All this means we have to find ways of coping with the inevitable contradictions, duelling opinions and power dynamics within and between groups.

Power dynamics thus always play an important part in the creation of culture and in cultural change. With every decision we take, we change the world or consolidate the one we have. Writ small: will you or won't you eat meat for dinner tonight, and are you choosing for yourself alone, or for your whole family? Writ large: do we give tax breaks to (that is, subsidise) the

fossil fuel industry, or not? Who has a say and who ultimately decides? Theoretically, every one of us can play a part and have a voice in these processes, but not everyone has the same status, power and rank. Ranking is about our perception of interpersonal power balances based on differences in things like knowledgeability about a topic, but also in age, income, looks or whom you know. People with a higher rank tend to have a bigger say in how we shape the world. This is what makes diversity and inclusion such big issues, since people who are lower down, with less power, are more dependent on others for their lives and livelihoods. In situations where it is unclear who is part of the reigning order and why they are taking this or that decision, mistrust of those in power is likely to grow. You can see this today, for example, in distrust of the World Economic Forum, a powerful group of people who are not democratically elected yet take decisions that impact our lives. Its members meet with politicians behind closed doors, and that raises questions. Who is talking with whom, what are they talking about, what are they agreeing, and can we trust them to wield their influence in ways that serve all people and the planet, and not just a wealthy elite? High rank comes with big responsibilities, and we can only hope leaders take those responsibilities to heart.

### **Culture has patterns**

What any two individuals need to be able to work together is not quite the same but similar to what two teams, two departments, two organisations or two nations need to work together. Culture operates in patterns. These patterns reflect a society's shared values, norms, beliefs, traditions, behaviours and symbols. Many factors contribute to the emergence of cultural patterns. Historical events influence the development of language and social values. A society's economic structure defines how people earn a living and how the group's wealth is distributed. Geographic location, religion and the means by which knowledge is handed down also forge patterns of behaviour and thought.

Once you start looking, you see patterns everywhere, which fit into yet other patterns. Seemingly unrelated events turn out to be part of a bigger whole, and you can see a reflection of that bigger picture in each individual event. The confusion you yourself may feel during a change is comparable to how we experience change as larger groups or societies. Individual behaviour is unique, yet at the same time follows the collective behavioural pattern of the group. According to ancient Chinese teachers, events never happen in isolation, but stem from the larger patterns they are part of. Anthropologists are always looking for such patterns. Identifying cultural patterns makes issues clearer, though not necessarily less complex.

### **Humans are social creatures**

To imagine that any individual person can think and act with complete autonomy is an illusion. We are social animals that live in communities. Wolves live in packs, humans in tribes. While on the one hand we look for differences to set ourselves apart from the crowd and to be authentic and autonomous in the world, on the other we seek security in our similarities with others, want to belong and to coexist in reciprocal trust and loyalty. Humans have a deep fear

of being rejected by the group, but equally of losing ourselves. Since we are not alone on this Earth, we have to act mindfully of others to avoid upsets and frustration. We humans want to be *ourselves*, but *in connection* with others. This existential tension between the individual and the group gives rise to big universal questions. Such as: how can I be myself and how do I fit into the group? How do I see to my own needs and desires while also dealing with those of others? How and according to what criteria do we share wealth and bear burdens? And who gets what power?

### **We form relationships through reciprocity**

Relationships are essential to our survival. Anthropologists have done all kinds of research looking at how humans form relationships. One key aspect seems to be that people are constantly exchanging all sorts of stuff with each other, which is basically the crux of any economic system. Stuff like goods, favours, attention, proximity, ideas, information, insults, networks, love and hatred. To some of it we attach a value expressed in economic terms by a price tag, but the value of many things goes unstated in the everyday run of things and is mostly felt. Such as the value of a bouquet of flowers you personally deliver to a sick neighbour. The bouquet is worth some amount of money, but the value of the concern and closeness you give with it is priceless. Groups are relational networks of giving and receiving, and there are strings attached. Any time you receive something, you have an obligation to give something back. It could be money, or something else. This reciprocity is vital for the group's cohesion and continued existence. Exchanges forge strong bonds between relatives, villagers, business partners, colleagues, strangers, heads of state, politicians and also between humans and spirits, ancestors and deities. This was true in the past and still is. The introduction of money loosened these bonds of reciprocity. When you pay someone in money for goods or services, you no longer have a personal tie with them. Instead of direct personal dependency, you are left with a more anonymous dependency. But a dependency and exchange of value remains, all the same.

A group – a tribe – is only as strong as its internal relationships, and this is where the system of giving and receiving plays an important role. All groups have some economic system of exchange and all do it slightly differently. When someone gives something of value to someone else, they expect something in return. What that something should be is complicated and differs from one culture to another. How much should you spend on your neighbour's birthday gift? Some gifts are meant to impress, others to acknowledge a debt or to make amends. If you fall short of what the group expects, you may be considered rude or unmannered and lose respect and status. Don't want to play along? Too bad, because gifts cannot be refused without affecting that relationship. We have a social obligation to receive, and hence also to give back. As the French anthropologist Marcel Mauss put it in his famous book *The Gift* (1925): 'Gifts are never free. They bind giver and receiver in a loop of reciprocity.' This is echoed by the Dutch psychologist Aafke Komter, who has studied reciprocity in our own day. 'Not to give', he writes, 'is not to live'.

### **Humans learn culture by imitating each other**

Humans learn culture by mimicking and copying each other. We'll imitate anyone with a say over 'our pocket money', or our pay cheques, as we grow up. They form a vertical axis of leaders and people with all kinds of power over us. At the same time, we are also strongly influenced by our friends, our family and neighbours. This peer group forms a horizontal power axis. Much as we like to imagine that we alone choose what we do and what we believe, the people around us influence us every minute.

### **Traditional and modern tribes**

Historically, humans lived in traditional, closed communities. In tribes that spoke one language, had a clear social order, a common religion, a defined hierarchy, familiar rituals and clearly drawn boundaries, and in which mutual loyalty outweighed any recorded rules or laws. Whenever relationships changed, the agreements changed. This is different in modern societies, where contracts are drawn up to dictate how and when relationships change. Many traditional communities furthermore emerged from oral traditions in which writing was secondary or non-existent. Individuals were embedded through rituals in the stories and deeds of their ancestors and kin, and these informed their own place in the social order. You couldn't simply switch to a different tribe, because this web of tribal interrelationships was all-important. In such closed communities, being able to quickly tell if strangers are friend or foe is paramount. Traditional tribes can be harsh places, especially for newcomers.

In modern-day globalised societies, communities are not closed but open systems. With porous, flexible group boundaries and flexible forms of reciprocal trust. Power lies with those who are good at bridging different areas of expertise and fields of knowledge. People swarm as it were around some central idea, often in the guise of an object (a fashion, a symbol), an activity (football, music, prayer) or a guru (an artist, a thought leader). Thanks largely to the Internet, these modern tribal swarms can rapidly spread around the world. All modern tribes have an online and an offline reality, and individuals are members of multiple tribes at once: of families, organisations, professional associations, religious communities, sport clubs and more. At times, this puts us in a position of having to reconcile conflicting stories and truths both in ourselves and within different groups. In modern tribes, we speak different languages, hierarchies are blurry and various belief systems coexist. They are guided not by the future or the past, but the possibilities of the now. Modern tribes can be harsh places as well, particularly if they have no real shared story and there is no one to count on but yourself.

A big difference between traditional and modern communities is that traditional tribes have clear-cut ethical and normative parameters. You know your place in the group and know the expectations around giving and receiving. All this is less rigid in modern tribes, in which people from different backgrounds are brought together. One is not better than the other. Clear tribal norms offer protection, but can also be stifling or dangerous if you cannot or will not conform.

Modern tribes give individuals more space to pursue their own desires, not least because they tend to take a more rational view of human behaviour, in which individual freedom of choice outweighs concern for the group. However, the modern tribe's focus on the individual can also give rise to unbridled selfishness and loneliness when there is no meaningful role for people in the community. Without that sense of communality, people more easily fall prey to transgressive and unprincipled behaviour. And because modern tribes toss people from all kinds of different groups together, they lack a natural solidarity. This makes it harder to judge who is a friend and who is a foe. And easier for the long view to be subordinated to the nitty-gritty of the here and now.

