



## **TransFormNation: A Suggestion for Rapid Top-Down Transformation**

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### **Abstract**

*The last 60-70 years have seen the end of the industrial revolution and the rise of the post-industrial era. The way we, as humans, are treating our environment (and each other) is threatening our very existence on our planet. This becomes apparent when we examine the reality of climate change, pollution, destruction of biodiversity, inequality and more. We must replace the current focus of “maximization of economic values” with a multidimensional framework that includes consideration of Economic, Societal, Environmental and Consciousness factors (ESEC).*

*The problem with climate change and other environmental and societal **changes is that they are external, meaning they are beyond the scope of classical economics, and they are long-term problems. This is especially problematic because governments and business leaders are short-term thinkers.** We can look at the Sustainable Development Goals (SDGs) as the widest consensus on long-term transformations needed. Since the SDGs were ratified by the governments of the world, it is the business of those governments to achieve them and radically transform them. The SDGs are a good enough approximation to close the gap and to internalize environmental and societal externalities.*

*We do not have time for a long-term approach to change; we cannot wait for the next generation’s education to take effect. There must be a simultaneous approach. A top-down framework to rapidly transform our leadership is essential to complement the bottom-up approach of education. A bottom-up approach takes decades to take hold, whereas a top-down approach is expedited and can even be implemented within a year.*

*Over the past decade we have developed a method that accelerates transformation in individuals and groups. This methodology comes from decades of experience in the field of organizational and personal transformation and a series of global workshops focused on accelerating a shift in consciousness. We believe we can transform nation-states by working with decision makers and leaders on the necessary transformations for their respective countries. This is a proposed model based on years of research and working with global leaders. It is called **TransFormNation (TFN)**.*

## 1. Introduction

We are not just living in an era of change, but rather through a change of an era.\* Humanity today numbers around 7.8 billion. Only 200 years ago there were merely 1 billion people on the planet. Alongside our population growth, there has been a rise in life expectancy and standard of living. These shifts in size, life expectancy and standard of living require more materials and resources than our planet is capable of sustaining. Even though we may have grown eightfold, our stress on the planet has grown much more than that.

The industrial revolution brought vast amounts of pollution into our living systems in the sea, land and air and we are now exposed to climate change and other environmental challenges not witnessed in millennia. We have lost countless species and biodiversity, we are straining the limits of minerals and materials and changing the very planet we live on.

Much of the growth in the past two centuries is due to our Capitalist economic system. Sadly, this growth has not been responsible for the “thrive-ability” of our planet in terms of society and the environment. In fact, Capitalism has caused severe damage to social and environmental frameworks, to a level that now threatens the continuation of the human species on Planet Earth. Nobel laureate Joseph Stiglitz (2012) argued that the “invisible hand” is invisible because it is not always there! This refers to the elements of our economic system that are not quantified, such as the environment and social issues.

We must transform our economic system. We have seen humanity undergo transformations such as the abolition of empires, the end of communism and the globalization of the world economy. These transformations are marked by a shift in values and a change in our framework of thinking. The most powerful tool we have to accomplish this is education. Education allows us to look at our system today and realize what is lacking. However, this tool may not be equipped to deal with our current challenges

## 2. Education

Education is usually seen as a “**bottom-up**” framework that starts by implementing change or values in the next generation. For instance, we teach our kindergarteners, high school students and young academics the values which we wish to see represented in our world. This lengthy process of education is an investment in the future. The World Academy of Art and Science (WAAS) has dedicated many sessions to education in a number of their recent conferences.†

It is our opinion that we must work in parallel to create a “**bottom-up**” framework for future generations and a “**top-down**” framework for governmental decision-makers, regulators, heads of industry, etc. They must exist simultaneously in order to truly affect the system. One must consider that a bottom-up approach takes decades to take hold, whereas

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\* Annex 1

† Four International Conferences on the “Future of Education”, and a five-day conference on “Strategies for Transformative Global Leadership” in June 2020. Summaries of some of the articles and videos can be found on *CADMUS* Journal 2 parts A and B (June 2020); <http://worldacademy.org/academy-activities> and <http://cadmusjournal.org/volume4-issue2-may-july-2020>

a top-down approach can be rapid and even be implemented within a year. We must begin to adopt a top-down methodology in order to make effective decisions within the short time we can.

