

THE ECONOMY THAT KEEPS BECOMING · CHAPTER TWELVE

The Path Across the Lawn

Chapter Twelve of The Economy That Keeps Becoming

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THE LICENCE

The Path Across the Lawn
Chapter Twelve of The Economy That Keeps Becoming

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A NOTE BEFORE YOU READ

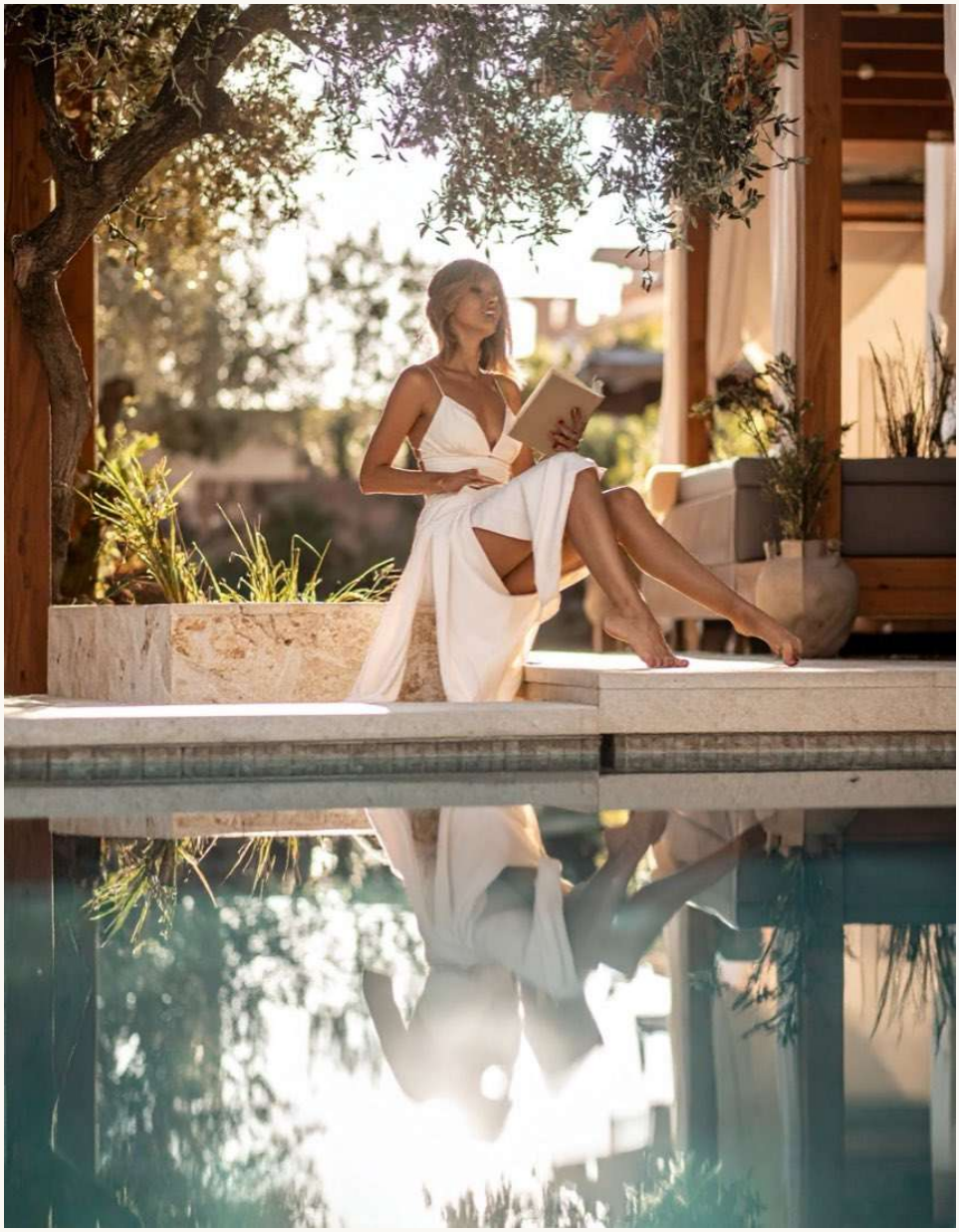
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ABSTRACT

On most university campuses there is a lawn crossed by a path nobody laid. The paved walks go round the edges at right angles, and across the middle, from the library door to the corner of the street, runs a narrow line of worn earth. Planners call it a desire line. No committee designed it. The first student who cut across did so because it was shorter. The second followed the faint trace the first had left, because a slightly flattened line is easier to walk than unbroken grass. By the hundredth, the grass had given up, and the line had become the way everyone goes. A small advantage, gained by accident, reinforced by every walker who came after: it is W. Brian Arthur's increasing returns written on a lawn, and it is path dependence in the literal sense.

