

Where do we go from here: travelling upstream

Today's crises are symptomatic of a conceptual emergency — we need a revolution in our reigning mental models. In this piece, I lay out six ideas of what this might include.

Covid-19 has brought forward the inevitable: the slow death of the dominant economic and political paradigm. At the heart of this economic and political paradigm lie our mental models. It is our underlying patterns of thinking that keeps this paradigm alive. If we are going to accelerate a paradigmatic shift to a regenerative, resilient and just economic system – we need a revolution in our mental models. While everyone's mental models have a part to play, this piece focuses on the reigning mental models which govern how key decision-makers think and operate.

One way to distinguish our past and (largely) current thinking from the kind that we need in order to move forward is the distinction between *downstream* and *upstream*. *Downstream* is the sticking plaster territory: the short-term, reactionary (and expensive) amelioration efforts. It is putting plasters on problems without asking what produces them, or without fully acknowledging the number of problems in the first place. We celebrate prescription drugs being cheaper when the number of people on prescription drugs has never been greater. This is treating the symptom rather than taking on the root cause. Unfortunately, palliative economics has grown to become our default mode of political and economic manoeuvre.

This game of Whac-A-Mole must end. We urgently need to move *upstream*: to redesign an economy that works well first time around rather than needing so many short-term fixes. Here are 6 ideas on what travelling *upstream* might require.

1. Not following the flow: prioritising stocks

Downstream thinking chases *flows*; *upstream* thinking manages *stocks*.¹ Since the 1980s, we have understood sustainable development to mean a path to prosperity whereby each generation leaves behind at least as large a stock of assets as it itself inherited. But how can we get ourselves on a sustainable path if the stocks of capital that matter most to our collective wellbeing – that is, our social, natural and knowledge capital – scarcely gets measured, let alone valued? Managing *stocks* stands in stark contrast to our current thinking that measures economic success as the yearly flow of income. As we know all too well, what we measure affects what we do. In rebalancing our priorities between *flows* and *stocks*, as well as understanding which types of stocks are most important to people, we are – perhaps unconsciously – redefining what we mean by the economy. A task most countries have not revisited since the birth of National Income Accounts in the mid-20th century.

2. Becoming bold mission-setters

System change starts with a vision for a different world and then works backwards. On the question of vision, there is a remarkable level of convergence in peoples' desires: a strong sense of community, healthy kids, good schools, clean air, quality work and so on. But to realise this vision we need a future focused, mission-oriented approach to channel peoples' creativity and to bring directionality to innovation. If measuring (the right) stocks were to give the economy quantitative guidance, missions could provide a qualitative direction. Governments, businesses and universities need to become mission-setters. The bolder the better, as John Kennedy said, we don't do it because it is easy, but because it is hard.

3. A new wave of democratisation

Democracy is not a destination you arrive at – it is an ideal you strive for. Many of the fundamental tenets of democracy, like the distribution of power, the quality of public reason and the levels of trust in decision-makers, are regressing across Western nations. One reason for this is that there is very little 'public' in our public institutions. Policies are made top-down by – and largely for – a homogenous elite.

¹ [Visual representation of the stocks & flows concept](#)

Deliberative and participatory democracy is proving an effective way to reverse this trend, to maturely approach value-driven dilemmas and to travel *upstream* on issues that go far beyond the short-term incentives of electoral cycles. Participatory processes must be institutionalised.

This next wave of democratisation should not stop in the political domain – it must enter the marketplace too. Employee ownership and governance will help bring back local and civic values into the heart of a firm’s activity: moving from shareholder to stakeholder primacy. As if maximising shareholders’ return was ever a ‘bold mission’!

4. Leaning into a conversation of morals and values

We have some big civic questions to face up to. For example, how do we extend our sphere of solidarity and morality across both geographies and generations? Lack of progress on some of today’s deepest challenges stems from moral and courage deficits more than say technocratic ones. Driving a new wave of democratisation will help us embrace a collective examination of our values and ethics. We must lean into this process and young people – who have immeasurably more skin in the game with respect to the future of the planet – must be front and centre.

