

Consciousness Capitalism and Quality of Life evolution

1) Abstract

With this paper I want to highlight the relevance that Economy plays in relationship to the level of Quality of Life.

Because we live in a moment in which Quality of Life is under serious negative impact due to the consequences of an economic cycle characterized by a degenerative process (Financial Capitalism), a limited availability of natural resources (Scarcity) and an environmental health threat (Pollution) it is important to search principles, values and fundamental answers which are strong enough and easily applicable to reality in order to reverse this negative trend into a new one likely positive and acceptable by all economic, social and political communities.

Moreover the new economic model has to result in perfect syntony with sustainable requirements, environmental limits, and universal application.

In my research I've found in one basic element – the “immateriality” content of any whatsoever observation - the fundamental trait which could represent the turning key to be used in order to improve Quality of Life in parallel to the progressive shift from current degenerative Financial Capitalism into a new one coherent to these needs: the “Consciousness Capitalism”.

This combination appears to fully satisfy these overall requirements, together with a very long term evolution. It seems that a new world full of consciousness and responsibility is now appearing to the benefit of all people, through the responsible proactive and generous activity of all worlds unknown forces which are silently working behind.

2) Introduction:

The Paper structure is designed with the aim of correctly representing the overall consequences that environmental and financial issues have in relationship with the current level of Quality of Life.

With the aid of the most famous international authors and some Italian Foundations which have given contribute to the possible understanding of current situation, I focused attention to the key element above mentioned – immateriality – and the very different applications related to all relevant issues for this discussion: Intellectual Capital, common culture and language, Competitive Strategy, Life Style habits, Financial and *Rating* index evolution. More specifically I've also driven attention to the economical mechanism – without entering into the description of different operational corporate tools - which can progressively be adopted by all organizations and, more specifically, Corporations in order to evolve their offer of goods and services together with a positive shift able to guarantee a better universal Quality of Life. It will be possible to appreciate the logic which link immateriality to Corporate Added Value as well as the logics which drive consumption styles toward different positive perspectives of our civilization.

Finally, it is important to highlight that this research already take in consideration all other systemic coherences with other different disciplines like philosophy and science.

3) Background: the degenerative environmental and economy constraint to a better Quality of Life

Within the Sustainable Development principles, Quality of Life is seriously threatened under the pressure of lower availability of scarce raw materials like water, energy, minerals, the question of lower surface available for food nutrition, the negative impact on human health due to higher air, water, ground pollution, the increasing risk of natural disaster (earthquakes, tsunamis, hurricanes, acid rains, greenhouse effect), lower

pleasure and availability of pure and uncontaminated resorts for leisure and tourism or, more simply, natural habitat.

All these environmental threats are induced by the current world wide Economy and Social model in the hand of few extremely powerful organizations and industry's oligopolies¹ which are speculating on both scarce raw materials and natural resources availability, as well as on degenerative Financial Capitalism "EXIT philosophy"² practices.

Also, the emerging abuse of web networks creating virtual self amusements and satisfactions, a lower occasion for direct social relationship, the increasing manipulation of mass media promoting general behaviors addressed to negative, violent, egoistic or not achievable aspirational kind of life style, the misuse of sexual practices, they all are worldwide trends which are contaminating the appreciation of preciousness and pleasures of our life.

Finally, the so called "Happy Decrease"³, which foster a return to old and archaic way of life due to the "scarcity syndrome" not necessary is helping a true appreciation of new form of social cohesion and evolves habits. In fact, that kind of theoretical society do not accept the natural evolution of civilization and appear to be against the Economy, the only true engine for any society welfare perspective: that kind of social philosophy is basically involutes..

Actually, we need to find new true Quality of Life logics which are coherent to the current cycle of civilization. We need to find pattern of way of life which actually contributes to a positive self satisfaction in harmony with planet environmental vitality. We need to identify new powerful ideas able to win the power of "Chaos" and overcome all obstacles which are threatening our civilization. We need to find concrete solutions which can be immediately and spontaneously adopted by all planet communities despite the different stage of social and economic progression.

We believe that a new universal improvement of Quality of Life could be found within the possible evolution of current form of Capitalism, in a way that it can also be well accepted by the entrepreneurial and financial community as well as resulting compatible with an environmental restorative process.

We believe that we, as Italians, can contribute to this new form of Capitalism because it is deeply rooted within our historical traditions and cultures addressed to beauty, aesthetics, landscape, life pleasure, life quality and positive nature's contamination.

I propose that this new form of Capitalism should be as closed as possible to Consciousness Capitalism⁴, which is both representing the listening of intangible and emotional calls of our own conscience as well as the rational and educated means of our behavior.

4) Focus of the Paper: Immateriality

Consciousness Capitalism foresee a progressive transformation of current consumption life styles from "material based" needs and goods into "immaterial based" ones, up to a good equilibrium between the two.

"*Immateriality*" is the key word and leverage able to drive any kind of reasoning and logic, and represent the common base which explains quality behavior in any mean and applications, as well as higher satisfaction due to a better knowledge and consciousness of what observed. It is a very simple but extremely powerful mean, able to connect and explain a plentiful of different cases and issues on a very vast application field.

Immateriality is not only a philosophical approach to common life style, spiritual side of human species⁵ as well as the very concrete basic component of "Universe" evolution⁶, but it represent the core value also for business practices and consumer habits.

¹ Paul Hawken. The ecology of commerce – Happer Business – 1993 – Pag.111.

² A. Hirsham. Le passioni e gli interessi – Feltrinelli – Milano 1979

³ Serge Latouche. Breve trattato sulla decrescita felice – Bollati Boringeri – 2007 – Pag 50-55.