CHAPTER TWELVE

The Path Across the Lawn



The Path Across the Lawn

HAUTE LUMIÈRE · THE ECONOMY THAT KEEPS BECOMING · CHAPTER TWELVE

A line in the grass

On most university campuses there is a lawn crossed by a path nobody laid. The paved walks go round the edges at right angles, and across the middle, from the library door to the corner of the street, runs a narrow line of worn earth. Planners call it a desire line.

No committee designed it. The first student who cut across did so because it was shorter. The second followed the faint trace the first had left, because a slightly flattened line is easier to walk than unbroken grass. By the hundredth, the grass had given up, and the line had become the way everyone goes. A small advantage, gained by accident, reinforced by every walker who came after: it is W. Brian Arthur's increasing returns written on a lawn, and it is path dependence in the literal sense.

This book has followed that idea from its origin in Arthur's 1989 paper (chapter 2), through its fair critics (chapter 3), into the living-systems reading of Ammanuel Santa Anna's *Ecstatic Economics* (chapter 4), through two public cases (chapters 5 and 6), and onto the table of a composite firm (chapter 7), and the four chapters before this one turned it into practice. This chapter looks outward. Complexity economics on its own explains how patterns form. It says less about which patterns to want, how to govern them, or what to do with the gains they produce. For those questions it needs company, and the Ecstatic Economics lineage supplies it.

The book itself is direct about the shape that company should take. Writing about the practices that fail when scaled up, Santa Anna proposes not a larger version of each but a different geometry:

> *Perhaps the goal is not one giant cooperative but a network of small ones. Perhaps the goal is not a single global currency but an ecosystem of local currencies.*[64]

That sentence is where complexity economics and the rest of the lineage meet. A network of small, connected, adapting units is what a complex adaptive system is. The question is how to govern one.



Ostrom, and governance at many scales

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Ostrom, and governance at many scales

The first join is to the work of Elinor Ostrom, which has its own book in this series.

In 2009 Ostrom became the first woman awarded the Nobel memorial prize in economic sciences. Her prize lecture, published the following year in the *American Economic Review*, carried a title that could serve for this whole series: "Beyond Markets and States: Polycentric Governance of Complex Economic Systems".[65] Ostrom had spent decades studying how communities manage shared resources such as fisheries, irrigation systems and forests, and she had found that the two standard prescriptions, private ownership or

state control, were often outperformed by a third arrangement: many overlapping centres of decision, at different scales, each able to learn and adjust, nested inside one another.

Her design principles for long-enduring commons, which the companion book takes in turn, read in this light as rules for a healthy complex system. Clear boundaries tell the agents who is inside the loop. Monitoring by the users themselves keeps feedback short. Graduated sanctions correct small deviations before they compound. Local rule-making lets each part adapt to its own conditions. And nesting allows the whole to coordinate without any single centre controlling it.

Santa Anna's book reads the same principles through the body:

> *They describe a system that is relational, responsive, graduated, and nested*[66]

The complexity economist and the house are describing one thing from two sides. A polycentric commons is a system designed so that its feedback loops stay intact. Its users see the consequences of their choices because they are the ones who monitor, and they can change the rules because they are the ones who make them. It is the opposite of the severed loop the third piece described.

The book also names what happens when that structure is removed:

> *When shared resources become private property, the relational web of mutual obligation that governed their use is severed.*[67]

Read with complexity economics, enclosure is not only a transfer of ownership. It is the removal of a set of feedback loops, and with them the system's capacity to learn.

The doughnut, and the walls of the room

The second join is to ecological economics, and in particular to Kate Raworth's doughnut, which has its own book.

