THE WEALTH OF NATIONS REVISITED

CADMUS

NEW PERSPECTIVES ON MAJOR GLOBAL ISSUES

PROMOTING LEADERSHIP IN THOUGHT
THAT LEADS TO ACTION

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Inside This Issue

The CADMUS Journal
The acronym of the South-East European Division of The World Academy of Art & Science—SEED—prompted us to initiate a journal devoted to seed ideas—to leadership in thought that leads to action. Cadmus (or Kadmos in Greek and Phoenician mythology) was a son of King Agenor and Queen Telephassa of Tyre, and brother of Cilix, Phoenix and Europa. Cadmus is credited with introducing the original alphabet—the Phoenician alphabet, with "the invention" of agriculture, and with founding the city of Thebes. His marriage to Harmonia represents the symbolic coupling of Eastern learning and Western love of beauty. The youngest son of Cadmus and Harmonia was Illyrius. The city of Zagreb, which is the formal seat of SEED, was once part of Illyria, a region in what is today referred to as the Western Balkans. Cadmus will be a journal for fresh thinking and new perspectives that integrates knowledge from all fields of science, arts and humanities to address real-life issues, inform policy and decision-making, and enhance our collective response to the challenges and opportunities facing the world today.

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CADMUS VISION

The world is in need of guiding ideas, a vision, to more effectively direct our intellectual, moral and scientific capabilities for world peace, global security, human dignity and social justice. Today we face myriad challenges. Unprecedented material and technological achievements co-exist with unconscionable and in some cases increasing poverty, inequality and injustice. Advances in science have unleashed remarkable powers, yet these very powers as presently wielded threaten to undermine the very future of our planet. Rapidly rising expectations have increased frustrations and tensions that threaten the fabric of global society. Prosperity itself has become a source of instability and destruction when wantonly pursued without organizational safeguards for our collective well-being. No longer able to afford the luxury of competition and strife based primarily on national, ethnic or religious interests and prejudices, we urgently need to acquire the knowledge and fashion the institutions required for free, fair and effective global governance.

In recent centuries the world has been propelled by the battle cry of revolutionary ideas—freedom, equality, fraternity, universal education, workers of the world unite. Past revolutions have always brought vast upheaval and destruction in their wake, tumultuous and violent change that has torn societies asunder and precipitated devastating wars. Today the world needs evolutionary ideas that can spur our collective progress without the wake of destructive violence that threatens to undermine the huge but fragile political, social, financial and ecological infrastructures on which we depend and strive to build a better world.

Until recently, history has recorded the acts of creative individual thinkers and dynamic leaders who altered the path of human progress and left a lasting mark on society. Over the past half century, the role of pioneering individuals is increasingly being replaced by that of new and progressive organizations, including the international organizations of the UN system and NGOs such as the Club of Rome, Pugwash and the International Physicians for the Prevention of Nuclear War. These organizations stand out because they are inspired by high values and committed to the achievement of practical, but far-reaching goals. This was, no doubt, the intention of the founders of the World Academy of Art & Science when they established this institution in 1960 as a transnational association to explore the major concerns of humanity in a non-governmental context.

The founders of WAAS were motivated by a deep emotional commitment and sense of responsibility to work for the betterment of all humankind. Their overriding conviction was on the need for a united global effort to control the forces of science and technology and govern the peaceful evolution of human society. Inhibiting conditions limited their ability to translate these powerful motives into action, but they still retain their original power for realization. Today circumstances are more conducive, the international environment is more developed. No single organization can by itself harness the motive force needed to change the world, but a group of like-minded organizations founded with such powerful intentions can become a magnet and focal point to project creative ideas that possess the inherent dynamism for self-fulfillment.