⁴ Original model designed by Planet Life Economy Foundation (www.plef.org), a free ONG organization established in Italy since 2003, and founded by experienced high level manager.

⁵ James Robertson – Economia Compatibile - Red - 1993 pag.53.

⁶ Ervin Laszlo. OLOS: Il nuovo mondo della scienza – Riza –Milano 2002. Pag:35.

In fact, *Immateriality* explain the true fundamental value of any quality corporate culture - which is afterwards translating it into product and services - able not only to satisfy consumer needs, but also to responsibly guarantee high level of Quality of Life's standards. It is the key element able to fully integrate competitiveness and sustainability in order to readdress consumption habits in the direction of universal wellbeing and planet restorative vitality.

Immateriality, at different stage of corporate culture observation, represents a major leverage for internal organization management or for market consumer proposition, at the level of:

1) Intellectual Capital

Following the European RICARDIS indication⁷ the Intellectual Capital represent an immaterial basic corporate asset specifically oriented at creating values for own customers and consumers. This specific asset can be well represented through a special report able to fully measure and describe it.

This Intellectual Capital can be better explained through three main components⁸: A) Human Capital: structure, qualification, knowledge and competences of own Human Resources, patents and licenses. B) Social and Relationship Capital: corporate relationship with Universities, Research & Development centers, local community, financial world, institutions, all other corporate stakeholders (suppliers, internal and external personnel, clients). C) Organizational Capital: corporate dimension, organizational structure, industrial, administrative, control process, quality of ICT, risk management.

However Intellectual Capital is only a part of a much wider list of possible intangible values, each one representing specific strategic and competitive strength⁹.

A strong and quality based Intellectual Capital and other immaterial values drive any corporate activity toward success, *Added Value* and true responsible management.

As we shall see below, there is now an attempt of leveraging on this intangible value, in order to be able to define specific KPI (Key Performance Indicator) useful for identifying homologated financial index to be used in parallel to those currently applied by financial community.

2) Common language, internal and external communication

This point refer to how specific immaterial values related to corporate culture can become common language and communication vehicle both for increasing speediness in the circulation of information, as well as mean for sharing understanding and knowledge in any internal or external relationship. They are based on: A) Original corporate principles and values which inspire any internal management process: corporate identity, history, origin, personality. B) Universal values and principles which drive civilization and planet sustainable evolution: human rights, social cohesion, business ethic, bio-imitative processes. C)

⁷ RICARDIS- Reporting Intellectual Capital to Augment Research, Development and Innovation – Report to European Commission of the High Level Expert Group – June 2006. (DG Research and Technology Development)

⁸ IGCM (Intellectual Capital Growth Model) - Fondazione Olivetti - Working paper "Competere con la conoscenza" (competing with knowledge) - 2012 report – Ivrea (IT) 2008-2012

⁹ Planet Life Economy Foundation has listed 9 different sections: 1) Ethic: responsibility, correctness, no corruption practices, self estimation, freedom, consciousness. 2) Knowledge power: research & development, strategic know-how, experience accountability. 3) Motivation and satisfaction: identity, respect, company loyalty, proudness, participation, involvement, pro-activity, co-participation. 4) Training: internal know-how, internal and external professional training, learning organization. 5) Territory radication: distinctivity, genius loci, 0 Kilometer, community tradition and Know-how 6) Environmental bonds: bio-imitation, ecosystem vitality, micro-macro processes, time. 7) Brand Value: awareness, originality, leadership, and connotation. 8) Customer relationship: loyalty, trust, CRM 1 (cause related marketing), CRM2 (consumer relationship management) 9) Other Stakeholders relationship: reputation, networking, synergies.

Territorial identity which reinforces corporate knowledge in synergy with all local stakeholders: self-sufficient local eco-system, leverage on local tradition and habits, territorial character and “Genius Loci”.

3) Competitive Strategy

This approach to the market implies a corporate competition not anymore based on specific material kind of product advantages and appropriations but focus attention on immaterial-based kind of distinctive benefits. Within this new framework we can observe a progressive dematerialization of corporate activity which is now converging attention to the “essential” content of the offer¹⁰: this implies an enormous potential of cost savings able to assure the resources necessary for correct corporate organizational and cultural evolution. More specifically, investments are required for the implementation of a general Business Process Reengineering in line with Consciousness Capitalism management new paradigm, however totally compensated by the saving above mentioned.

At the same time, the product or service offer is enriched by the integration of specific immaterial values able to be well appreciated and desired by company’s customers and consumers.

Competitive strategy can in fact leverage on: Sustainable Strategic Positioning (SSP)¹¹ which integrates corporate competitive positioning with A) Sustainable constraints. B) Search and identification of specific corporate immaterial benefits which cannot be replicated by others. C) Careful management of corporate human resources with a *welfare* policy based on equilibrium between material-immaterial remuneration. D) *Added Value* corporate culture and business scope able to overcome and improve profit-oriented management attitude.

In other words, in order to have a final Quality of Life general improvement, it is essential that corporate strategy moves into the direction of a different economic paradigm and culture here represented (also government policies).

4) Life-style consumption transformation

Taking all above described elements together and managing them with the scope of creating overall wellbeing, it is finally possible to guarantee positive development of Quality of Life for all consumers or customers.

This is possible through the *progressive transformation of consumption habits* - today basically founded on goods and services rich of “materiality” (raw materials, energy, scarce minerals and resources, packaging, industrial plants, transport, real estates, warehouses) - into a different kind of goods totally or highly plentiful of “immaterial” components (art, music, sport, entertainment, hobbies, readings, cinema, TV, internet, culture, tourism, wellness, ICT, mutuality, sustainability, historical goods, natural goods, relationship goods, etc.). These different goods’ categories are offered like the other in the market, and represent the basis for a new regenerative kind of economy as well as a much better Quality of Life: as already observed, Quality of Life is deeply rooted in whatsoever expression linked to emotional perception, normally based on those immaterial contents.