Raworth's figure, in her 2017 book *Doughnut Economics*, draws two rings. The inner ring is a social foundation, the minimum every person needs; the outer ring is an ecological ceiling, the planetary limits an economy should not breach. The space between is where an economy can thrive. Complexity economics adds a warning that the doughnut's two rings are not fences the system will politely respect. An economy with strong reinforcing loops will push outward wherever a loop rewards it for doing so, and it will push quickly, because positive feedback accelerates. The ceiling has to be built into the loops themselves, as balancing feedback, or the system will cross it before anyone has agreed it should.

Santa Anna's book takes the doughnut and asks one more question of it, a question no ring can measure:

> *The question is: How alive do people feel in the economy we're creating?*[68]

This is the living-systems reading applied to the space inside the doughnut. Meeting the foundation and respecting the ceiling are necessary. What the book adds is that an economy can do both and still be organised around anxiety, and that the quality of life inside the rings is itself an emergent property of the loops people live within. Change the loops, and the felt quality of the economy changes with them.



Closing the loop on gain

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Closing the loop on gain

The third join is to the evidence on sharing the gains an organisation creates, which this series examines in two books: the history and research on gainsharing and the evidence on employee ownership and profit sharing.

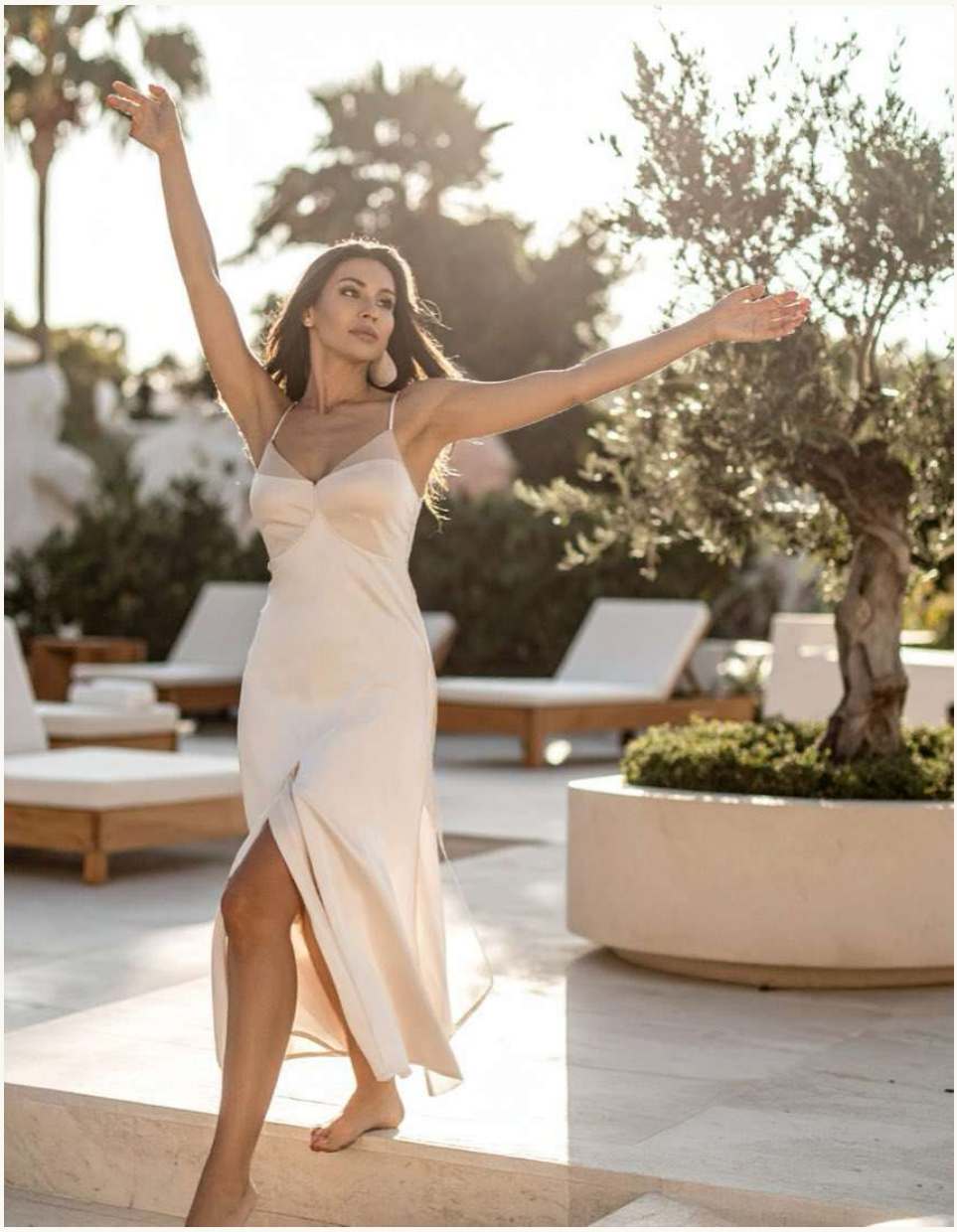
The connection is direct. Chapter 4 argued that a healthy system is one where the consequence of a choice reaches the person who made it. In most firms, the people whose daily choices create an improvement in cost, quality or service see little of the gain that follows; it travels upward and outward, and the loop that would reward and reinforce the behaviour is cut. Arrangements that return a share of measured gain to the people who produced it are, in complexity terms, feedback loops restored. They make an increasing-returns loop out of improvement itself: the more people improve the work, the more they share in it, the more they improve.

