



HELPING ORGANIZATIONS DISCOVER AND LEVERAGE THEIR COLLECTIVE INTELLIGENCE

ON POST-CAPITALISM

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“Dead things such as [The Banner](#) are only the financial fertilizer that will make it possible. It is their proper function.”

—Gail Wynand the powerful newspaper mogul in [The Fountainhead](#); an [Ayn Rand](#) novel.

What lies ahead beyond Capitalism? How will this come about? Is there a simple unifying theory which we, mere mortals, can understand? It is possible that no such theory will ever exist perhaps because the subject is too complex. It is also likely that “[Post-capitalism](#)” is already starting to manifest itself onto the daily scene. Therefore, we should not expect some grandiose declaration by some “authoritative” institution. In order to formulate a possible “post-capitalism” scenario, let us first define capitalism.



[Capitalism](#) is not a form of government. Many people are not clear about this point and regularly use the words capitalism and [Democracy](#) interchangeably. Capitalism is an economic system in which the means of production, price, investment and distribution, etc., are held in private hands. Furthermore, the ultimate goal of capitalism is to grow indefinitely by any means possible, to the exclusion of all else, i.e. more profit.

This view of capitalism assumes that there are no physical barriers to its continued growth. And in here lies a major hurdle; we live in a finite world. This last point will be argued by many, suggesting that we will eventually colonize other planets; therefore, the potential for growth is boundless. However, in the here and now, the unrestrained economic growth has meant a significant erosion of our ecosystem, threatening our very existence.

Traditionally, capitalism had been pitted against [Communism](#) to contrast its achievements. The difficulty lies in that, as we said earlier, capitalism is an economic system and communism is a social structure in which governance and economics are included. Nevertheless, for purposes of illustration let us try to define what lies at the core of both ideologies.



“Every mammal on this planet instinctively develops a natural equilibrium with the surrounding environment. But you humans do not. You move to an area and you multiply and multiply until every natural resource is consumed and the only way you can survive is to spread to another area. There is another organism on this planet that follows the same pattern. Do you know what it is? A virus.”



Agent Smith – [The Matrix](#)

Caveat emptor: The following observations are an overly simplified explanation of communism vs. capitalism of which subject-matter-experts reading this article (economists and philosophers alike), might probably cringe upon.

- In communism we start with the premise that human beings are fundamentally good. Therefore, they will generate wealth for the [common good](#) before they do it for themselves; this assumes high levels of altruism. In practice, however, it seems that communism requires an incredibly strong amount of tyrannical-arm-twisting in order to convince, coax or simply force their constituents to modify their behavior and follow suit with the theory. And when it comes to the production of goods and services, it does so at huge costs. At a first glance, it is not a very efficient system, although, at times it can be quite effective as was the case with the enormous industrialization of Russia, during [Joseph Stalin's](#) Soviet era.
- Capitalism, starts at the other end of the spectrum. Its premise states that human beings are fundamentally selfish and they will only provide marginal wealth to the common good, if and only if, they benefit first. A cursory look will show that indeed, when it comes to the production of material wealth, i.e. goods and services, capitalism is very powerful. Even [Karl Marx](#) acknowledged the incredible power of capitalism to create wealth in 19th Century England. The enormous downside of this thesis is the heavy cost paid such as huge inequalities, massive environmental destruction, recurring boom-and-bust-cycles, unemployment, hunger, etc. Incidentally, these costs are not accounted for and are simply chucked to [“externalities.”](#)

No sooner had the Soviet Union collapsed when [Francis Fukuyama](#) wrote a famous essay called [“The End of History”](#) in which he argued that Western liberal democracy [capitalism] represented the final form of human government. Twenty years later with huge worldwide financial, economic, wars and environmental crises, one wonders if such thesis needs some revision.

It is interesting that in some practical sense, both capitalism and communism share a lot in common. We need not go further than the typical corporate [Board of Directors](#) and see that it is managed very similar to the ex-Soviet [politburo](#). But more importantly, they both center on the idea that ultimately the “state” will hold all the power. In the case of Western democracies it has taken a while but the concentration of power has indeed increased to unprecedented levels. The under-

lying structure for both ideologies is [Hierarchy](#). Strong hierarchical structures are the quintessential foundations for both states.

We should not be surprised at their similarities. Both ideologies were born during the industrial revolution. They were strongly influenced by those philosophical and scientific thinkers that perceived the world as an enormous [causality](#) machine. Eventually, they argued, humanity would discover all there was to be known about this complex machine. It is amusing how on several occasions' people have portended declarations that humanity had discovered and invented it all.

There is no question that capitalism has a powerful personal allure which induces many people to adopt its tenets with passion; craving its potential rewards. We get bombarded with powerful imagery of wealth and power which further reinforces this ideology. For example, we might hear about a [CEO](#) who has been able to amass enormous sums of money during his or her tenure and who goes out and flaunts a lavish and at a times decadent lifestyle, thinking that the whole affair represents a complete success. However, what we are not told is that the [opportunity cost](#) of such success is only a tepid step to what might have been an opportunity to transcend to higher levels.