### **Culture change**

For all the dissimilarities between traditional and modern societies, we are all human beings with our own emotions and human needs. Cultures create order in these dynamics. And, without our volition or even awareness, that cultural order is changing all the time. We are a different kind of society in 2024 than we were twenty years ago. Smartphones now let us take pictures of everything and have changed how we interact. Manners have also changed, becoming more casual in many spheres. Leaders and teachers are evolving into coaches whose job is to help rather than to tell you what to do. Cultures can change in leaps and bounds. When the change is big, it affects not just one small area, but challenges the whole coherence and underlying logic of the cultural story and its web of relationships, causing patterns to shift and shaking power structures. The farmer protests in Europe against environmental legislation are also about which truth to believe and how we want to see ourselves in relation to nature. The woke movement is seeking to reshape frameworks and power dynamics between different population groups through the language we use. New forms of hybrid working are reflecting changing ideas about the best work-life balance. Big changes affect how we think and act and how we organise our systems. Transformations of this kind are also described as 'system changes'. But I call it a culture change, because it's not only the system that changes, but our lived experience and our collective story and behaviour.

Culture change happens when there is both a change in the collective narrative (values) and collective behaviour patterns (norms) and a reconfiguration of real physical and virtual online systems. It almost always involves a shift in power relations as well. Whether because new skills are in demand, or because the landscape has altered, or because we want to spend our money on other things and therefore have to draw up new contracts. Change means rethinking our choices about what we do and don't value. Between what we hold to be beautiful and ugly, right and wrong, true and false. New heroes are proclaimed and we shed old ideals. A fundamental question is always who gets to decide what we stop doing and how we design the new situation. This is at the heart of big changes and of the emotional battles now raging in business and politics, and that are reflected in the headlines every day.

### **Copying each other feeds panic**

When you are in the middle of a big change, it is hard to piece together a complete picture of what's going on. But if we want to find new paths, we can't be afraid to explore uncharted territory. And also to admit that we don't actually have a map. This is difficult enough in itself, but even more so if we no longer know whom to follow, or whom to copy and imitate. In the worst case, we all ape each other's panicky bungling behaviour, causing an escalation of increasingly emotional interactions, conflicts and polarisation. You say something stupid that I parrot, and likewise my friends after me. Someone else amps it up and others copy that. Our tendency to all imitate each other can set off a spiralling process of mounting oppositions or conflicts within a social group that ultimately fractures the social structure. The anthropologist Gregory Bateson termed this process schismogenesis. Getting lost doesn't matter, as long as we learn to recognise when it happens, how to get back on the right track and how to keep ourselves and each other alive along the way. We are only lost, not forsaken.

## **1.2 STRANGE FOUNDATIONS OF OUR ECONOMIC SYSTEM**

So that was anthropology 101. Now we can don those anthropological glasses together to zoom in on the cultural responses, patterns and power dynamics in society. If we look at our world today, we see dissatisfaction at so many levels with the way things are. Given that economic relationships and power dynamics lay down the basic framework for any culture, I decided to begin my exploration with the foundations our economy in order to better understand how its design influences our thinking and actions in so many spheres of life. The more I learned about how our modern economic model works, the more I understood how it shapes every facet of life and how problematic it is. While it has unquestionably led to higher standards of living and lifted millions of people everywhere out of the worst poverty, numerous studies clearly show that this system is also responsible for rising human inequality and the destruction of our planet to an extremely alarming degree. And while the scientific verdict is virtually unanimous that high greenhouse gas emissions are warming our atmosphere at an accelerating rate, there is still no scientific consensus on what to do next. Something has to change. But how? And what?



### **Some facts in brief**

[a Dutch perspective, will be altered for English publication, the underlying facts are similar]

According to the 2022 Intergovernmental Panel on Climate Change (IPCC) report, the world is set to warm by 3.2 degrees Celsius in 2100 relative to 1990. Global climate measures have to be fast-tracked immediately for the 1.5-degree target to still be met. Already, in July 2023, three continents were experiencing simultaneous extreme heat waves which scientists described as ‘a terrifying, crazy situation that, statistically, is virtually impossible’.

The Dutch National Institute for Public Health and the Environment (RIVM) has warned that by 2030 the Netherlands will no longer get enough precipitation to produce drinking water (yet notes a lack of urgency among regional governments). Even now, a quarter of the world’s population has no dependable clean drinking water supply. In the IPCC’s 2023 Synthesis Report, the United Nations call the world’s expanding drought a ‘silent devastation’ and an ‘unprecedented emergency on a planetary scale’. The UN conclude that there are: ‘Forced migration surges globally; violent water conflicts are on the rise; the ecological base that enables all life on earth is eroding more quickly than at any time in known human history.’

In the Netherlands, more than half of the population is ill, with 59 per cent (10.3 million people) suffering from one or more chronic conditions. The cause? Lifestyle and poor nutrition. But that’s hardly surprising when 78% per cent of products on supermarket shelves don’t meet dietary guidelines.

Worldwide, roughly 85 per cent of fish species are being overfished or are threatened with extinction. Use of chemicals is diminishing crops yields on one-fifth of the world’s arable land. Oceans are acidifying because of CO<sub>2</sub> emissions. We have microplastics inside our bodies. According to Robert Watson, chair of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), ‘The health of ecosystems on which we and all other species depend is deteriorating more rapidly than ever’.

The UN Refugee Agency (UNHCR) estimated that, by the end of 2023, some 114 million people worldwide would be displaced by war, drought and food shortages, the highest number since the Second World War.

In the Netherlands, the quality of education in has been declining for twenty years. Almost a quarter of 15-year-olds leave school with low reading skills. That means one in four have trouble reading a letter from their local council or a patient guide accompanying medication.

Among Dutch youth, demand for psychological treatment is higher than ever. One in seven workers is suffering from burnout. Over a million Dutch people are on antidepressants, more than ever before. Cocaine use reached record levels in 2022, and crack cocaine seems to be on the rise, too.

The Netherlands had 1.2 million people living below the poverty line in 2023, and Dutch food banks gave food aid to on average 120,000 people a week.

And yet, according to Statistics Netherlands (CBS), the vast majority of adults in the Netherlands (86 per cent) say they are happy.

It pains me to acknowledge that we can't go on leading the lifestyles we are leading – the lifestyle I am leading. I go to all kinds of lengths to convince myself that it's not as bad as all that. I would like nothing more than to deny the evidence of my own eyes, because I'm quite comfortable with the life I'm living now. Why would I want to change? Sometimes I meet people who are not troubled by any of it, who don't debate whether to fly or not to fly, don't worry about inequality, say it's a tempest in a teapot. But then I read yet another piece about the catastrophic effects of our current model. When you know the facts, you can't plead ignorance any longer.

### **Shame and lessons in economics**

I am slightly ashamed to confess just how little I turned out to know about economic forces and principles. Sure, I was aware of how important the economy is in our everyday lives. You need only to read the paper or watch the news to know that economic growth is good, stagnation is worrisome and free market forces are crucial. But I had never given much thought to the principles and view of human nature that this system is based on. To me, the economy felt like a house pet that we all have to look after together to make sure it carries on growing a little more each year. Like a Tamagotchi (my peers will know what I mean).

At school, I dropped economics the minute I could. None of it made much sense to me. I kept mixing up debit and credit. Even now, I still need my accountant to explain how to read my financial statements every year. It just won't stick. Economics was always something that eluded me, something too removed from daily life that others sorted out in the background. I sometimes paused in bafflement over the complicated graphs in the paper and grumbled at the indexes rolling along the bottom of my TV screen. It was all too abstract.

Lucky for me, I hadn't been living completely under a rock. I knew about the Club of Rome and its calls for limits to growth as far back as 1972. I had read up on Kate Raworth's doughnut economics. I followed Femke Groothuis, whose Ex'tax Project think-tank has long been advocating to shift the burden of taxation from labour to natural resource use and so boost the circular economy. All are strands of thought concerned with how we can take better care of each other and the Earth. I knew terms like market forces, share price and stock exchange, but had no real notion of what they fundamentally meant. No more than I could tell you exactly how electricity comes out of a socket or water from the tap. They just do, because others make it happen. I did what loads of people do, which is to not question the deeper assumptions of their own culture, in this case of our economic system. Which is understandable, because questioning the obvious is not easy. All those implicit apparent truths are woven into the cultural fabric and presented as straightforward descriptions of reality. Not as ideas to interrogate.

As I set out to write this book, I realised I would need some extra lessons in economics to get to grips with the economic model that impacts every sphere of our lives. What I learned scared

the hell out of me. I trawled through the literature. Bit by bit, I began to realise how profoundly we have pegged our fate to a system that is an impenetrable black box of algorithms, underpinned by a set of strange principles and a very fragmentary view of human nature. With each new thing I have learned, I was and am reminded of how much I still don't know. But even though the workings of our economy are terrifically complex and technical, I also discovered that the underlying mechanisms are unquestionably social and deeply anthropological. Both in a practical sense and philosophically.