Santa Anna's book describes what changes in the people inside such a loop, writing of Mondragon's worker-owners:

> *The wage employee's neuroception is scanning for threats from the organization — layoffs, pay cuts, arbitrary management decisions. The worker-owner's neuroception is scanning for threats to the organization — and mobilizing creative energy to address them.*[69]

The companion books take the evidence seriously, including its limits. The point for this book is narrower. Complexity economics explains why such loops compound once they start; it is the gainsharing and ownership research that shows whether, and under what conditions, they do.

The fourth join, briefly, is to Karl Polanyi's argument that markets are embedded in society. Polanyi's history and Arthur's models arrive at a shared conclusion from opposite ends: the economy is not a separate machine running beside social life but a pattern that social life produces, and that produces social life in return.



What to do on Monday

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What to do on Monday

The joins are only useful if they change what happens on an ordinary working day. Chapter 8 sets out the full sequence week by week; here it is in its shortest form, for a leader and for a household.

For a leader, in the first week. Take the First Map of Loops from chapter 2 and fill it in with two colleagues. Do not try to change anything yet. The act of naming the reinforcing loops and the lock-ins is itself a restored feedback loop: the organisation begins to see its own shape.

In the second week. Choose one suspected lock-in and run the Lock-In Test from chapter 3. Price the switch honestly. Most will turn out to be habits; move those at once, because a habit moved is evidence to everyone that the organisation can move.

In the third week. Run the Loop Audit from chapter 4 on your most valuable reinforcing loop. Ask who acts in it and who feels the consequence. If those are different people, find the shortest route by which the consequence could travel back, and open it. Read what comes back to the people who can act on it, unedited.

Over the following twelve weeks. Run two or three small probes, as the composite firm did in chapter 7, each with a prediction written beforehand and, where one can be set, a stop condition. Amplify what works. Stop what does not. Write down what the system showed you. Keep the pages. A year of them, read in order, is the closest thing an organisation has to a record of how it actually learns, and it is usually more honest than the strategy documents written over the same period.

For a household. The same sequence, at kitchen-table scale. Map the loops in the household's money, time and attention. Test the arrangements nobody would choose again. Find the spending, the commitment or the habit whose consequence arrives too late to steer by, and bring it closer: a weekly look instead of a monthly statement, a conversation instead of a direct debit. Probe one change for twelve weeks.

For both, a governing habit. Before any large decision, ask the El Farol question: if everyone around you made the same forecast, what would they do, and would it still hold? It is the shortest discipline complexity economics offers, and the one most often skipped. A forecast that would defeat itself if widely shared is not a reason to abandon the decision; it is a reason to look for the room the crowd will leave behind, as the composite firm in chapter 7 did when its competitors all turned toward the same customers.

The instruments in the Alpha Papers carry several of these steps in more depth: *Alpha Scenario Planning* for holding several futures at once, *Alpha Viable System Model* for designing an organisation whose feedback loops reach every level, and *Alpha Real Options* for pricing probes as options rather than commitments.

Three mistakes at the start

Leaders who take up this way of reading their organisation tend to make the same three mistakes in the first month. Each is worth naming, because each is easy to avoid once seen.

Mapping everything. The first map of loops invites completeness, and a team that tries to draw every loop in the organisation will produce a diagram nobody can read and nobody will use. Five reinforcing loops, five lock-ins and three balancing loops are enough for a first page. The aim is to see the shape of the system, not to model it. A map that fits on one sheet is a map that gets looked at again.

