

# CAPITALISM 2.0 VS CO-CREATION 1.0: DESTRES – CREATIVE MODEL FOR DEVELOPMENT OF SUSTAINABLE AND RESPONSIBLE SOCIETY

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**DeStReS** = Development of sustainable and responsible society

**Abstract:** Our current political situation, both, at home and abroad, seriously calls for changes. Implementation of policies and strategies of state and commercial organizations can not find effective and functional solutions out of the critical situation any more. In this paper we want to describe, based on our own creative thinking and scientific methods, a holistic approach to find some possible ways out of this social situation. At the same time we are trying to encourage thinking outside the standard framework of current social order which can reasonably be called Feudal Capitalism (Capitalism 1.0). It can, without much doubt, be argued that society of the present time is not creative, nor directed towards human being and its development, but oriented to capital, related to unsustainable proportions, both in exploitation of natural resources and human potential. The question is whether only cosmetic rectifications to the current system and through it the transition to improved Capitalism 2.0 will be sufficient, or maybe now is the right (ultimate) time to develop creative, sustainable, and intuitive, based on knowledge and responsible social system. We present a model DeStReS (Development of sustainable and responsible society), which can already give us an answer to many pressing issues, offers concrete solutions and in conjunction with its evolutionary orientation enables the transition to a new social order, which is audaciously named Co-creation 1.0.

**Key Words:** *Co-creation; DeStReS; sustainable development; personal responsibility; new organisations.*

## KAPITALIZEM 2.0 VS SOUSTVARJANJE 1.0: TRDNO – SOUSTVARJALNI MODEL PREHODA K NOVI, RAZVITI IN ODGOVORNI DRUŽBENI UREDITVI

**Povzetek:** Trenutna družbena situacija tako doma kot v svetu kliče po spremembah. Izvajanje politik in strategij državnih in gospodarskih organizacij, več ne najde učinkovitih in delujočih rešitev iz nastale situacije. V navedenem prispevku želimo z lastnim ustvarjalnim razmišljanjem in na znanstveni način prikazati celovitejši pristop pri iskanju možnih poti iz nastale družbene situacije, hkrati pa spodbuditi k razmišljanju izven standardnih okvirjev trenutne družbene ureditve, ki ga lahko upravičeno imenujemo fevdalni kapitalizem (kapitalizem 1.0). Brez dvoma lahko trdimo, da trenutna družba ni ustvarjalna, ni usmerjena v človeka in njegov razvoj, pač pa v kapital in s tem povezana netrajnostna razmerja, tako pri izkoriščanju naravnih virov kot potenciala ljudi. Sprašujemo se ali bodo dovolj le kozmetični popravki trenutnega sistema in s tem prehod v izboljšani Kapitalizem 2.0 ali pa je morda zdaj pravi (skrajni) čas za razvoj ustvarjalnega, trajnostnega, intuitivnega in na znanju temelječega in odgovornega družbenega sistema. Predstavljamo model TRDNO (Trajnostni razvoj družbe, napredka in odgovornosti), ki lahko že danes odgovori na precej perečih vprašanj, ponudi konkretne rešitve, hkrati pa s svojo evolucijsko naravnostjo tudi prehod v novo družbeno ureditev, ki smo jo drzno poimenovali Soustvarjanje 1.0

**Ključne besede:** soustvarjanje, TRDNO, trajnostni razvoj, osebna odgovornost, nove organizacije | Introduction

We live in time that glorifies the role of money and material goods. With money we are able to buy people, renewable and non-renewable natural resources. Differences in the quantity of money, property and natural resources are unbelievable, because only a trickle of people own the vast majority of resources. Things are getting even worse what apparently increases the frustration of people, the number of unemployed and poverty. Nowadays almost everyone is aware of serious problem, yet acts are bland and ineffective for now. Many recent researches point out that the stratification of society and uneven distribution of natural resources, which anyone who has money can buy, is the basic lever of dissent and violence. Promises and ideas on how to solve the problems within the framework of these topics are the main theme of most pre-election promises of politicians, who right after election start to follow again the flow of capital. We could learn a lot from our past experiences as well as from "feudal capitalism", a society in which we live and face economic crisis, which consequences we all are experiencing right now. We can follow information about temperature and climate changes every day, which are results of excessive profits instead of ecology and awareness of "mother" nature. In the end only issues of capital, profit and property count. Everything revolves around money, which has too high value today. How can we allow money to have such a strong power and influence over our lives? People in this society are only goods that can be bought for the right price. We are convinced that we want a new social order that will raise people's satisfaction and quality of life up to

the level that every one of us deserves. Sustainable and to people-oriented new society is what we wish. And the right time for changes is NOW.