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*“We must move from a slow evolution (i.e. change) to a rapid transformation. We do not have time for a long-term approach to change. We cannot wait for the next generation’s education to take effect.”*

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### 3. Our Challenges

Since humans have so drastically affected the globe, we have deemed this era the “Anthropocene”\*. This term reflects how humans influence the planet as much as over 4+ billion years of geological forces. These past generations of humans are no longer simply part of the system, they are one of the main forces shaping it. If at first our evolution was moderate and slow moving, now we find ourselves with little time to solve the challenges that have arisen from our part in the system.

We must act in urgency as we are now in an existential storm of processes: Expedited population growth, mass consumption and production, depletion of natural resources, and growing amounts of pollution. This is indicative of exponential change. At first, one does not notice the change at all, and by the time you notice, it is nearly too late. One cannot solve a problem by following the same principles that created it.

Changes are occurring in ways of thinking. People are beginning to believe that they should not serve the economy, but rather that the economy should support their basic values. In such an economy, “doing good” (socially, environmentally and ethically) should support, rather than stand in contradiction to “doing well” (economically).

Current and future crises such as COVID-19, climate change, inequality, and the retreat of democracy are all challenges we currently face as a united human society. In order to address these challenges, we need leadership to evolve and act. Due to the urgency of this moment, we must move from a slow evolution (i.e. change) to a rapid transformation. We do not have time for a long-term approach to change. We cannot wait for the next generation’s education to take effect. A top-down framework to rapidly transform our leadership is essential to complement the bottom-up approach of education.

We can apply a top-down approach through our economic system and the metrics that we use. Capitalism, in its current form, is based on a system of scarcity (land, labor, capital). This conception is outdated in an age of endless data, robotics and scientific innovation creating new challenges such as the future of jobs and sustainability. The tools and metrics of this

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\* Diane Ackerman, *The Human Age—The World Shaped by Us*, 2014 ISBN-13: 978-0393351644

paradigm are not suited for solving our current issues, and our time is running out. As long as the economic model does not account for economic externalities, we are doomed to repeat mistakes, deplete ecosystems, neglect society and not take into account the many effects of our economic system, namely, our commons. Our commons are where “the invisible hand” is indeed invisible.

We must incorporate and endogenize externalities and fundamentally transform systems in order to take into account a fuller picture of the state of the world. The fundamentals must transform as we cannot solve problems by using the same kind of thinking we used when we created them.

#### 4. An Opportunity to Apply New Metrics

We can move towards a more holistic approach that takes into account economic, societal, environmental and consciousness factors (ESEC) and replace the current focus on the “maximization of economic values” with a multidimensional framework. Adding the component of Consciousness (ethical values, civil consciousness, consumer consciousness, etc.) to the earlier “triple bottom line” approach is essential. This framework represents an extension and growth of our *values* as opposed to our *monetary system* and will be more suited to take externalities into account.

Our current economy, and thus, conception of reality dictates our values and allows us to ignore the environmental, consciousness and societal factors. It partially stems from our economic metrics that focus on metrics such as GDP and growth. These systems do not account for environmental, social and consciousness factors. Rapid growth and urbanization are expediting the depletion of minerals, wood, water, air and more resources in an exponential way while there is no universal understanding or approach to account for the impact this creates.

Metrics do not merely serve as tools for measuring results. They actually act collectively as compasses or a dashboard, leading us on our way. Using inappropriate metrics leads us in the wrong direction. There is an urgent need to add non-economic dimensions to the dashboard. This is the way we should move from an industrial world to a post-industrial world. This is something that is done to varying degrees in impact investments and responsible investing principles.

A plethora of alternative metrics exist spanning the gamut and alphabet: There are voluntary approaches in the sphere of Corporate Social Responsibility (CSR) that are facilitated by the Global Reporting Initiative (GRI)\* and Sustainability Accounting Standards Board (SASB)†, there are scorecards‡ and certifications,§ there are accreditations such as BCorps,¶ and a variety of metrics measuring different aspects of impact such as ESG\*\*

\* <https://www.globalreporting.org/>

† <https://www.sasb.org/>

‡ <https://www.multicapitalscorecard.com/multicapital-scorecard/>

§ <http://leed.usgbc.org/leed.html>

¶ <https://bcorporation.net/>

\*\* <https://www.investopedia.com/terms/e/environmental-social-and-governance-esg-criteria.asp>

metrics, Ecological footprints,\* Social Value Metrics,† Social Return on Investment (SROI)‡, Principles for Responsible Investment (PRI)§, etc.

Many of the tools and dashboards that facilitate such metrics are employed by organizations that voluntarily care about the impact that they create such as IRIS+ used by the Global Impact Investing Network (GIIN). This means that these metrics are more a matter of morals and principles which, sadly, are not drivers of economic change. Therefore, we do not see a wide adoption of these tools and we do not have consensus around them or their applicability.

