

# Integral Leadership Review

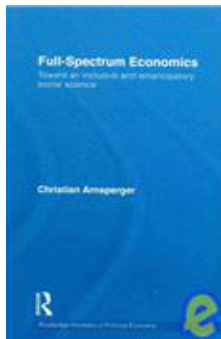
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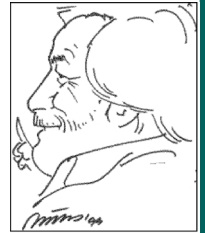


## Book Review

Russ Volckmann



Christian Arnsperger. *Full-Spectrum Economics: Toward an inclusive and Emancipatory Social Science*. New York: Routledge, 2010.



I am not an economist. Even as a political economist (at one time) I had a tendency to shun economics. My financial life will testify to that! Nevertheless, I am going to make the leap and share with you a bit about this remarkable book. Also, I have lined up someone who is trained in economics to do a follow up review of this book. That perspective is important and I hope we can share it with you in the October issue of Integral Leadership Review.

It was published about the same time as Mark Edwards' *Organizational Transformation for Sustainability* (<http://www.integralleadershipreview.com/archives-2010/2010-06/2010-06-review-edwards.php>), by the same publisher, although in two different series. Edwards' book is the second in a series on business ethics, a strange rubric to host a book on metatheory. Arnsperger's book is number 125 in the series on "frontiers in political economy." Both books are integrally informed. Bill Torbert wrote the forward for Edwards' book, Ken Wilber wrote the forward to Arnsperger's.

Wilber opens the book with the observation that economics is basically defined as "the social science that studies the production, distribution, and consumption of goods and services." What is not included in that definition is "from a specific and often implicit worldview."

That worldview is based on the assumptions of scientific materialism. From an integral point of view economics seriously neglects that which is human beyond this. Wilber sites the worldviews identified by Jean Gebser—archaic, magic, mythic, rational, pluralistic and integral—and how all of these must be accounted for in determining the interior realities neglected by economics. He adds,

"But many authorities see Integral Studies as the discipline with the real inside track, simply because of its incredibly thorough comprehensiveness and inclusiveness. In every major academic area, the Integral approach has proven itself. And now Christian Arnsperger, with his *Full-Spectrum Economics: Toward and Inclusive and Emancipatory Social Science*, has done so with economic social science. The results are superb and in many ways groundbreaking."

Arnsperber opens his discussion,

“Economics today needs to be defended against its own weaknesses, using its own in-built strengths. It is in dire need of deconstruction through constructive criticism. And it is just as direly awaiting *re*-construction, This book aims to be a companion in the quest for the fundamental renewal of this crucial, prestigious, and also battered subdiscipline of social science.”

He argues against the reductionism of economics. He seeks “to convince mainstream economists that they could quite easily embrace a broader, richer, more integrative perspective if they accepted to adopt a less positivist and less reductionist stance.” And he turns to integral theory to help him do this. As Wilber notes, “... what makes the Integral View so exciting is the number of new realities that it has shown to exist, inclusion of which offers ways to turn virtually any discipline from a fragmented pattern into a holistic, comprehensive, and integral endeavor.”

The fundamental challenge in many fields, not the least of which includes economics, is the phenomena of reductionism. In our efforts at sharpening our focus and understanding detail, social scientists isolate variables in order to understand their behaviors. By doing so, we artificially draw boundaries between disciplines, between phenomena, between variables and exclude factors that are important. In addition, we focus only on what we can measure. The rest we assume away.

Arnsperger turns to integral to develop a full-spectrum view of economics. It is full-spectrum because it includes first, second and third person perspectives that show up in four quadrants familiar to those interested in integral. Also, the evolutionary, developmental aspect of integral is valuable in that it helps to understand shifts within perspectives over time. He states, “To build a genuinely *Full-Spectrum* paradigm, both *real* consciousness and *real* culture, as well as the idea of evolutionary development need to be introduced in a non-reductionist way.” Economics fails to do this. To shift to an integral paradigm means that the economist must include in her studies, the study of self in order to answer a number of questions, including

- As a scientist, what is my emotional state?
- How does my culture influence my analysis?
- Is what I am doing in economics meaningful?

Arnsperger introduces integral methodological pluralism for use in the integral field of economic study. This is needed to address the partiality of economics. A series of steps is required to build beyond such reductionism. First, critical rationality and existential rationality must be included in the notion of economic reality. To do so it must include interior subjectivity by addressing individual and cultural qualitative properties. These then must be linked to an evolutionary approach. Otherwise, “*If economics robs us of our ability to reflect on ourselves and on our economy, and to realize the foregone potentials that lay dormant, then it becomes a truly dangerous discipline even if it is empirically (descriptively) correct.*” [Italics in the original.]