In what follows here, I want to share with you my astonishment at some of those basic ideas underpinning our economic system, which are causing huge problems in the form of 'social harms' and 'ecological harms'. These two impact areas are both about the overexploitation of resources, the exploitation of labour, and justice. In the discourse around social and ecological harm, arguments and counterarguments tend to run together and the interpretations of data and all the different rationales put forward are steeped in assumptions, ideals and beliefs. Maybe none of this is news to you, in which case I wonder how you feel about it. This is something we need to understand in order to see how organisations and society work, to discern the patterns at the root of all our wicked problems, and to recognise that a set of strange principles is imperceptibly shaping every one of our individual behaviours and personal choices.

### **A grand social project**

For the past four hundred years, Europe has been engaged in what you might call a grand social project of improving people's lives through material progress. To sum up four centuries of history in a few sentences is obviously to tread on slippery ground, but I will attempt it anyway to give a more complete picture of the dynamics at play in our own era. Starting from around 1600, society underwent huge changes in its structure and attitudes. In the feudal Middle Ages, towns and cities developed at the crossroads of trade routes, giving rise to a growing 'commercial society' more strongly geared towards the exchange of goods and services. New forms of organisation, such as guilds, took shape. Over time, there was an increasing preoccupation with the individual, there were louder calls for freedom and a desire to throw off rigid social strictures. The balance of power shifted as citizens demanded legal protections against the whims of the aristocracy. This process coincided with the rise of modern science and greater reliance on observation and research to define what is 'true'. A myriad of technological inventions and innovations paved the way for the transition from a pre-modern agrarian society to a modern society fuelled by faith in rationality and progress. This was the Enlightenment. New technologies and an emerging market economy dovetailed to build an industrial society in which innovation became the key to success. Entrepreneurs with ideas sought and found more and more ways to raise the capital they needed to make innovations in their enterprise. This shift from farming to industry and the efficiency of its production methods and scale led to an explosive rise in Western standards of living from the nineteenth century onwards, but sadly to pollution and exploitation as well.

In time, economic growth was chosen to be the engine of the economy and so came to assume a central role in every person's life. In terms of creating culture, economic growth became an important core value, laying the basis for a new narrative and giving rise to new collective patterns of behaviour, laws and systems. In this cultural story, anything that could propel economic growth was great and good. People with any kind of facility to create material growth gained leadership and the power to continue shaping the world to their ends. Capitalism grew, and those whose ideas and material earnings enabled them to achieve extraordinary growth were exalted as cultural heroes. In this story, those heroes were the consummate captains of industry, the innovators, investors, financial leaders and thinkers who cleared the path to economic freedom. They got prestige, prominent positions and accolades. In the twentieth century, they were joined by corporations with worldwide operations; by multinationals such as Unilever and Coca-Cola. Together, they carved out a global playing field over which regional and national regulations have only limited control.

What, then, are these foundational principles on which our system was built? I put this question to the Dutch economist Herman Wijffels, aged a venerable 81. He gave me a crash course in the origins of capitalism and its faith in the free market. Economics is always about making choices and is *premised on scarcity*. The basic idea of scarcity is that there are never enough resources to fully provide for the needs and wants of every human. The operating principles we still apply today stem from a time when very different things were scarce than are scarce now. Raw materials were plentiful in the nineteenth century, so we developed an economy that exploited nature and natural resources. And because they were over-abundant, there was no reason for production processes to conserve or reuse those inputs in any way. These days, we have come to realise that those very resources are scarce and at risk, hence the need for recycling. Neither was there any reason, two hundred years ago, to worry about emissions of harmful substances or what happens to stuff we throw away. There was far less industry and therefore no need to curb it with laws. It is only now, as we witness the fallout of this unbridled growth of economic activity, that there are calls for regulatory counterweights. Also scarce in the past were educated people. Since most workers had little to no schooling, it was only natural for managements to be hierarchical, with leaderships delegating clear tasks. These days, the service sector and its professionals are becoming ever more important and necessitating alternative forms of organisation and management. Financial capital used to be scarce as well, so rules were devised to help new capital grow fast to reinvest in more material growth. Now, the tables seem to have turned, and capital has to go in search of likely investments.

For a long time, Herman Wijffels told me, this system did exactly what it was designed to do. But by the 1970s, the social and environmental harms of this approach were becoming increasingly apparent. There had been fundamental criticisms of capitalism even before this, but those critics focused more on the system's dehumanising effects and social inequality than on ecological harms. Back in the nineteenth century, Karl Marx had already called to

reorganise society in a way that let workers share in profits. And in the twentieth century, John Maynard Keynes argued that governments should intervene during economic downturns. If and when the market failed, he said government could take active steps through investments. Though these idea sparked fierce political debates, the basic idea of the free market – that economic growth is crucial, that producers should strive to maximise profits and that consumers want the best value for their money – came out unscathed. The economy has continued treating nature as an infinite resource. But nature has its limits, and those limits are now forcing us to rethink our notions about economics, prosperity and welfare. Illustrating this new way of thinking is the worldwide movement to grant rivers the status of legal entities, similar to organisations. As legal entities represented by local communities, rivers can hold companies accountable. The first river to gain such rights was the Whanganui River in Aotearoa New Zealand, in 2017. In the Netherlands, the southernmost municipality of Eijsden-Margraten has been the first to grant nature legal personhood, voting in November 2023 to appoint a guardian to represent the interests of nature.

### **The Earth as the gamechanger**

At the end of the last century there was mounting criticism of not only the ecological impacts, but the social impacts as well. The Club of Rome's *Limits to Growth* came out in 1972, and in 1987 the Brundtland Commission published *Our Common Future*. These two reports introduced the concept of sustainable development and highlighted the need to balance economic growth with social equality and environmental preservation so as not to jeopardise the interests of future generations. For Herman Wijffels, this was a personal wakeup call. But overall, the criticism met with more or less the same response as in previous decades. Which was virtually none – or at least, far too little for lasting solutions.

I asked Herman Wijffels how the Brundtland Report landed in the boardroom of Rabobank, the Dutch bank that he was chairman of at the time. It didn't, he said. 'It was an important turning point in my personal thinking, but not really something I could bring up with close colleagues. I don't think they were ready for it yet.' Bit by bit, discussions about sustainability did get underway, although the focus was mainly on cost. No one was suggesting a fundamental reset. Even in the face of alarming climate reports and growing inequality, it seemed perfectly normal to keep doing economics as usual. And if everyone else stays the chosen economic course, it's tough to be the first organisation to choose otherwise.

One thing that did change was that pollution cleanup was added to existing production processes. This 'end-of-pipe' approach mostly added costs but had no immediate payoff in terms of higher profits. No one really wanted to broach the topic or take the problems that the reports were describing seriously. Banks included. Herman Wijffels found this out for himself when he contributed to a publication on the future of agriculture and food production in the 1990s, which already noted all the problems we are facing today. 'I had a huge fall-out with our supervisory board over it, since it went against everything they believed in. The long-

term vision I had endorsed ran counter to their and the bank's interests. This prevented me from coming at it as openly and top-down, which meant I had to find some other way to address these issues. But I couldn't quite pull it off within the bank, so in the end I left.'

End-of-pipe sustainability measures have also had positive effects. Take the Dutch city of Rotterdam. In the 1960s, its inhabitants were plagued by burning eyes, headaches and insomnia due to air pollution. Nowadays, Rotterdam and neighbouring Schiedam are still the most polluted Dutch cities as far as traffic and industry emissions go, but the air is considerably cleaner than it used to be. Or look at the Rhine River. From the 1960s up into the 1980s, extreme contamination had turned it into a practically dead waterway. Now, thanks to restrictions on discharges, there are fish swimming in it again. Many good steps have been taken in recent decades, but now it is time to make the leap towards 'renewal'. How? That is the challenge ahead. Maybe through circular production. Maybe less growth. Or still better technologies, or AI... Or something that hasn't occurred to us yet.

### **The Industrial Revolution and push for growth also brought colossal gains**

There is also an obvious counter-narrative to the 'economic growth is the root of all evil' critique. One which points out that the Industrial Revolution and its fixation on non-stop technological innovation has brought humanity colossal gains, and could bring us many more. In an essay by the Dutch historian Rutger Bregman about the value of technology for building a better world, I came across the following chart, provocatively titled 'The launch of humankind'.

As Bregman describes it, history quietly plodded along for thousands of years until around 1750, when there was a sudden and explosive change in many aspects of life. Such as a spectacular drop in infant mortality. Up until 1800, almost half of all children died before reaching adulthood. In historical record time, extreme poverty has fallen, average life expectancies soared, the number of democracies proliferated and levels of prosperity risen at a staggering rate. And we must not forget that we owe this progress to economic growth. Sadly, the flip side is a system that exploits humans, animals and the planet, while a small group of super-rich enjoy a disproportionate share of the benefits. On top of problems surrounding the social impact of our current economic system, we are now facing the urgent and acute predicament that in modern societies we are consuming seven hundred times more energy per person than people alive two centuries ago and that this is wreaking ecological havoc on the Earth. These are not figures the founding fathers of capitalism were banking on.

