

CHANGE OF ERA

OUR WORLD IN TRANSITION



JAN
ROTMANS

Boom

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I always had the feeling I was too early. Out of place, out of time. I started doing climate research when it was largely an uncharted domain. At the time, some three decades ago, I was even advised not to go on with it, as it was too uncertain a field. Stubborn as I am, this was precisely a reason for me to continue. When after ten years I handed over supervision of the IMAGE integrated climate assessment model, large-scale interest in the climate issue began to emerge. I'm proud to note that the IMAGE model, 32 years after I began work on it, is still being further developed, as well as being used in international climate negotiations.

Next, I started on my quest for the holy grail of sustainability: the ultimate definition, the perfect model, the all-encompassing answer. After I realized it didn't exist, I began to explore the idea of addressing sustainability pluralistically, by starting from multiple perspectives on the fundamental uncertainties involved in sustainability. Many initially misunderstood this, and my approach met with criticism, in particular from science. More understanding and recognition for the multi-perspective approach to sustainability, both in scenarios and models, did not emerge until much later. Again, it seems, I was too early.

Later on, some 20 years ago, the concept of transitions crossed my path: a virtually unknown phenomenon in my research world at the time, which no one really considered to be promising. Again, I was discouraged from exploring it in more detail. 'Why is there a need for transitions,' I was asked. And: 'Can't you give a specific example of a transition, because it is such an abstract notion.' Today, it is a much-used concept in all sorts of domains, showing up quite frequently in the media, while I lecture on it almost on a daily basis. Our Prime Minister Mark Rutte recently characterized the energy transition as 'super cool'. When people explain to me how a transition works, I put on a smile. Only now do things appear to converge, and I get the sense that I am perfectly attuned to the spirit of the age – that I coincide with it. At last, people understand what I am doing and also acknowledge it.

Sometimes I jokingly say that in essence I have been telling the same transition story over the last 20 years. If at first my message was ignored and next misunderstood, eventually it was recognized as well as, later, acknowledged. This says less about me than about the world around us, which is changing drastically at a rapid pace: the shifting world order, the new industrial

revolution, rising populism, Brexit, Trump, accelerated sustainability, etc. Intuitively we all experience that disruptive change, and this is what I try to interpret. The role of interpreter suits me well: I put people's experience into words from a transition perspective, and this offers both solace and inspiration in difficult, confusing times. But in a change of era we also need artists and philosophers who are able to interpret and give meaning to that radical change in different ways – in a single image, a song, or a poem, rather than in a thousand words. For they are the seismographers of the radically shifting spirit of the times, just as during the last tipping point period, the second half of the nineteenth century.

Here's to all change agents who are working hard on the transition toward a sustainable economy and society: topplers, frontrunners, connectors, and all those with fresh, alternative, radical ideas.

Variation on
'Think Different'
by Steve Jobs,
1997.

***'Here's to the ones who see things differently.
They're not fond of rules.
And they have no respect for the status quo.
They break away from the accepted.
You can disagree with them, glorify or vilify them.
The only thing you can't do is ignore them.
Because they change things,
they push the human race forward.
And while some may see them as the crazy ones,
we see genius.
Because the people who are crazy enough to think
they can change the world,
are the ones who do'.***

Finally, I would like to express my gratitude to all who cooperated in making this book possible. It is an updated version for an international readership of my last book in Dutch, *Verandering van Tijdperk*. I thank my co-authors Martijn Jeroen van der Linden, Helen Toxopeus, and Sandra Verbruggen. I also thank my previous publisher Aeneas and its former staff members Joop van Vlerken and Ellen van Brummelen, as well as the translator, Ton Brouwers. I am most grateful to Boom uitgevers and Elke Vergoossen, who was so kind as to take up this English version. And I thank my assistant Shifra Azimullah, who cannot be praised enough. Without all of you, this book would not have been realized!

