Bozesan, M. (2020). *Integral investing: From profit to prosperity*. Springer.

Reviewed by Roland Slot[1] & Sveinn Hrobjartsson[2]

Mariana Bozesan undertakes an immense challenge in her book Integral Investing: from Profit to Prosperity. How do we, as investors, support a movement towards a more prosperous, liveable, meaningful and beautiful world?

The first part of the book, *the Context of Investing*, addresses some of the most dire and confrontational questions anyone could think to pose: are we at the precipice of civilisational collapse?; what is the role of democracy going forward?; how has capitalism served us all things considered? Although provocative, the discussion of these topics is all but callous. While we find ourselves in a dire situation requiring urgent action, Mariana emphasises we must tread carefully:

> If we are not to self-destruct as a species, taking down the planet as we go, we must face the fact that the time has come for a radical transformation in our attitudes to life. But we must act carefully, responding rather than reacting so that we do not simply swap one harmful ideology for another. (p. 9)

The Context of Investing is rigorously composed and littered with references to reports from reputable institutions and agencies. Yet, it addresses topics beyond those generally covered in reports of global developments. The reader is invited to ponder what is the "life" or "consciousness" that we are trying to preserve in our efforts to create a sustainable world. Referencing Max Tegmark, Mariana introduces the different hypothetical evolutionary stages of life and consciousness that would become available to future civilisations. The evolution culminates in a stage where consciousness transcends its biological roots and evolves into "exquisitely sublime forms of intelligence," as yet unknown to humankind. While such views my appeal differently to different readers, the perspective speaks to the long-term horizon and philosophical openness of Mariana's inquiry into our current predicament.

As solutions to our predicament, Mariana features "exponential technologies," not least artificial intelligence, prominently. Her argument is clear: The word is changing at an exponential rate in many regards and if we are to participate effectively in its evolution we, too, must learn to think exponentially. The urgency of our social and planetary emergencies is such that technologies with the potential to improve at an exponential pace are our best shot at timely intervention.

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While the content of the first chapter could have sufficed for a book in and of itself, Mariana, as a uniquely pragmatic idealist, provides clear guidance for putting her investment approach into concrete action in the chapters thereafter. The second chapter of the book is titled *Hidden Dimensions and the Search for Meaning*. The chapter does an excellent job of laying out Ken Wilber's Integral theory as it relates to investing. Integral theory can be thought of as a world philosophy with profound implications for how to think about the development of human beings and society at large. Mariana's synthesis of the theory and the connections she makes to investing are useful for those well-versed as well as those unfamiliar with Wilber's work alike.

The third and final chapter of the book is titled *Integral Investing in the Disruption Era* and as a guide to integral investing it is eminently practical. At the start of the chapter Mariana reiterates her Moonshot objective "the Investment Turnaround." As part of the investment turnaround is

> implementing an investing paradigm rooted in the essence of all existence, the exterior reality, the material world, as well as interior realities such as culture, values, ethics, and morals. It is a reality in which financial returns are inseparable from environmental, social, cultural, and ethical impact, including individual joy and happiness. (p. 166)

And while the ambition is lofty, Mariana generously shares a comprehensive and succinct summary of all the investment stages involved in the integral investing approach – from deal sourcing, due diligence and onwards to a successful exit. Not least helpful is the section on smart de-risking which lays out a holistic framework called the Theta Model on analysing and mitigating risk factors related to making investments. In addition to traditional due diligence criteria, the Theta model includes sustainability and impact criteria as well criteria from Wilber's integral theory related to the behaviour, culture and consciousness of the people involved. The last part is of crucial importance, perhaps particularly, because it is often given little attention. In Mariana's integral investing it is thoroughly integrated in the investment approach.

Reading Mariana's book is a warm bath of inspiration. However, upon finishing the book we were left with a few considerations warranting further attention.

Firstly, while the book discusses rising inequality as a pressing issue, we did not see explicit measures in the integral investing approach for addressing inequality. To be clear, companies with an integral approach are bound to create vastly greater degrees of shared prosperity through their products, services and meaningful jobs. Yet, the concern remains that wealth will continue to accumulate to owners of financial capital and the occasional exceptional entrepreneur. While this can be understood as a fair exchange of risk and energy, this, too, is an exponential phenomena. A world of integral investors and integral companies would be emphatically more desirable, and yet it still might be a highly unequal world, barring explicit measures addressing inequality. The question remains whether addressing this should be the domain of business, e.g., through shared employee ownership or the domain of government e.g., by means of progressive taxation and the alike. For all the book's merits, we think it does not address the question of inequality sufficiently.

Secondly, Mariana positions Integral Investing in the upper left quadrant of 'high financial returns' combined with 'high Impact', emphasising shared prosperity. While we have no doubt that there are many opportunities where phenomenal win-win solutions can be created, we do wonder whether this focus limits, or even impedes, the unfolding of the paradigm shift that integral investors seek to initiate. We believe all industries, whether they can foreseeably be disrupted by exponential technologies or not, need to alter course and become integral in pursuing multiple bottom lines based on a higher state of consciousness. If we, as integral investors, limit the scope of opportunities to those where returns are abnormally high, we question whether we can truly push the needle in the way that we desire. For instance, at Breathe, we have co-founded a real estate investment and development company which we aspire to build into an iconic pan-European Teal organisation. This organisation is using the latest technology and innovating on various other fronts. In this way, it is maximally utilising win-win opportunities. Yet, our aspiration is not to have the highest returns in the industry because it is not congruent with the purpose of the company. The purpose of the company is to *change real estate to serve the whole* by building people and planet positive homes. A part of that mission is to rebalance the interests in real estate development between investors, people and planet. After all win-win opportunities have been exploited, we believe that there are still trade-offs worth making where the benefits to people and planet vastly outweigh the costs of lower returns to investors.

Thirdly, Mariana's integral investing approach promotes value creation across multiple dimensions all the way to exiting the company. While that is a good start, the problem remains that a company is then reliant on the stewardship of the next investors and their good intensions. If the next investor, or the investor succeeding that one for that matter, has but unidimensional profit motives, the inherent flaw of our capitalist systems is once again revealed and the integral approach is lost. Venturing is largely done in legal entities that do not constitutionally acknowledge the interrelated nature of value creation of different types. Yet, at the same time, ventures are controlled by the beneficiary of value creation of one type only – financial capital. Despite the comprehensive scope of the book, we missed a discussion of this tension and a more elaborate discussion of the post-exit prognosis of companies previously owned by integral investors.

In conclusion, Integral Investing is a phenomenal book, both practically and philosophically. The topics in the book are thoroughly researched and well developed. The book has a personable character, given to it by the personal anecdotes, investing experiences and Mariana's "confessions" of various kinds. Mariana's background, having grown up in communist Romania, puts the content of the book in a fascinating and sobering perspective. In particular, we are grateful to Mariana for sharing her practical knowledge and learnings in the last chapter of the book on her investing approach. We know that we will keep Integral Investing around and frequently consult its final chapter going forward.