### **The economy is not a natural law, but a concept**

In the realm of policy decision-making, economists have considerably more influence than sociologists, anthropologists, biologists and psychologists. If you consider the dominance of economics and our cultural core value of economic growth, this makes sense. We respect and esteem those who directly contribute to this economic holy grail. Our lives are saturated with

economic ideas that are held up as sacred truths. And by working with equations and models, economics seems more like an exact science than the social science that it actually is. The real world is much more fickle than economic models, however, which are themselves deeply flawed and filled with archaic assumptions about human drives.

Economists are not neutral investigators. Beneath their so-called objective figures and diagrams sits a mountain of cultural assumptions and attitudes. Economic models therefore always have a political slant and are interwoven with implicit views about human nature. Many human activities are difficult to quantify, and as several economists told me, if you can't measure something, you leave it out. Economic models never factor in every variable, and models that are a few decades old are often inaccurate. So, while you can always throw some data into a model, for all its sheen of certainty, the numbers it spits out have little bearing on reality. Take this example I came across. In 2015, the Netherlands Bureau for Economic Policy Analysis (CPB) analysed what the economic impact for the Netherlands would be if Arctic sea ice melts. Highly favourable, is what the researchers concluded. That's because it would open up the Northern Sea Route between north-east Asia and north-west Europe, turning the port of Rotterdam into the crossroads of a new global value chain. My jaw dropped when I read this. *This* is the kind of conclusion you get when you don't factor in the downstream effects of an ecological disaster.

One of the things I learned from my conversations is that we have to include externalities in our calculations. Externalities are the side effects or unintended consequences of economic activities that are not factored into pricing. They can be positive, like the effects of a good education, but also negative, such as the environmental harm caused by industrial activities or the social harm of labour exploitation. Companies profit, but they don't have to pay for the negative side effects of their activities. Instead, these hidden costs are shunted onto society and everyone in it. This is leading to increasingly vocal calls for regulation that would require companies to actually pay for their pollution. Or better yet, prevent it.

### **The free market is not a concept after all, but an ideology**

Up until last year, I thought capitalism did not have much of a unifying narrative. All I heard was profits, figures, growth. Economics felt to me like a kind of infrastructure that leaves everyone in it free to do whatever works for them, the same way the power grid lets you switch the lights on or off. As I said, I had never really examined the assumptions underpinning this economic system. Call me naive. During one of my conversations with André Wierdsma, professor emeritus at Nyenrode Business University, he gave me a book published in 2010 by the Dutch philosopher and theologian Hans Achterhuis, titled *De utopie van de vrije markt* ('The utopia of the free market'), with an emphatic 'try reading this'. The first lines I read were: 'many people think that the free market is an objective process, not conceived or built by anyone. As though no one were responsible for the ideology and the utopia behind it. As though there were no "capitalist manifesto".' I was one of those many people. In Achterhuis's

book, I read about how neoliberalism was incrementally introduced in Europe from the 1970s on in so many pragmatically reasonable steps that many people never noticed the ideological impact. I was born in 1973, and by the time I joined the adult world, the dominance of market forces and globalisation was so self-evident that I never wondered if and how things could be different. The same way my kids can't really conceive of a world without the Internet.

Hans Achterhuis argues that there absolutely is such a thing as a capitalist manifesto, and that you can find it in the fascinating novel *Atlas Shrugged* (1957) by the Russian-American philosopher Ayn Rand (1905-1982). This book was an ideological wellspring for many leading figures in business and politics of the time. Such as Alan Greenspan, who, as president of the US Federal Reserve Bank, had a huge influence on global monetary policy – on how central banks manage the price and supply of money in an economy. I decided to dig deeper.

Rand's philosophy, known as Objectivism, boils down to a view of individuals as lone atomistic beings that might collide but can never unite, and whose reasoning and actions are solely and wholly self-motivated. Each one of us pursues our own happiness out of self-interested and rational considerations. Rand believed that doing productive work was a key driver and motivator. In the book's valley of Atlantis, where all the super-industrialists, top bankers and judges meet to save the world, literally every single human transaction takes place through payment. Any fair exchange of goods and services is contingent on mutual benefit and free will. Aside from the all-important dollar symbol adorning buildings in Atlantis like a cross on a church, there is one rule of conduct that everyone in Rand's utopia must swear to uphold: 'I swear by my life and my love of it that I will never live for the sake of another man, nor ask another man to live for mine.' Far from being bad, Rand held self-interest to be a mortal virtue. In her philosophy, businessmen are heroes who selfishly create value for themselves and thereby indirectly contribute to the prosperity of all. Nothing is given out of friendship or to help someone else out. Everything must be earned through work. In this narrative, humans are the masters of the universe. Self-interest, greed and desire far outweigh solidarity and harmony. It is a view of human nature that fits hand in glove with the capitalism that is about making a profit without too much fuss.

### **Rise of neoliberalism**

Historically, capitalism in all its guises is deeply rooted in ideological and economic schools of thought that have sought to answer the question how humans can cooperate fruitfully and live together peacefully. The Enlightenment first opened the way for rational science and faith in progress. Industrial society built on this with all kinds of technological innovations, such as the steam engine and the railway. Another key moment came after the Second World War. In his 2023 book, the Dutch journalist and philosopher Rob Wijnberg describes how, in the spring of 1947, an extraordinary group of men gathered on Mont Pèlerin, a mountain in Switzerland, to work out how to defend the world against another catastrophic global war. The answers formulated by this Mont Pèlerin Society were taken up by politicians around the world in the



1980s and set the course of history ever since. According to Wijnberg, the answers they formulated can be summed up in two words: the *free market*. By safeguarding individual freedom against collective dominance, the Society hoped to prevent another government from ever gaining too much power.

Their plan for achieving this was to promote a free market society with economic independence and self-actualisation as its chief core values. In the years that followed, this neoliberal thinking was embraced by political leaders such as Reagan and Thatcher, who famously uttered the words: 'There is no such thing as a society.' The collapse of communism in Russia in 1989 further inflated confidence in this 'Western model'. There was a sense that, in the new highly globalised marketplace and with the help of IT, there might be no end to growth. Governments had to be smaller, their role pared down to commissioning private parties to carry out public tasks. Public utility companies were put up for sale. And sectors that had never been about making profits, sectors such as education and healthcare, suddenly became an interesting market for profit-driven enterprise.

All of this laid the foundations for today's modern societies and economic system. The big question mark for me was whether the idea that a free market is the ticket to optimal individual freedom and fulfilment still holds true. I wanted a better sense of the narrative underlying all these stories. So I delved deeper into Ayn Rand.

### **A distorted view of humankind**

A key idea in Ayn Rand's philosophy is that people take decisions based on rational and logical trade-offs to bring about the best possible situation for themselves. The assumption here is that humans are selfish by nature and out for pleasure and self-gratification. In Europe, with its tradition of social safety nets, Ayn Rand is a name few people know. But in the United States, a recent reader poll ranked *Atlas Shrugged* as the second most important book of the past century, after the Bible. The book's central theme is self-reliance, and it describes a completely new kind of utopia meant to inspire modern humanity. A utopia of desire. And inspire it did, big time. To better understand the origins of our economic system, I realised I would have to read up on Rand's ideas. As I did, I began to make out the seeds of all kinds of political tensions we are seeing today.

Yet, the anthropologist in me rebelled, because hers is a distorted view of humankind. Humans are not lone atomistic units going about their business as wholly autonomous, independent entities motivated solely by selfish trade-offs, but relational beings that are always connected to each other. We are inextricably tied into a web of giving and receiving, of loyalties forged and cemented through reciprocity. We humans live in networks of relationships, and while we surely take satisfaction from productive work, we're more likely to reckon meaning, creativity, loyalty and fellowship as our most fundamental drives. That's true in traditional societies, but equally in our modern tribes. Just ask around. Or take it from the tear-jerking deathbed videos

of people saying that what matters in the end is not your net worth, but your family and ties with those near and dear to you.

Rand's philosophy structurally overestimates the power of the individual and vastly underestimates that of the group and context. Whether someone is lucky enough to grow up in a safe and stimulating environment makes a big difference for their chances in life. Or whether or not a person is visited by misfortune in the form of an illness or accident. The idea that the 'objective market' affords equal opportunities to all is false and naive. A society ruled by the efficiently organised system world presumes that individuals are always self-serving and strategic in their dealings with others. There is no real place for care, consideration or mutual compassion. You can do that in your spare time.