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A Change of Era

Every so often so much changes so fundamentally and in so many areas that we do not call it an era of change but a change of era. My central thesis is that today we are living in such a tipping point period. It is a time in which not only our society is drastically and irreversibly changing, but also our economy. Such a period of wide-ranging transition is characterized by chaos, turbulence, and uncertainty. It gives rise to tensions and conflicts between those who go along with the change (the new order) and those who prefer to maintain the status quo (the old order). Above all, however, this period offers opportunities for all who actively want to go along with the transition. Let us celebrate the fact that we are living in a unique period. This is no easy task, but it certainly is a challenging one!

Transition Perspective

In this chapter I analyse the comprehensive changes we are all witnessing in our society and economy. I do so from a transition perspective. This means that I look at a certain type of changes, namely structural changes, which take place across several decades. These changes I call transitions. These are embedded in medium-term and short-term changes. The rapidly growing field that explores and investigates transitions is called transition studies, which has meanwhile developed a treasury of scholarly knowledge on transitions (Grin, Rotmans, and Schot (2010); Van der Hoeven (2010); and <http://www.ksinetwork.nl> and <http://www.sustainabilitytransitions.com/>).

Transition literally refers to a radical shift or turn, a passing from one stage to another. I try to interpret this ongoing, far-reaching shift of our economy and society. By that I mean changes in the rules, regulations, organizations, views and ideas, modes of conduct, and behaviour that define our society's functioning. Comprehensive transitions in our society and economy are slow by definition; it takes time, after all, to break down the existing order and build a new order. A period of two generations is a normal timeframe for a transition. Within one and the same period of transition, however, change may accelerate at times, marked by breakthroughs in many areas. Next, the process of change may slow down again or even stagnate somewhat. A transition can be both a kind of revolution, because radical by nature, and an evolution, marked by small steps and gradual progression. When we zoom out, looking at transitions from a distance, they seem to occur gradually, but when we zoom in they are more like erratic processes characterized by strong fluctuations. Many people who find themselves in the middle of a social or economic transition will not necessarily recognize it as such. To perceive an ongoing, sweeping process of change, one would have to step out of the social system, so to speak, and go back to it after a while. More distance in time may also allow one to discern a transition more clearly. In this sense, frontrunners and trailblazers are ahead of their time when it comes to understanding the present.

Transitions, then, are about paradoxes, or apparent contradictions. It is a matter of adding up seemingly divergent developments (and/and), instead of conceiving them in terms of either/or. It takes time to get used to this way of looking, because we tend to think in contradictions rather than connections.

Transitions are about interactions between human beings and systems. Human beings have created the systems that help us to function well. When these systems and people change in such ways that they no longer mutually strengthen each other or even hold each other captive, the systems need to be adapted, if not reinvented altogether. Only human beings can do this. In other words: we ourselves are the very catalyst of transformative change.

From my transition perspective and a Northern European viewpoint, I see a society in transition. The comprehensive transition I witness today is in part discernible universally and worldwide, but it is specifically a characteristic of several Northern European countries that politically, culturally, and socially are to some extent comparable. I refer here to countries such as the Netherlands, Belgium, Germany, the UK, France, Denmark, Sweden, Finland and Norway. From this geographical perspective I focus specifically on the Netherlands, as exemplary of a Northern European country undergoing a fundamental upheaval.

Previous Big Transition

My thesis is that our society today is undergoing a wide-ranging transition, a special period between two eras. This dynamic period is marked by several simultaneous transitions in divergent fields, which is why it may be called the 'Big Transition.' This term refers to a number of fundamental changes in our economy and society that mutually reinforce each other and that can be seen as harbingers of a new era. In other words, we are living in an exceptional time. This is what I understand as the Big Transition, or a 'change of era,' a notion coined by Herman Verhagen in his book on the sustainability revolution (*De Duurzaamheidsrevolutie*, 2011).

Can I really prove that this is not simply an era of change but a change of era? No, in the case of this kind of complex dynamic of change this can only be established in retrospect. But there are strong indications that this is indeed an exceptional period. To identify these I also explore the past to find a similar period of fundamental change? A comparable Big Transition took place in the second half of the nineteenth century, a time of radical modernization. Although that period is not marked by a strict beginning and end, three fundamental developments took place in the years between roughly 1850 and 1900: (1) the second stage of the Industrial Revolution; (2) a shift

in power through the rise of a new middle class; and (3) the modernization of society.