There is one set of goals that are widely agreed upon. In 2015, the United Nations created a paradigm shift. All the countries have committed to reach the 17 Sustainable Development Goals (SDGs) by 2030. Trillions of dollars are invested annually in these goals for long term output. These SDGs include the aforementioned ESEC parameters. Since all the countries in the world have adopted the SDGs, this represents a global consensus never before seen.

The annual financing gap of the SDGs is predicted to grow from 2.5 trillion USD by an additional 1.7 trillion due to COVID-19. This figure references developing countries alone and could mean that the SDGs as a whole will not be achieved.¶ We must recognize this bottleneck of financing for sustainable development if we are to address the issues at hand, a concept we have addressed at length in another article.\*\*

In our modern economy, change is fast paced and constant due to digitization, globalization and advancements in technology. The SDGs are very useful because they are long term goals in a world that is changing rapidly. The SDGs are by no means perfect but they can serve as good benchmarks for long-term planning and thinking. They can help us understand what issues are at hand and must be solved while they leave room for future innovations, growth and evolution of our economy.

Considering the consensus around these metrics and their wide adoption, we can use them as a proxy to issues regarding externalities as well. Using the SDGs as a set of goals and metrics can allow us to begin to take into consideration our impact, and begin creating an economy and regulation around these shared goals. This must be propelled by the leaders and heads of states.

For the right leadership to arise we must implement a system that is aligned with the SDGs and based on trust, as it is imperative for the functioning of society and the economy. We can bring about such transformation in a system that works bottom-up, creating demand, and top-down, creating implementation. In an exponential age of change we must think of change as an exponential process as well. As such, change sometimes does not seem to affect us until it is too late to act.

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\* <https://www.footprintnetwork.org/>

† <https://socialvalueint.org/>

‡ [https://www.investopedia.com/ask/answers/070314/what-factors-go-calculating-social-return-investment-sroi.asp#:~:text=Social%20return%20on%20investment%20\(SROI\)%20is%20a%20method%20for%20measuring,create%20value%20for%20the%20community](https://www.investopedia.com/ask/answers/070314/what-factors-go-calculating-social-return-investment-sroi.asp#:~:text=Social%20return%20on%20investment%20(SROI)%20is%20a%20method%20for%20measuring,create%20value%20for%20the%20community)

§ <https://www.unpri.org/>

¶ OECD, Global Outlook on Financing for Sustainable Development 2021, A New Way to Invest for People and Planet.

\*\* Yehuda Kahane, "The New Economy: A Financial Climate for Climate Finance", *Cadmus Journal* 4:2 Part b (June 2020) <http://cadmusjournal.org/node/787>

## 5. Transformation

We talk about transformation because our current system is fundamentally unsustainable. It is built on notions that require us to consume and waste under linear modes as opposed to circular models and “Cradle to Cradle” design.\* There are many transformative methodologies available for businesses to adopt that allow for more sustainable and often more economic and efficient modes of work. These same principles of transformation of businesses can be translated into a framework at the government level.

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The World Benchmarking Alliance recently proposed seven systems that must transform to achieve the SDGs: De-carbonization and Energy, Food and Agriculture, Urban systems, Social systems, Digital systems, Circular Economy and the Financial System. These transformations are well on their way and countries that do not transform with their global environment will be left behind.

It is crucial that there be a consolidation of tools and standards regarding impact metrics to allow leadership to measure and manage their work. Many impact metrics available today are aligned with the SDGs and need to become common practice to avoid SDG washing and misappropriating funds. Similarly, for cradle to cradle design principles, states can use monitoring and analysis of data, regulations and policy, and education to design their future to be in line with sustainability. This means mapping out industries and society to see where transformations are most crucial.

But in order to put in place such transformations on a state level we must begin with leadership. These changes must happen rapidly, which would require us to work with leaders and decision makers such as ministers and regulators. These ministers and regulators are the ones in charge of the budgets, the laws, the incentives and the regulation, all they must do is align with the SDGs to start creating change. This means that the transformation is not so much of the actual state, but rather of those leading it.

## 6. Transforming Consciousness

Change is incremental and does not imply changing our original premise. Change simply will not do regarding the challenges we face. Transformation is rapid, it is a fundamental shift of context that redefines what is possible and allows us to look outside of our usual framework.

In the post-COVID world we must transform quickly—looking at the reaction to the pandemic, it is clear that some things work, and some things do not. We are generating a

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\* Michael Braungart, William McDonough, Cradle to Cradle: Remaking the Way We Make Things EVA, Hamburg, (2002)

conversation around a possibility—the possibility is that maybe there is a phenomenon of transformation, that if distinguished, will accelerate the adoption of the above-mentioned solutions to our challenges.