This view of humans as supreme individualists has given us a false sense of freedom. Not long ago, I talked to someone who went to live off-grid in a tiny house. An amazing lifestyle (albeit not for me). He told me that his community has friendly ties with another off-grid community in East Russia. Which made me wonder: had their Russian friends ever been on-grid? The answer was no. But if those families are living in huts that are not connected to the sewerage system, water mains or power grid because the connections simply don't exist, I asked, isn't that plain old poverty? After all, you can only make a conscious choice to live off-grid if there *is* a grid. Yet another ideal forged in the desire for individual freedom is that of generating a passive income, so you can throw off the shackles of 'the system' and work just 'four hours a week', possibly from some tropical beach. But this ideal is only attainable because other people somewhere else are ready 24/7 to help should you fall seriously ill, are processing your waste, growing food for you to eat and working long hours to educate your kids. It is a parasitic notion of personal freedom that can only exist by virtue of a larger social system that you can fall back on when needed.

The coveted autonomous life cannot be disentangled from the relational networks and culture with outlooks and values that we are embedded in. We are not alone in the world. An extreme outgrowth of the philosophy that we are is seen in the growing group of people who have declared themselves 'autonomous persons', actively filing letters to deregister from all sorts of institutions and refusing to pay taxes or fines based on the claim that they are 'free' and 'sovereign', and in the belief that their country's laws and regulations no longer apply to them. You can buy step-by-step plans for this online, and even an 'embassy' sign to nail to your front door. All the while, these people's debts pile up. This sham reality of false independence is one the rich have long used to buy themselves the freedom to do as they please. But now, as vulnerable groups start demanding 'their individual freedom' as well, they are finding themselves in awful trouble.

The neoliberal view of humans is all wrong. I am staggered by this realisation, which both is obvious and has far-reaching implications. The famous German-American philosopher Hannah

Arendt put it well: 'you must take men, not Man, as the measure of things'. Humans are not atomistic individualists making informed, objective decisions by dint of reason, but emotional, relational beings who live in communities and tell each other stories. Our lives are interwoven across generations and sometimes across geographical distances. And yes, every human being also has a selfish side. It's only natural to feel a constant tension between the interests of the individual on the one hand and those of the group on the other. This is the existential tension of being human, the balancing act between me and we, individuality and belonging, cooperation and living autonomously. Human beings certainly have a rational side, but we are also spiritual, emotional, creative, relational and empathic. The reality is that we are multifaceted. We're basically good, but not all the time. Thinking in black and white always flattens reality. Deny this, and you end up with the caricature of the abstract, calculating, rational *Homo economicus* that informs the systems we inhabit today. It chafes in so many ways that it makes my head spin. School systems, healthcare systems, work cultures... everywhere you look, you can see this paradigm at the root of many recent developments and how it has shaped our culture.

In spite of its narrow representation of human nature, *Homo economicus* is still widely used in economic models to analyse how people behave and how we make choices. With disastrous consequences. Here's an example. Anthropologists and psychologists have amply demonstrated that it is an illusion to think people make choices rationally and all on their own. Humans, from children to adults, are always imitating other humans. We parrot each other's stories and ape one another's behaviours. We are storytelling, imitating creatures. If everyone around you is living beyond their means, buying houses they can't afford with mortgages they can't repay, and you are bombarded with ads tempting you to do the same and hear stories about the joys of home-ownership and how stupid you would be to pass it up, then before long you, too, are likely to buy a house you can't afford. Because: everyone is doing it! We copy others without meaning to or realising it. If you actually look at human behaviour, it's hard to maintain the illusion of autonomous choice. Throw some shady, irresponsible financial instruments into the mix and you have at least a partial explanation for the 2007 financial crisis. It beggars belief that economists (and politicians and lawmakers) are not plugging this anthropological and psychological knowledge into their worldview and models. If we want to change systems, we have to change how we think about humans, too.

### **The myth of the positive effects of the free market**

Ayn Rand's ideology should not be taken in isolation. It is often tied to the idea of 'market forces' formulated by the Scottish moral psychologist Adam Smith (1723-1790). Smith was living at a time of transition from a feudal society to a commercial society built on labour and commerce. He believed that, to be successful in the marketplace, you need to know exactly what is driving your fellow actors. By aligning yourself with their interests, you also secure your own and thus make a profit. Where these interactions happen in the context of a community with shared values, the market price will, like an 'invisible hand', benefit all. Smith

argued that because self-interested actors will strive to be trustworthy and honourable in their dealings with others, a commercial society is conducive to civilised behaviour. He saw humans not as atomistic, selfish individualists, but as people working together based on a sense of honour and shared values.

Smith's ideas have often been misinterpreted and misrepresented. He did not say that individuals pursuing their own interests automatically bring about the best outcome for society. Neither did he advocate pure self-interest. In fact, he stressed the moral dimension of economic activity, hinging on cooperation, reciprocity and social cohesion. In their 2018 book *Het goede leven en de vrije markt* ('The good life and the free market'), Dutch authors Govert Buijs, Ad Verbrugge and Jelle van Baardewijk strongly condemn these misinterpretations as verging on intellectual and academic fraud. In the system world – that is, the global economy ruled by shareholder interests – the 'invisible hand' is often the 'hand under the table'. The capital-rich use strong lobbies and back-door deals to manipulate governments and bend the rules of the game to serve their own interests. The commercial reality is: 'Where there's mist, there's margin.' Leveraging those grey areas gives actors a commercial edge. And to imagine that companies are dutifully toeing the lines laid down by regulators is sadly wrong and naive. In a globalised marketplace, multinationals often call the shots and countries vie against each other. In a boundless world, everyone plays by their own rules.

An example of that lobby power in Holland is the fact that gambling companies have a bigger say than addiction experts in the regulation of industry advertising. Stricter rules to limit gambling advertising would bring less money into government coffers, but slack regulations are also causing huge gambling-related harms, according to addiction experts. It is a political choice whether to allow financial interests to outweigh the negative impacts on human lives. Meanwhile, the downstream costs of addiction are shunted onto society. The industry reaps the profits, taxpayers foot the bill. Or look at supermarkets, where the foods that are packed with addictive sugars and fats get the best shelf space because producers pay for it. In all sorts of sectors, high-paid lobbyists are tipping the balance of regulations towards what is good for profit margins. And away from what is good for people, animals and the planet. One organic livestock farmer put it this way: 'The agricultural sector is stuck in a system that's rigged against us. All the money is in intensive farming, because banks want to see returns. The more cows you have, the more money you can make. The bank finances a new shed, which you have to expand to make money again, and so the cycle goes. Farmers are basically slaves to the system.' But not only farmers, I hate to say. We are all trapped in this system of never-ending growth and profit maximisation.

Another idea proven to be false is that letting the rich get richer (or pay less tax) is good for everyone, because the rich will buy more stuff and buying more stuff boosts economic growth and creates more jobs (since people have to make the stuff). According to this line of

reasoning, tax breaks for wealthy people and corporations benefit everyone as their wealth will trickle down through the economy to bathe all of society, down to the very poorest. This is the well-known 'trickle-down effect'. It all sounds nice enough, but in reality the only ones who really benefit are the rich. Even economists have become increasingly critical of this thinking and deny that the effect exists at all. In October 2022, when the UK's Conservative Party prime minister Liz Truss, fresh in office, proposed a package of measures based on this ideology, the financial market response left her no choice but to resign.

In *It's OK to Be Angry About Capitalism*, US Democratic politician Bernie Sanders explains how unbridled capitalism has given rise to unprecedented income and wealth inequality. In the United States, three billionaires currently possess more wealth than the poorest half of the nation. The super-rich moreover have untold influence because the country's political system lets them buy elections and politicians. Looking to the future, Sanders asks who will reap the benefits when AI and robotics raise labour productivity to new heights: only those who invented the technology, or those who own the companies that use it, or society as a whole? These are fundamental questions about livelihoods, democracy and justice. In the US, poverty exists amid unparalleled wealth. The haves have been getting richer for years while the position of the have-nots has improved little, if at all. In practical terms, standards of living among the poor are the same now as they were sixty years ago, Sanders says. The growth has gone mostly to the rich.