Treating the probe as a pilot. A pilot is a smaller version of a decision already made; it is designed to succeed, and its results are read generously. A probe is a question put to the system; it is designed to be in-

formative, and a probe that fails clearly is as valuable as one that succeeds. The difference shows in the paperwork. A probe has a prediction written before it begins and a stop condition agreed in advance. A pilot usually has neither. If the team cannot say in advance what result would make it stop, it is running a pilot.

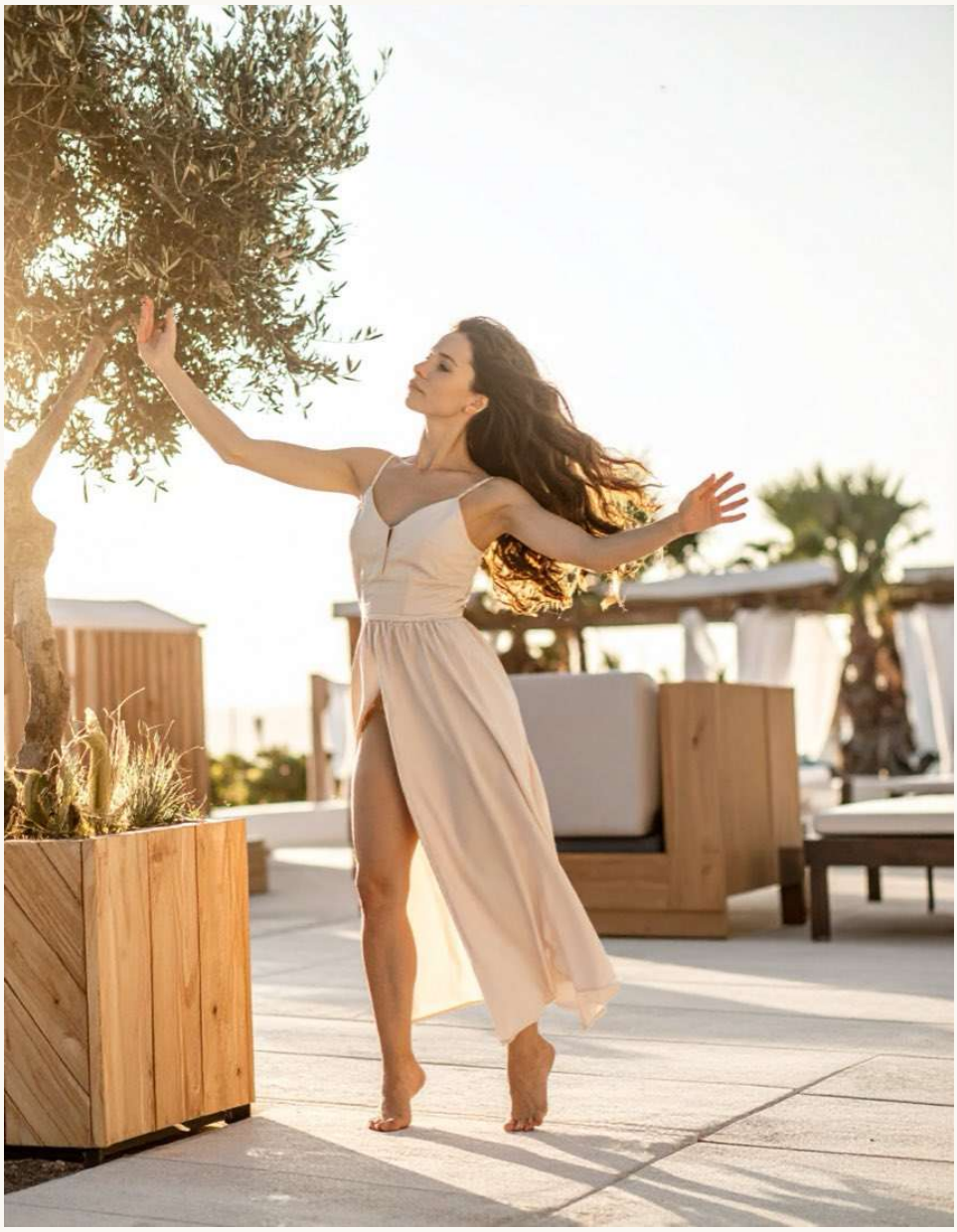
Changing the loop without changing who sees it. A leader who finds a severed feedback loop often repairs it by sending the missing information to themselves: a new report, a new dashboard, a new monthly figure on the leadership agenda. The loop is restored for one person. The people whose daily choices drive it still see nothing. The repair that works is the one where the consequence reaches the person acting, in a form they can use, close enough in time to steer by. This is the point the book makes about investors who never visit the enterprise, and it applies to every manager who reads a summary of what the front line already knows.