The second stage of the Industrial Revolution centred in essence on steel, electricity, the steam turbine, and the combustion engine. This made it possible to produce goods from raw materials on a large scale in factories, rather than on a small scale by individual craftsmen. This process, which took off in late eighteenth-century Britain, reached the Netherlands by the 1850s. In Britain the invention of the steam engine gave an enormous boost to industrial development. This was not the case in the Netherlands because this country had recently invested heavily in windmills and watermills. Until 1850, small businesses (employing fewer than ten men) were in the majority. Yet from that time the Netherlands began to invest in a completely new infrastructure, such as railroads, deep ports, telegraphy networks, and canals (including the North Sea Canal and the New Waterway). Indeed, the public works engineers at *Rijkswaterstaat* set out to change the face of the Netherlands (Van der Woud, 2006).

Because of the new infrastructure, coal became less expensive and became available throughout the country. Steam power was being used by an increasing number of factories and employment grew strongly. Large Dutch multinationals were set up, such as Philips and Shell, and the first cooperative banks established, such as the Boerenleenbank and the Raiffeisenbank (which much later merged into Rabobank). A new working class came into being that soon had to set up its own defences against poor working conditions. There were no benefits for people without work and child labour was normal.

Scholars in the natural sciences discovered the systematics and logic of nature. For example, Buys Ballot discovered the systematic nature of seemingly erratic weather patterns and Darwin demonstrated that evolution in the natural world followed certain laws. Because of this better understanding of nature people also wanted to have more control over it. The construction of bigger ships, bridges, roads, and tunnels gave mankind increasingly more power over space and time.

The burgeoning natural sciences, technological innovations, and radical industrial changes began increasingly to influence and mutually reinforce each other around 1850. Coinciding with the rise of the nation-state, this turned

Europe into a worldwide driver of innovation. Collectively, the nation-states brought about an acceleration of change and expansion, which fundamentally transformed Europe within merely two generations. Not just people's physical, social, and economic environment changed; people themselves also changed (Van der Woud, 2006).

In that same period, a new wealthy class of citizens, the bourgeoisie, emerged across Europe. It mainly consisted of self-made businessmen, industrialists, and investors who became wealthy through their success in worldwide trade. They generated optimum profits from the economic growth and expansion following in the wake of the Industrial Revolution. This new European middle class gradually took over power from the aristocracy. Power was no longer determined by descent and the amount of land one owned, but by self-acquired status and the amount of money one had for investment (Gay, 2007).

New movements in art accompanied the rise of the new middle class. Everywhere in Europe, there were increasing overtures between art and industry. Post-impressionism caught on, highlighting the power of the imagination, emotion, and colour contrasts, while realistic depiction was no longer a must. Van Gogh, Cézanne, and Gauguin its most significant representatives, paving the way for modern art.

It was philosophers and artists who brought the shadow side of Europe's enormous growth and development to notice. Both Europe and the United States became slowly but surely caught up in the grip of capitalism, with its focus on growth, profits, and innovation. Philosophers like Karl Marx, Friedrich Nietzsche, and Friedrich Engels strongly influenced the spirit of the time. Marx warned against the excesses of industrial capitalism and the political ideology of Liberalism. He foresaw a class struggle between the bourgeoisie, the new wealthy middle class, and the proletariat, the exploited working classes without property. Eventually the class struggle, via the proletariat's 'impoverishment,' would lead to a revolution that would overthrow capitalism. Then the proletariat, after first instituting a dictatorship of the proletariat, would establish communism.

Modernization of society occurred parallel to these changes of power. Up to the 1850s, the Netherlands was not a really well organized country. There was neither a parliamentary democracy nor suffrage, and there was

a lack of transparent social structures. Health and education were not well regulated and of limited quality. The revision of the constitution in 1848 was a revolution in itself and laid the groundwork of the country's current parliamentary democracy. Church and State were definitively separated and the power of the monarch was curbed (instead of the monarch, the cabinet of ministers became responsible for government policy). The Second Chamber of parliament was given greater influence and direct voting rights were introduced, if only for a select group of 80,000 men (!) based on their being taxpayers. It was not until 1917 that all male citizens became eligible to vote, followed in 1919 by universal suffrage (including women).

