



*Awakening by Alex Vidales*

## Scarcity – A Mindset & a World Problem

*"The first lesson of economics is scarcity: there is never enough of anything to fully satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics." Thomas Sowell*

**Given that writing for me is very organic, I usually wait for insights and, sure enough, I wasn't left wanting.** Awhile back, a colleague mentioned an article in the *New York Times* on a new book, *Scarcity: Why Having So Little Means So Much*.

I had, by chance, recently read an article on scarcity in Reuters called *Study Finds Poverty Reduces Brain Power*. It stated that "poverty and the all-consuming fretting that comes with it require so much mental energy that the poor have little brain power left to devote to other areas of life."

The mental strain could be costing poor people up to 13 IQ points and means they are more likely to make mistakes and bad decisions that amplify and perpetuate their financial woes, researchers found.

"Our results suggest that, when you are poor, money is not the only thing in short supply. Cognitive capacity is also stretched thin," said Harvard economist Sendhil Mullainathan, part of an international team that conducted the study.

Sendhil Mullainathan and Eldar Shafir published their book *Scarcity: The True Cost of Not Having Enough* soon after. It speaks to scarcity in a much broader light because scarcity starts with a mindset. As I see it, few are immune from this mental state. At some point in time, regardless of where we live, we experience this mindset.

Mullainathan and Shafir say that "scarcity causes us to tunnel...to focus single-mindedly on managing the scarcity at hand....Tunneling changes the way we choose."

Let's bring this home and ask, "What does this have to do with us?"

Certainly, we can see that those with whom we work in emerging markets may have a scarcity mindset, but have we ever thought that we may as well.

Do you ever find yourself thinking there is not enough time, money or—deeper yet—honesty and courage? We, as a part of the human race living in a global society, often have a scarcity mindset, like it or not, and could well be part of the problems we are trying to fix.

Give this some thought and consider the following questions:

1. Could the scarcity of courage be stopping you from taking an action that you know is right?
2. Is the mindset of not enough time or money getting in the way of progress in your work? Are there other creative ways to address these issues?
3. Is a scarcity mindset causing you to have tunnel vision, neglecting what is really most important?

Don't get trapped in scarcity thinking, because it is contagious. For some organizations, this is a part of their culture, but they may not want to admit it and, therefore, remain trapped – in scarcity.