A fourth mistake belongs to households more than to firms: waiting for a crisis to look. A family that maps its loops only when money is tight sees them under the worst conditions, when every loop looks like a threat. The same map drawn in an ordinary month shows which loops are already carrying the household well, and those are the ones worth feeding first. The companion book on regenerative economics makes the same argument at the scale of an enterprise: the work begins with what is already alive.

What this book cannot say

A last honest word. Complexity economics is a framework for understanding, and its practical recommendations, including those in this book, are reasoned from its models and from cases rather than proven by controlled trials of whole organisations. The twelve-week cycle, the tools and the sequence above are this book's advice. They are offered as a way to see more clearly, and the house makes no promise about what any particular organisation or household will find when it looks. What the research does support, across Arthur, Ostrom, Haldane and May and the others cited in this book, is the shape of the claim: that systems with intact feedback learn, and systems without it repeat themselves.

The parent book, *Ecstatic Economics*, argues the larger case from which this one draws, and the companion books named above take its other threads further.



The lawn, again

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The lawn, again

Go back to the lawn. A university that wants to remove the desire line has two choices. It can fence the grass, in which case students will walk round the fence and wear a new line at its end. Or it can pave the line, and accept that the walkers knew something the planners did not.

There is a third thing a planner can do, and it is often told as a planner's custom, though no single campus is documented here. Plant the lawn, wait a season, watch where the lines appear, and only then lay the paths. Complexity economics, read through the living-systems lens, asks the same patience of anyone who

leads: watch where the walking goes, read the loops, and lay the stone where the grass has already been worn.

The Tool: The Monday Sheet

One page that gathers the book into a single weekly practice. Keep it beside the Loop Ledger from chapter 7. Fifteen minutes, once a week, at the same hour.

1 · This week's loop

The reinforcing loop I am watching this week:

What it did since last week (a figure, with its source):

- Did the people acting in it see the consequence? yes / no / partly

2 · This week's lock-in

The arrangement under test:

- Its status: habit, moved / switching, under way / true lock-in, loops being changed together

The two loops being changed together, if a lock-in: and

3 · This week's restored feedback

The consequence that travelled back this week:

To whom: · unedited? yes / no

What they did with it:

4 · The probes

PROBE	WEEK OF TWELVE	PREDICTION (WRITTEN AT START)	SO FAR	STOP CONDITION MET?

5 · The joins

Governance: who monitors this loop, and can they change its rules? (Ostrom)

Limits: what balancing loop keeps this from pushing past a boundary we care about? (the doughnut)

Gain: when this loop produces a gain, who receives it, and do the people who produced it see any of it?

Embedding: whose relationships does this loop depend on, outside the firm or household?

6 · The El Farol line

The forecast I am acting on:

What everyone else would do if they shared it:

7 · The desire line

One place this week where people went their own way, around the official path:

What it tells me about where the path should be:

A note on method

Raworth, K. (2017). *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*. Random House Business. Described here from the book's well-known framework; no page is quoted. The desire-line practice of planting first and paving later is told as a planner's custom; no single documented campus is cited, and it should be read as an illustration rather than a case. Nothing in this book is investment advice.

References

1. Santa Anna, A. *Ecstatic Economics*. Luminous Prosperity, 2026. Chapter on money and finance, "The Scalability Trap".
2. Ostrom, E. (2010). Beyond markets and states: Polycentric governance of complex economic systems. *American Economic Review*, 100(3), 641–672. https://doi.org/10.1257/aer.100.3.641. Ostrom's Nobel lecture; it summarises a large body of field and laboratory research, but its design principles describe what long-enduring commons have in common rather than guaranteeing that any commons applying them will endure.
3. Santa Anna, A. *Ecstatic Economics*. Luminous Prosperity, 2026. Chapter on practical applications, "The Commons Renaissance".
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