In the Netherlands, the years 1850–1900 mark a period of major social struggle concerning inequality, education, and suffrage (Schot, 1998). Solving these issues called for a different kind of social system. In the late 19th century, political forces pushed for 'pillarization,' a social system based on worldview or ideology giving rise to sociopolitical divisions based on Protestantism, Roman Catholicism, socialism, and liberalism. These pillars each developed sociopolitical institutions of their own, such as schools, associations, political parties, unions, and hospitals. This vertical, 'pillarized' organization of Dutch society would be sustained well into the 20th century. Its remnants can be found today in various pockets of Dutch society, such as the public broadcasting system.

The school funding controversy, which lasted for almost a century, played a major role in the emergence of pillarization. Initially the dispute was about freedom of education, allowing everyone the right to set up their own school. Later, after the enactment of the 1857 education act, it shifted specifically to the equal financial treatment of state and private schools (for Protestants and Roman-Catholics). In 1878 this led to a new Education Act. But it was not until 1920 that equal financial treatment was established in the primary education act. From then on private schools, like state schools, became eligible for state funding as well. The fanaticism involved in the school funding controversy divided Dutch society. It was all about bringing up children, after all, and it contributed strongly to the growth of the pillarized system.

There was barely any question of a healthcare system until halfway the nineteenth century. Only then did Dutch medical practitioners begin to organize. Medical practice became a protected profession with a scientific basis. Formerly, physicians would pay mainly visit the homes of the well-to-do, while

some physicians were themselves poverty stricken and hospitals were dismal infection ridden places for the poorest. There was little or no medication and a lack of technological innovation, while the state was largely absent from the healthcare sector. The idea that good healthcare was something to which everyone was entitled did not arise until the late nineteenth century, and this led to the establishment of many new hospitals on private initiative.

Paradoxically, perhaps, the Industrial Revolution gave rise to new levels of poverty and social abuses during the second half of the nineteenth century. Massive numbers of people moved to the cities to find employment in factories and workshops. However, there were by no means enough jobs for everyone. Many workers were replaced by machines and lost their jobs. This allowed industrialists to pay lower wages and demand longer working hours, which gave rise to child labour, starvation wages, and huge unemployment. Furthermore, many workers were living in dire circumstances in badly overcrowded tiny homes, causing rampant epidemics, partly through poor hygiene. The Dutch Ministry of the Interior introduced the Poor Relief Act in 1854, and in 1865 enacted legislation on the professional practice of physicians and pharmacists and the state healthcare inspectorate. With these measures the government hoped to put an end to epidemics and widespread quackery. At the same time many civic initiatives were geared to helping the poor. As a last resort there were almshouses, but their reputation was disputable at best.

In such a poverty stricken and lamentable climate of employment, Dutch workers unsurprisingly started to organize, even if fairly late in the day by comparison with other countries. The Dutch Workers Union was not set up until 1871, becoming the first organized precursor of the trade union movement. In 1874 child labour became prohibited under the Van Houten child protection act. In 1893 the National Labour Secretariat was founded, which squarely supported each and every strike, and workers increasingly began to speak up, notably in the port of Amsterdam. Finally, in 1906, the Netherlands Association of Trade Unions (*NVV*) was set up.

This was a revolutionary period, marked by a combined economic and social transformation and a parallel shift of power. It was, above all, a turbulent era – a decades-long period of unrest, conflicts, riots, and uprisings. There was a constant feeling of threat in the air, giving many people an uneasy feeling. The current worldwide rise of populism is rooted in this period, where the

common people revolted against the liberal elite, and some politicians in Europe gave a voice to the common people (in the Netherlands called the 'kleine luyden').

At the same time, there was also a strong belief in technological progress, for substantial advances were being made in many areas. What was lacking was a comprehensive direction or goal to be achieved. The permanent social turmoil constituted a source of inspiration for artists and philosophers. This led to an array of new movements in painting, visual art, literature, and science. Philosophers and artists were the seismographers of the zeitgeist, deploying words and images to express the dawning of a new era.

