



The Economics of Culture

An analysis of a nation's cultural progress and its correlation with wellbeing

G Nigel Cohen
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1. Introduction

A nation's culture is the collection of social norms its population finds acceptable. It is an amalgamation of the cultures of a huge array of individuals and communities within the nation. Culture starts with its holder's values. The holder can be an individual or a community whose culture is established by its members. Individuals develop a worldview that informs them of how the world works, shaped and influenced by the individual's values, experiences, understandings, circumstances and the worldview of the people or communities who influence them.

Spiral Dynamics is an example of psychological research that identifies a fixed pattern of how cultures develop in society. The pattern is visible in both individual human development and collective societal development. A community's or nation's culture passes through several stable stages of development. Stability in each phase is achieved through a series of regulating ideas and actions that reward adherence to the norm and punish change.

At an individual level, one stable phase of culture advances to the next when the individual experiences a seismic shock to the system, or when the individual's needs at its current stage of development are sufficiently met. Individuals constantly flirt with ideas from the next stage of development. They never forget what they have learnt from their previous stages. As they increasingly feel their needs are no longer served from within, they increasingly find satisfaction from the next stage of development, feeling the disincentives from leaving their current stage outweighed by the exciting opportunities of change. The societal stage of culture is established as an amalgam of the cultures of its individual members and the various communities they form.



Photo by Humphrey Muleba on
Unsplash

According to Spiral Dynamics, there are eight or so distinct stages of stable culture. They start from the "Survival" stage where individuals are preoccupied with the means of survival. The "Absolute truth" stage is a mid-stage phase, where the community perceives certain absolute truths without regard to reality. It can be seen in the literal conviction of some people whose religious faith can be neither proven or disproven. A later-stage "Egalitarian" phase is manifested in concern about the environment, with its focus on the deep interconnection between people throughout the world, and with the planet.

Richard Barratt and Pat Dade have analysed the stages of development of different nations in the world. This paper extends the relationship between the cultural stage they have found of a nation's development to the economic outcomes for its population as defined by wellbeing.

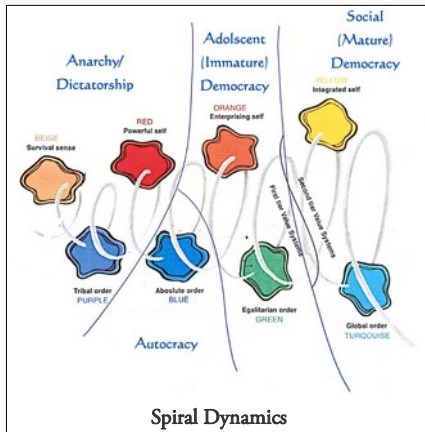
In the appendix, the conclusions are configured for integration to the Inclusivity Project's Economic Framework.

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2. Spiral Dynamics

A description of the role of Spiral Dynamics in understanding Wellbeing Economics is available in a paper called [Cultural Dynamics](#). Two charts from the paper that provide an entry point to the phases of development are summarised below.



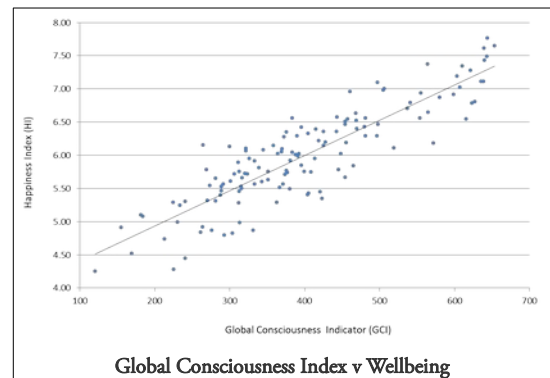
The eight stages of human development are referred to by an arbitrary colour to avoid the presumption that progression is better. Each of the stages spiral between a predominant focus on the self, where individuality is celebrated, and a predominant focus on society, where the importance of the self is seen as subsidiary to the greater good.

These phases of development can be mapped to the political phases of development of society. Areas of Somalia and Afghanistan display features of society in anarchy. Immature capitalism is seen in the rampant self-interest of many modern structures in many of today's democratic nations.