The 20th Century brought about new sea-change discoveries which put into question such [deterministic](#) world view. Quantum physics holds a lead position in this new challenging vision. But other fields such as micro and exobiology, astrophysics, informatics, genetics, robotics, AI, communications, nanotechnology, transhumanism, etc., give us a fundamentally different cosmological perspective.

Of course, societies are somewhat slow to chance and it is now in the 21st Century that we are starting to see some of the influential effects of these previous discoveries. As societies become increasingly complex we realize that simplistic cause-and-effect answers are more infrequent. Instead, we have to be satisfied with partial and at times incoherent knowledge which does not explain why our complex systems are or are not working correctly.

Using a loose definition of capitalism, we can now proceed to speculate about one possible path for "Post-capitalism." However, this is not necessarily [Socialism](#), which a lot of people argue is the natural evolutionary path for advanced societies. I would argue that this later form of "ism" also relies on an outdate causality model in an attempt to find the silver-bullet that eventually ushers paradise onto earth.

If capitalism in its strictest sense centers on the maximization and growth of capital, then "Post-capitalism" will focus on something else. What this "else" is, becomes trickier. Our almost knee-jerk reaction is to come up with a [model](#) that we

could then try to foist onto the people via multiple means of behavioral modification and social engineering. The danger consists in repeating the same mistakes of the past.

After all, a model may be somewhat accurate but it will never be reality itself. At most, we can only say that some “models” are better than others. Typically, the models that we construct are relatively simplistic in contrast to the complexity of the physical systems that they are trying to describe. Take the weather, for example. Most models will only give us a fairly short timeframe of “accurate” prediction. As we move out in time, weather models simply break down. This is because their level of complexity increases exponentially.

Because modern capitalism is so complex, it would probably require volumes in order to address all its complexities, e.g. monetary policy, interest rates, banking, credit, lending, debt, insurance, investments, financial markets, derivatives, taxation, accounting practices, regulation, etc. For the last 300 years but especially during the last 100 years, money has been created throughout debt. This system is simply untenable. Recently I heard that we used to use astronomical numbers to express immenseness. Today we simply use financial figures instead.

Since capitalism is so pervasive throughout all aspects of modern society we cannot evolve it in isolation. It is in the larger context of civilization that this problem needs to be resolved. We cannot separate the economic from the governmental, since the latter has been a key element in allowing and stimulating the current state of affairs. If we are to fix this problem we need to resolve the current problem of reforming government first, or at least, simultaneously.



This is especially true if we are to reform the private sector, as well. Although, there are already signs that avant-garde leaders in the private sector are keenly aware of changes which are already occurring in their midst. Some well-established corporations, for example, are struggling in shedding their inflexible hierarchical management organizations for the more resilient, flexible and on point ones, represented by networks.

For reasons stated before about the vastness of the topic of capitalism and without trying to come up with overly simplistic solutions to what Post-capitalism should be, let's at least review some ideas as to its composition.

In a Post-capitalistic era, trying to grow capital indefinitely will not be the main focus, purpose or driving goal. Instead, the focus will be determined by all the members of future organizations as opposed to just the small minority “leadership”. These new organizations will be significantly flatter. Their primal mode of organization will be the electronic network vis-à-vis the hierarchical organization, which is most prevalent today.

Private property will continue, of course, but the share of the “common good” i.e. property that belongs to all, will increase significantly. We can see this already happening with the [Open Source Movement](#) which started as Software development model and it is quickly being adopted by many other industries. A great deal of innovative work has now a strong and defensible legal framework which protects it so that it remains in the public “commons;” such is the case with [Creative Commons](#).

Corporations, the bastions of modern day capitalism, will embrace highly democratic forms of governance. All the members of the corporation will be tapped for their ideas. The decision making process will be pushed to the network. Today many people argue that such mode of operation is ineffective and particularly, slow. One should wonder if making fast-but-wrong-decisions is preferable. However, advancing information technologies are changing the speed and more importantly, the breath of the decision making process. Besides, the levels of project complexity which corporations are being subjected to, have increased and will continue to increase dramatically. Such complexity puts a lot more pressure on the decision making process.



The current mode of decision making occurs at the top; at least for those highly critical decisions. This requires that the organization’s domain experts severely reduce or water-down complex knowledge so that it can be conveyed to the top echelons of the organization. In turn, decisions are made by the latter group. This process is totally inadequate in an extremely fast evolving world. Additionally, decision making cannot be left to the “subject matter experts” either, primarily because their views are too narrow due to the very nature of their respective and highly specialized profession’s and training.

Some fortunate organizations will learn that an alternative method which has a better chance at correct decision making relies on the strength represented in the breath of diverse viewpoints of all its members. This is also referred as “[Collective Intelligence](#).”

Finally, we will speculate that other institutions and Government in particular will follow the corporate lead towards a Post-capitalism era. These behavioral changes will not occur because of some undetermined altruistic reason but instead, they will occur for sheer survival reasons. The tiresome slogan that “*Our people are our greatest asset*” will take on an entirely new positive meaning in years to come.

