

A framework to understand and profit from global forces of change.

Capableism

VS.

Capitalism

by Dan Sullivan

Since the late 19th century, capitalism has been something people have loved or hated, but, either way, you couldn't ignore it and the influence it's had on society. It has been the overriding issue in human history over the past two centuries. Many scholars believe that all the wars of the 20th century were essentially one Great Capitalist War, all of them fought to see who and what form of society was going to best harness this extraordinary economic force in the world. With the collapse of the Soviet Union in 1991, it was pretty well decided that Western-style capitalism — exemplified by the United States — was the winner. Many “experts” on the winning side now felt confident about making powerful predictions about the 21st century.

The predictions said that global progress was now only a question of bringing all countries and peoples into a global capitalist system. For many individuals, it seems that this worldwide integration of all activities and organizations within capitalism means that all other human issues are subsidiary and dependent. For these “capitalist enthusiasts,” one's access to, and use of, capital is the single determinant of personal success, status, and security. Nothing else is as important, and no other human qualities or considerations count as much. If you master capital, you are master of your world. For those of this mind, life now has a single purpose: becoming a more and more skillful capitalist.

Capitalism Is Part of Something Much Larger.

Not everyone believes this explanation of world progress or buys into this capitalistic vision of the coming century, especially in light of what has happened to the global economic system and many of its key institutions and players in the past eighteen months. Some disbelievers are avowed enemies of capitalism, their fundamental wish being to take the world back to some mythical agrarian or nomadic society. These are generally marginalized individuals with limited credibility and influence. But other disbelievers in the primacy of capitalism are actually supporters. They do not deny the importance of capitalism or its crucial role in global progress; it's just that they don't see it as the central factor. They see capitalism as a sub-system of something much larger and more important. I count myself as a member of this group. Lately, I've been proposing a different model for understanding what drives progress in the world, one that's bigger and more inclusive than capitalism. I like to call this "Capableism."

Capableism is based on the idea that there is a powerful instinctive drive in humanity — within each individual — to constantly increase personal capability, and that this drive is what generates all progress in the world.

THE DIAGRAM

I have created the diagram at the right to illustrate the relationship between Capableism and capitalism in the 21st century.

Global Growth System

I see our entire global society as consisting of a single growth system that, because of technological capabilities, is becoming more integrated with each passing year. The world's population is now over six billion, with projections calling for ten billion by the year 2050. Because most people are now within the influence of global communications, there is a growing collective aspiration for personal improvement and progress. It is this collective desire shared by billions of individuals that fuels the growth of Capableism as the central change and improvement dynamic in the 21st century. All other institutions and structures in global society are now compelled to respond to this growing force. Many of them are failing to do so, some catastrophically, as we've seen in the past 18 months.

Potential

The desire for greater capability, and for personal and organizational growth, is always greater than the ability to achieve it. The more progress individuals achieve, the greater the potential for even more growth and progress. The more people improve, the more they want to improve. With each new expansion of capability, the hunger for even greater capability increases.

Capableism

In the center of the diagram, and in the center of human affairs, is an intense, expanding collective desire for greater capability. Capability in what areas? Capability in all areas of human experience and activity — with more areas being created every

day. This desire for greater capability always has permanent characteristics:

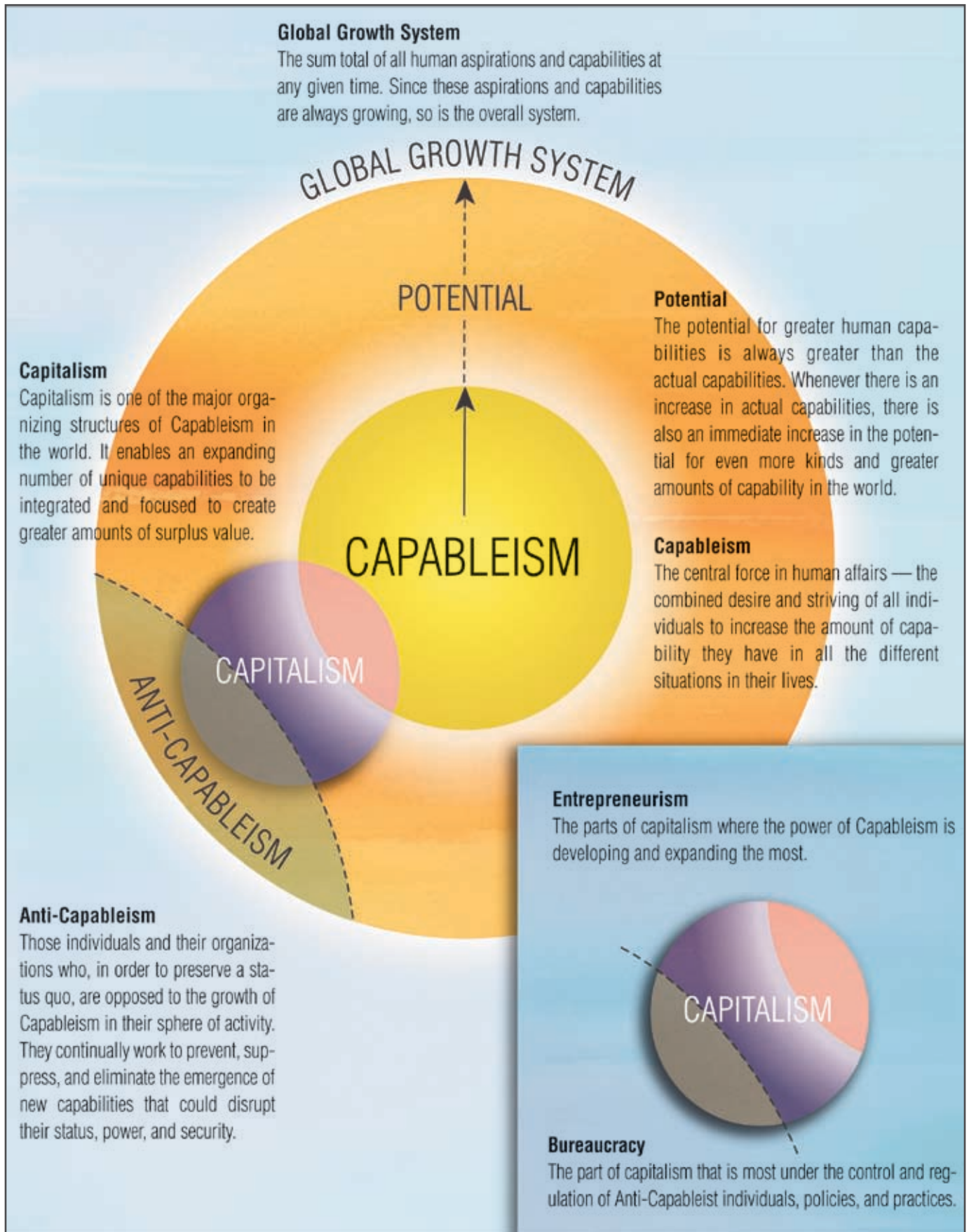
- **Infinite.** Human beings, collectively, have an infinite number of aspirations, an infinite amount of curiosity, and an infinite desire to grow in new, better, and different ways.
- **Universal.** No one has a monopoly on the desire for greater capability. It is universal, pervasive, and all-encompassing. This is not a grand, utopian notion, but an idea that reflects the infinite number of experiences and activities of six billion individuals going about their daily lives and their businesses.
- **Unequal realization.** Having said that the desire for greater capability is universal, however, it must be pointed out that there is great inequality among the structures and institutions for achieving greater capability. Certain cultures, societies, countries, and organizations have been far more successful than others in focusing, channeling, and capitalizing on the central force of Capableism. Wherever this occurs, individuals who are involved experience much greater progress and prosperity.

In the diagram, there are two other features that require explanation: Capitalism and Anti-Capableism.

Capitalism

Capableism has been an emerging force since the origins of the human race. One could say that Capableism is humanity. But the last five centuries, more than any other span of time, have seen an exponential growth of human capabilities. Each individual endeavors to become more capable, but more often than not, individuals pool their resources to achieve much faster and larger results. Out of this combined effort come all manner of structures and institutions, some of which become mega-structures. Capitalism is one of these. It is a specific, extraordinarily useful vehicle for channeling Capableism that has now taken hold, in greater or lesser degree, in the vast majority of societies on the planet.

- **Expanded cooperation.** The essential characteristic of capitalism is an incessant expansion of practical cooperation among people who are largely strangers to one another. It is this cooperation among strangers that makes capitalism such an extraordinarily useful system in the world.
- **Innovation.** The essential vehicle of cooperation is entrepreneurial innovation, which creates new kinds of value for increased numbers of individuals. Capitalism invites and facilitates new solutions in every area of life.
- **Value creation.** The expansion of cooperation becomes possible because the individuals who are included within the structures and processes of capitalism, for the most part, agree to create more value on a daily basis than they consume.
- **Surplus.** This leads to surplus value (profit), which is then reinvested to expand the cooperation even further. The



closed-loop process of value creation, profit making, and reinvestment leads to higher and higher levels of cooperation — continually involving greater numbers of diverse individuals and groups in the world.