After a deconstruction of economic knowledge and a description of integral theory, the author proceeds to review several aspects of economic theory. These include the reductionism of the neoclassical economic paradigm and addresses neoclassical economic theory, as well as a chapter on the political philosophy of macro-management. His point is that neoclassical reductionism has been successful, because it has been concerned with large institutions.

He then addresses post-neoclassical reductionism. Including game theory, strategic interaction, complexity economics, behavioral economics, neuroeconomics and more. The central argument is that all of these are reductionist in their approaches. This takes us to Part IV of the book, into beyond reductionism and a full-spectrum critique of mainstream economics. For example, Arnsperger states, “while post-neo-classicists claim to embrace interiors—individual consciousness and affectivity as well as collective culture and beliefs—they actually only succeed in offering us pseudo-interiors which, when analyzed more deeply, turn out to be sophisticated exteriors.” He suggests that Douglass North’s evolutionary institutional approach “has the potential to become a truly ‘Integral’ theory in the spirit of Wilber, but that it eventually fails because North recoils from the full implications of non-reductionism.

Part IV is an important read for anyone interested in integral theory and its applications. Arnsperger provides excellent examples of reductionism. For example, behaviorism and its focus on right quadrants. Here their label of affectivity is really dealing with reflexes, phenomena integrally understood as the biological in the upper right quadrant. While citing Francisco Varela and his colleagues’ argument that individual cognition is a product of “the ways in which system and environment define each other.” In a similar vein, Vygotsky’s psychology is one in which meaning and sense making are a product of individual and context, current, past and anticipated or, in Varela’s terms, a “situated cognitive entity.”

Similarly, Arnsperger addresses the question of beliefs, “cultural beliefs,” objectively observable or in the Lower-Left quadrant, particularly in complex-adaptive systems. He points out that the “evidence” for objective observation merely point to external labels, rather than the beliefs in culture interacting in social networks.

It is by way of noting the progress of the post-neoclassical paradigm compared with the neoclassicists that he points to the work of Douglass North related to institutional economics, which opens the door to the inclusion of left quadrant factors. For example, this quotation from North: “The key to understanding the process of change is the intentionality of the players enacting institutional change and their comprehension of the issues.” North further draws on a developmental model by Merlin Donald:

1. the “Episodic” stage: which characterizes apes with limited attention spans and memories.
2. the “Mimetic” stage, which characterizes hominds with greater motor skills than the primitive apes.
3. the “Mythic” stage, which is based on shared narrative traditions anchored in language use; and
4. the “Theoretic” stage, which characterizes symbolically literate societies.

North uses this to offer a “surprisingly rich evolutionary perspective” that includes left-hand elements.

This leads Arnsperger to contemplate what would be required to create an “economics of interiors.” He notes, “Complexity, behavioral and neuroeconomics have been found lacking because they consistently present collective and individual economic life as mindless.” This may be true in that we, the economic agents, are virtually unaware of the existence” of the left-hand quadrants. In fact, neoclassical economics reinforces the reality it perceives, including the empirical validity of alienation. This may not be false, but it is spiritually unacceptable. In order to address that we must access the left-hand quadrants:

1. Economics should become *post*-post-neoclassical in the sense of introducing the Left-Hand dimensions explicitly into its theories and models. This will make economics into an initially unrealistic discipline, since it is going to have to theorize on *possible but unactualized rather than empirically observable, agents*.

2. Economics should study the *economic factors* that have, up until today, tended to make us empirically into Right-Hand biocomputers. This will make economics into a *critical discipline*, since it is going to have to theorize on *systemic factors that make us into the sorts of agents we are but ought to be*.

Arnsperger doesn't stop there. Now he take is toward a full-spectrum economics, which must aim at understanding:

- an economic system's *existential performance*: how do agents experience their deeper existential dimensions within the system?
- an economic system's *critical performance*: to what extent does the system allow the agents within it to develop, and act upon, critical abilities?

This would allow individual work on what it means to be “economically ratioual,” as well as “*collective work on what a truly 'human-potential-enhancing' economic system would be.*” This involves attending to conscious evolution and addressing our propensity for remaining deeply asleep and mechanical with little desire for conscious evolution.

He offers a toolbox of full-spectrum economics that would include paradigms, quadrants and levels. He states,