There are many signs around the world of an evolution into mature democracies. Time will tell if the regulating punishments inherent in each phase of development will kill off the young shoots of change prematurely.

Richard Barrett has worked for years with individual and social culture. His analytics tools for individuals, businesses, communities and nations have provided a treasure trove of information available for research.

In 2017, he identified the phase of development of fifty or so nations in the world through an index system he calls the Global Consciousness Index. He mapped this index against 17 of the major indices available at the time that seek to measure wellbeing. His maps shows a clear correlation between a nation's wellbeing and Global Consciousness.



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More interesting was the spread of the population's worldviews. Kenya has the nation with the most homogenous worldview, with 75% of the population in the Prospector stage. France has a much more balanced spreads of beliefs with 30-40% of the population in each of the three stages. In order to capture this distinguishing feature for the Framework, we calculated the percentage gap between the proportion of people in the Pioneer stage (level 6) and the Prospector stage (level 5). This is labelled as "Cultural Progression". It was then rescaled by adding 150% to the gap and dividing the sum by two. The formula was based on a judgement of the levels required to represent the contribution culture makes to wellbeing.

There are points of note.

- The Barrett chart above implies that wellbeing increases as populations advance through their stages of development. The gap between level 5 and level 6 (the Cultural Progression) is significant because it is indicative of the state of cultural progress of the nation. We use this measure as a proxy of the stage of development that the weighted average fails to provide. We could alternatively have used the absolute proportion of the population in level 6 to the same end.
- It should be noted that national leaders are much more prone to Pioneer thinking. So the gap between the two stages represents potential social instability, with a larger percentage of the population having their interests represented by a smaller percentage of worldviews. The relevance of this potential leadership issue becomes clearer in the next section.

The results offer quantified insight into the stage of development of the population within each nation. They provide a numeric representation of the worldview of the population of nations.

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4. Global Consciousness Indicator

Richard Barrett's work has a more direct connection with Spiral Dynamics. His work extends Spiral Dynamics by providing a deeper understanding of the practical societal impact of the different phases of development and integrating them with his parallel extension of Maslow's hierarchy of needs.

He has developed a rich array of ideas and resources on the role of human values in human wellbeing. One such integrations is his Global Consciousness Indicator (GCI). It identifies the stage of development of nations by mapping a number of the major indices that assess the progress of humanity to his model of social development. The Academy for the Advancement of Human Values (AAHV) has created a website that provides in depth explanation of the concepts. The indicators score consciousness in seven levels of psychological progress. They bear very close resemblance to the eight levels of Spiral Dynamics. The levels are explained in the [AAHV website](#).

Appendix II sets out the 2019 GCI scores for a number of nations. The score for each level represents the proportion of the extent to which national policy addresses the needs that are the primary focus of that level. Most of the western countries address the survival needs of level 1 relatively well. Switzerland has a Level 1 consciousness of 96 for example. Whereas some of the struggling countries are less able to address those needs, with Turkey having a Level 1 consciousness of under 60. The assessment looks at how well each nation addresses the needs of each of the 7 levels. It then collates the seven results into a single, composite score.

Depending on the indices GCI uses as its sources, some of each score reflects individual experience of wellbeing, such as security, health and life expectancy. A greater proportion reflects structural indicators and influences on outcomes, such as poverty, peace and justice. So the GCI scores reflect, at least in part, the nation's focus of policy in a way that the Cultural Dynamics analysis does not. In this sense, the GCI scores disproportionately reflect the worldview of the leaders of the nations. This provides an interesting insight which is described later.

The GCI scores measure the extent to which each stage of development features in the consciousness of the nation. The overall score reflect the stage of development of the society.

Framework Integration

We rescaled the GCI total score for each nation as a percentage of 700, which is the sum of the benchmark rating of 100 for each level). Based on the principle of correlation between the stage of a nation's progress and its wellbeing, this figure represents the level of contribution of culture to wellbeing outcomes.

Countries that are governed at the highest level of consciousness include Iceland, Norway, Sweden and Switzerland, all of which have scores of over 90%. Counties at the other end of the scale include Egypt, India, Russia and Turkey, all of which have scores of less than 50%.