### **1.1 Selected problem and aspect of treatment**

Despite awareness of the current alarming situation, modern society is still not oriented towards sustainable development. People are too much focused on building their own power and accumulation of capital; rather on developing a mindset that a human being is a core value and that is why all added values are bound to him, not to the capital.

The purpose of study is to examine the current state of society, to define individual concepts (universal basic income, universal property, etc...) and in accordance with the results of research identify their position to get to the final outcome – how to set the process of changing that the society will be able to develop into a new, sustainable and just one. The ultimate objective of a research is to create a model with which is possible to create a gradual transition to a new social order and meet the need for sustainable development, creative environment and even distribution of resources. We have set the following limits in examining the problem: (1) the current state of society, (2) the information which will help us identify the needs of sustainable development and social responsibility, (3) individual subsystems will be treated (because the wide range of issues in dynamic environment) as black boxes.

Only people (living things) rather than capital (money) can generate growth. All this is related to the business aspect of human creativity and urgent and holistic approach to create a new society. We want to identify the basic and key elements necessary to create a modern society, based on the idea that a human being is a core value – not the capital (money). Basic notions, which we perceive as a condition for realization of the new society, are: self organization, organization of society (people) from the bottom up, universal income and universal property, added value to people and with it the entitlement to its share. Current development of society is not sustainable, because planet Earth does not bear such a long-term growth anymore. The basic problem is also and above all in mindset of people today and a very weak acceptance of new ideas. People strive for power, permitted by capital, but at the same time they are destroying environment and creative development of individuals. Due to inability of personal development people are suspicious, fearful and easily monitored. It is necessary to create the right environment for changes in our mindset. The major problem is how to set the process of change that society would be developed into a new sustainable and holistic society, which would act responsibly and thus life would be of a higher quality. The increasing dissatisfaction of the people because of the economic crisis and the increasing desire for self-development, the need for self-motivation, freedom and self-realization, make sense to build a new society of free, happy, innovative and responsible individuals. The transition to a new, human kind created society is prevented by inappropriate allocation of natural resources, capital and property, emotional empathy, fear of loss and ability to survive. Because of the uneven distribution of natural resources, a fear of inability to create the conditions for survival is present. This permits the exploitation of people who are concentrated at the point where the natural resources are. Consequently people are unwillingly forced into a subordinate position.

## **2 Actions in the past**

Turner (2009) claims that creative thinking is what separates humans from animals. It's a way of thinking that allows us to create and invent new concepts – social system, technology, experiments, and philosophies. Yes it's true - we are all creative but the question is how we change the world. Indeed, there has never been a better time to develop our own creative thinking skills and make our contribution to the better society and world.

### **2.1 Universal basic income**

When social and economic changes become stressful, people look around for solutions. Often the proposed solutions consist of revising ideas from earlier times, with the suggestion that they will fit the new problems. Part of the purpose of intellectual debate is to examine such proposals to see whether they are realistic or may actually bring more new problems than those they solve. One of these revised suggestions is the idea of Universal Basic Income (Preston, 1998). In the past two decades basic income has gained considerable support as an alternative to the current active welfare state, with basic income advocates proclaiming positive effects on income security, unemployment, social exclusion and flexibility across the life-cycle amongst its main virtues (Wispelaere and Stirton 2009, 1). A basic income is an income unconditionally granted to all on an individual basis, without means test or work requirements (BIEN, 2011). Its guarantee is unconditional in the sense that every citizen receives it without any obligation to work, to have children, to get married or to perform any socially mandated task.

Barna (2011) claims that the pilot projects of universal basic income grant have been largely successful in Namibia. Targeted efforts are underway in South Africa, Brazil and perhaps Canada. Following the recent popular uprising in North Africa and Middle East some are seriously considering basic income to relieve poverty. Germany and Ireland

have been discussing unconditional basic income for years as an alternative to dysfunctional social welfare system. Work is in progress in Canada, Brazil and Europe.