We must remember that the transformation of nations is a response to transformations happening around them. The inner transformation of a nation is necessary to be able to innovate and respond with resilience to the transformations happening globally. We cannot wait or be content with simple change. We must use transformative methods.

When the understanding of context shifts, that is transformation. Transformation is a phenomenon of consciousness while change is merely a result of that transformation. Transformation catalyzes action, actions lead to change and we must make clear the shift of context that is happening in our world if we wish to see action. When world leaders understand that the world is fundamentally changing around them, they will change their actions accordingly or be left behind.

When we understand that transformation is essentially a shift of the context in which we live, we must merely point out what context that is, we must distinguish it. We suggest that the context in which we live is that of an economic system, one that is not holistic and does not account for all of our needs. Changing the fundamental metrics of that economic system and its impacts will lead to inevitable action.

Countries can aspire to transform their economies to be in line with their values on a global scale. States must take on this responsibility as there is consensus around the SDGs. The SDGs are a useful proxy for externalities as they are agreed upon globally. With the support of international entities and coalitions, we can transform our economies to better serve our values and take into account a more robust system that includes externalities.

## 7. TransformNation

Between 2015 and 2020 we went through extensive research and development, conferences, seminars, labs and meetings with leading researchers, scientists, Nobel laureates, opinion leaders and influencers. We knew that 2020 would be an important year due to our forecasts and risk assessments.

We can look at the transformations of countries through the lens of the environment and technology that we live in. As can be seen on our website\*, Israel is a great case study for rebooting. Reboot is a term we adopted in 2008, borrowed from the world of large systems. A country can “download” a “new operating system”. The COVID-19 virus, like in a computer, has hurt humanity like never before and stopped the world economy. The reboot we are going through personally, as people, has introduced new rules. We are in a new world.

As with an actual reboot of a computer, there are necessary steps we must follow when “downloading” the SDGs. There are no shortcuts, and whoever is ready for tomorrow is already working on resilience of their system. Rebooting is like a map of scenarios, of parallel actions that are synchronized and work together. The reboot fixes the virus and uploads an

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\* <https://ykcenter.org/>

operating system that the country can work with new basic assumptions as a new reality on the ground. Each country must work in its own jurisdiction, which it must keep safe and prepare for future generations.

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At every accelerating meeting with leaders and decision makers we focus on accelerating the connections and partnerships between participants. The audiences change but the results are inevitable when you use the right technology to accelerate breakthrough thinking in working groups. Today, as opposed to the old world, that stopped in 2020. We can brief, prepare, teach and create the low costs using new communication technologies. Global transformation in the second half of 2021 is a global market that is estimated by Forbes as a billion dollar market. This is the self-education market which will accelerate transformation in the world. New virtual conferences can happen around the world with hundreds of thousands of participants globally—virtually connected and socially distanced.

This can be done in 3 steps. We met to accelerate and create a model for implementing SDGs. We did this as part of the UNDP and with friends in Armenia whom we have trained and led in workshops. The next steps are a series of steps in a chain of synchronization steps, connected and meant to enroll organizations, countries and people.

The most critical thing is creating the right financial climate and creating the perfect storm for transformative processes. The next step is finding the leaders and training and preparing the steering group, an SDG cabinet. Then we create a financial climate that is required for implementing the goals and is necessary as the first step to any program of implementation and transformation towards the global goals and moving them into local goals. This is what we are interested in. This is where the vision becomes clear and reality changes according to the goals.

## **8. Our Methodology**

In order to bring about transformation, we have developed a unique methodology called “Game-Changing Labs”. These labs are based on conversations, research and development with leaders from around the world. Our unique model utilizes “Accelerating Circles”, which allow the participants’ transition from individual genius into collective wisdom, what we call a transformation from “Me to We”. This transformation enables group impact and alignment. We have used this methodology in the public and private sectors with success and we believe that moving it to the state level can bring outstanding results.



Adding to the existing intelligence and expertise in every country, alongside international support, labs can be tailored to the needs of the group.

## 9. Design Principles

The labs are a practical program based on ESEC values. The program allows independent thinking that is outside of the regular faculties and departments of universities. This is the **only way** to move from an industrial world to a post-industrial world.

The design principles are inspired by the computer industry. If there is a problem that cannot be fixed by other means, the best way to deal with it is to **reboot** the system and change the drive. In this way, previously gridlocked problems are solved, and the system can run again.