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The Global Consciousness Indicator (GCI) reflects the outcome of implementation of policy. Leaders who implement policy include central and local government, as well as a number of business and communal leaders who have a profound influence on outcomes. Depending on the political landscape, policies may reflect differing degrees of voter preferences. They also reflect the individual worldview of the leaders and, too often, self-interest.

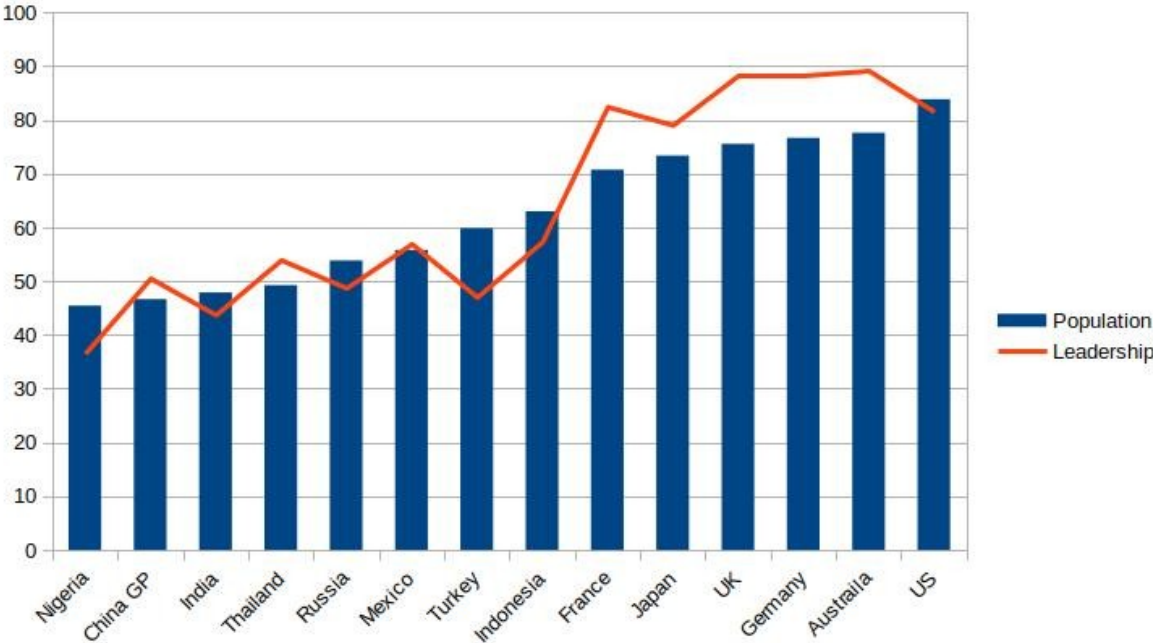
The resultant figures offer a numeric representation of the worldview that drives the leadership of nations.

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5. Analysis

The Cultural Dynamics assessments and GCI scores provide the basis for quantifying the impact on a wellbeing economy due to culture. The raw results are displayed in the chart below:



Population Worldview

The chart above plots the population's worldview against the leaders' worldview. The gap represents the difference between the worldview that drives the leaders' decisions and the worldview of the people they lead.

Which figure is the correct one to use in determining the impact of culture on the population's wellbeing?

This paper asserts that the population's culture is the correct figure to use. We assert that the population's culture has a greater bearing on wellbeing than the leaders' culture, because the former directly impacts how the latter's governance is translated into practice. A culturally-inspired law requiring gender equality, for example, can only be as successful as its cultural acceptance by the people. It is quite conceivable that a new law will change culture, but where it does, it is often because of other factors that accompany the new law rather than as a direct result of the law.

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Leadership Gap

Although the population worldview takes centre stage in representing the state of the nation's Cultural pillar, there is clearly a consequence where leaders are out of touch with the people they represent. We assert that the level of consequence depends on both the size of the gap and its direction.

Appendix III quantifies the Leadership Gap and transmutes it to Leadership Alignment, on the following basis. The Population's worldview column is taken from the rescaled Cultural Progression in Appendix I. The Leadership's worldview column is taken from the rescaled Global Consciousness Indicators in Appendix II. The Leadership Gap is simply the difference between the two. Where the difference is positive, it means the leaders are governing the nation from a more advanced vantage point than the general population. The greater the difference, the more remote the government seems to its people. Where the direction is negative, it means the leaders are dragging the people back. This backward pull has more violent overtones, since it is the signature tune to populism.