## **2.2 New type of organisations and self-organisation**

Classical types of organizations are not able to satisfy the needs and requirements of their stakeholders any more and the most important among them and so often forgotten are employees. We have many different organisation theories and lots of different forms of organisation known today and most of them may openly or secretly follow the strategy of making as much profit as possible and other benefits for stakeholders are just side effect of following the main goal. Zuboff claims that »business as usual« is no longer acceptable way of doing business today, on the other hand that organisational model is broken and can't be just fixed with the tools available today. That "Perfect Storm" and the latest "never-ending" crises brings the three forces required for an economical revolution: (1) New emerging markets and their unsatisfied needs, (2) new technologies can provide available and affordable products and services, (3) the people's need to organize differently (Zubof, 2005). According to Senge (1990) even in the 1970's the average life of a multinational corporation (Fortune 500) was on average about 30 years. So there was a fifty percent chance that organisation you were employed by, will "die" in the time before you reaching the retirement. Extremely fast economic growth in the end of last century requested drastic changes in the areas of business strategies, structures and organizational management. In the shadow of big expansion and lots of organizational studies, there are still many that believe science is still in experimental and observation phase, so we are mainly observers of current development. The question is where the future is going to lead us? (Venkatraman and Subramaniam, 2002).

## **2.3 Money as an exchange value only**

In the history of money, there have been many different ways and stages. Before money was mentioned first, people just exchanged the goods and services they could spare for the others requirements. All transactions took place mainly in the near geographic locations, so we could say people communities were more or less self-sufficient, but might not live in abundance, yet survived for many centuries. Because of the lack of evidence, we can hardly say how primitive or how happily they lived, but we are a living proof that they survived and never faced the edge of extinction so close as we are experiencing it now.

The idea which lays first to hand for an explanation of the specific function of money as a universal current medium of exchange was to refer it to a general convention, or a legal dispensation. The problem, which science has to solve, consists in giving an explanation of a general, homogeneous course of action pursued by human beings when engaged in traffic, which, taken concretely, is unquestionably for the common interest, and yet which seems to conflict with the nearest and immediate interests of contracting individuals (Menger, 1892).

## **2.4 Universal resource ownership**

We should be aware as Jared (2005) often mentioned that there are enough resources for a limited number of people on the Earth, so we shouldn't get overpopulated. But each and every living person on the Earth is entitled to "own" an appropriate percent of what we all have to share.

## **2.5 How to change a way of thinking?**

*"You never change something by fighting the existing reality. To change something, build a new model that makes the existing model obsolete." Buckminster Fuller*

Porritt (2008) ensures that fundamentally transforming the foundations of the economy is the biggest contribution we can make towards building a sustainable future. The current economic crisis may be painful, but it will be nothing compared with the crises we will face if we continue to grow in a way that threatens the life-support systems on which we rely.

Albert Einstein famously defined insanity as doing the same thing over and over again and expecting different results. As a society, we must be insane if we insist on fixing problems created by the current system, rather than looking for a new one. Capitalism is a crisis prone system. The reason is that crisis is not an exogenous factor, it is brought about by the internal contradictions of capital accumulation. **It's time to look beyond capitalism towards a new social order that would allow us to live within a system that could be responsible, just and humane.**

## **3 A development of sustainable and responsible society - DeStReS model**

The model was developed in logically coherent steps with the following assumptions: (1) Current social development does not comply with the laws of nature and therefore it is not sustainable. It is necessary to establish an environment in which the level of development will be consistent with the capabilities of nature. (2) All people are entitled to free, dignified and productive life. The current social system does not allow it. To achieve the objectives it is necessary to determine what changes of mindset are necessary that can lead us to changes in social

organization. (3) Money cannot create an added value (interest, capital gains). Unrealistic added value of money requires unrealistically high economic growth. The issue is how to return money its primary purpose, which is only a means to facilitate the exchange of goods. (4) It is therefore important to create a model which will provide an equitable distribution of resources and facilitate the development of all people. (5) More and more people who have already met their basic needs search for new values and meaning in life and strive for higher goals. It is necessary to form new organizations that will facilitate the exertion of personal interests, creativity and efficiency. The basic task is to form elements to achieve goals such as: the ability of an easy choice, initiative, integration into groups with similar objectives, selection of leaders, etc.