A Big Transition, then, may cover a lengthy period of uncertainty. And the outcome itself is uncertain as well. The Big Transition of the nineteenth century was followed by two world wars and a deep economic recession in the 1930s, the Great Depression, which no one had foreseen.

Philosophers and artists were the seismographers of the zeitgeist during the second half of the nineteenth century. In their efforts to make sense of the big changes through words and images, they were the first to enter the new era.

The Big Transition Today

Every generation claims to be living in an era of change. This is understandable because many changes take place within one generation and for many people it is already difficult to deal with them. Moreover, changes seem to happen faster for every generation. I can still hear my father say: 'The world is changing much more rapidly than when I was young.' Rather than change as such, then, it is important to establish the nature, size, and direction of change. When changes are of a fundamental nature, occurring in nearly all areas and reinforcing each other, we are dealing with transformative or disruptive change, marking 'a change of era.' Such a period, which occurs once every century if not less frequently, involves a sustained time of radical, irreversible changes accompanied by much turmoil, chaos, and conflict. This is not to deny, however, that even in such hectic periods there is much that stays the same, for social life is always marked by some level of continuity.

As argued, there is no hard evidence as yet that we are currently moving toward a new era. Still, it seems evident that we are faced with at least three fundamental transformations. First of all, we are moving from a vertically organized, centrally governed, top-down society to a horizontal, decentralized, bottom-up society. Slowly but surely the old arrangements, which largely go back to the previous Big Transition during the second half of the nineteenth century, are replaced by an emergent new order. Existing institutions and organizations are being replaced by communities, cooperatives, and social and physical networks (as discussed extensively elsewhere in this book).

Secondly, the structure of the economy is undergoing a radical transformation. The new economy is digital and both centralized and decentralized. In the old economy, centralized organizations were needed to make products or supply services. New technologies make it possible to develop and supply products and services in communities in decentralized ways. This applies to information, travel, music, education, and even money. Furthermore, unbundling makes it possible to customize products and services in great detail. The new economy is moreover smarter and cleaner and less wasteful, because pollution and waste will give rise to increasingly higher costs.

Thirdly, there are signs of a transformation of power. From bottom-up, the new order is slowly but surely forming a new power. Power is the ability to mobilize resources for a particular goal. Knowledge and information are major examples of resources that may also be of a material and financial nature. Whereas in the past resources were in the hands of central organizations, today they are increasingly in the hands of networks and communities. There is a micro-power, an emergent middle class of citizens who use knowledge, expertise, networks, and social media to be as autonomous as possible. This micropower is currently developing outside of the established political and social frameworks, thus undermining the power of traditional organizations and businesses. This implies a transfer of power from large, centralized bureaucratic organizations to individuals who organize themselves in networks and communities.

These three transformations interact with each other and create a lot of instability. Fed by a turbulent macro-environment, involving the largest financial-economic crisis in modern history, this produces chaos – a characteristic feature of a tipping point period. Step by step the old is making way for the new, but it is unclear where exactly this will lead us. Collectively,

there is the uncanny sense that radical change is in the air and that it will take a while before things quieten down again. A sense of control and overview is lacking in many areas, while fear rules instead. People miss having a clear direction and a tempting future perspective. There is no compass, no reliable sense of orientation, of knowing where to be heading. Although leadership is crucial, none is to be found in the world of politics. The soothing rhetoric of politicians fails to extinguish the fear and only increases the sense of chaos. More and more conflicts erupt between the existing order and the new. While the old order slowly crumbles, it remains resolutely hostile to the emergent new order. This is accompanied by conflicts, which eventually culminate in hostilities. In this struggle much will be lost and much too will come into being. Individuals with fresh and alternative ideas break through the system boundaries and create a huge dynamism from bottom-up. It becomes a battlefield, with winners and losers. Only gradually does the realization come to the fore that they desperately need each other to advance any further in the evolutionary revolution.