Ivo Šlaus   Orio Giarini   Garry Jacobs

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Inside this Issue

The articles in this issue of *Cadmus* address some of the most pressing opportunities and challenges posed to humanity in the 21st century. Inspired by historical insights, they examine the process of social evolution and the successful and unsuccessful responses that have been the source of earlier crises and the impetus for the great advances of the 20th century. The human mind has a forward looking orientation which tends to diminish the achievements of the past while magnifying present challenges and future aspirations. We no longer regard with awe the remarkable events that led to the sudden end of the Cold War, the collapse of totalitarian regimes, the democratic revolution that spread like wildfire through Eastern Europe and elsewhere, the arms control agreements that ended the nuclear arms race, the dramatic reunification of Germany, the founding and rapid expansion of the EU, the World Wide Web and other unforeseen occurrences that transformed the world during the last quarter of the 1900s. The prevailing cynicism, doubts and insecurity generated by recent events obscure both the lessons of the past and possibilities of the future. These lessons do not mitigate the magnitude of present challenges, but they do offer guidance on how to evolve effective strategies to address them.

Nor is it sufficient that we broadcast loudly the impeding existential threats that loom before us. If it were, surely incessant warnings of the past would be sufficient to compel humanity to act. The most intense warnings will be ignored unless they are accompanied by a positive vision and path to a better future. Although the wealthy may be content to preserve what now exists against these threats, the vast proportion of humanity ardently dreams of a better future and will only respond to a positive message that reveals how they can achieve it. This fact poses a challenge to the intellectuals of the world to develop ideas, formulate strategies and impart the knowledge needed to convert today's challenges into tomorrow's opportunities.

Our progress depends on the constant evolution of our methods and organizations. Democracy needs to be freed from the incubus of plutocracy, careerism, falsehood and corruption. It must be recast to fulfill its original purpose of promoting inclusion and universal human rights. Economic systems must be radically transformed to stem growing concentration of wealth and inequality, the mindless exhaustion of scarce resources and pollution that impoverishes the future. Education must shift from transmitting information to passive recipients to actively developing the capacity for independent thinking, problem-solving, creativity and developing the whole person. Bold and original thinking that ventures beyond all known frontiers of knowledge is required. Transformational world leadership based on positive values is needed to reconcile the inherent contradictions arising from short-sightedness, narrow self-interest and dominant centers of social power. These very challenges can serve as propellants for greater progress and well-being.

We hope you enjoy this issue.

Editors

The Future of Democracy Challenged in the Digital Age

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Abstract

Recent evidence is marshalled concerning the impact on democracies of the global explosion of electronic platforms and digital companies, based initially on the US government-supported and now worldwide Internet. These companies, driving Wall Street stock prices, are still largely unregulated and unchecked by conventional anti-trust regulations, especially in the USA. These companies, especially the social media giants, are examined for their growing threats to democracies in all countries. This paper explores deeper structural issues and further threats to democracies posed by the basic business and operating models of these giant global corporations. Their vast profitability rests on capturing huge caches of private personal information on their registered users by offering "free" services. This Orwellian data-trove is then sold to advertisers, thousands of third-party marketing firms, politicians and too often to officials of repressive regimes. This tsunami of personal data allows surveillance of citizens in both democracies and autocratic states. Evidence of such perversion of free speech and privacy in democracies is documented. Proposals are offered for government regulation building on the EU's GDPR. Also proposed is reinforcing personal privacy autonomy and freedom by expanding Habeas Corpus, the ancient English common law. The paper also includes an overview of the threats to democracy from other forms of market-based commercial activity including the global financialization of worldwide stock, bond and currency markets, central banks' policies, and efforts to reform these securities markets. All these threats to democracies continue, and addressing the issues requires a more future-oriented approach to planetary environmental risks, rather than anthropocentric academic studies and conventional reforms of past times.

In *The Road to Unfreedom* (2018), historian Timothy Snyder observes the USA as "sleepwalking" in the current information warfare by authoritarian states led by Russia, targeting democratic values and institutions. In our now global digital age, it is no longer necessary to wage kinetic conflicts, since democratic countries like the USA and those in Europe can be so easily undermined with cyber attacks, propaganda and weaponizing social media and open political cultures. Snyder's examples include the divisions sown in the USA in its 2016 elections and still continuing, as well as the discord in the UK since Brexit, which he calls "Russia's greatest foreign policy success"(p.104-7).

