

October 2016

## Thriving Michigan Update

There is a growing [network of people](#) — including the leaders of companies such as the Container Store, Starbucks, Trader Joe's, Patagonia and Whole Foods Market building their companies based on the idea that business is about more than making a profit. It's about higher purpose. The Monroe County Chamber of Commerce subscribes to this way of thinking.

But one of the most predictable responses we get from people when we mention the idea of conscious capitalism is, "That's an oxymoron!"

It is undoubtedly an unusual juxtaposition of words. The word "conscious" has many connotations for people. We define it **the word "conscious"** as being mindful and awake, seeing reality as it is rather than as we wish it to be, recognizing and being accountable for all the consequences of our actions, having a better sense of what is right and what is wrong, rejecting violence as a way to solve problems and being in harmony with nature.

The word "capitalism" was coined by its harshest critic, [Karl Marx](#), around 1850. The interest in and widespread confusion surrounding these ideas is evident from the fact that the most searched word of 2012 on Merriam-Webster's online dictionary was "capitalism," followed by "socialism." Type "define **capitalism**" into Google's search box and one of the first entries is "An economic and political system in which a country's trade and industry are controlled by private owners for profit."

We think of capitalism in simple and benign terms: it is simply the co-existence of free markets and free people, or economic and political freedom. Unique among all the species on this planet, **we human beings are wired to create value and trade with each other. This is in our very nature.** The evidence is overwhelming that whenever in history humans have enjoyed unencumbered freedom to do just that, we have prospered, our numbers have grown, and we have lived longer, happier and more peaceful lives. When our natural urges to interact and trade freely with others have been suppressed, we have regressed. See Matt Ridley's terrific book [The Rational Optimist](#) for oodles of historical evidence of this.

Consider what has happened in just the past 200 years or so, a time when capitalism really took root as an idea in many societies. After tens of millennia in which 85-90% of human beings lived on less than a dollar a day in today's terms. worldwide per capita incomes have [increased](#) nearly fifteen-fold in constant dollars. Today, about 16% of the world's population lives on less than a dollar a day. Adjusting for quality and affordability, it is estimated that the average American is 100 times better off today than 200 years ago. Average life expectancy has climbed from [about 30](#) to [over 67](#) years in that time span, and human population has risen from one billion in 1820 to over seven billion today.

That is astounding progress, not just for a fortunate few but for most of humanity. We therefore hold these truths to be self-evident: business is good because it creates value, it is ethical because it is based on voluntary exchange, it is noble because it can elevate our existence and it is heroic because it lifts people out of poverty and creates prosperity. **Free enterprise capitalism is the most powerful system for social cooperation and human progress ever conceived.** It is one of the most compelling ideas we humans have ever had. But we can aspire to even more.

"Conscious Capitalism" is a way of thinking about capitalism and business that better reflects where we are in the human journey, the state of our world today, and the innate potential of business to make a positive impact on the world. Conscious businesses are galvanized by higher purposes that serve, align

and integrate the interests of all their major stakeholders. Their higher state of consciousness makes visible to them the interdependencies that exist across all stakeholders, allowing them to discover and harvest synergies from situations that otherwise seem replete with trade-offs. They have conscious leaders who are driven by service to the company's purpose, to all the people the business touches and to the planet we all share. **Conscious businesses have trusting, authentic, innovative and caring cultures that make working there a source of both personal growth and professional fulfillment.** They endeavor to create financial, intellectual, social, cultural, emotional, spiritual, physical and ecological wealth for all their stakeholders. **Evidence is mounting that such businesses significantly outperform traditional businesses in financial terms, while also creating many other forms of well-being.**

**Ultimately conscious businesses create lasting value** as the world evolves to even greater levels of prosperity, **helping billions of people flourish and lead lives infused with passion, purpose, love and creativity** — a world of freedom, harmony, prosperity and compassion.

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Material taken from: **John Mackey**, the co-CEO and cofounder of Whole Foods Market and cofounder of the nonprofit Conscious Capitalism, Inc. and **Raj Sisodia**, cofounder and trustee of Conscious Capitalism, Inc. and professor of marketing at Bentley University. They are the authors of [\*Conscious Capitalism: Liberating the Heroic Spirit of Business\*](#) (HBR Press, 2013).

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