**Breaking Silos – Re:View/Re:Think/Re:Learn:** Utilization of models which enable the transition to a new economic universe—purposeful, fair and participatory. Moving from individual genius to collective wisdom/insight, moving from “Me to We”.

**National Stakeholder Alignment – Re:Create/Re:Invent/Re:Design:** Introducing the New World & New Economy. The 4D ecosystem, The Game-Changers Model and alignment needed with the SDGs. We map and create “A Financial Climate for Climate Finance” and other important issues in the country.

**National SDG Roadmap – Re:Set/Re:Start/Re:New/Re:Act:** Here we focus on the country’s impact and purposeful group alignment. We convene into groups according to the 4 dimensions that need to be addressed in the country: Economic, Societal, Environmental, and Consciousness. Thus, we map the needed step to close the gaps on the SDGs according to national priorities.

We implement this TransFormNation framework in a series of events that allow us to transform leadership and affect action both from the top-down and the bottom-up. The main outcome is a unified team that can work collectively. The time allotted for the different steps can change from group to group according to the assessed needs. The key success factor of TransFormNation is the scale and size of groups working together in aligned action to fulfil the SDGs of said nations.

## 10. Concluding Remarks

Humanity grew exponentially for millennia leading up to the post-industrial revolution. The first revolutions took a long time to come about, but the time between revolutions became shorter and shorter. Each revolution brought growth and with it more and more damage to the environment. This pattern should make clear that we must act with **urgency** as our time grows shorter.

Capitalism may have been responsible for much of this growth; however, it is ill-suited to grow our society any further. It is time for a new economic model. Considering that the Anthropocene is an age in which we are affecting our environment like never before, we have little time left in this state of emergency and we must act swiftly.

To create rapid change, we must educate future generations in a long term, “bottom-up” framework to inspire a change in values, while in parallel, we must complement this effort with a more rapid “top-down” framework of working with heads of states and decision-makers. These efforts must work together to instill long-term, rapid change.

Using the SDGs as a compass and as an approximation of externalities, we can make use of this unprecedented consensus to implement a transformation in our educational system, our economic system and our society at large. This is an opportunity to transform humanity and move on to the next stage in our evolution in a sustainable way.

## Annex 1 – Change of an Era

Human society arose around two hundred thousand years ago. Homo sapiens excelled in the development of the frontal lobe of the brain. This part of the brain is responsible for speaking, communication and future planning. Due to these skills, humans developed tools, reading and writing, cultural values, etc.

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*“The digital revolution has changed the very basis of the capitalist economy which is an economy based on scarcity.”*

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The human species grew at more or less an exponential rate. That means that over a long time the relative size of the human population was not so impressive. As soon as the process of exponential growth comes to its maturity the absolute level becomes quite alarming. Over 200,000 years of evolution, humans moved from being hunter-gatherers, through the stone-age, the agricultural revolution, the middle-ages and a renaissance, all at a slow pace. Change happened sporadically as fire, tools, the wheel, weapons, ceramics, domesticated plants and animals, writing, ornaments, metals, glass, paper, gun powder, religion all slowly appeared. These discoveries were in “slow motion” and, therefore a grandfather and his grandson lived roughly the same way.

In the year 10,000 BC there were only 4 million people in the world! At the year 0 the global number of people was between 170-190 million. By 1800 it had grown to reach the 1 billion mark, in 1900 there were 1.6 billion, and by 1960 it was 3 billion!\* In 200 years the industrial revolution created much more population to feed while the population demanded more per capita. Vast transformations and technology were integrated into society. The steam engine, electricity, trains, the telegraph, automobiles, photography, film, radio, typewriters, military equipment, ice boxes, and then electric refrigerators, flight, and the atomic bomb all changed our society profoundly.

Beyond these technological breakthroughs, the most dramatic of breakthroughs is the digital revolution. The digital revolution has changed the very basis of the capitalist economy

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\* Colin McEvedy and Richard Jones, 1978, Atlas of World Population History, Facts on File, New York, ISBN 0-7139-1031-3. OurWorldData.org CC-BY-SA author Max Roser.

which is an economy based on scarcity. We live in an age of endless information, data and accessibility. Our economy allows us to have more, pay less, and have access to it all the time.

This digital age has changed our level of consumption and standard of living dramatically. The level of consumption per capita has increased in the last 60-70 years and we find ourselves in a **post industrial and scientific society** with unimagined means of communication, computers, plastics, biomaterials, genomes, drowns, artificial intelligence, and space-age breakthroughs.

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