It is important to highlight that this kind of *transformation* does not imply any change at the level of income, therefore representing a *conscious* and responsible cultural progress, and not something related to the level of richness (of any individual, of any specific community and territory, of any nation): anyone, at any moment, at any side of the world can decide to move in this direction. All this is valid, of course, in the

¹⁰ William McDonough - Cradle to cradle 2003 -: The author makes an estimation that in average only 5% of product sold is represented by the “content” and, therefore, that 95% can be saved with a different and sustainable approach to manufacturing processes.

¹¹ Sustainable Strategic Positioning (SSP) is a specific operational tool which is the base for any strategic thinking and planning of any corporate organization, public administration or government. This tool is available within PLEF advisory organization.

developed countries and it is only partially applicable for poor countries and people which do not even have chances to make a choice.

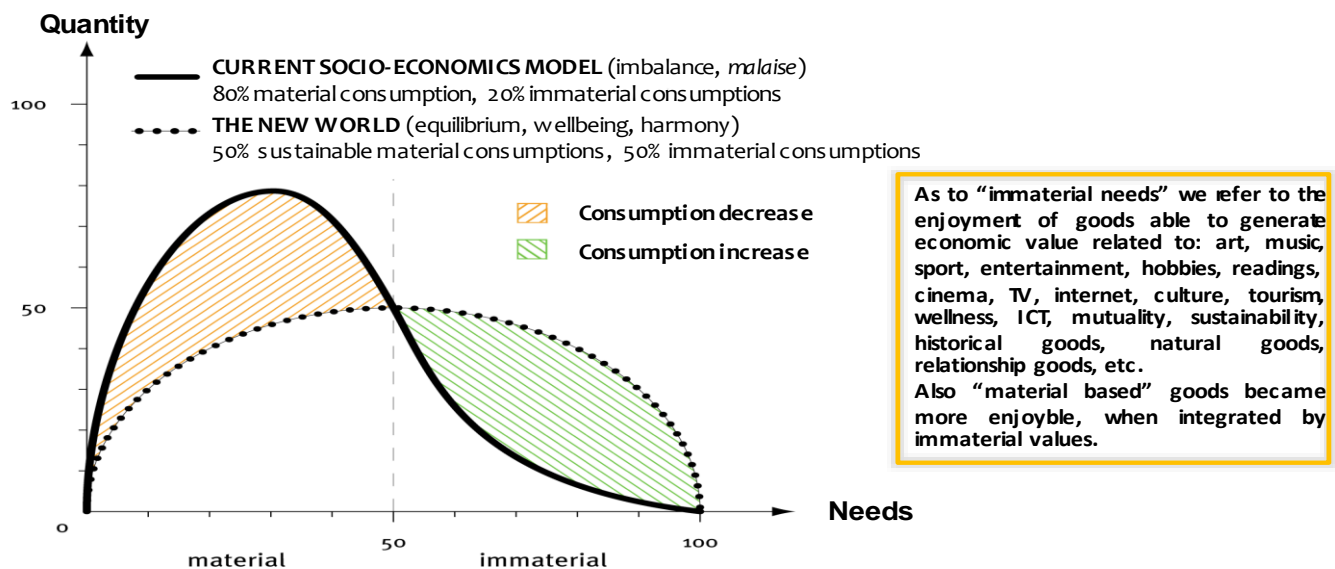
This is very relevant to be observed also because it is already proved that richness do not represent a Quality of Life indicator in itself: over a certain level and in the developed market, the higher the richness, the lower is Quality of Life¹².

Transformation means that current consumption style basically characterized by material based products and services will progressively shift into a direction of more immaterial based consumptions. At the end, there will be an overall (individual) equilibrium between the two kind of consumption (material and immaterial) and this equilibrium will generate true happiness and true consciousness on own Quality of Life¹³.

The following Planet Life Economy Foundation chart can easily express the content above described:

SEARCHING FOR EQUILIBRIUM BETWEEN MATERIAL AND IMMATERIAL NEEDS.

“THE REGAINED CONSCIOUSNESS”



Original model of Planet Life Economy Foundation -2010

¹² Luigino Bruni: Felicità e Scienza Economica – Università Bicocca Milano – 2009 - Lane (2000), as well as Wright (2000), and Putnam (2000) they all demonstrate that at a higher level of income, in the developed countries, happiness and quality of life is decreasing. This is due to several different factors: Health (Lebergott- 1993), working status (Frey and Stutzer 2001), social stimulus (Scitovsky, 1999), social aspirations (Esterlin 2000), freedom (Veenhoven 2000, Sen 2000), altruism decrease (Phelps 2001), inequality (Alesina, Di Tella e MacCulloch 2002), social life decrease (Putnam 2000, Lane 2000).

