

# From Illness to Health: Mapping the Futures of the Global Financial Crisis

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## Introduction

This symposium on the global financial crisis moves from the official headlines, focused on the duration and extent of the Great recession, to deeper systems and narrative based understandings of the crisis and the worldview that has created it. The authors offer a range of alternative perspectives to describe the crisis, generally moving away from financial to ecological, health and scenario approaches. The symposium consists of two articles and three essays.

## From Growth to Health

Angela Wilkinson and Rafael Ramirez use the global financial crisis as a way to reflect on foresight itself, particularly scenario planning. They call their piece, 'Canaries in the Mind' since,

canaries were used in coal mines because they stopped singing (or died) because of the build up of toxic gases, giving miners underground a clear warning and the time to escape prior to the gas resulting in human deaths. Using this as a metaphor, we suggest this crisis is a 'canary in the mind' as it provides an early warning about how we understand and enact foresight. The lessons learned from this crisis could avert continued misuse of scenario thinking in foresight in many domains (not only finance). The canary that has stopped singing signals that it is not only 'what' we think about the future but 'how' we think about the future that may be a peril in facing the turbulent conditions of the 21<sup>st</sup> century.

The challenge for foresight practitioners is engaging in futures thinking when there is a high degree of uncertainty, turbulence and contested decision stakes. The authors offer two scenarios. The first is Growth. This is the familiar current world but with greater regulatory oversight and transparency. Their second is Health, which is "based on a profound shift of emphasis from financial opportunities to the health of the financial system as a whole and its unbreakable interdependency with other systems."

Like other authors in this symposium, this approach expresses concern for the resilience of the overall system as a whole. And like good scenario planning, social learning is crucial, in that the financial system is nested in a broader human social system ...learning needs to occur at all levels.

## Beyond Allopathic and Homeopathic

Anthony Judge continues the importance of health as a way of rethinking the crisis. Judge locates responses to the financial crisis in allopathic and homeopathic spaces, challenging us not to denigrate either approach but to see multiplicity in understandings even while we may prefer to distinguish between medical models. He cautions us away from denial, deception and demonization (economic alternatives are seen as dangerous to the entire system, as Obama is finding out in his goal of moving the USA to a universal health care system). Continuing the medical story, Judge offers us the remedy (confidence building), the recovery (get the system working again) and replicability (all parts of the system getting back to health). He concludes his piece by returning to the dance of the official and the unofficial, the allopathic and the alternative, arguing that both are in a metaphoric trap, each unwilling to see how the trap does not allow flow – the flow of new solutions.

He concludes:

*It would seem that there is considerable possibility for future exploration of the dynamic relationship between strategies having different mixes of "allopathic" and "homeopathic" elements – where no one mix is then held to be viable and sustainable in its own right, but only as part of what amounts to a resonance hybrid based on the connectivity within the set of such possibilities. A sustainable democracy is then best understood as such a resonance hybrid.*

## Panarchy

In their essays, Andrew Curry and Hardin Tibbs ask what kind of crisis is it. They argue that searching for a single variable is a mistake. Instead, they suggest a series of s-curves best explain the crisis: the financial, the technological, the energy and the modernity. Each s-curve is itself a story. But the underlying story is that of the myth of cornucopia ... an endlessly abundant natural world. The solution to this crisis is to meet this myth head on. To do this, Curry and Tibbs argue for a new model of understanding – that of Panarchy.

*Panarchy tells a story in which systems evolve through a figure of eight, during which the system exhibits higher or lower states of connectedness, and higher or lower levels of potential, in different combinations. There are different levels of system resilience at different places in the cycle. In effect it proposes a theory which links the sated end of one phase with the underdeveloped start of the next one. It allows for the fact that systems don't always succeed in this transition. Finally, it also imagines that there might be nested cycles, in which different systems, moving at different speeds, are connected.*

In their model, systems move through exploitation, conservation, release and then reorganization. For them, we are moving through the conservation to the release phase and thus should expect further shocks. And more importantly, it is important to remember that policymakers find periods of uncertainty difficult. Liminality is not easy to live in.

## The Ecological

Bernard Lietaer, Rober Ulanowicz, Sally Goerner, and Nadia McLaren also offer an alternative model in which to view the crisis – the ecological. Using this approach, they conclude, and this is crucial, that:

*...nature does not select for maximum efficiency, but for a balance between the two opposing poles of efficiency and resilience. Because both are indispensable for long-term sustainability and health, the healthiest flow systems are those that are closest to an optimal balance between these two opposing pulls. Conversely, an excess of either attribute leads to systemic instability. Too much efficiency leads to brittleness and too much resilience leads to stagnation: the former is caused by too little diversity and connectivity and the latter by too much diversity and connectivity.*

Their structural perspective moves us from a simplistic view of favouring one over the other to an optimal path of balance. Applying their framework to currency, they suggest a move from mono-cultural solutions or one currency, to diverse and sustainable solutions, that of multiple currencies. This would enhance the health of the entire system.

## Many Narratives

In my own essay, I use causal layered analysis (CLA) to provide seven stories and five scenarios of the global financial crisis.

With each story is an underlying myth as a statement of problem and myth as potential solution. The seven narratives presented are the GFC as a:

1. a mortgage crisis with the underlying myth of "I shop therefore I am" to the solution of "live within ones means";
2. a global banking crisis with the underlying myth of "loss of trust," to the solution of "restore faith and trust in the system – Credo";
3. creative destruction as part of natural cycles, with the underlying story being that of the "natural cycle of events" and the solution myth that of "time for strong medicine, no pain, no gain";
4. a geopolitical shift with the underlying myth of "Day of reckoning for the West" ; and the new myth of "peaceful rise of Asia";
5. God's plan with a number of stories including "We have sinned" and the accompanying solution that "God will save the day but first destruction," and "I am the victim" to the solution of "awakening of the inner spirit";
6. a symptom of the inequity of capitalism with the underlying story of "It's not fair" to the solution story of "fair go for all" ; and,
7. a window of opportunity to a different greener world with the underlying story moving from "endless rise of progress" to "Gaia tech."

The five scenarios I present are:

- (1) Business as usual with no real deep change, with capitalism swinging from regulation to deregulation, government control to privatization;

- (2) Capitalism revived from Chindia with the eventual development of an Asian Union;
- (3) The quick but long road to sustainability, moving over time from shallow to deep sustainability;
- (4) The financial crisis reoccurring but with even more disruption, leading to the eventual demise of capitalism; and,
- (5) A new era characterized by a global governance system, a new cooperative economic system, gender partnership, and a more ideational society, that is, a pendulum shift from the sensate civilization of the last five hundred years to an integrated world system.

All the authors see the global financial crisis as a way to challenge the current frames of policymaking and thus to move to alternative futures that are more sustainable and healthy, at inner and outer levels. If we do not, then we can expect more of the same, that is, more shocks to the system. But with the frameworks offered, the possibility of transition and transformation is there.

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