Evidence is piling up that social media and other easily weaponized institutions and norms of democratic states are being successfully disrupted in the USA, Europe and other democracies. In *Antisocial Media* (2018), author Siva Vaidhyanathan documents

how Facebook and other platforms are used as tools by authoritarian states, such as Facebook's cooption by Philippine strongman Duterte and in Myanmar where Facebook was exploited in the genocidal attacks on the Rohingya population. These and other misuses of the Internet are summarized in The Economist's special report *Fixing The Internet: The Ins and Outs*.[1] The magisterial three-volume *The Information Age Society and Culture* (1996) by sociologist Manuel Castells, reviewed in an unpublished paper by physicist Fritjof Capra, remains the most comprehensive survey of these historical changes.

In *The Entrepreneurial State* (2015), economist Mariana Mazzucato critiques these new digital platforms emanated largely from the USA and the mostly young libertarian-leaning white men who launched Microsoft, Amazon, Google, Facebook, Twitter, LinkedIn, Instagram, Snapchat and similar electronic platforms—many with governmental subsidies—using the Internet, a taxpayer funded, government innovation. China is rapidly catching up with WeChat, Alibaba, Tencent and even broader enterprises. The young Silicon Valley coders now re-writing our civic rules, naively claimed that the connectivity they provided "free" would usher in a new level of democracy and freedom, even falsely claiming that the ill-fated "Arab Spring" was a Facebook and Twitter revolution. In *How To Fix The Future* (2018), serial tech entrepreneur Andrew Keen dissents, criticizing Silicon Valley's pretensions, offering reforms to their business models and civic irresponsibility. A report in New Scientist titled *The Race to Stop Bots Taking Over the World* describes how law makers want to clamp down on automated social media accounts and disinformation.[2]

Until 2017, these firms were lionized and unregulated while installing lobbying arms in Washington. In *The Wealth of Networks,* Yochai Benkler takes a positive view of how social production transforms markets and freedom.[3] They are now seen as vastly profitable monopolies, exploiting the "winner take all" network effects of the Internet. Claiming to be merely technology platforms, with no responsibilities for content, these new data-fueled giants have business models relying on selling their users' personal information to advertisers. They use ever-more targeted algorithms offered to thousands of advertising and marketing companies and easily exploited by the Russian "bots" emanating from the St. Petersburg-based Internet Research Agency. Not until mid-2017 did the US Congress at last hold hearings, calling lawyers for Facebook, Twitter and Google. These representatives initially stone-walled on how their platforms were hijacked and contributed to the narrow election by some 70,000 votes, of Donald Trump, ratified by the obsolete Electoral College—in spite of candidate Hillary Clinton's popular 3 million vote majority. Eventually, Facebook CEO Mark Zuckerberg was shamed into testifying more truthfully.

Evidence that these social media companies had become "de facto" news sources for almost 50% of the US public, forced today's debate about how they should be regulated. Minimally, a consensus is emerging that all these companies must be re-classified as news media and held to the same journalistic standards of truth while publicly disclosing their advertisers, political funders and conflicts of interest. Microsoft scientist Jaron Lanier's *Ten Arguments for Why You Should Delete Your Social Media Accounts Now* (2018) calls for changing the business models of these companies from their current reliance on advertising and

addictive algorithms based on behavioral modification of users. A consensus is emerging in the USA that these companies also should be broken up, using anti-trust regulation or become public utilities with government oversight. Meanwhile new start-ups offer ad-blocking apps which are being rapidly adopted by online users, 19% in the USA, 24% in Canada, 29% in Germany, 39% in Greece and 58% in Indonesia, as reported in Bloomberg Businessweek[*].

The European Union (EU) General Data Protection Regulation (GDPR) is a model now in force which addresses the worst aspects of corporate data collection and surveillance of their users, including the so-called Internet of Things.[†] A New EU copyright law tightens the rules on use of content on big social media platforms requiring payments.[4] The US Congress created the Office of Technology Assessment (OTA) in the 1970s to prepare law-makers with knowledge needed when questioning witnesses like Facebook CEO Mark Zuckerberg on how their use of personal data drove their algorithms for vast profits. Through the 1980s, OTA provided congress members with needed background on all the technologies under public debate on their possible impacts on health, society and the environment.