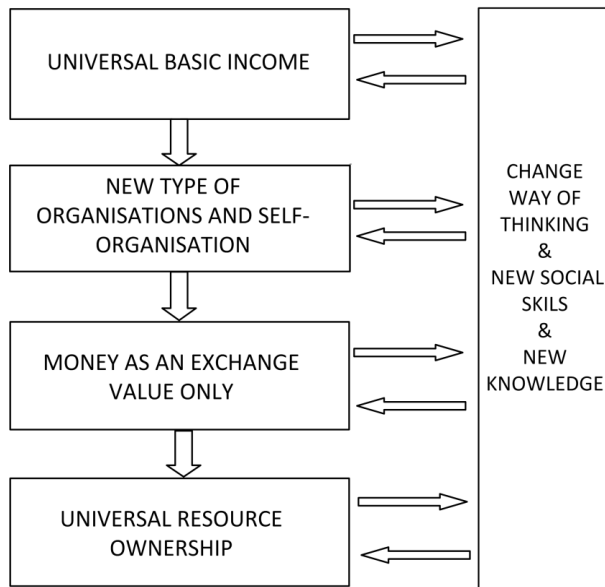
### **3.1 DeStReS-1: UBI (Universal Basic Income)**

Universal basic income (UBI) is individualized revenue which is paid by the end of life, at regular intervals (e.g. monthly). UBI is assigned to an individual at his birth and entitled to death. In different periods of life every person should receive a certain amount of money, according to the needs of the life period; and most important, it should be of such amount that allows a decent life. Hence, it will be easier for people to opt for business ways and personal development, in accordance with their wishes and needs of potentials, especially in everyday life where they will feel more secure. We anticipate that this will fundamentally change the situation on the labour market in a relatively short time. The need for a different approach to employees will enable better development of people and consequently, raise the level of creativity and innovation. We anticipate that this will result in positive effects which will be seen also in other areas such as: health, education, etc. Implementation of a basic universal income will remove fear and create a prerequisite for the emergence of the new free society.

### **3.2 DeStReS-2: SOPO (Self Organized Process Organizations)**

The above described UBI gives people the opportunity of self-organization. Having a guaranteed income, which allows survival and social security, people can start looking for jobs they want to work in and make them happy. People, who have the same way of thinking, interact in groups and organizations that deal with subjects which interest everyone. If over time the interest of the individual to work in this activity is reduced, he or she can withdraw from the group and easily find new opportunities which please him. The individual is always allowed to create his ideas more rationally and efficiently, because an UBI assures security and inspires creativity. Today's society does not allow this. If an individual is not satisfied with the current work, he or she cannot leave the current organization, because the loss of his income disables him to survive, and therefore he cannot decide to search for new creative business opportunities. The needs of individuals will soon exceed the employment opportunities in traditional forms. A need to establish a new way of organization will arise. The implementation of UBI only would not be enough for a large number of individuals who cannot be creative within their existing jobs. Sooner or later they would stay at home which consequently requires a cut and a failure to deliver UBI, big enough for a decent life. A new form of organization undermines the classic form of hierarchy. The basic form otherwise remains, but becomes flatter with less levels of management. The effects of business processes will be significantly higher with the implementation of a new model of organizing (higher total outcome, not just output). The new organizations will be based mainly on social principles, the principles of fair trade, but most certainly such companies will be generators of innovation, especially in the social and technical fields. With our model, people will gradually begin to implement new forms of organization and self-organization. These links will be based on self-organized working groups in which people will be included on the basis of interests and skills. Such groups will be able to integrate into broader forms on the basis of the same interests. The same model also applies for stepping out or crossing of individual and/or group to another group or organisation. Decisions should be made from the bottom up, so the group could be free to choose their leader or administration and replace him/themselves by need. Management will be mainly done by granting powers to designated managers, but to some extent; all employees would participate in decision-making. Rudiments of these companies can be found today in so-called social enterprises, on the other hand, it may also include elements of management, which are already used by some of the most successful enterprises such as Google, Yahoo and others.

