

Refreshing our Conscience

The events of the year *Two Thousand Eight* - from Wall Street to Main Street, from downtown Mumbai to up-town Bangkok - underscore how the poverty in our leadership capacity have accelerated the frequency at which unfortunate events limit the expression the goodness in humanity, *diminishing the power of innocence, reducing the power of "trust in each other"*.

The struggles in the Gaza strip, continuing violent acts in Iraq and Afghanistan, the ethnic tensions all across the Indian subcontinent, the clash of perspectives in Tibet, and continuing struggles for self-determination in Africa and parts of Eastern Europe to name a few, illustrate how political leaderships around the world is not being able to define and inspire a higher level conscience, which people in each of the regions of the world must celebrate in relishing the goodness in every human heart.

On the other hand, in those privileged regions where such *"tensions of identity"* and *"frictions between forces of self-determination"* are not as much visible, what is unfortunate is that the lower level of instincts of corporate leaders, from banks to insurance companies, who are supposedly custodians of the products of hard work of common people, have created a global economic mess, which I believe is more serious than the Great Depression of the 1929/30.

Today's economic mess is not just significantly more complex and global, it has happened at a time when the basic industrial models on which modern economic system were built are becoming increasingly irrelevant. In the absence of fundamentally new thinking, massive injection of capital from a socialistic set up - China - to the US government to enable bail outs of GM, Chrysler and Wall Street is like throwing resources into a black hole.

It also shows while we, in the name of a '*global free market*', celebrated globalization and liberalization, it is the socialistic set up which has come to the rescue of the economic mess in the West. Such a dynamic only

suggests that we have to understand the limits of human behaviour, and the power of human endeavour with a wide angle lens and irrelevance of comparing current economic 'isms', when both of them have demonstrated significant inadequacies.

Accordingly, we must recognize that, while the treatment of the depression in 1929 was hard, but the medicine it required was significantly easier to develop and deliver than the medicine we need today. In order to design the remedy of today's leadership and economic crisis, we must first realize that we are in a middle of a 'super turbulence' made up of three high-speed self-perpetuating tornadoes:

Tornado 1: Imbalance in 3Es – Energy, Ecology and Equity: While eighty percent of the global economy is in the early stages of economic development, constraints in resource availability and limits of how much we could hurt nature only imply we need a fundamentally new approach of economic development – one that is sustainable and equitable.

Tornado 2: Over-Engineering of Finance and Undermining of ethics: When greed and less than 100 ethics drive speculation, second and third order financial products could become dangerously disruptive and lead to the nature of *corporate terrorism* that we have witnessed since the collapse of Franklin National Bank in New York in the early seventies. Over the past forty years, instead of being able to fix such errors of judgment and ethical standards, we have only witnessed bigger failures, failing to arrest the problems, as we often get trapped into our own linear thoughts, when we need fundamental change.

Tornado 3: Clash of perspectives: While there is an emerging consensus that the issues facing modern society will require of all of us long range innovative thinking, 'quick fix' and 'more of the same' mindsets which policy makers work will end up causing mismatch of perspectives. In the name of being practical, we fail to be transformational.

In the last decade, the tornados together have definitely made visible serious imbalances in Energy, Equity and Ecology, and the recent

financial meltdown points towards imbalances in the ethics and engineering complexity of financial products.

Moving forward, as we enter the New Year, if the new leadership team that is about to take charge of the White House could rise to the challenge of harnessing the energy of the three tornados, we could chart a more sustainable and equitable future. In order to do so, the leadership worldwide has to make several fundamental adjustments in our thought processes so we, as humanity, could avoid the danger of applying linear thinking in a non-linear and turbulent geo-economic and geo-political dynamics. We must first realize that:

1. Governance of a nation is no longer a question where the power of resource allocation should be located – *the market or the government*. It is no longer a choice between Marxian theses versus Adam Smith's free market principles. It is how we could inject in the arts and science of economic decision making *new dimensions*, which shape economic behaviour in specific cultural and historical contexts.
2. Governance of large corporation is no longer about financial engineering and M&As only; it is more about engineering – not endangering – of human mind and human ingenuity, inspiring people in organizations to be forward-looking problem solvers, and to place social and community interests ahead of personal interests.
3. Individuals in their professional and public life must put foremost importance in identifying and expressing their fundamental beliefs as opposed to diminishing their personalities to blow with the wind, often over-leveraging themselves to serve lower level human instincts, missing the joys of *selflessness and genuineness*.

The time has come when we apply our scientific and technological genius in re-engineering our industries so that the future products and processes are ecology and energy-friendly and enable equitable and sustainable wealth creation processes.

The time has now come when we must forget our self-interests in the grandeur of our vision, in a larger ideal, in love of truth and love of

humanity. We are at a point in time in the development of a global civilization when we need a generational shift in our state of being, in our ways of becoming, and in our thinking.

At the individual level, we often forget that we have the power to assemble and disassemble our outer conditions by our inner thoughts or feelings, by the choices we make, by the actions we take for the greater good of civilization. As we step into 2009, could we remind ourselves the power we have within us which could indeed open up new vistas full of possibilities?

At the macro level, beyond capitalism and socialism, we have to give birth to the new 'ism' which, on one hand, will unleash the power of human ingenuity and, on the other hand, shape a new framework of governance, which will enable organizations evolve compassionate governance placing nature and society's interest ahead of personal interest, celebrating the long-term above the short-term.

May we begin the New Year with a thought from Swami Vivekananda: *"If we are humble, sincere, and full of faith and devotion, we can change the whole order of things in our outer life. If our miseries are the result of a wrong point of view, we can remove them by discrimination, right feeling and nobility of purpose. Many times we may have to fail and stumble, but if our efforts are blessed with the Grace of the Supreme, they will always be fruitful"*.

It is my sincere hope that in 2009, you and your family, your organization and community will identify and enjoy with some of the fundamental beauties and truths of Nature.

Wish you a Great New Year.

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