

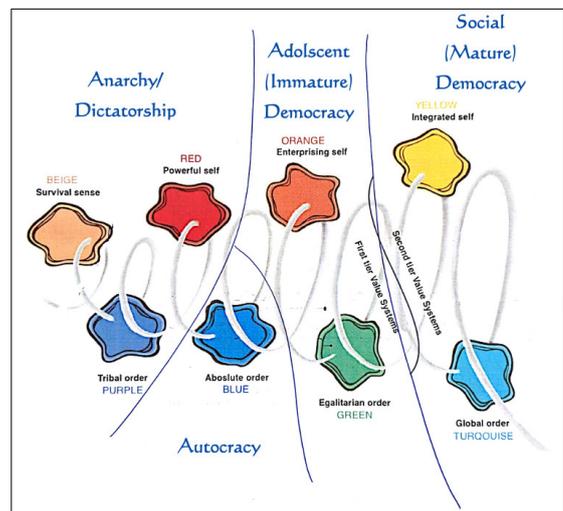
Spiral Dynamics in Economics

Spiral Dynamics is a model that identifies some critical drivers of human behaviour. With our share of seemingly overwhelming problems around the world these days, any clues to how we can work out how to live together more harmoniously needs to be taken seriously.

Introduction to Spiral Dynamics

Spiral Dynamics identifies eight phases of human psychological development, that progress during the course of our lives. As we transition from one phase to the next, we learn how to adapt our thinking and behaviour to suit the new landscapes fed to us by our maturing perceptions.

The first phase is the “survival state”, where as babies, our exclusive focus on getting our immediate needs met. The second phase is the “tribal order”, where the mysteries of the world are explained through super-natural beings superstition and strict tradition, and the individual has few rights for personal development. The third phase is the “powerful self state”, where a strong individual rises against tradition in favour of personal and immediate satisfaction. The fourth phase is a pre-adolescent “absolute order”, where truth comes in shades of only black and white, largely determined by a dominant figure, perhaps a parent, religious leader or an absolute king. It is characterised by laws that are universally applied, bringing order to our ways of life, along with a new set of challenges relating to compliance. The fifth phase is the “enterprising self state”, where science and reason gives way to blind faith, to support personal gain. The sixth phase is the “egalitarian order”, where the excesses of personal gain overwhelm the status quo, and give way to a more collective focus on fair and equal rights and opportunities for everyone. The seventh phase is the “integrated state” where individuals see themselves as part of an integrated whole, where personal freedoms should not come at the expense of others. The eighth phase is the “global order”, where the human species are perceived as a single entity, in which humans are seen as mutually interdependent beings which together form a single, holistic entity within a fully integrated world.



These phases of development are mirrored in the societies we create. Spiral Dynamics conceives equivalent phases in the progression of society. Each phase is determined by the collective centre of gravity of the personal phases inhabited by each of society's members.

There is good reason for having distinct phases. Each phase is characterised by established social norms and acceptable behaviours. They combine to inform people in that phase about how the world works, which Spiral Dynamics refers to as a “worldview”. The early Tribal Order's worldview, for example, helps people to handle a scary, unknown world. It offers an understanding of spirits who need placating, where people need to band together to survive. Its expressions of “home sweet home” and “blood is thicker than water” encapsulate an expectation of togetherness. Tribal communities create living conditions that provide safety for people emerging from the earlier Survival phase, but it punishes them from experimenting with the successive self-interested Powerful-Self phase whose appeal is liberation. Each time someone transitions from one phase to the next, the previous status quo is threatened. It is a time of tension that often sees significant social unrest as old-guard leaders fight to maintain their traditional ways of life. Each of the eight phases has its own self-stabilising set of values, social norms, rewards and punishments that lock members of the community into its own phase.

Political Phases of Development

Pre statehood: Stage 1: Survival, Stage 2: Tribal order
Anarchy: Stage 3: Powerful Self
Autocracy: Stage 4: Absolute Order
Adolescent Capitalism: Stage 5: Enterprising Self
Mature Capitalism (Valueism): Stage 6: Egalitarian Order, Stage 7: Integrated Self, Stage 8: Global Order

