

internality

The *Manifesto*

Fred Keller and Stuart Hart

THE MANIFESTO

The Next Economy Will Not Be Announced. *It Will Be Built.*

We are living through the end of an economic era.

Not a recession.

Not a correction.

An ending.

The system that organized work, capital, growth, and legitimacy for the last half-century is losing predictive power. Its signals no longer align with its promises. Its outcomes no longer justify its assumptions. This is not ideological conjecture. It is empirical reality.

Across advanced economies, productivity has risen while wages have stagnated for decades, a divergence well documented by the Economic Policy Institute and echoed by OECD data. In the United States, 41% of households rely on government assistance to survive, a figure that would have been politically unthinkable a generation ago but is now economically normalized. Employee engagement has stalled near 31% globally, even as labor costs rise. Climate-related disasters now average over \$140 billion annually in the U.S. alone, according to NOAA, collapsing the fiction that environmental risk can be externalized indefinitely.

All these factors contribute toward one overall trend.

The economic operating system we inherited was optimized for conditions that no longer exist: cheap energy, abundant labor, social cohesion as a given, and infinite growth on a finite planet. That system did not fail because leaders lacked values. It failed because its design constraints were never updated.

As the economist Joseph Schumpeter warned, capitalism is not static; it mutates or collapses under the weight of its contradictions. Richard Wolff has shown how the concentration of decision-making around surplus distribution creates structural instability. Jason Hickel has demonstrated that growth divorced from planetary and social boundaries is not progress, but liquidation. Amartya Sen reminded us decades ago that economies should be judged not by output alone, but by what they enable people to be and do.

What we are witnessing now is those theories becoming operational.

THE SIGNALS LEADERS CAN NO LONGER IGNORE

Work has broken free from place.

Remote and hybrid work has stabilized not as an anomaly, but as a new equilibrium. It is a redistribution of power, optionality, and expectation. When labor can choose, authority must be earned.

Wages are rising, but stability is not.

OECD data shows real wages recovering post-inflation, yet remaining below pre-2021 levels in most member countries. Higher pay has not restored trust. Affordability pressures persist because compensation systems were never designed to interface with benefits cliffs, housing costs, or care economies.

Engagement has collapsed into detachment.

Gallup's data makes plain what executives feel intuitively: people are showing up, but not fully buying in. This is not laziness. It is rational behavior in systems that no longer reciprocate loyalty.

Externalities are returning as costs.

Climate volatility is repricing insurance. Supply chains are fragmenting under geopolitical strain. Community erosion shows up as churn, absenteeism, and political risk. What was once "outside the balance sheet" is now embedded in it.

Legitimacy has become a strategic asset.

Trust in institutions has decayed across democracies. In that vacuum, businesses are no longer neutral actors. They are visible systems of power, whether they accept that role or not.

Together, these signals form an unmistakable pattern: the old rules no longer govern outcomes.

WHY POLICY WILL NOT LEAD THIS TRANSITION

History is instructive.

From workplace safety to environmental standards to modern compensation norms, durable economic change has never originated in legislation alone. It emerged from practice, proved itself under real conditions, and was later codified.

Policy follows operating reality. It does not precede it.

Today's policy debates remain trapped between nostalgia for a system that no longer works and abstractions that have not been tested. The result is delay, polarization, and blunt instruments applied to complex systems.

The next economy will not be engineered in hearing rooms. It will be prototyped inside firms.

THE FIRM AS THE NEW FRONTIER OF ECONOMIC DESIGN

The quiet truth of the moment is that the firm is now the most powerful site of economic innovation.

Privately held companies, in particular, occupy a unique position. Free from quarterly earnings theater, embedded in communities, and responsible for the majority of new job creation, they possess something increasingly rare: the ability to experiment with continuity.

Richard Wolff is right: who controls surplus matters.

Hickel is right: what we choose to grow matters.

Sen is right: what people are enabled to become matters.

But theory alone is insufficient.

What is required now is disciplined experimentation:

- Redesigning compensation and benefits so work restores stability rather than triggering loss
- Treating culture not as branding, but as economic infrastructure that enables coordination, trust, and adaptation
- Testing incentive structures that reward long-term resilience, not short-term extraction
- Making tradeoffs visible rather than hidden

Some cynics might pass this off as moral performance, but it is really strategic realism.

A NEW OPERATING LOGIC: FROM OPTIMIZATION TO STEWARDSHIP

The leadership posture of the last era was optimization: extract efficiency, minimize cost, scale fast.

The posture of the next era is stewardship under uncertainty.

That requires a different toolkit:

- Experimentation instead of prediction
- Shared intelligence instead of isolated strategy
- Simulation instead of static forecasting
- Resilience as a metric, not an afterthought

Economies are sociotechnical systems. Financial performance, social cohesion, and ecological stability are interdependent. Treating them as separate domains is a fragile way of thinking.

THE ART OF THE POSSIBLE

Imagine an economy where:

- Work reliably produces stability rather than precarity
- Communities strengthen supply chains rather than weaken them
- Leaders collaborate pre-competitively on systemic constraints while competing vigorously on execution
- Compensation systems align with lived costs, not abstract averages
- Environmental responsibility reduces risk rather than increasing it

Is this utopian? Maybe. But it's also designable.

But it cannot be decreed. It must be tested.

THE ROLE OF PIONEERS

Every economic transition has been led not by consensus, but by a minority willing to move first.

Those leaders did not wait for permission. They built evidence.

Today's pioneers will:

- Accept that the rules have changed
- Experiment openly, responsibly, and rigorously
- Refuse to manage decline through nostalgia
- Share what works so systems can evolve

This is not optional. The transition is already underway.

The only remaining choice is whether leaders experience it as authors or subjects.

A FINAL WORD

The next economy will not be announced with fanfare. It will emerge quietly, unevenly, and decisively from practice.

Those who understand this moment will stop asking, "What should we believe?" and start asking, "What can we test?"

That is where *the future is being built*. And it will belong to those willing to lead inside uncertainty.