

Dynamics of Inclusive Prosperity: Our Mission Statement

The following text was spoken at the opening conference of the Erasmus Initiative for the Dynamics of Inclusive Prosperity, 29 November 2018

Ladies and gentlemen,

Inclusive prosperity as a challenge

We are surrounded by rapid technological transformation forcing us to respond more and more quickly while keeping all segments of society on board. Meanwhile, there is growing danger of our natural environment inflicting serious pain and damage on us through global warming and various kinds of more localized environmental pollution. Moreover, social turmoil and protest in response to increased socio-economic inequality may well affect the stability of our societies.

The broader natural and social environments tend to be defended by weaker stakeholders with potentially lesser political and bureaucratic competences. And yet we urgently need to empower them and take their signals seriously to preserve this much needed stability. We all know that only working towards long term goals can preserve physical and social peace. At the same time, these have to be balanced against short term goals that various stakeholders hold and that demonstrate to all involved that we are on the right track. There is no alternative if we wish to keep up high levels of motivation and continue. Our patterns of production and consumption and socio-economic modes of interaction should change much faster than they currently are, and in fundamental ways. Effective collective action requires the pooling of the resources of many; only this will preserve our planet and the time for action is NOW. This what we hear all around us, but how? To change in fundamental ways, can we avoid having a hard look at our fundamentals?

Back to the fundamentals

It is often said that what gets measured, gets done. Many metrics have been developed to monitor progress in our performance and establish our progress. But we may also argue that what does not get measured, does not get done. And that players enjoy the capacity to learn and game measurement systems over time and pervert their operations. Return on Investment, Cost Benefit Ratio, Gross Domestic Product and many more sophisticated terms have appeared on the scene. These entities and their unities express success in terms of capital and money. In the past centuries, the diversity of academic disciplines has increased tremendously and all of them have settled for their own favorite concepts. Economists and other social scientists stay pay tribute to Bernard Mandeville, Adam Smith and Jeremy Bentham. But these citations appear to be primarily lip service. Who among economists and other social scientists know what points Mandeville made in his Fable of the Bees? Who remembers Smith for his Theory of Moral Sentiments? And who recalls that Bentham was a legal scholar, not an economist?

The enormous diversity and fragmentation in the various scientific disciplines has made many academics and practitioners incommunicado when it comes to contextualizing their knowledge and explicating it to their peers of other disciplines and the broader community. The large picture has been lost and not been found back yet. In economics, the awareness of physical and physiological systems has vanished from sight.

Efficiently producing things from matter that comes from nowhere ends in efficient use and then efficient disposal into matter that goes nowhere. But unfortunately, matter is real and physical. Neglecting it at a massive scale comes at a price: LIFE. In many especially quantitative applications of economics, the broader social context was also lost. How people come to preferences, how perceptions and expectations were molded in a historical context where some can and some cannot speak in interaction and how decision processes evolve is not something that appears in aesthetically refined mathematical formulations. But ignoring them is not costless either: societal STABILITY is the casualty in this case.

Back to the past and then into the future

Apparently, in modern academia and consequently in the knowledge and measurement practices practitioners have derived from it and apply in their daily work the bigger picture has been lost. Do we still realize how economics evolved from biology and ecology? Do we still remember what makes humans thrive as living beings and what made them tick before economic anthropology was subdued by econometrics? Socio-economic prosperity has become an issue of maximizing utility and earning money in a narrow sense, but can we eat that? On the eve of the day human and other life as we know it, ends, what will we consume? It is not the capital, stupid! It is nutrients, fresh air and clean water. The name of the currency that holds the key to life is not Euro or Dollar, but Calorie.

There are signs of hope. Framing and reframing of how the world works in terms of ecological terminology is on the rise. Pundits now speak of 'business eco systems' on which the success of firms depends; they are keen to find new 'niches' for their products and services and identify ugly 'memes' in the ether igniting the desire among some to become fanatic or terrorist. But in my view, this is not the real thing yet. Embracing ecology-related concepts in a cosmetic way is only a first step in the right direction. Their adoption should encompass much more than some aspects of the business environment alone: *prosperity should be defined in a socially and environmentally inclusive way.*

An Inter-disciplinary Mission Statement

If without social inclusion, societal stability is lost and without ecological inclusion life itself is at peril, there is an urgent need to move back to a unified perspective of scientific knowledge. Academia and practice need to redevelop and retain a common sense understanding of what it is they are working on. We need to hold them to the task when it comes to being communicable to each other as well as the community at large. If concepts and how they are operationalized cannot be matched and exchanged across disciplines, let alone to the outside world, who exactly are they supposed to benefit?

I am not a postmodernist, but to some extent I believe in the adage 'We are what we speak'.

We teach our kids economics at school, but do we teach them ecology? And if not, how does it affect their awareness and actionability in preserving the natural environment? Adopting and utilizing concepts that favor social and environmental inclusiveness requires honing them from a young age. It is our task to develop and institutionalize them, for ourselves as well as for future generations. As a moral duty and as a practical necessity. I therefore propose that the Erasmus Initiative Dynamics of Inclusive Prosperity (DoIP) adopt as its mission statement:

To bring common sense concepts back in to academia from across a variety of disciplines to secure the social and environmental inclusiveness of prosperity creation and with these concepts and conceptual insights generate scientific and societal impact.

To realize this, a network of and input from a range of organizations and people with long-term commitment to this objective is needed. To learn from each other and share with each other. We invite to join us. Cheers!

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