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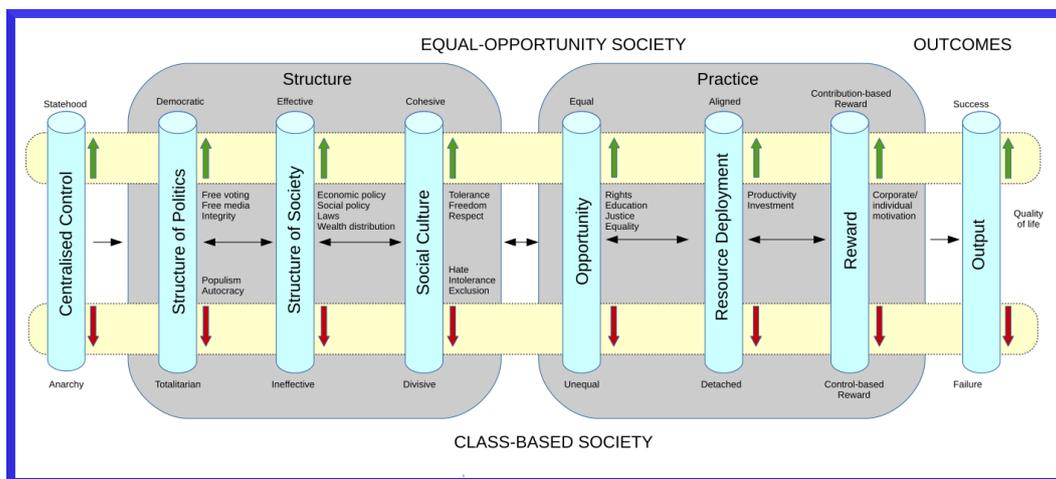
This stable state is referred to as homeostasis. As with all other forms of evolution, no state of equilibrium is immune from progress. Something happens that opens the door to change. It might be a traumatic event that highlights the shortcomings of the current stage. It may be some form of alienation or constraint that is perceived as suppressing personal achievement. Or it may be a calculated design that visualises better outcomes through change. These moments of change offer the opportunity for society to advance to the next phase of development, with its more sophisticated ways of solving life's challenges, serving an ever greater proportion of society. It is these moments we seek when we find ourselves stuck with problems we are not able to solve within the status quo. Spiral Dynamics helps us to understand the dynamics of change that directly impact the effectiveness of our economic output.

The Role of Spiral Dynamics in Economics

The underlying concept behind the Inclusivity Project is that the purpose of society is to deliver human wellbeing. Economic output is defined in terms of the quality of life society delivers to its members. Success is measured by reference to the aggregated life conditions of each member of society, and how well society serves their needs, desires and hopes. In the emerging paradigms of economics, quality of life is also referred to by other terms, such as wellbeing, prosperity and happiness. The terms are all interchangeable.

Modern capitalism makes a false assumption, that maximising wealth is a direct pathway to maximising prosperity. There are certainly connections between wealth and prosperity, but there are also important differences. Human prosperity requires a basic level of material wealth for survival and comfort, but prosperity is impacted by so much more. For example, people need to connect with others to feel part of society. Depression and low self-esteem are consequences of poor relationships/connections with others. Legal and cultural barriers impact on the ability of victims to participate fully in society. Poor health influences prosperity independently of material wealth, even though material disadvantage undermines the opportunity of a healthy lifestyle or of access to health care. Modern capitalism, in its adolescent phase, fails to reflect many critical constituents of prosperity in its measures of success. This is why new models of economics are emerging, in which Spiral Dynamics has a pivotal role to play.

The effectiveness of society, its ability to deliver prosperity, is underpinned by the eight structural pillars outlined in the chart below¹.



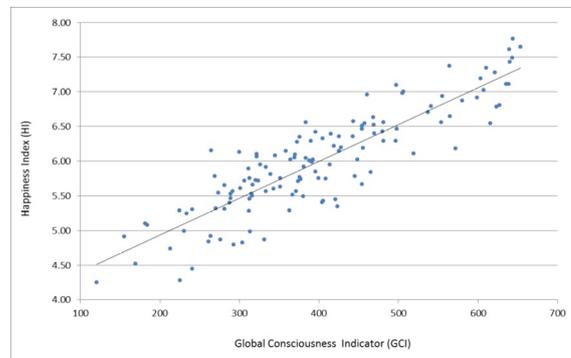
The eight structural pillars of society

The cultural pillar is assessed on a scale that measures the cohesion or division within society. Spiral Dynamics helps to understand the mechanics of the cultural pillar. It also has a role in explaining how legal and political structures are crafted, how effectively resources are deployed, and how fairly and members' opportunities and rewards are made available. The measure of overall social cohesion in society is a direct determinant in the output of society.

¹ [Models for a Better World](#), G Nigel Cohen, 2017

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Good evidence exists that societies with strong social cohesion deliver better outcomes for its members than societies with social division. In 2017, Richard Barrett carried out research into the correlation between the Spiral Dynamic phase at which a nation operates, which he calls National Consciousness, and the happiness index. He assessed the stage of a nation's consciousness with reference to more than a dozen global indicators. He applied his values principles to map their results to his largely parallel stages of consciousness. He charted the state of each nation's happiness against its stage of consciousness.²



The chart above shows a strong correlation between the level of a nation's consciousness and its happiness rating. Happiness is a limited measure of human outcomes, so it is not a reliable substitute for wellbeing. But the significant findings of Richard Barrett's work provides compelling evidence that the Spiral Dynamics model of a nation's social and cultural progress has direct relevance to society's economic outcomes.