¹³ Already Aristotle had understood that a correct equilibrium between material and immaterial based kind of needs and consumptions would generate true happiness and wellbeing. (Giampaolo Nuvolati – Sole 24 Ore – 31 Jan 2005)

With this voluntary transformation of consumption's typology, Quality of Life improves at any level of observation:

- a) As already observed, more immaterial based goods are preferred by the consumer, more enjoyment is achieved. In fact, enjoyment normally represents an emotional kind of pleasure which is likely associated to the immaterial content of the product consumption or service rendered. Enjoyment is a very important component of Quality of Life and the list of possible *immaterial based needs* above mentioned gives evidences of it.
- b) Because immateriality is always differently perceived by any single person - due to specific emotional perception – there is not a specific *life style* reference model to be adopted. Any individual, any community, any region, any state, any nation can identify very different life-styles, all fully satisfying high level of Quality of Life.
- c) Quality of Life can be achieved regardless the income level or richness of a given society. As already observed, this transformation do not necessarily imply a Growth or De-growth processes or certain dimension of GNP. Good standard of Quality of Life can be achieved everywhere, however with different consumption mix and habits.
- d) The more Immateriality content is built in the product or service rendered to the market the more Added Values is generated by the company involved¹⁴. In fact Immateriality, being normally based on specific corporate Intellectual Capital, is difficult to be copied or replicated by competitors. Price pressure is lower, and more Added Value is assured to the producing organization. The higher is the Corporate Added Value, the higher is the chances to generate *Quality* all through the corporate Value Chain (employees' higher remuneration policies, investment in marketing and communication, Research & Development, advanced technologies, and so on)
- e) Immateriality means “zero” environmental impact, and therefore better planet vitality.
In fact, immateriality imply a very low requirement of scarce materials and energy, do not create pollution, do not imply eco-system degenerations, it doesn't affect planet vitality.
Immaterial based goods marketed in all countries are perfect for achieving true Sustainable Development in a very concrete term.

5) Financial index and Rating evolution

Immateriality plays a very potential relevant role – at the moment very limited - within the financial world. With the correct recognition of corporate intangible values, all current degenerative practices can be overturned giving strong tools for a regenerative culture and overall development in the direction of a better consumers' Quality of Life.

In fact, current financial monetary index based on Balance Sheet (Hard Facts), drive the *Rating* setting for all companies (or Nations) with the consequences which derive: reputation, financing, credit, transactions, stoke-exchange value, share value, and so on. Unfortunately these *Hard Facts* and financial index calculations do not entirely represent true *values* and real corporate strengths. They normally drive an internal *Operationally Driven* culture (efficiency, virtual index and algorithm, fixed cost cutting, personnel rationalizations, Investment and R&D limitation, delocalization of production sites, and so on) and not *Market Driven* practices, the sole able to be correctly oriented to the consumer satisfaction and wellbeing (consumer needs and satisfaction, product and services quality and safeness, environmental issues charge, territorial and origin diversity).

That's way it is very difficult to obtain a good level of Quality of Life within current corporate financial driven mentality. Indeed, from one side balance sheets' data are normally manipulated in order to achieve fiscal benefits or higher corporate equity value, from the other side they do not take in consideration full

¹⁴ See the “Closed Cycle Evolution Need” chart below.

intangible (immaterial) values which represent the true corporate richness: those *Immaterial Values* are, in fact, the base for any competitive advantage and any potential strategic evolution.

This is due to the fact that intangible assets are difficult to be quantified because they are normally highly subjective and hardly to be standardized.

However, studies on how it is possible making them part of financial index are currently beard by different authors¹⁵ though limited to the Intellectual Capital intangible values, as already commented¹⁶. This attempt is aimed at producing a sort of parallel Intangible Balance Sheet (IBS) on top of those already available related to CSR practices (Corporate Social Responsibility) and currently represented by Social Balance Sheet and Sustainable Balance Sheet.

Fondazione Olivetti (Italy) already has defined a new approach to this issue through the “Intellectual Capital Growth Model (ICGM) and is using it within his studies and researches in “Canavese”: a specific territory in Piemonte (Italy) where Olivetti was founded. His aim is to produce empirically a new Intellectual Capital Reporting (ICR) for all Companies which are operating in this territory, following RICARDIS indications¹⁷. Basel 2 has codified the role that Corporate *Soft Facts* (elements related to Intellectual Capital) are playing within the calculation of bank’s rating for a certain Company. On top of *Hard Facts* (represented by 1) Balance Sheet; 2) Internal and external warning; 3) Current Account movements, the main three factors which drives Bank’s ratings) it is now important to understand how this kind of *Soft Facts* can represent an important *tool* for favoring virtuous dynamics for corporate financing and development¹⁸.

Of course this approach should also be applied to International financial community and not only related to European standards in order to produce uniform global ratings.

A new set of KPI (Key Performer Indicators) is therefore foreseeable to be associated to all corporate intangible values of any organization. When this approach will be defined, a major change in the corporate asset appraisal will occur – as well as nations’ balance evaluation - and a very different overall picture will redesign the true current or potential financial estimation.

Also the *Spread* syndrome which is currently warring all apparently weak Markets, will probably revolve to a correct and complete evaluation, possibly turning upside down actual estimations: Countries apparently rich on material based assets will be reevaluated and probably devaluated, and those with a high level of intangible assets will be rewarded with a finally more correct estimation.

¹⁵Matteo Pedrini – Altis Institute – Università Cattolica del Sacro Cuore – Milano Italy –quote the following sources: Edvinsson and Malone, 1997; Guilding and Pike, 1990;Haanes and Lowendhal, 1997; Hall, 1992; Hammerer, 1996; Hendriksen and van Breda,1992; Kaplan and Norton, 1992, 2004; Mortensen et al., 1997; Petrash, 1996; Roos and Roos, 1997; Sullivan, 2000; Sveiby, 1997; Teece, 2000 - Managing corporate responsibility to foster intangibles: a convergence mode -. 2010 - IGI Global.