The quotation below from the 2012 annual report of the Dutch Council of State (*Raad van State*) – the country’s oldest administrative body known for its rather conservative views – well illustrates this tipping point period:

Council of State,
2012

‘The Netherlands finds itself in a state of transition. The issues and developments facing the country today are not of a temporary nature. They require structural reforms and adaptations. The relationship between state and society will be fundamentally altered through these reforms and adaptations. The Netherlands must not be allowed to become lengthily caught up in the process of transition. The accumulation of the many changes threatens to have consequences for essential functions of the state. The Netherlands will have to prepare itself for these many changes.’

It is possible, then, to draw clear parallels between the second half of the 19th century and the current era. Both periods were marked by a Big Transition, comprising a threefold transformation: fundamental change in the social order, the economic structure, and a shifting of power.– Both periods also involved lengthy periods of chaos and uncertainty, accompanied by major conflicts between existing structures and emergent forces. Projecting this parallel on to the near future, we have every reason to expect several decades of chaos and turbulence. In other words: we are only now at the start of a lengthy period of crises.

There are obviously also big differences between the two transformational eras. Today's society is more complex and pluralist than ever. The scale on which developments occur is much larger, while our level of prosperity is many times higher. This also applies to people's level of education. The size, speed, impact, and complexity of common events are estimated to be a few thousand times larger than in the 19th century. The role of government and politics has changed drastically, as has that of private citizens. Way back then there was as yet no ecological crisis or threat of major climate change. Even so, there are striking and interesting similarities. If the previous Big Transition involved a radical stage of pragmatic modernization, our tipping-point period perhaps rather involves 'reflexive modernization' (Beck et al., 1994), being geared to a deeper level of awareness and understanding of society's complexities.

It has been suggested that the 1930s and the 1960s were also characterized by a Big Transition. These eras did not involve multiple transformations, however. The Great Depression of the 1930s had drastic economic repercussions, but this was not accompanied by social and institutional breakthroughs. And the 1960s marked a breakthrough in cultural terms, with the rise of pop music, the hippie culture, the second feminist wave, secularization and de-pillarization, the democratization of education, the protest generation, and political renewal. Yet economically it was not marked by shocking events; rather, it was a period of steady and fairly robust economic growth. This underscores the fact that periods of overlapping social, economic, cultural, and institutional transformations are rare.

The Transformation of Our Society

Today, Dutch society finds itself in a tipping point phase of the transition. For over a century, the Dutch social order rested on a pillarized system of ideological and religious views that slowly eroded. If a new order is dawning, it still has to crystalize. In the old system, government had a dominant role, resulting in a centrally governed society that was organized top-down. The new order is determined by horizontal and decentralized units, such as communities, cooperatives, and virtual and physical networks. Our society, then, is transforming from being vertical, top-down, and centralized to horizontal, bottom-up, and decentralized. To many, this new order is

still operating below the radar and therefore it would constitute no immediate threat to the old order as yet. But this might soon be the case. The old, vertical order consists of a variety of 'silos,' as it were, vertical structures that will gradually collapse, such as: trade unions, branch and sector associations, political parties, nature conservancy and environmental organizations, and TV broadcasters. They all stem from a hierarchical era in which ideology and religion still constituted the supporting pillars of our society. It is odd, in fact, that there are still so many public broadcasting organizations in the Netherlands, so many relics of the pillarized system. In 2015 there were 21 public broadcasting organizations, a number that was reduced to eight in 2016, but this is still a lot. The system is outdated, and this applies to many other domains. Many Dutch businesses, for example, no longer feel themselves represented by the powerful employers branch organization *VNO-NCW*, and few young people feel attracted to traditional trade unions. Last year quite a few construction firms decided to leave their sector's main lobby organization (*Bouwend Nederland*) because they no longer felt represented by it. The majority of sector organizations will disappear, the decisive criterion being: would you still conceive and set up such organization today? If not, it apparently no longer fills a need or it is no longer in step with the zeitgeist. Although it may seem hard to say farewell to such established organizations, this is not a reason to prolong their existence.

Many of the special branch & sector organizations will disappear in the Netherlands in the years ahead. If you could not conceive of or set up such an organization today, there is apparently no longer any rationale for it.