The chart above offers insight into how the dynamics of culture can be projected into its impact on prosperity. It provides a powerful tool to identify specific areas of misalignment between what society delivers to each person and what they need to live a fulfilling life, from which policy can be devised to improve outcomes. It also offers an awareness of the cultural impediments to progress that may need attention.

Defining Spiral Dynamic Values

The word "values" has more than one meaning. So we need some definitions to avoid ambiguity,

Firstly, there are the values words that articulate a concept, such as "trust", "equality" and "greed". Actually, they articulate deeply human motivators which, without the values words, are difficult if not impossible to describe. Generally, the values words relate to concepts of human interaction and relationships – they describe the principles that drive our thinking and behaviour towards each other. So collectively, they are much more than simply words. They are tools to communicate our inspiration, helping us to describe our worldview, and helping us to connect with and relate to other people's actions towards us.

Secondly, there are the values that individuals adopt in their lives. These are the values that motivate an individual person to be courageous, compassionate, honest or jealous. Some of the values support positive interactions, such as trust and kindness. Others limit interactions, such as hate and contempt.

The school's movement Values-based Education (VbE) has carried out an exercise that seeks to understand a community's collective values. VbE ask the entire school community which values they most want their pupils to learn at school. The school community comprises its students, staff, governors, parents and local community impacted by the school. Each VbE school invites the entire community to participate. It organises small groups of five to ten people to discuss their preferences, and to report back on their three most important values. Each of the groups feed back their preferences into a collective summary of the community's values, prioritised by how many times each individual value was chosen. VbE reports that they rarely if ever see limiting values, such as greed or

² Extract from a draft, unpublished report: The Consciousness of Nations, Richard Barrett, 13/12/17

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jealousy, included. Instead, school communities create a list of positive values that are most valued by the community. It probably comes as no surprise that the lists from schools throughout the world are almost identical, with differences being limited more to rankings than to content. Clearly, there are a number of positive human values with universal appeal, such as trust, respect and compassion. We refer to these values as positive universal values. They have a particular role to play in the mechanics of the Spiral Dynamics model.

Thirdly, there are the values structures that are described by Spiral Dynamics. The structures are a particular set of self-stabilising values that are adopted by society, that underpin its current phase of development. The adopted values evolve into a community's social norms and practices. Conformity to the values structure are rewarded, breaches are subject to social shaming, exclusion and other personal disadvantages.

The Role of Values in Spiral Dynamics

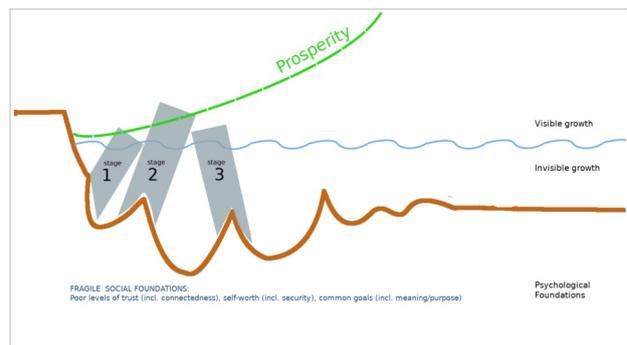
The Spiral Dynamics model describes a number of circumstances that need to be present for transition between one stage of development and the next. One of the conditions is life circumstances necessitating change. The essence of change is an individual's perception that their current phase of development no longer meets their needs. Typically, this mindset is associated with some sort of trauma or distress that pushes the individual to look for new solutions to their current problems.

This is where positive universal values have an interesting role. In communities that promote them, community members tend to have a much more secure social base from which to explore change. Values such as togetherness, persistence, courage and respect equip individuals with the social support to try out new ideas. They are not punished for trying out new ideas, rather they are encouraged to realise their potential. Their strong sense of connection and mutual trust with others affords them the space to grow.

Schools can be seen as microcosms of society. The VbE movement provides insight into the workings of society at higher levels. At values-based schools, pupils flourish. As they transition into a new phase, they are supported to experience and perfect the phases' new solutions to problems they encounter, in real life situations. When they have perfected conformity to the new social norms, and learnt to apply them in a healthy way to social situations they encounter, they are supported in experimenting with ways found in the next phase in their development.

Spiral Dynamics presents economists with new tools that help societies progress into the more advanced phases, which deliver greater and more inclusive human prosperity. Communities that are conscious of their positive universal human values, that promote them and translate those values into the behaviour of its members, enjoy a more harmonious existence that is especially effective in helping society achieve its objective - of people living and working together for mutual benefit. Positive universal human values smooth and support the transition from earlier to later phases of development. They provide additional understanding of critical social problems, helping to understand how they arise, and providing insight for policy makers and community leaders to help craft solutions for a more sustainable, socially harmonious and mutually supportive world. And all the current economic evidence points to these being the essential ingredients for society to deliver a more sustainable, and more inclusive prosperity to its members.

Weak Social Foundations



Strong Social Foundations