OTA marshalled top experts from US universities and laboratories for their reports on future problems and possibilities…but gored too many sacred cows and special interests. In 1996 Congress then slayed its OTA messenger. The recent hearings on Facebook, Google, Amazon and Twitter on Russian hacking of our 2016 election saw congress members caught on camera, blindsided, ignorant of the technologies these giant companies use to build their billions of users and outsize profits. Twitter's claim to make its content conform to behavioral standards in its "health initiative" is critiqued by psychologist Prudy Gourguechon in Forbes.[5]

In our TV show "Social Media in the Crosshairs", NASA Chief Scientist Dennis Bushnell and I explore the need for oversight, new business models and possible anti-trust breakup of these social media monopolies.   We discussed ways people can protect themselves, their privacy, autonomy and safety from the dangers of hackers, spyware and cyber-attacks. As the public faces the threats from automation, robots, artificial intelligence (AI) and the biased algorithms now controlling our daily lives, members of Congress are calling for restoring the dormant OTA. The Federal Trade Commission (FTC) and other agencies try to replicate OTA's services, question these deeper issues and how these technologies are threatening our privacy, millions of jobs and even disrupting electric grids and financial services. Science policy researcher Katie Singer assesses the broader social and environmental impacts of the entire internet system globally, in her forthcoming *How On Earth Do We Shrink The Internet's Footprint?*

A report for McKinsey Global Institute—*Notes From the AI Frontier: Applications and Value of Deep Learning* (2018)—looks at 400 companies and how AI is expected to increase efficiency and profitability across 19 industrial sectors. No mention for what broader public purpose beyond private sector profit—the questions asked in all OTA studies. For example, these advanced AI techniques teach computer algorithms to take over ever more tasks requiring "deep mind" judgements based on human brain functions. Thus, as Jaron

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* See https://www.bloomberg.com/news/features/2018-05-10/inside-the-brotherhood-of-pi-hole-ad-blockers

† See "The Idiocy of Things" May 31, 2016 http://www.ethicalmarkets.com/the-idiocy-of-things-requires-an-information-habeas-corpus/

Lanier points out, training AI systems to translate languages requires feeding them human translators' knowledge. Then, the human translators' jobs disappear!

This McKinsey report notes that these "deep mind" capabilities, driven by such machine learning, require ever more access to personal data from humans. So consumers must be ever more closely monitored, tracked and surveilled to feed these computer algorithms. Only one of the 19 industrial sectors surveyed referenced any public interest or social purposes. The entire report focuses on "value" to companies, i.e. equated with increasing monetary revenues. In *Radical Markets* (2018), Eric Posner and E. Glen Weyl offer an approach to job losses; setting up unions for workers displaced by human-trained machines learning their skills. Artist Jennifer Lyn Morone counters "data slavery" by registering herself as a corporation to exploit her personal data.[6] Other proposals include paying all users of social media platforms for every bit of their personal information—feasible with existing software, according to Jaron Lanier in *Who Owns The Future* (2014).

McKinsey's conclusion is that progress in AI is expected to yield between $3.5 and $5.8 trillion of additional revenues for these commercial sectors. OTA, with its charter, would have begun by asking what public purpose was to be served and then assessing AI's long-term social and environmental impacts, costs and consequences for all segments of the US population. Grassroots opponents and radical academics in many countries also have government agencies similar to OTA which can report on social media, robots, automation, video-game addiction, and rapid digitalization of all sectors.

Struggles are heating up as to the ownership of personal information naively provided by users for the "free" use of these social platforms. These companies claim that they own all this personal data, since users agreed under the voluminous Terms and Conditions stated on their websites. Banks and financial firms claim that they own all their clients' personal data. Under the GDPR, assertions are that users, customers and citizens retain ownership of this personal data, e.g. "the right to be forgotten", but these rights are limited and tenuous in practice, when facing vastly superior corporate power.