Historical transitions teach us that the old structures and institutions will resist the new order as long as possible. Many 'silos' have a stake in maintaining the existing order and feverishly defend their position of power. This is merely a stay of execution. It is not just a matter of the 'good guys' (new order) versus the 'bad guys' (old order). At some point, as the past also teaches us, the new order will in turn resist the next emergent order, but this will happen from a higher evolutionary level, better adapted to the demands of modern society.

The new order is pragmatic, diverse, and diffuse. Driven by new values, it is rather hard for the old order to grasp. Slowly yet undeniably the fabric of our society is changing and there are clear signs of a shift of power being underway. The new order from bottom-up is slowly beginning to pick up

steam, even though this is not yet visible to many, in part because the traditional media still largely dominate the old order. But on the internet the new order is visibly present, if not dominant in some areas. Below I juxtapose several features of the old and new order.

Old order

traditional media (television, radio)
newspaper columns
political parties
representative democracy
traditional Trade Union
large power companies
commercial banks
insurance companies
construction companies
homecare organizations

New order

new media (internet)
blogs
movements like that of Beppe Grillo
G-1000 initiative
Freelancers Union
local energy initiatives
financial cooperatives
bread fund networks
3D-printer hubs
local care initiatives

The old order tends to have little interest in the emergent new order, or worse, it feels contempt for it. For example, commercial banks do not take seriously the credit supplying unions. 'Just come back when you're talking about 200 million euros or more,' they were told by banks. Construction companies do not seem to take networks involving 3D printing seriously, and local energy companies were long ignored by the large power companies. In fact, this is a normal phenomenon, as we know from the previous Big Transition. Initially, the reigning power considers emergent developments as marginal. In the late 19th century, the rising middle class was hardly given any notice by the ruling aristocracy, even up the level that this new class began to imitate the aristocracy. Only later did they began to resist the old order and a shift of power took place.

Once the new order becomes a threat to the old order, hybrid forms emerge. Segments of the old order start collaborating with the new order, but the majority will counter-react and offer maximal resistance. Typically, this is the beginning of its downfall. Eventually only that part of the old order will survive that adopts elements of the new order or will cooperate with it. The majority does not survive because its members are unable to adapt swiftly and skilfully to the new circumstances. Survival, then, means cooperation and adaptation.

The tipping point phase we're going through today is tough yet exciting. The old 'silos' are being demolished, and that is accompanied by great unrest. There have been mass layoffs in homecare, welfare organizations have gone under, construction companies have been downsized on a wide scale, financial institutions are being radically reorganized, and energy companies are struggling or nearly going bankrupt. Every big energy company is meanwhile focusing on sustainable energy and decentralized power generation and distribution, otherwise they won't survive.

Behind this dynamic of construction and destruction lies a threefold transformation in how we think, how we organize ourselves, and how we manage things. This implies changes in terms of paradigm, structures, and governance. We've already seen how vertical structures like pillars are being replaced by horizontal structures like communities and networks. This calls for another type of governance as well, one that is more decentralized and facilitating rather than centralized from above. It becomes a combination of network governance and self-governance. (Rotmans, 2005). In transition processes, the government will be more like a facilitator than a director. These new forms of governance can already be seen in organizations and companies of the new order. This new order also requires a different mindset, geared primarily to better instead of more, to cooperating instead of exploiting, to creating instead of extracting. This mindset is not linear, but cyclical. Nor is it about the ultra-short term, but about the intermediate term. We move from ownership to usage. The ability to do things independently becomes the ability to do things together. And ego becomes eco. Such a paradigm shift or new turn of thought takes decades and is embedded in acting and managing differently. These are by definition slow processes that tend to meet with strong resistance. Although such a process is hard to measure, it is clearly discernible in such new-order concerns like water, energy, healthcare, welfare work, education, and the circular economy (Rotmans, 2007 and 2010). Even so, we still have a long way to go.

This threefold transformation in thinking, organizing and governance is accompanied by a search for new values. The old values have brought us a lot and constituted the basis for developing social systems. But today they serve us no longer and have even become part of the problem. Characteristic old values are effectiveness, efficiency, returns, control and management. For a long time these were the basic values within our social systems, including healthcare, welfare, education, energy, construction, and the financial sector.