Anti-Capableism

Over the past two centuries, some groups of people have identified themselves as anti-capitalist when, in fact, they have actually been Anti-Capableist. Anti-Capableism usually takes on two distinct forms of protest and resistance:

- **Reactionary.** These are individuals who are frightened by the emergence of new capabilities that they do not understand and that they do not possess. They feel powerless in the face of other people's superior capabilities. More than that, they experience these new capabilities as disruptive forces that undermine the meaning and security of their lives.



Bleu Provence (Phil Fisher)

- **Bureaucratic.** Bureaucracies often start off as positive and progressive organizations. But as the internal structures and methods become more entrenched, the individuals within the bureaucracies become more self-serving. Increasingly, they focus on their place in the pecking order and on the internal politics of the organization. This leads to a growing disconnect between the organization's internal priorities and activities and its original external purpose for existing. As this happens, virtually any new capability that develops in the outside world is seen as a potential threat to the status quo of the organization and its members. Because bureaucracies have power over outside events and situations, they are able in many cases to frustrate,

undermine, and prevent the emergence of whole new areas of capability. There are millions of bureaucracies in the world, in every sector of human activity, that are practical enemies of greater Capableism.

Entrepreneurism vs. Bureaucracy

Finally, if you look again at the diagram, you'll see that the smaller circle representing capitalism partially overlaps the larger circle of Capableism. The overlapping area is the sector of capitalism that is dominated by entrepreneurs, where emerging innovations continually facilitate the growth of greater Capableism within the capitalist system. The other overlapping area within the capitalism circle, farther out toward the margin, represents where capitalism is in the grips of anti-capableist forces. This is where the usefulness of capitalism is being undermined by reactionary and bureaucratic opposition. Examples of this in our own times would be large portions of the labor union movement and certain sectors of the legal

industry — as well as political parties and movements based on or influenced by socialist principles.

MAKING GREATER SENSE OF THE WORLD OF CHANGES

By using this Capableism diagram in thinking about your own personal life and about the world at large, you can make much greater sense of the changes that are taking place in every area of daily life. Capitalism develops out of the inescapable desire to increase human capability. It is one of the major ways in which Capableism expands — but it is not the only way. Democracy is another, as are science, technology, and culture. Capitalism, therefore, like these others, is a sub-system of Capableism; it is not the most important factor or

force on the planet.

It is Capableism, therefore, that gives rise to capitalism — and many other liberating structures and institutions — not the other way around.

SUMMARY

What drives individuals to improve is not greater mastery of capital, but greater expansion of their unique capabilities. Human beings at their core are not capitalists, but Capableists.

- Capitalism is an acquired knowledge and skill that we may or may not learn over the course of our lives, but each of us is born with a natural instinct for Capableism.



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- This individual drive for greater capability in all areas of our lives governs all of our other motivations and characteristics.
- Our greatest happiness as individuals is measured by the degree that we can continually become more capable.
- Our greatest periods of unhappiness come from having the drive for increased capability frustrated or blocked, and from the resulting cessation of growth as a human being.
- If capitalism, therefore, is going to be a positive and beneficial factor in human affairs, it must always be developed in the service of Capableism.

Harnessing the Power of Capableism

From this perspective, the upheavals and structural changes we've been experiencing can be viewed from 30,000 feet as the effects of the forces of Capableism taking down structures that no longer support its growth. To business leaders on the ground, the message is to focus on what you do that increases the capability of others, both to deal with this uncertainty and to move ahead confidently in spite of it. Looking at my entrepreneurial clients, I see that those who have focused on creating and effectively communicating true value — those who provide direction, confidence, and capability that their clients can't get from competitors — are experiencing this as a time of unprecedented opportunity, while those who rely primarily on selling commoditized products and services are suffering.

It's time, more than ever, for smart entrepreneurs and other business leaders to build their businesses around increasing the capabilities of others. For many, this will be a paradigm shift that will require entirely new ways of thinking about what they do and how they do it. At the core are the customers' shifting motivations: what keeps them awake at night, what they're most excited about and what they most want to support and develop in themselves. Businesses and other institutions that can figure out how to genuinely help people eliminate their biggest dangers, capture their biggest opportunities and maximize their most valued strengths will always be able to draw customers and generate income. Those that can't consistently deliver on these fundamental human desires will continue to fight a losing battle against the undeniable forces of Capableism.



Dan Sullivan is president of Strategic Coach Inc. and creator of the Strategic Coach Program that has helped over 13,000 successful entrepreneurs work less, make more money, do what they love, and make their competition disappear. Learn more at www.strategiccoach.com.

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