Ethical Markets advocates extending the ancient English law "habeas corpus" to include personal ownership of our brains and all our information, an "information habeas corpus". Battles continue between civil rights groups and corporations over data control, with growing concern about the use of algorithms trained in facial recognition being used by police, sold by Amazon in the USA.[7] These algorithms are so biased that they target minorities unfairly, for example misidentifying African Americans.[8] These algorithms can also change audio and video tracks and photographs—creating new levels of disinformation.[9]

As the battle heats up over data of citizens in all countries, we are told that in this digital age, data is now seen as the primary resource—just as oil was in the fossil-fueled Industrial Era. Three different models of the Internet are emerging: (1) the US model of free and open access to all including commercial users; (2) the Chinese model of government coordinating and managing domestic populations and activities, and (3) the Russian model of geopolitical use by the state in information warfare, superior and cheaper than kinetic conflict. All these issues are discussed in *The Darkening Web* (2017) by Alexander Klimburg who describes

this global battle taking place at the International Telecommunications Union (ITU) in Geneva. Many reformers are designing electronic platforms they hope will become a new decentralized internet, such as Decenternet, Polka Dot and others, using blockchain models. Some of these efforts are discussed in The Economist.[10]

"Increasing education budgets, making higher education affordable or free, increasing MOOCs, mentoring, retraining and on-the-job apprenticeships are all essential."

Digging deeper into the origins and development of the Silicon Valley oligopoly is *The Surveillance Valley* (2018) by Yasha Levine, who traces the military-funded foundations of the Internet and most of the so-called "entrepreneurial geniuses" of Silicon Valley. Levine documents how most of these young coders and their funders used government subsidies and still rely heavily on military contracts. Levine reveals shocking levels of interpenetration between these companies and the US military and related intelligence agencies. This book usefully lists many companies and how and with whom they operate. A chilling report "AI, Warbot" in *New Scientist* dated September 15, 2018 describes in detail how AI machine learning is already penetrating military strategies in a new kind of digital arms race, pointing out that these machine-learning algorithms are not taught anything about human abilities for deeper understanding, collaboration, empathy or the ability to grasp the horrendous outcomes that their speedy blind decisions may cause.[11]

The naiveté of computer scientists, mathematicians and developers of algorithms is breath-taking, as well as their use of the reified term "artificial intelligence" (AI) which is a misnomer, since the correct term should be "Human-Trained Machine Learning". This arrogance is on full display in *Prediction Machines* (2018), by co-authors Ajay Agrawal, Joshua Gans and Avi Goldfarb. They describe how these algorithms are designed to meet the narrow specialized efficiency goals of various contracting companies and financial firms, with the simple economic fundamentalism of most neoliberal textbooks—still taught in most business schools. The impacts on society and the public sector are discussed in a final chapter, as an after-thought. Similar reports abound by consultants like that cited earlier by McKinsey, as well as KPMG, business groups and most corporate-focused research. Examples include Deloitte and the World Economic Forum report *The New Physics of Financial Services* published in August 2018. A notable exception is *The Data Privacy Puzzle* from The Cornerstone Capital Group, New York for the Investor Responsibility Research Center (IRRC) Institute, August 2018, which assesses the viability and vulnerabilities of data-driven business models.

In *Capitalism Without Capital* (2018), authors Jonathan Haskel and Stian Westlake breezily describe the rise of the intangible economy and its effects on so many sectors.They discuss how accounting methods need to be retooled to value information, research, patents, copyrights, recipes, media products, brands, business

models and all these new intangible assets. These changes from the 20th century and earlier industrial societies are from economies based on physical, material goods to those based on services. Such intangible information-based products and services have become more dominant since the mid-1960s, when I co-founded a group, the National Citizens Committee for a Guaranteed Income with the author Robert Theobald of *The Guaranteed Income* (1966). These huge changes must be addressed, since the inequality and employment disruption they continue to produce are still festering, as documented by Thomas Piketty in *Capitalism in the 21st Century* (2017). If societies continue ignoring these unattended effects, democracies will continue to erode worldwide and the revolts of those bypassed and outsourced will continue to be exploited by demagogues. Increasing education budgets, making higher education affordable or free, increasing MOOCs, mentoring, retraining and on-the-job apprenticeships are all essential.