¹⁶ Matteo Pedrini: “Since the second half of the 1980s, the achievements of knowledge and innovation companies have pushed professionals and academics to identify new methodologies to determine a company’s value and to understand the features of this new process of value creation. In the 1990s the emergence of the resource-based view theory and the knowledge-based view theory suggested that the success of companies was no longer attributable solely to access to material resources – comparable to commodities – but rather to intangible assets, and it was that access that could provide a competitive edge over the long term (Argyris, 1992; Argyris and Schon, 1996; Barney, 1991, 2001; Bontis et al., 2002; Grant, 1991, 1996a, b; Itami and Roehl, 1987; Nonaka and Takeuchi, 1995; Priem and Butler, 2001a, b; Peteraf, 1993; Senge, 1990; Wernerfelt, 1984, 1995). The limits of monitoring systems based on financial criteria are found in the ever-increasing discrepancy in price-to-book value observed in recent years, an indication of the incapacity to fully measure the value of a company’s intangible resources (Lev, 1997, 2001; Andriessen, 2001, 2002; Pike et al., 2002)”. - Human capital convergences in intellectual capital and sustainability reports - Journal of Intellectual Capital Vol.8, N.2. 2077.

¹⁷ Olivetti Foundation Report 2012 – Ivrea 2008-2012: Competere con la conoscenza

¹⁸ Berti Stefano – Carlo Ronca : Come condividere la cultura della gestione del rischio tra impresa e Finanza – Paper per Knowledge Society 4/2012 – for Fondazione Olivetti.

5) Consciousness Capitalism

In order to guarantee a good level of Quality of Life it is fundamental that Economy could play his role of *engine* of universal evolution redressing the corporate culture in the direction of creating value for all major stakeholders: people, employees, suppliers, environment, planet species, communities, territory, NGO associations, governments, spiritual religions and organizations, national and international Institutions.

It is important to highlight that, if economy is not going in this direction there is very little probability that a good level of Quality of Life could be settled wherever, simply because Economy is the first and most important leverage for human civilization evolution.

Economy, in fact, has represented the prime leverage for civilization development since the notion of *Market* was established: the place where people from different places was used to meet, exchange excess good and services with other which were scarce, in this manner creating *Value* and satisfaction for all involved. It was the place where entertainment, social relationship, religion and art craft were practiced thou facilitating the cultural exchange and evolution for different communities. Economy, if positive and liberal, is the true engine of civilization and is aspiring at people *happiness* as it was initially proposed by Aristotle and later on by the first worldwide Latin-Neapolitan economic school (Vico 1730, Genovesi 1754). This issue focuses attention on having such pattern of interpretation about the role of Economy, quite distant to the one - now in place - which is going in a totally different direction. Probably, and unless a better way of evolving corporate culture is identified, Consciousness Capitalism represents the right, sustainable and universal answer for improving and evolving the negative impact of current practices within an environmental emergency.

This kind of economic philosophy will probably progressively take place firstly in all mature and developed countries and later on will be spread all over, offsetting the degenerative effect of current Financial Capitalism offering not only a restorative and sustainable kind of society, but also a better Quality of Life for all people.

This new kind of Capitalism is fundamentally based on consciousness on how economy - through a correct understanding of the correlation between material based consumptions and immaterial based kind of goods offered in the market¹⁹ – is able to continuously evolve and progressively improve the civilization cycles.

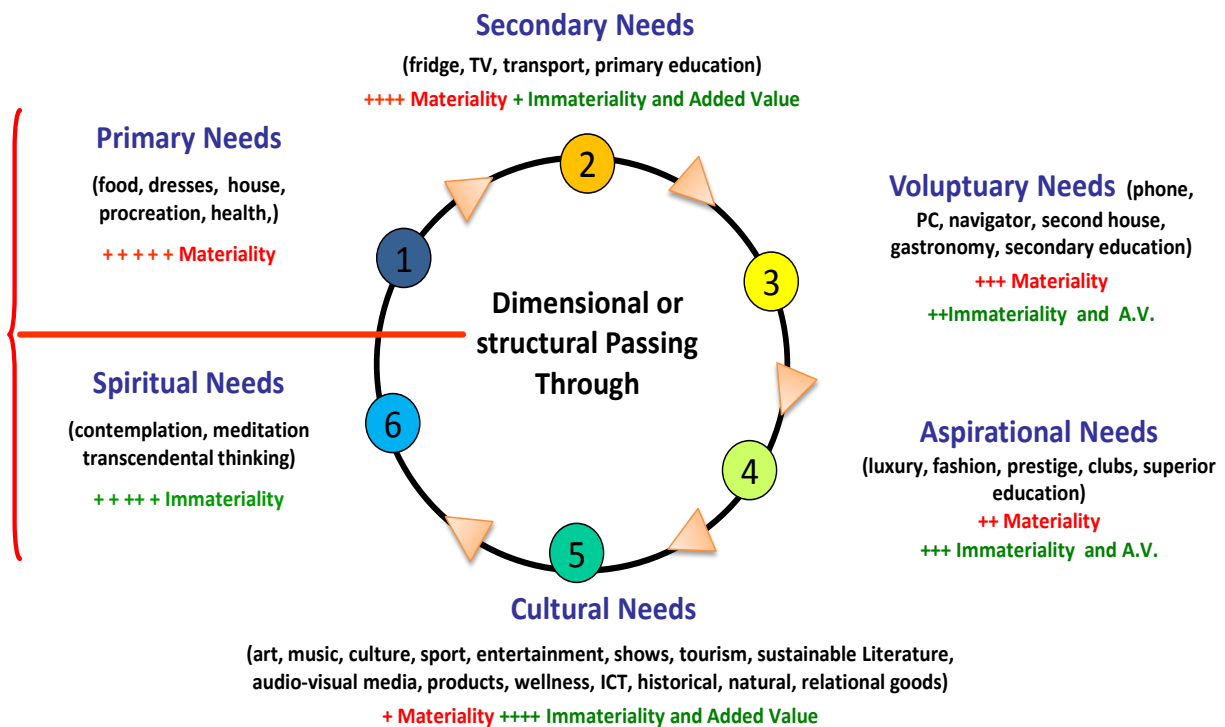
This correlation between material and immaterial content of goods offered to the market is also able to demonstrate how it is possible generate both economic Added Value to the company and consumer satisfaction and pleasure, as represented in the following representation²⁰.