However, we want to assess the impact of the leadership gap on wellbeing. For this purpose, we switch the focus to the size of the gap, rather than its direction. It forms the basis for a consistent measure of absolute alignment between a nation's leaders and its people. We invert the negatively facing leadership gap measure to the positively facing leadership alignment measure. We also rescale it to establish a probability factor of 100%. The computation deducts the absolute leadership gap from 20 and multiplies the result by 5. The formula was arrived at with the judgement that the absolute leadership gap seems to tend towards a scale of 20, meaning the result needs to be rescaled by 5 to arrive at its appropriate probability factor.

Commentary

As mentioned before, care needs to be taken to avoid over-reliance on the numbers reported. There is a considerable way to go before we establish more reliable assessments of wellbeing. The population's worldviews are based on a model of human development that needs to be widely tested. The leaders worldviews are based on indices that have a long way to go before they fairly represent wellbeing, and they embody some arbitrary rescaling.

But with that caveat, the results show some interesting outcomes.

Turkey and the UK have similarly low leadership alignment measures. Turkey is experiencing a substantial degradation of its democratic institutions by its leaders. The population has not had time to adjust its cultures to its new reality. Until the cultures become more aligned, in whichever direction they align, the status quo is liable to be secured through violence, either by state or the people.

The UK is experiencing a political earthquake in the form of Brexit. The figures imply this is a consequence of the nation's leaders failure to grasp the cultural demands of its population. Whilst the Turkish gap is based on a culturally regressive government, the UK gap is based on a culturally progressive government.

We assert that a low leadership alignment is a symptom of incongruence, which has a bearing on wellbeing directly through its spread of disharmony and fear, and on the system's ability to

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generate wellbeing through its negative influence on social cohesion. Where it is regressive, we believe the consequences have a greater impact on the risk of social unrest. Where it is progressive, we believe that the consequences have a greater impact on wellbeing and on the person-centred structures that generate wellbeing.

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6. Conclusion

The state of progression of a nation's culture has a bearing on the economic structures that generate wellbeing, and on wellbeing directly.

The impacts on wellbeing are quantified and integrated with the Inclusivity Project's Economic Framework as described below.

- Appendix I sets out the Cultural Progress factors that measures the state of the Cultural Pillar.
- Appendix III sets out the Leadership Alignment factors that have a bearing on the outcomes of the Pillars of Statehood (political stability) Social Structures (influence on adoption of laws), and on wellbeing directly (security/congruence).
- Appendix IV maps the influences described above to the respective pillars of the Economic Framework.

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Appendix I: Assessment of Population Culture by Cultural Dynamics

2014-2018

	Settlor Level 4	Prospector Level 5	Pioneer Level 6	Total	Average Level	Standard Deviation	Cultural Progression	Rescaled Cultural Progression %
Argentina	26.9	30.2	32.2	89.3	5.1	2.2	2.0	76.0
Australia	25.0	34.9	40.1	100.0	5.2	6.3	5.2	77.6
Brazil	21.6	52.3	25.9	99.8	5.0	13.6	(26.4)	61.8
China GP	13.7	71.5	14.8	100.0	5.0	27.0	(56.7)	46.7
France	30.8	38.9	30.4	100.1	5.0	3.9	(8.5)	70.8
Germany	20.7	38.0	41.3	100.0	5.2	9.0	3.3	76.7
Greece	49.0	23.8	28.2	101.0	4.8	11.0	4.4	77.2
India	17.0	68.6	14.4	100.0	5.0	25.0	(54.2)	47.9
Indonesia	13.9	55.0	31.0	99.9	5.2	16.9	(24.0)	63.0
Italy	29.2	38.3	32.5	100.0	5.0	3.8	(5.8)	72.1
Japan	29.2	37.1	33.8	100.1	5.0	3.2	(3.3)	73.4
Kenya	6.3	75.0	18.7	100.0	5.1	29.9	(56.3)	46.9
Mexico	13.0	62.7	24.3	100.0	5.1	21.3	(38.4)	55.8
Nigeria	6.9	76.1	17.0	100.0	5.1	30.5	(59.1)	45.5
Philippines	17.9	64.2	19.0	101.1	5.0	21.6	(45.2)	52.4
Russia	13.1	64.6	22.3	100.0	5.1	22.4	(42.3)	53.9
Singapore	26.0	49.0	25.0	100.0	5.0	11.1	(24.0)	63.0
South Africa	12.2	75.2	12.5	99.9	5.0	29.6	(62.7)	43.7
White South Africa	26.7	48.8	24.4	99.9	5.0	11.0	(24.4)	62.8
South Korea	42.8	46.2	13.0	102.0	4.7	14.9	(33.2)	58.4
Spain	24.4	37.4	38.5	100.3	5.1	6.4	1.1	75.6
Thailand	23.6	64.4	12.9	100.9	4.9	22.2	(51.5)	49.3
Turkey	21.7	54.3	24.0	100.0	5.0	14.9	(30.3)	59.9
UK	24.4	37.2	38.3	99.9	5.1	6.3	1.1	75.6
USA	17.8	32.2	49.9	99.9	5.3	13.1	17.7	83.9