"Human judgement and examination of companies and their economic and social performance give way to mathematical models, algorithms and derivatives—all abstractions from real-world resources, risks and global environmental conditions reported daily by 120 Earth-orbiting satellites."

The financialization unleashed in the 1980s by the current form of neoliberal economic policies is now itself challenged by digitalized cryptocurrencies (see *Money is Not Wealth: Cryptos v. Fiats*, 2017). The Bank for International Settlements (BIS) faced up to these challenges to central banking in Chapter 5: "Crypto Currencies: Looking Beyond the Hype", in the BIS Annual Economic Report published in June 2018. Grassroots groups like the Occupy movements are revealing the ideologies, myths and politics of money-creation and credit allocation (see our TV show "The Money Fix"). This is awakening many money reformers and spawning grassroots local currencies, such as the famous "Berkshires" of the Schumacher Center. Many are calling for universal guaranteed basic incomes (UBI) as reported in Forbes, as well as blockchain-based currencies and even new voting and democratic systems such as "Agora 2.0" proposed by Mariana Todorova, former member of the Parliament of Bulgaria. Calls for such reforms range from lawyer Ellen Brown's *The Public Bank Solution* (2013), Sovereign Money (2018) by Joseph Huber, *A Green Bank of England* (2018) by Positive Money, and the many similar proposals by the American Monetary Institute (AMI) and Canada's Committee on Monetary and Economic Reform (COMER).

The speed and power of current global financialization are driven by computerized stock and bond markets and their high-frequency trading (HFT) as I reported to the UNEP Inquiry on Design of Sustainable Finance, "Reforming Electronic Markets and Trading", (2014) and "FINTECH: Good and Bad News for Sustainable Finance" (2016), also at http://www.unepinquiry.org/. Over 50% of all securities trading on public exchanges is conducted by computers and algorithms while robotized investment advisors and asset managers and

their indexes, benchmarks and Exchange-traded Funds (ETFs) now dominate. Human judgement and examination of companies and their economic and social performance give way to mathematical models, algorithms and derivatives—all abstractions from real-world resources, risks and global environmental conditions reported daily by 120 Earth-orbiting satellites.[*]

> *"Reforming and expanding the UN is a necessary condition for the future of democratic states, international agreements and the subsidiarity allowing autonomous, equitable decision-making at regional and local levels."*

This is a brief overview of challenges to democracies from information technologies beyond the hopeful visions of Marshall McLuhan, in his *Understanding Media* (1966) of an emerging *"global village"*. Today, political scientist Parag Khanna describes in *Connectography* (2017) how technological connectivity marches unabated in global fiber-optic cables, satellites and computerized HFT. These tools are accelerating financialization with globalized infrastructure, such as China's Belt and Road initiative, while cities are arising and challenging the Westphalian sovereignty of states and the United Nations (UN).

Most of humanity's global problems, from food security, poverty and inequality to desertification and climate change, cannot be solved by any one country alone. In this Age of the Anthropocene, the planet is teaching humans directly about the failures and limitations of our anthropocentric cognition and policies.

Thus global governance becomes unavoidable and the evolution of human concerns in the 17 goals of the United Nations Sustainable Development Goals (SDGs) point in the right direction. Reforming and expanding the UN is a necessary condition for the future of democratic states, international agreements and the subsidiarity allowing autonomous, equitable decision-making at regional and local levels. Reining in and re-purposing finance is a pre-requisite, along with breaking the spell described by Yuval Noah Harari in *Homo Deus* (2017) of the money myth and economic fundamentalism. Finance is slowly being redirected from the stranding of past fossil assets in too many pension funds now shifting to the cleaner, knowledge-rich investments in renewable energy and resource-based circular economies of the Solar Age, as tracked in our Green Transition Scoreboard (GTS) reports: *Deepening Green Finance* (2017) and *Capturing CO_2 while Improving Human Nutrition and Health* (2018). In our Information Age, all countries have become "mediocracies" , whatever their ostensible form of government, while their "attention economies" run on data, as I described in *Building A Win-Win-World* (1996, ebook).