A stable society requires a fair and equitable distribution of wealth. A system of reciprocity that works. When there is a shared sense of justice, it creates cohesion and a feeling of connectedness that protects the unity of the group. When systems of reciprocity become unbalanced, jealousy, friction and strife arise. The all-important question is: what do people consider to be fair and just? Answering that requires a process of honest political dialogue and agreeing goals and guidelines that will serve both humans and nature for the long term. It is obvious that the free market needs rules and limits if it is to serve everyone. Companies seem unable to regulate themselves while vying with each other. So, if we want everyone to play by the same rules, we need international frameworks and governments that fix clear policy lines. The kind of small government that has been the thrust of many national policies in recent decades is not necessarily effective, because its decision-making, implementation and enforcement are too reliant on private-sector partners and consultants. Administrations often don't even have the expertise any more to design the kinds of targeted rules that are needed on their own. Companies are moreover fiercely resistant to such regulation, and because they are operating in an unbounded international marketplace, they push back by threatening to take their business elsewhere. Balancing the imperative for international agreements on the one hand with the value of national autonomy on the other is also difficult. After all, who gets to make the rules, and who has to follow them?

One reason for the lasting influence of the ‘myth of the market and the invisible hand’ is that those who could change it have too much to lose. The notion of the invisible hand is a cultural narrative that appeals to those it benefits, and they are also the ones with the power to change it. In reality, the playing field is not level most of the time, because actors have vastly different degrees of influence. To put it bluntly, our economic system is based on a fantasy of the free market and a distorted view of human drives. Not exactly a winning combination.

### **Shareholders and inequality**

In the late twentieth century, capitalism flipped towards neoliberalism. New technologies increasingly enabled us to communicate and trade with people from all over the world on a daily basis. Increasing globalisation opened up a ‘free’ space in many areas that had not existed before. The lines dividing countries and peoples fell away, and services and goods could be produced and purchased anywhere. Buyers could choose from an ever increasing range of products while vendors made it their mission to earn as much as possible by producing as cheaply as possible across the world. Shareholders also began exerting a more active influence on organisational decision-making. Although forms of shareholding had existed as far back as the Middle Ages, it is only since the twentieth and twenty-first centuries that ‘shareholder activism’ gained hold.

Creating shareholder value consequently became an important goal for managers. Executive compensation became increasingly variable and coupled to shareholder interests. All kinds of compensation schemes emerged that were linked to growth in shareholder value, and organisational managements redirected their focus to those interests. Business and policy choices often came to favour shareholders above all. This orientation has made it difficult to invest in sustainability or inclusion, particularly if it is at the expense of profits. In shareholder capitalism, everything revolves around profit maximisation, expansion and economic value creation. Stock markets are very sensitive to these short-term results. To make matters worse, the system was never designed to take environmental and social impacts into account. The tragedy is that even though many people recognise all this, including people in business, the system is often too entrenched to be reversed to favour planet Earth.

### **The growing capital market influence on the real exchange economy**

Human beings have a restless nature. We are always striving for better, and often for more. That goes doubly for entrepreneurs. Our economy has a built-in dynamic that favours expansion and growth. But criticism of this economic system has been mounting. Among the critics is the French economist Thomas Piketty, who has shown how capital and income inequality is inextricably bound up with the unequal taxation of labour and wealth. His solution is to tax wealth more and labour less. In other words, he says the very rich should pay more tax. Bernie Sanders, in his book I mentioned earlier, fiercely condemns the unchecked greed that puts corporate profits ahead of the needs of ordinary Americans. Professor, author, economic thinker and degrowth advocate Jason Hickel wants companies to stop producing

stuff that no one needs. And the British economist Kate Raworth has proposed a doughnut economy that respects planetary boundaries and pays wages that afford workers a more humane life.

Shifting the dominant economic narrative is no easy process. A major factor contributing to increasing shareholder power lies, I learn, in the changeover from an exchange market to a chiefly capital market. This may all sound a bit dull to non-economists – I know it didn't come easy for me – but if we want to make sense of the economic logic, we have to unravel the knotty language of finance and tease out the strands that form the fabric of our society. The Dutch economist and professor Irene van Staveren explains it well in her 2016 book about the wisdom of 'forgotten' economists (*Wat wij kunnen leren van economen die (bijna) niemand meer leest*). Up until the eighteenth century, we had an exchange economy in which we traded goods and services. As the term implies, the exchange economy is about exchanging tangible things. In this system, money is an excellent tool for temporarily putting by value. You sell your whole apple crop at once so the apples won't go bad, then you use the money you got in exchange to buy other goods later on. In this system, stuff has a practical value that comes from its quality and tangible links with people and things. This is also called the real economy. Many smaller businesses still operate this way. You pay for a nice meal at the restaurant down the street, and the restaurant owner is happy if he turns enough of a profit every year. He earns money by supplying superb goods and services.

These days, the financial sector that is concerned with expansion, growth, mergers and acquisitions is becoming increasingly important, bigger and more powerful. This is creating a market in which money is an end in itself. Instead of taking over a company to help you make nicer and better products, you buy it to quickly turn around and sell at a higher price, meanwhile cashing in on the reorganisations and cutbacks you've pushed through. Many mergers and acquisitions are really only aimed at creating shareholder value. The quality of goods and services, the craftsmanship of makers, the tangible links with people and things have all been swept aside. I myself once worked in an organisation that was taken over by an investment firm, and remember how incredibly hard we worked, only to be told, year after year, that more cuts were needed on account of the 'big mortgage' they had taken out for us. It made everyone cynical.

The financial sector also develops all kinds of instruments to hedge or spread risks, combining to create a dangerous cocktail of fuzzy financial products. As I mentioned earlier, the financial crisis that started in the summer of 2007 showed just how fragile and dangerous this system is. The resale of risks from mortgages taken out in the US led to a mortgage crisis, which got banks into trouble and caused a banking crisis. The interconnectedness of the global financial system meant banks outside the US were also affected, drawing them into the crisis, which in turn got countries with payment obligations to banks into trouble, causing a sovereign debt crisis. Measures taken by the European Central Bank (ECB) to support countries then sparked

a Euro crisis. The upshot was that Europe narrowly avoided going off an economic cliff in 2008. The cascade of crises began with the sale of homes to people who couldn't afford them and almost ended in a meltdown of the global financial system, in which an astronomical sum in private investment and pension fund savings went up in smoke. It is shocking to learn how fragile the foundations of our economy are. Even though sweeping measures have been taken to bolster our banking system and economists assure us that tighter oversight and larger buffers make the risks much smaller now, they also acknowledge that those foundations are unchanged. So, while risky financial products – the 'financial weapons of mass destruction' – have receded well into the background, the principles underpinning our economic model remain the same. I am not reassured.

In a well-organised society, the financial sector operates within limits and at the service of the real economy. Which raises some serious questions. Who is actually in control: politics or Big Finance? What should we as a society do about perverse profit incentives, particularly if they adversely affect people and nature? Our modern-day economic model has bred a fixation on nonstop growth. If a company's growth slows, its market value drops. Investors start pulling out and before long the company collapses or is swallowed up by rivals. Because if everyone else is growing, it's a matter of keep up or die.

Experts tell me that the basic problem with the dominant economic model is not growth as such, but its preoccupation with the need for continuous growth, which has created a system wholly devoted to growth solely for growth's sake. Companies have to go on innovating and supplying goods and services and urging consumers to consume more. And we do love being able to buy more stuff, even if it's stuff we don't need. Even if that stuff is bad for us. Black Friday is emblematic of this insanity. Ads would have us believe that consumption makes us happier, helps us to belong and boosts our image. If the maxim is 'you are what you own', then the stuff you buy helps to create your identity. And, of course, we all want to keep up with the latest styles and trends. Before you know it, your house is piled to the rafters with – I hate to say it – crap, crap and more crap. It is never, never enough, and to stop is automatically to fall behind.

When it's a matter of economic grow or die, moral choices about quality, sustainability and humanity take a back seat. Prosperity is reduced to material progress and considerations of social and environmental impacts are cast aside. And the externalities – those adverse side effects – are not calculated into prices but instead dumped onto society. Real pricing would be a step in the right direction, telling us to at least some extent what things really cost. Real pricing incorporates impacts on health, education, the environment, social cohesion and safety. That would stop companies and consumers from passing the buck onto nature or society. And would give us a more complete picture of what products cost in terms of the wellbeing and quality of life of all.



### **Profits before humanity and nature**

In conventional economic models, natural resources only have value after they are transformed into goods or services. A nature reserve is of no economic interest until you put a fence around it and start selling tickets. Coal underground is worth nothing until we haul it up. Processed timber is worth more than a living tree with its roots in the soil. It took me a long time to understand this economic principle, because I couldn't imagine that our system literally works this way. Only when humans add value to a thing does it count in the market. Unspoilt nature only has value if you can consume it, so... why would you leave it alone? Putting a value on the liveability of our planet means rethinking fundamental choices and principles. And it means shareholders have to set aside selfishness and start acting in the interests of the planet and everyone on it.