Any kind of consumer needs are ordered by their contribution at creating corporate value and human satisfaction through its immaterial content.

¹⁹ As partially already seen upward within the chart “The regained consciousness”.

²⁰ The following charts have been published in 2010 in my book “Sostenibilità e Green Economy – Quarto Settore – Franco Angeli - Milano, and currently taught in the academic course “Global Communication” in Bicocca University - ISTEI Institute.

CORRELATION BETWEEN IMMATERIALITY AND CORPOARTE ADDED VALUE: NEEDS EVOLUTION CLOSED CYCLE



Original Model of Planet Life Economy Foundation - 2010

The *Needs Evolution* is useful for understanding different aspect of economic thinking:

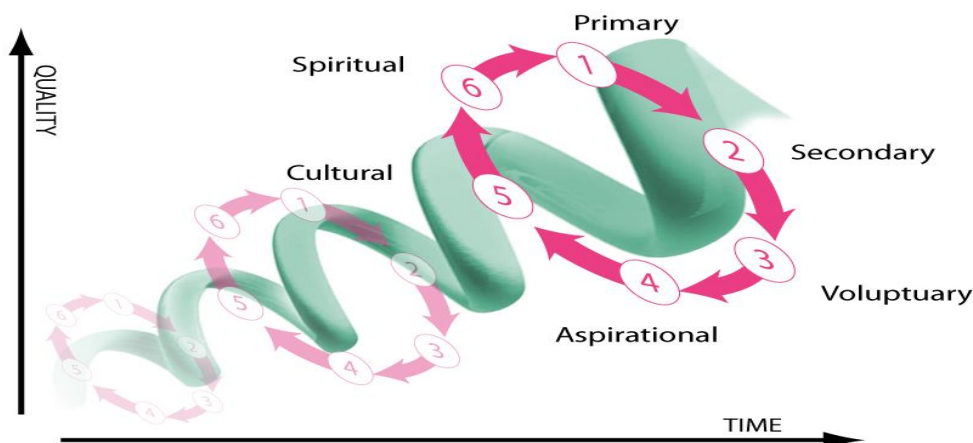
1. It is coherent to any kind of present, past, future kind of civilization: **typology of available goods change, but does not change the kind of needs** which are evolving during the time always in the same direction and in the same way (television was an aspiration good 50 years ago!).
2. Evolution through the needs experience, explain **the whole Economy and Society wellbeing improvement**: the level of civilization is immediately perceived plotting in the chart the *average* nation position.
3. This chart can be also pragmatically used to indicate possible corporate evolution in the direction of improvement of Added Value and consumer satisfaction: plotting in the chart current corporate average position it is **possible to immediately perceive and plan next strategic movement**.
4. It is also possible to understand that the highest is the immaterial content in the marketed goods, the highest is the **possibility of corporate differentiation and defensibility**: in fact immateriality is normally associated to a good level of Know-How or specific immaterial corporate assets, difficult to be copied or reproduced. This is quite evident especially in the *Aspirational Needs* and even more in the *Cultural*

Needs whose offer is difficult to be replicated (it impossible to originally copy the roman Coliseum or a Picasso painting).

5. The Corporate Added Value orientation – instead of Profit Orientation – ***improves positive corporate Culture and organizational evolution without limiting or decreasing Profit level.*** Changing corporate culture from Profit to an Added Value notion, it is possible to immediately observe a quite dramatic positive evolution at all level of corporate management, at the same time well accepted by all stakeholders, including the shareholders²¹.

It is therefore possible to understand how this correlation between material and immaterial content of goods and services is helping in the awareness about correlations between Quality of Life and new corporate culture at different level of situations and combinations. It is not a static interpretation, but it continuously evolves in time in all different conditions:

EVOLUTIONARY DEVELOPMENT Directional, cooperative and functional evolutionary needs evolvement



This evolution follows the parallel combination of three different but simultaneous characteristics:

1. **Direction:** there is only one kind of direction which is the same of any natural evolution (bio-imitation and nature *closed cycle*): ***this evolution is always producing a long term better quality and harmony over the time*** (not necessarily in a specific contingency situation or short term).
2. **Cooperation:** each individual activity of any kind of human being or more simply any kind of live species, works in a cooperative manner, thou satisfying individual and at the same time social or universal needs: ***harmony is always a combination of a cooperative kind of activities with mutual interest.***
3. **Functionality:** everybody is different and has its individual role and reason to exist: ***self identity and specific role is recognized, valorized and respected by the whole community***

This kind of evolution is coherent to the specific nature of economic development, typology of needs, typology of goods rendered to the market, creation of added value, general wellbeing and Quality of Life: *it is a*

²¹ In fact through a high level of Added Value, Profit is not threatened.

permanent and universal “market” model evolution, always in movement, always different, always contemporary at the time observed.

This needs *spiral* is also very similar in its configuration to the Darwin’s evolutionary theory²² both in term of natural development and with reference to the solely direction.