One of the defining races in the climate battle is between the pace of environmental breakdown and the speed in which public opinion turns to outrage. Outrage at the failed response to the climate crisis in Western nations is as reasoned as a position comes. But for the last decade climate change has too often been framed as too costly not to act upon while its moral repugnancy has been treated as second order. This is not working: it is not conducive to a revolution in our collective consciousness. Profound social and economic change is not primarily achieved from cost-benefit analysis, however carefully it is constructed. Women did not get the vote from a wave of enthusiasm about its cost-effectiveness – the battle was won on moral grounds. Similarly, with Covid-19, the global economy was effectively shut down overnight. Politicians did not ask whether it was cost-effective – it was about saving lives and doing whatever that required. Morally motivated change can be as quick as any. To take away the licence – social or legal – of bad things is a move *upstream*.

5. From academic scribblers to public intellectuals

Good scholarship can and should change the world. And the *wicked* nature of today’s challenges only heightens this imperative for sound scholarship. During the coronavirus pandemic we have seen many publicly funded organisations do a huge amount of heavy lifting as they have generated big returns to the common good during these difficult times. Academics should uphold a similar determination to serve the common good, as indeed some do. Crucially, the knowledge and ideas they generate won’t change the world unless they reach people, and these ideas will not reach people on their own. Academics have a serious social responsibility in today’s context: to bring nuance into public discourse; to communicate a world of complexity and trade-offs; to hold the careful pursuit of *truth* close to their hearts and to come up with some of the big ideas that could transform the world. The more academic scribblers that can live up to these responsibilities, the easier the journey *upstream* will be.

6. Surfing the silos

Do we link the part to the whole? Take medicine. One in four over 65s in the UK has an autoimmune illness. Different autoimmune diseases have symptoms in different parts of your body: for example, celiac disease (the gut) and rheumatoid arthritis (the joints). If you have celiac disease you see a gastrologist, likewise if you have arthritis you see a rheumatologist. But if you have one autoimmune disease you are five times more likely to develop a second for the reason that there are underlying factors driving an overactive immune response in the first case. Where that overactive response springs up within the body is only part of the story. Yet, you get shipped to different parts of a hospital to see different specialisms. Each specialist prescribes different medicine. There is little joining up the dots and as a result a palliative approach prevails. Zoom out, see the system as a system of systems, get the specialists to transcend disciplines and the solutions will begin to move *upstream*. In this regard, medicine is no anomaly.

Optimising our way to a dead planet is a silos problem too: the subject itself is often caught within a narrow boundary of economic analysis. I recently went to speak to the head of an economics department

about how the profession and the department could do more to help address the climate crisis. His answer: the department should install more LED lights. He had little grasp of the climate science, nor did he seem to have any ideas about how the economic profession could do more to play its part. Environmental economics was “not his specialism”, he said. “I study growth”, he then added. If climate breakdown does not affect “growth” then I do not know what does. We must connect dots. Or as Katherine Trebeck calls it, we must “surf the silos”.

Using the moment wisely: transformation resides with the people

What worries me, above all else, is the spectacular indifference and lack of urgency from many of the most well educated, most “intelligent” and most well-off in this world. The obstacles to changing their mental models are many and time is short. Perhaps it is not in their interests to change their mental models? In any case, our minds are extraordinarily path-dependent and radical shifts are rare.

Looking at historic paradigm shifts we see they often occur through two means. The first is generational: one generation slowly displaces another and to be brutish about it, the old paradigm dies one life at a time. But unfortunately, we do not have a generation. We do not even have a decade.

The second is events. And today there are three crucial events in the picture. First came the global financial crisis (GFC) that made so much of economics look irrelevant. The second is the corona pandemic that blows the GFC out the water. Then third, far greater still than the pandemic, is the planetary emergency. The two we are currently living through – Covid-19 and environmental breakdown – are possibly each big enough in their own right to transform our reigning mental models. The combination of the two could be a potent catalyst.

Is there therefore reason for optimism? No, our chance of success is slim. But given what is at stake, this can only serve to invigorate those that believe in fundamental redesign. Serve to motivate moving attention and action *upstream* by surfing silos, stopping following the flow, engaging in public reasoning on mass and pushing a new wave of democratisation. This will require an exceptional amount of people power, persuasion and conceptual-disobedience to outpace the currents of the status quo. This said, if a voyage *upstream* was achieved it would translate into nothing less than a revolution in economic thinking. Or perhaps, just a return to common sense.

Note: putting upstream thinking into practice, as well as many of the ideas entailed in this piece, are championed by Katherine Trebeck and the Wellbeing Economy Alliance. Their influence has shaped much of this piece.