**Picture 1: DeStReS Model** = Development of Sustainable and Responsible Society



### 3.3 DeStReS-3: MXVO (Money as an eXchange Value Only)

Sooner or later, under the organization of a new era, a problem of money appears which serves mainly to different forms of investment and realizing an added value (e.g. interest, dividends) at the moment. Money by itself has only exchange value (the common denominator of all values) and was introduced in the past as a means of exchanging goods. Money is neither a living thing, nor a means of production; therefore it does not create any real added value. An added value to money allows only uneven distribution of resources, since the maximum amount of money is owned by individuals. These individuals deprive users of money through loans (interest), capital investments (dividends), etc. Such processes generate the need for level of economic growth which is not sustainable, because the growth can not follow the natural laws which leads to the collapse of our civilization and consequentially the Earth. Hence, at a certain stage it is necessary to withdraw this role of money. At the time of IT, as we know them today, it is certainly possible to identify and assess both the extent of natural resources and production capacity of industry and service sector and thus set common criteria of the value on the supply side. Information and communications technology (ICT) can also help in identifying the basic and additional needs (real and not artificially generated by the need for economic growth). The successful implementation of preceding phase in our model will slowly ease at least 50 % to 75 % of human resources, who do not create real added value today. The need for inefficient use of natural resources will be also reduced at least 50 %. Indeed, all that is a part of evolutionary process which will require its time, but it is totally clear that everything can be implemented relatively quickly with the help of written guidelines above.

### 3.4 DeStReS-4: URO (Universal Resource Ownership)

The steps above, sooner or later, lead to the concept of property. Certain social theories, such as capitalism, socialism, anarchism etc. have already considered this problem from both sides - theoretically and practically, but the mindset, un-holistic and non-guaranteed prior conditions have not been able to ensure successful implementation in the past. The property, arranged in a way that the most of available resources belong to small trickle of people, is the cause for the occurrence of wars and other devastating trends in contemporary society. Assumptions mentioned in the preceding paragraphs show that it is meaningful to redistribute the sources. Meanwhile we encounter the idea of introducing a universal property, which is in a long term the only possible solution. We are sure that there are still some practical issues, since the introduction of a universal property is still far. The basic idea is that a certain proportion of land, renewable energy sources and means of production belong to every individual. It would be necessary to carry out a comprehensive inventory of the real and more accurate assessment of unidentifiable sources. Based on this "sharing" balance of resources, people would be able to manage the majority of all resources. Individuals could freely combine their resources in the processes of life and work with others in a way that seems reasonable, responsible and sustainable. Contribution of individuals to the organization can be made with their knowledge and work and in a similar mode within organizations; individuals can combine a part of resources which could become the "capital" of new organizations.

### 3.5 DeStReS-5 (1-4): CHANGE (Change in us)

The society is changing rapidly. Anyhow we still are not wizards of our own minds, feelings and we do not act intuitive. We have to achieve a way how to go deep inside us and find out what we really are and what we really want. We have to change our way of thinking toward the new society which calls us. If we incorrectly believe that creative thinking is what separates humans from animals then we have to become “human animals”, as some species of bees, ants, fireflies and many others who are well-known for their good collective conciseness and co-operation. We should rapidly master new social skills which are necessary to change our society into a better one. We must be aware that nobody - kings, governments, politicians, public officials or any other high instances will not do anything for us. We, each and every one of us, are responsible and called to do his part and role right here and right now. Quite a lot of new knowledge will be needed, but we are all going to learn along the way, as we believe nothing like this has ever existed before. We should be curious and search for the ability to think and act like a natural organism, which is consisted of many individuals, where each of us has a unique, special role and mission, but we have to (re)developed connection to a collective conciseness.

#### 4 Conclusions

Capitalism 2.0 is obviously not the right choice for the 99% of the people on the planet Earth. Required changes move humankind toward sustainable, responsible and human oriented society. We do not live in illusion that we created a perfect model or that it will be easy to implement it in society. Yet, we are sure we provided some simple, holistic and feasible steps, with concrete answers on some of the most actual questions and problems in today's society. The model looks as a whole picture from above, but there are still lots of missing dots in it. So we should dare and look forward to seeing scholars, scientist and other people to fill in their ideas, studies, beliefs or disapprovals. Our main goal is to open our minds and hearts and look beyond that what seems unchangeable. We should be aware that “There are no passengers on Spaceship Earth. We are all crew” (McLuhan, 1964). We know, new course of “Spaceship Earth” is NOW better, sustainable and responsible society. We dare calling it Co-creation 1.0.

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