The bottom line is that large parts of our economy are concerned not with human welfare, but with the growth and enlargement of shareholder value. The skills and patterns of behaviour that go with this core value tally with Ayn Rand's philosophy. For people to make choices that harm others and the planet, they have to switch off their empathy and sometimes their values as well. Studies show that this is exactly what happens on trading floors. Wholly consistent with how cultures emerge, we see that those who can switch off their empathy to do the deal become the leaders and heroes of the stock exchange. Business schools traditionally place a heavy emphasis on rational skills. On the competences needed to select targeted business strategies for operational continuity, to structure financial systems, to assess risks and to decide which marketing strategy to pursue. It is only in recent years that there has been more attention for the so-called soft skills, such as empathy and concern for others.

### **Who takes care of the 'commons'**

At some point in my email exchange with André Wierdsma, he chided from my screen: 'Jitske, in this world of power and stakes, you can't build an economy on a sense of shared humanity. Only when people realise that there are ecological and social limits may self-interest make them see that all of us have to survive on spaceship Earth. The Earth is our commons. You know about that tragedy.' Yes, I know about that tragedy. The 'commons' is a wonderful word for a communal pasture or piece of land that is collectively managed by the community. It refers to resources that are jointly shared and tended by the community as a whole. The tragedy is that if the community has no shared rules to protect the commons from exploitation, individuals will be tempted to use up these communal resources. To whom does the air belong, and who is responsible for keeping it clean? Who owns the street and who should pick up litter that's lying around? You, the neighbours, the council? How do we keep the commons – our Earth – from being destroyed? Who pays the price for using nature and natural resources? These are fundamental questions that are crying out for answers.

### 1.3 ANY SUCH THING AS PAINLESS CHANGE?

I began my deep dive into economics to make sense of the discord I see in society and to uncover the patterns underlying all sorts of problems. What is wrong with the system as it is now? Is a transformation needed, or is there something else going on? I ended up on a profound journey into what was uncharted territory for me. I learned much and began to see patterns and connections along the way.

The current economic model has given us major innovations and increased prosperity in many places. But there are also costs. Biodiversity is shrinking, the climate is changing and the systems and lifestyles we have created are starting to feel like a suffocating straitjacket to more and more people. Educational structures no longer fit many of today's youth. People are under stress from work overload. Healthcare has all kinds of care pathways and maps and protocols that look efficient but largely ignore the unique client, offering no room for alternatives or individual wishes. It has become a business model, with specific products and boxes to be ticked and fee-for-service financing that leave little time for real human contact and connection. Economic imperatives and jobs are often used as the final word against change, but they are just two of many arguments for or against taking action. If you ask me, moral choices should weigh just as heavily as financial arguments. If you are a producer of pesticides and know your core business is also known as agrochemical poison and most likely causes chronic diseases, you might start thinking about alternatives. If fires are a hazard of your factory farming, if your work creates an unhealthy living environment, if your lifestyle negatively impacts others and nature, then there are plenty of reasons to do things differently. Do we have the courage to speak out if our values are violated? Does our society adequately protect those who 'blow the whistle'? These are important questions that demand answers. While our current economic growth model has given us a great deal, it seems clear to me that the social and ecological costs are too high. Things need to change. But how?

#### **Exit *Homo economicus*, welcome Indigenomics?**

At the risk of raising a lot of eyebrows, here's an idea. Why not ditch the caricature of the *Homo economicus* and design policy around a truer view of humankind? There is already scientific consensus that the rigidly calculating, rational citizen is too narrow and one-sided a view of human nature. Yet, despite this criticism, it is still widely used in the economic models that underpin so many of our systems and organisational principles. What would happen if we gave radically more space to all the other facets that make us human? Maybe we would stop asking each other 'How is it going at work?' as often, and instead 'How is it going with your creative flow?' Might we focus less on how 'super busy' we are and more on 'all the great encounters' we had that week? How do we design policy for that? How do we take those decisions?

Economics is a story. It is a theory that rests on some fundamental principles. This means we could choose new and different principles. In 2021, Carol Anne Hilton, who is of Nuu-chah-

nulth descent from the Hesquiaht Nation in Canada, introduced the concept of Indigenomics, describing an economy based on indigenous wisdom. The world has a vast diversity of indigenous cultures, yet their precepts tend to be similar. One is that the 'invisible hand' is not cash or capital, but the interconnectedness of all living things, including us. When a plant or an animal species dies out, it affects everything and everyone. Wealth arises from the links between human beings and nature, not from profit maximisation. At the beginning of this chapter, I said that a tribe is as strong as the relationships between its members and that the system of giving and receiving is vital for cementing these ties. Giver and receiver are bound together in a compulsory loop of reciprocity. Indigenomics centres on keeping the relationship between people and nature in equilibrium by taking only what you need and giving something back for everything you take. Whenever you take resources from the Earth, you are under an obligation to give something in return. Not only for the moment, but for the generations to come. This indigenous wisdom is part of an ancient worldview from which we drifted away long ago. I can well understand that going from *Homo economicus* to Indigenomics may be too big a leap, but we can certainly draw lessons from its deep sense of connectedness and reinstate its principle of reciprocity with nature. It actually feels very liberating to realise that other views of human nature exist.

### **New scarcity landscape**

While searching for words to convey what I was thinking, I was reminded of my conversation with Herman Wijffels. He had explained to me how our system is based on principles of scarcity. While there is nothing wrong with this principle as such, the things that were scarce two hundred years ago are no longer scarce now. If we can design a new system around our current scarcity landscape, Wijffels paints a hopeful scenario. The scarcity balances of old have been flipped on their head. As raw materials are no longer over-abundant, production processes that rely on extracting ever more resources from the Earth are no longer tenable. A circular approach, one that reuses raw materials, would be better. Meanwhile, workers are more educated today than they used to be. Why not tap into that wellspring of knowledge and experience by giving people a bigger say in things that matter? Nor is capital scarce any longer. There is plenty of money floating around. Since we no longer need to use money to make *more* money, we would be better off using it to maintain and improve our quality of life. It all sounds deliciously optimistic and logical.

### **Must we overhaul, can we tweak, or is it too late?**

The principles that guided society in past centuries are in dire need of an update. But does updating our view of human nature mean completely giving up our core value of economic growth, or would shading in our definition of growth be enough to make the changes needed? I am not sure. In his 2020 book (*Mens/Onmens*), the Dutch writer and essayist Bas Heijne nicely articulates the underlying dilemma: 'Do we want to criticise and correct liberalism, get the elite back on task and make them shoulder responsibility, or are we out to destroy liberalism?' These are two radically different objectives, which, whether intentionally or not, get mixed up

all the time. There's something in me that says it would feel great to throw out the sacred principle of economic growth and replace it with, say, the 'growth of life', with life-centred design. I am genuinely curious where that might lead us. On the other hand, we could also come up with some cleverly chosen new rules to beat back current excesses and fix what's wrong with the system. For example, by introducing a global minimum tax on corporations, raising taxes on raw materials and making labour cheaper. This would let us continue improving standards of living and focusing on human innovation. It sounds far simpler in a way, and so also rather attractive.

I think most of us don't want to give up our current standard of living but do want to make different choices for people and the planet. That brings us to questions about change. Such as, how can we maintain our standard of living and enlarge prosperity for everyone? How can we distribute our wealth better, at home and worldwide? How can we restore the balance between humans and nature? Is technology the bad guy, or will it save us and our future after all? Can we correct course, or is it too late for that and will we have to choose a different route entirely? These are universal questions that demand new cultural answers. Our economic model is too narrow a framework to find them. What we need is a broader perspective.

The British researcher and science journalist Gaia Vince wastes no words: 'as climate change worsens, large parts of the world will become uninhabitable.' Drawing on years of climate research, her book *Nomad Century: How to Survive the Climate Upheaval* (2023) argues that that we are on the brink of a seismic upheaval that can no longer be stopped. 'The changes we humans have made in recent decades have altered our world beyond anything it has experienced in its 4.6 billion-year history.' As conditions across large parts of the world become too extreme for people to live in, many will be forced to flee. The world has to prepare for a huge mass migration to the northern hemisphere and there is no time to lose. It is happening whether we want it to or not, she says, so, let's make a plan. Her call to action is still far removed from the reality I see day to day. Still, I can't shake the thought. It makes me anxious, feeling adrift in all the opinions and stories.