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Appendix II: Global Consciousness Indicators by the Barrett Foundation

2019

	GCI Score	Leadership Culture %
Australia	624.5	89.2
China	354.5	50.6
Egypt	275.9	39.4
France	577.8	82.5
Germany	618.2	88.3
Iceland	645.0	92.1
India	306.6	43.8
Indonesia	402.0	57.4
Israel	479.8	68.5
Japan	553.9	79.1
Mexico	399.3	57
Namibia	388.1	55.4
Nigeria	256.4	36.6
Norway	658.8	94.1
Russia	341.8	48.8
Sweden	638.3	91.2
Switzerland	651.4	93.1
Thailand	378.2	54
Turkey	329.6	47.1
UK	617.7	88.2
USA	571.1	81.6

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Appendix III: Leadership Gap Analysis

	Population Culture %	Leadership Culture %	Leadership Gap %	Absolute Gap	Leadership Alignment %	
Australia	77.6	89.2	11.6	11.6	42.0	
China GP	46.7	50.6	4.0	4.0	80.3	
France	70.8	82.5	11.8	11.8	41.3	
Germany	76.7	88.3	11.7	11.7	41.8	
India	47.9	43.8	(4.1)	4.1	79.5	Regressive
Indonesia	63.0	57.4	(5.6)	5.6	72.0	Regressive
Japan	73.4	79.1	5.8	5.8	71.3	
Mexico	55.8	57.0	1.2	1.2	94.0	
Nigeria	45.5	36.6	(8.9)	8.9	55.8	Regressive
Russia	53.9	48.8	(5.1)	5.1	74.8	Regressive
Thailand	49.3	54.0	4.8	4.8	76.3	
Turkey	59.9	47.1	(12.8)	12.8	36.3	Regressive
UK	75.6	88.2	12.7	12.7	36.8	
USA	83.9	81.6	(2.3)	2.3	88.8	Regressive

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Appendix IV: Inclusivity Project's Economic Framework mappings

Structural Mappings

	Statehood	Representation/	Structures	
	Centralised	Politics	Social	Social
	Control (power)		Structures	Culture
Cultural Assessment				1
Leadership Alignment	1		1	
Global Consciousness Indicator				1

Notes:

The cultural assessment and the Global Consciousness Indicator are direct mappings of Social Culture.

The Leadership Alignment affects the government's ability to govern effectively. Where a nation's government is fully aligned with its population, there is relatively little impact on its ability to govern. Where there is a significant gap, it has the potential to undermine the government, which impacts the probability ratings of statehood's impact on wellbeing.

Wellbeing Mappings

	Capacity		Wellbeing		
	Congruence	Capacity	Security	Connectedness	Stimulation
Inclusivity Project's Cultural Analysis					
Cultural Assessment		1		1	
Leadership Alignment	1				
Global Consciousness Indicator		1		1	

Notes:

The cultural assessment and global consciousness indicator provide information about an individual's personal capacity to generate wellbeing (a component of overall capacity), and on their ability to form effective relationships (a component of direct wellbeing).

The Leadership Alignment provides information on personal congruence, an aspect of which is the congruence between personal objectives and the objectives of the society in which the individual lives.