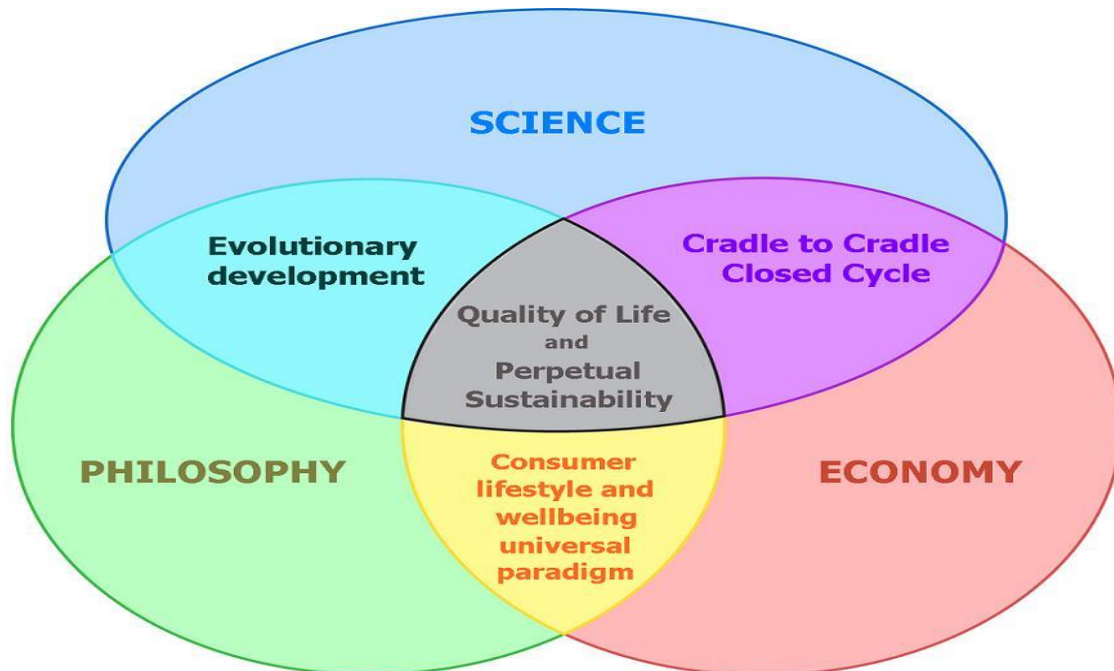
It is amazing to note that the exactly same basic logics (directionality, cooperation and functionality) are expressed by different points of observation.

From a scientific point of view, in fact, Ervin Laszlo quotes: “The world around us is a concatenation of lot of not linked elements which reveal its meaning and scope. This implies a specific design of co-evolution of all things with other things in the integral life network which is revealing to us in a systemic dynamic: universe does not evolve with causality, but with auto-coherence and irreversibility with a pre-definitive evolutive direction²³”.

At the same time, from at a very totally different perspective (spirituality and philosophy) Giacomo Ludovici Samek quotes:” ...things which orchestrate the world show in their own behavior an inclination to achieve certain precise ends and purposes... expressed by nature through three specific form: Directionality, Cooperation and Functionality ”²⁴.

We can therefore arrive to a conclusion that this Consciousness Capitalism economy model is based on very simple logics (the power of Immateriality, the equilibrium between material and immaterial based needs) and evolutionary principles (direction, cooperation and functionality) shared both by science and philosophy. If these conditions are the same, we have found the true and universal answers to our needs and, specifically, the fundamental leverages able to generate a sustainable and wholesome Quality of Life.

CONSCIOUSNESS CAPITALISM



TRUE SUSTAINABILITY AND QUALITY OF LIFE HAVE TO BE FOUND IN A UNIVERSAL AND PERPETUAL PARADIGM

²² Charles Darwin: On the origin of species – Jan Murray – London - 1859

²³ Ervin Laszlo. OLOS: Il nuovo mondo della scienza – Riza -2002. Pag 153

²⁴ Giacomo Ludovici Samek. Catholic University – Milan - L’esistenza di Dio (God Existence) – Art Novara – 2004 – Pag 21- 25

Perhaps we got the understanding of a new universal paradigm which is able to reconcile all different perspectives and, therefore, to sustain a global shift to a positive, sustainable and restorative new economic philosophy.