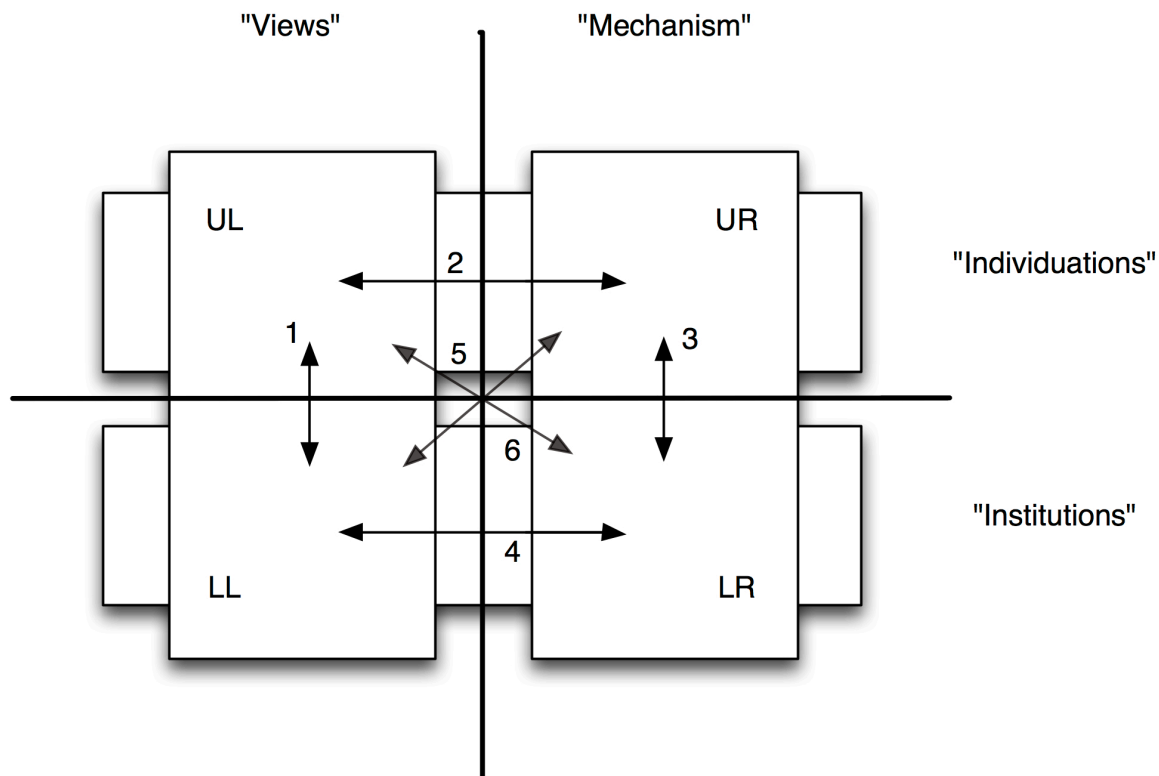
Integrating existential reflection (Upper Left) and critical reflection (Lower Left) into the already existing dimensions of complexity economics (Lower Right) and neuro-behavioral science (Upper Right) requires the whole four-quadrant, evolutionary approach of AQAL.” This involves building on classical, neo-classical and post-neo-classical paradigms, not throwing these out. The AQAL model can be made part of anyone's mental setup and influence how they see the world.

He then does something I have not seen before. He offers a graphic showing interactions among all of the quadrants. It is not that we haven't questioned this, but here it spells it out in the form of six bridges. He identifies each of these bridges:

- (1) LL—UL: Situated Self (ideology 1)
- (2) UL—UR: Neuro-awareness (neuroscience)
- (3) UR—LR: Functionalized individuality (ideology 2)
- (4) LR—LL: Systemic culture (ideology 3)
- (5) UL—LR: Socialized spirituality (“religion”) [sociology of religion]
- (6) UR—LL: Interpretive chemistry (biology of culture)

He notes that all of these approaches are non-evolutionary, yet “implies that whenever we analyze the economic system within which we live, we can specify the sort of consciousness, organism-brain, economy, and culture.” In order to do that, he requires the addition of lines of development. These fall into quadrant categories:

- UR: stages of the psychobody, organic and energetic
- LR: stages of system logic, sociopolitical and economic
- LL: stages of worldview (using Wilber's categories adapted from Spiral Dynamics)
- UL: stages of consciousness, indicating lines and development particularly with regard to cognitive and self-identity.



**Interconnections in the AQAL Model (Adapted from Arnsberger, p. 203)**

He closes this part of his discussion with the comment: “*This interaction between stabilizing and destabilizing forces within an economy’s Integral field is the main subject matter of Full-Spectrum Economics.*” And he stresses the purpose behind exploring this field, that is, to effect the upward process of the economy’s economic field.

“Upward” here is taken to mean the individual and collective level. Thus, the task of Full-Spectrum Economics is to study the factors that, in agent’s and economists’ existential and critical attitudes toward the tetra dimensional reality in which they are living, condition the possibility—or impossibility—of unfolding still undeveloped human and social potentials.

Fundamentally, Arnsberger is showing that the history of economic thinking has been evolving, being refined and increasingly attending to a wider set of variables. He is also showing that an AQAL approach offers a strategy for continuing that evolution through the minimization of reductionist approaches and opening to an economics that can foster individual and social evolution toward a set of generative values. For at heart in this discussion is the notion that an economics that addresses only large institutions and does not address the wellbeing of all is inherently a reductionist economics. To offer such an opportunity involves questioning not only values, but our assumptions about both individual and collective aspects of life on this planet.