### **Living my ideals**

The idea that everything needs to change unsettles me for all kinds of reasons. I like my modern individualistic lifestyle, but can no longer plead ignorance of the damage that the underlying system is doing all over the planet. Denouncing exploitative and polluting practices isn't hard, but what am I actually doing in my own life? Do I always check the label before I buy something? Honestly? No. I am against child labour and exploitative practices, but I'm fairly sure I wear clothes that were made by children. I beat myself up and am doing better, but have to admit that sometimes I forget my high ideals when I'm out shopping. Giving up things I don't care for is easy, like eating meat or buying gadgets. But as someone who travels a lot, to stop flying would be a big ask. And I really do love new clothes. To live more mindfully of the planet and everyone on it means being more mindful of the ties and relationships that

our modern world is built on. To not shut my eyes to factual information and to do my own fact-finding when situations are not clear. There is no product insert saying 'beware, made by children's hands'. That we don't know these things is a flaw of our system – a flaw we may worry about from time to time, but apparently not enough to do anything about it in our day-to-day lives. Manufacturers often claim it's impossible to keep track of where all their raw materials come from or what actual working conditions are on the ground, because there are too many links in the production process. Which type of cocoa winds up in which chocolate bars? Which type of cotton in which shirt? Can I trust the fair trade and eco-labels? And do those manufacturers genuinely not know, or is it a ploy to avoid having to make serious improvements and to guard fat profit margins? Our prosperity sits on a huge mountain of hidden exploitation that I personally can do nothing about in some ways, and a lot in others. I can make an effort to educate myself and not buy products that I am not sure about. I could even decide to leave that cute outfit lying on the shelf.

### **Why not just use up the Earth?**

In the course of a heated discussion I was having with some people about the climate and other issues, someone called out defiantly, but with a serious undertone: 'You know, the Earth is almost exhausted anyway, temperatures are rising and power structures are too entrenched. Let's just go ahead and use up the Earth. Go down laughing. The Earth will bounce back again.' I heard something similar from a group of young people: 'Reports have been warning for years that we need to stop chasing more and more growth, but you boomers just brushed them aside. You all wrecked everything and now you're saying we're supposed to be the generation that will fix it. Screw you, clean up your own mess, we're going to drink beer.'

Are we as a society courageous enough to change course? Now that nature is becoming scarce and therefore more valuable economically, will we be willing to pay more for it? Or will it be like the Kwakiutl Indians say: 'Only after the last tree has been cut down, only after the last river has been poisoned, only after the last fish has been caught, only then will you find that money cannot be eaten.'

### **System errors are hard to see when you're inside the system**

To learn more about our food system, I got in touch with EatThis, a network based in Holland that works worldwide to connect organisations and people advocating for healthy food, from horticultural companies to legislators, artists and physicians. During one of their meetings, a long-time paediatrician explained the real-world consequences of the fact that more than half the Dutch population is ill as a consequence of obesity. I'll say it again: *more than half*. We are sick and getting sicker and our healthcare system can't cope. Obesity is considered a chronic disease caused to a large extent by an unhealthy lifestyle, including poor eating habits. If we do nothing, this paediatrician predicted that the number of people with overweight and chronic illnesses will continue to grow, that Dutch healthcare spending will double in the next twenty years and that a quarter of the nation will have to work in healthcare to deal with the

sheer number of patients. Eating healthier food and more vegetables is essential, but tends to cost more than foods high in sugar. While we can change that, it is easier said than done. Many changes are hampered by supermarkets that will only buy at rock-bottom prices and pesticide giants that have too much at stake and too much lobbying power. They slow down and block laws and regulations for organic alternatives. There is also a powerful sugar lobby that keeps more and cheaper healthy vegetables from ending up on our plates. We have designed our food system to make eating unhealthy fried fast-food the less expensive and easier option, and our healthcare system to follow a business model aimed at making people better instead of keeping them healthy.

The push to maximise profits is literally making us sick and unhappy. Switching over to a healthier living environment, with fewer fast-food chains in urban areas and better food on all supermarket shelves, is proving a frustrating, arduous and slow process. The counterargument is that this is what consumers want, conveniently overlooking the fact that consumers are influenced by advertising all day long. In actuality, 'eating healthy' is anything but a personal choice. It is a cultural choice driven by economic considerations and lucrative commercial opportunities. Take the appetite suppressing drug recently launched by the Danish company Novo Nordisk. Designed for diabetics and the severely obese, the drug's popularity was fanned by the likes of Tesla boss Elon Musk and high-profile TikTok users raving about shed pounds. Although the manufacturer has said that this is not how the medication should be used, meanwhile the cash is flooding in and the satiety hormone behind the new weight-loss drug has become a veritable gold mine for them. Viewed cynically, you could say that the problem of bad nutrition has become yet another opportunity for profit. And that making healthier food available to everyone is clearly a less lucrative business model.

### **A transformation seems inevitable**

Transformations don't happen on their own. They take hard work. You can't sit back munching popcorn on the sofa waiting to see how things will transform. We create cultures together, and so everyone has a role to play. Some transformations are brought about by brute force, as during wars or revolutions. But I'm still hoping for another and less violent route; for a swift evolution. True, it won't be easy, but this is the hopeful lens through which I am looking at these tricky times. If we can make rigorous and courageous changes now, together, we can change history.

With any luck, when I'm 80, I will be able to look back at this time. There are two possibilities. One is that all the problems we are facing will turn out to have been grossly exaggerated. I'll smile when I look back at all the needless fuss we made, like back with the millennium bug, and the choices I have or have not made now won't make much difference in the end. Or they were not exaggerated, and we will look back on – of be in the middle of – extreme climate change, mass migrations and general chaos. My fear is that we are in the second scenario. In

which case, I hope to be able to raise a glass to having made the right choices today and to having done everything I could to limit the harm and bring about the changes needed.

### **A tricky in-between time**

During transformations, more and more people begin to feel a deep inner awareness that something in their cultural system is out of tune. That some long-prized value no longer rings true and has become worthless. At this stage, you don't quite know what form the new life should take, but you do know it's time to leave the old one behind. That a change is needed. It can happen at a personal level, such as when the kids you put first for many years leave home and leave a gaping emptiness. Moments like this force you to stop and question whether the values you lived by still fit, and from there to shape a meaningful new narrative. It can also happen at a societal level, in the face of a consequential shift in values that impacts how the whole system is ordered. I think that this is what we are experiencing on many fronts right now.

Some people yearn for meaning, stories and connections with fellow humans and the world. Others couldn't care less. And still others have no idea how these things might even matter. Deep human needs are being stifled by our culture's preoccupation with efficiency, costs, benefits and numbers. More and more people feel an inner dissatisfaction, but may not be relating it to wider problems in the world. There is widespread work stress. There are too many kids spinning their wheels in school. There are problems with access to healthcare, there is an energy crisis, inflation, rising poverty rates and more frequent natural disasters. The system we inhabit is giving rise to ever more existential questions. Ideally, this system gives everyone loads of individual freedom. But many of us are feeling shackled by enforced workloads and faltering institutions. Our culture has arrived at a point where we have to take our humanity seriously again. Fundamental changes are possible, provided we can find the courage to explore these questions deeply. And provided we have brave leaders who are willing to place the interests of society ahead of their own egos, status and shareholder pressures.

Every significant change brings with it a period of conflicts over what is meaningful and of clashing perspectives on existential questions. Does the world I thought I knew really exist? Am I the person I thought I was? Who are we as a society? What does it mean to be human? What unseen powers and forces are acting on our society? What value do we place on life, on work, on nature and on the future? And who gets to define this new story? There will be a fierce power struggle over how we reinvent our future. Knowing how difficult it will be, you may well ask: do we really want to bother? Aren't things good enough as they are? Recognising and accepting that fundamental change is needed takes courage. The uncomfortable truth is that those who are benefiting from this system are also the ones with a lot to lose if things change. All of us will have to do some critical soul-searching about how we live. If we can't do that, it's natural that the groups experiencing the most pain will only grow angrier.

**Big changes bring liminality**

When we are inside a transformation, we don't know exactly what we want the new situation to be, but we do know something has to change. Or at least, there is a lot of discussion about it. Some will say everything needs to be different, others want to hold onto what we have. People are dissatisfied with the old cultural narrative but don't have a new one yet. There is no point in trying to control the chaos in this situation. The chaos comes with the territory. People are eager to take some kind of action, to set a clear goal and make a plan. To start a movement or to transform their organisation. But what is needed is something altogether different. In order to transform, we have to be willing to lean into the unknowing, to listen and look at all the emotions, differing perspectives and ideas.

Anthropologists call this liminality. It is an extraordinary time when old stories crumble and new ones emerge. When what was is gone and what will be is still unknown. It is a time of chaos, uncertainty and untold possibility. An in-between time filled with opportunities, dangers and lures. Liminality is a time to reach out to each other and to have unflinching conversations, because it is during liminality that we make sense of what is happening and when we learn new things. There are sacrifices we have to make and difficult decisions we must take that will reverberate far into the future.