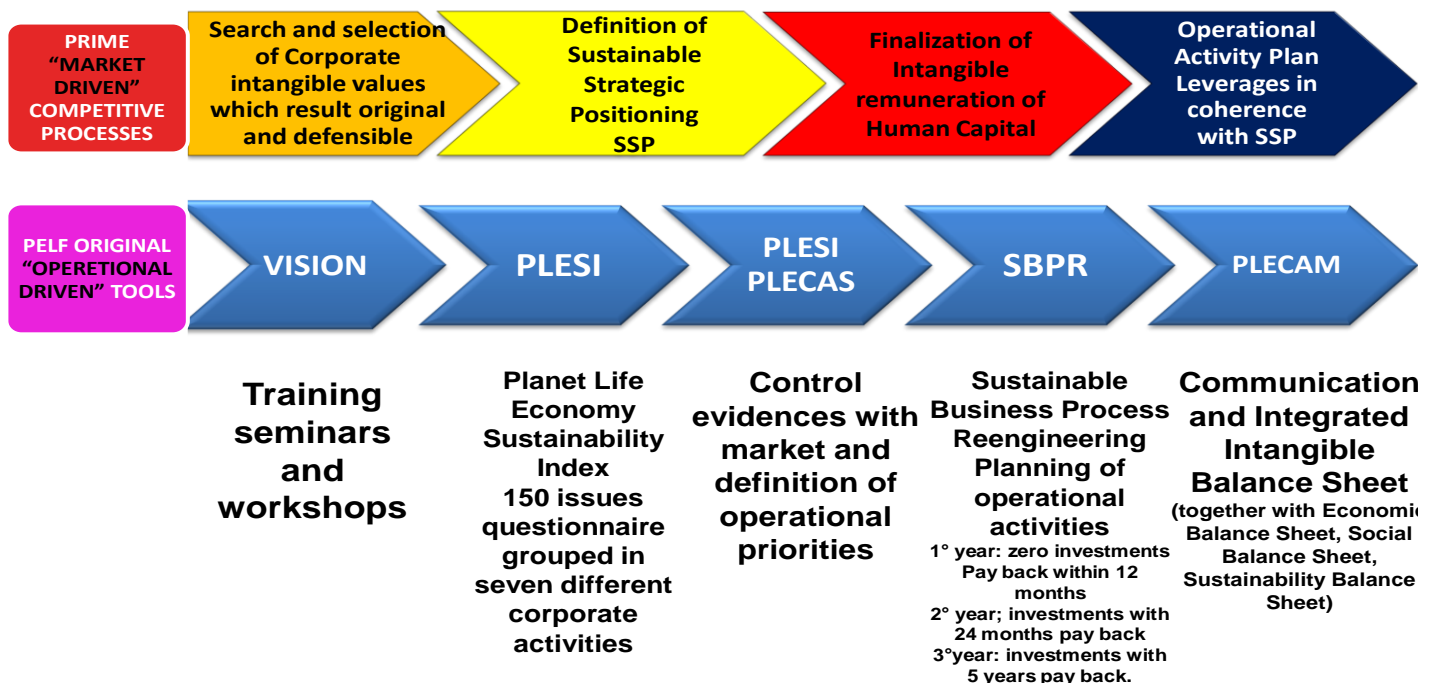
6) Applications

Consciousness Capitalism is the original economic model studied by Planet Life Economy Foundation²⁵ (www.plef.org) putting together both academic researches and scientific evidences of major authors, and the very concrete management experience by PLEF's founders and partners.

The intention is not only to represent from a theoretical point of view the possible evolutionary economic scenario, but also to be able to implement it progressively into the real world, through a combined set of methodological approaches and tools already available to final users (corporation, small and medium size companies, public administrators and Government, communities, territories, associations, people).

Without entering in the specific description of each single tool, here it is represented the basic operational flow which combine both strategic *Market Driven* approaches, together with *Operational Driven* specific tools, ordered by priority and sequences. All tools are originally designed by PLEF.

IMPLEMENTATION METHODOLOGY



Original model by Planet Life Economy Foundation

²⁵ Planet Life Economy Foundation - Onlus (PLEF) is a free no profit organization. Its aim is to promote **concreteness to sustainability principles** in order to make them truly applicable within management corporate practices and culture (strategy, competitiveness, added value, fincance, process, and so on) paying attention to real consumer needs (Quality of Life, emotion, pleasure). PLEF promote a new economic and social philosophy able to create true *Value* (social, environmental, economical, human) and employment, overcoming the opposite *Growth* or *De-growth* theories

It is important to highlight that all application methodologies always focus attention on the strategic approach based on Sustainable Strategic Positioning (SSP), in order to be able to generate a good level of Added Value and people satisfaction, at its turn able to guarantee a good level of employment, investments, research, any quality based activities and, profit.

In this contest all correct environmental practices based on the *dematerialization* of goods and processes, eco-efficiency, environmental design, the best usage of available technologies, *Factor 10* and *Factor 4*²⁶ theories, are always taken in account as structural *bonds*, to be applied in any reorganizational process.

In other words, the proposed pragmatic methodology is dressing attention to the role that immateriality plays in relationship to the strategic approach focused on people satisfaction and Quality of Life, however never forgetting sustainable principles and constrains.

7) Conclusion

This paper summarize all studies and searches made by the author in order to understand the stage of studies evolution about the role that *Immateriality* plays at the level of Economy with its capacity of influencing all other systems and social implications.

It appear that this element is does not only represent the most powerful leverage for any corporate strategic competitive thinking, but it is the fundamental *key* to improve Quality of Life at the level of consumer habits, environmental equilibrium, philosophical approach, universe evolution: it appears to be *The* fundamental common trait able to guarantee sustainable equilibrium and happiness in a very simple way in all possible situations.

This key element has been taken as the main *pillar* of the Consciousness Capitalism economy philosophy which is probably the one which could be universally applied and, at the same time, with the force of reversing the current economy and social degeneration.

In order to translate concept into reality, it is essential not only to debate theories which describe this philosophy, but it is important to find concrete operational solutions in order to prove it and demonstrate its possible implementation. Even if not specifically here described, there are evidences that this model can be implemented in the real world using original tools and methodologies currently applied in different companies, associations, territories. This is done with a very simple approach and not complicated thinking or expensive practices.

It is also essential that all people moved by true positive universal principles who are currently working in order to achieve a better Quality of Life around the world will find the way to aggregate their fragmented dimension into a much more influent movement able to really restore stability and peace. This is the premise for positive and fruitful future studies, researches, vast implementations.

As Albert Einstein said “A theory is as more stupefying the simpler are their premises, the more different are the various accidents it put in relationship, and the vaster is its field of application”: no doubt we are now facing a very simple philosophy which have the same characteristic of Einstein’s aspiration.

Paolo Ricotti for ISQOLS Conference – Venice – November 1-4 - 2012

²⁶ *Factor 10* means that through the right usage of available tools and technologies it possible to reduce the scarce natural resource by an average of 90% in any industrial processes. *Factor 4* means that Sustainability can be reached with the four main environmental principles: resources productivity, bio-imitation, systemic and complete products flows and not short supply chain, investments on restorative Natural Capitalism.

Armory Lovins, L.Hunter Lovins, P.Hawken. *Capitalismo Naturale – Ambiente* – Boston 1999 - pag. 13-16.