Global governance structures must be strengthened and reinvented as described by Jo Leiner and Andreas Bummel in *A World Parliament: Governance and Democracy in the*

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[*] See *Mapping the Global Transition to the Solar Age: From Economism to Earth Systems Science*, 2014

21ˢᵗ Century (2018). The UN and its SDGs and climate summits must be fairly and securely funded as in the proposals Harlan Cleveland, Inge Kaul and I co-edited in *The UN: Policy and Financing Alternative*s (1995, 1996). Our 7.5 billion member human family is coming up to graduation time on our home planet Earth and now must face all the global problems our limited perception has created. The Earth will survive humanity's mistakes in any case and life in its biosphere will continue.

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System Change Investing and Political Reform

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Abstract

System change is the most important sustainability issue. Flawed economic and political systems compel all companies to degrade the environment and society. For nearly all of US history, these systems enabled vested interests to strongly influence government and unfairly concentrate public wealth, in large part by deceiving, dividing and disempowering citizens. The US is quickly dismantling environmental and social protections. This will accelerate already rapid environmental and social degradation, and create growing problems for business and society. Political reform is essential because government largely controls the economy and constrains corporate behavior. Governments that are heavily influenced by vested interests probably will not substantially change on their own. The most powerful drivers of political reform potentially are public empowerment and corporate/ financial sector influence. In the short to mid-term, System Change Investing (SCI) is one of the highest leverage, most effective ways to engage the corporate and financial sectors in political reform and system change. This article discusses the critical need to address, unfair concentration of public wealth, suppression of democracy, public deception and division, essential government changes, rational, big picture thinking, and the major actions required to achieve political reform, including uniting and empowering citizens and engaging the corporate and financial sectors through SCI.

1. Political Reform

Flawed economic and political systems are the root cause of the major environmental, social and economic challenges addressed by the UN Sustainable Development Goals (SDGs). These shortsighted systems compel all companies to degrade the environment and society.

Very generally speaking, companies can voluntarily mitigate about 20 percent of short-term and long-term, tangible and intangible, negative environmental and social impacts in a profit-neutral or profit-enhancing manner. Beyond this point, rising mitigation costs often reduce profitability. If companies continue voluntary impact reduction, they will put themselves out of business long before reaching full impact mitigation. Our flawed economic and political systems unintentionally create a situation where companies must degrade the environment and society to survive. This largely is a system problem, not a company problem.

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[*] This article is based on the author's book *Global System Change: We the People Achieving True Democracy, Sustainable Economy and Total Corporate Responsibility.* The book provides extensive references and logic to support the positions summarized here.

Extensive, excellent work is being done in the Socially Responsible Investing (SRI) and corporate sustainability areas. But nearly all of this work is focused on voluntarily changing companies instead of the overarching systems that largely control corporate behavior. System change probably represents at least 80 percent of the sustainability solution.

Growing awareness of this is driving many economic reform movements, such as those promoting a green economy, circular economy, multi-capitalism and conscious capitalism. But in many ways, political reform is more important than economic reform because the political/government system largely defines, constrains and controls the economy, even with *laissez-faire* government.

Civilized society cannot exist without government, laws and regulations that uphold the rule of law. This principle states that individuals and businesses should be free to do what they want, provided that they do not harm others. If government fully enforced the rule of law against businesses, by preventing them from harming life support systems and society, a sustainable economy would quickly manifest. Voluntary economic reform efforts largely would be unnecessary. For example, companies usually would choose to develop products and production processes that greatly reduce or eliminate waste. The alternative, paying for the negative impacts (fully internalized costs) of waste, usually would be prohibitively expensive.

The suggestion here is not to abandon voluntary economic reform efforts. Political reform will take some time. Voluntary economic reform should be continued, while parallel, more effective political reform approaches are established that support and greatly accelerate economic reform.

Many economic reform efforts recognize the importance of political reform and promote government policy changes. But the primary focus often is on encouraging companies to voluntarily abide by sustainable economy principles. When system change is promoted, it frequently is at the mid-level or sector-level, for example, by internalizing a particular externalized cost. These approaches can have limited impacts because flawed systems severely constrain companies' ability to eliminate negative impacts and abide by circular economy and other sustainable economy principles. In addition, many high-level, overarching economic and political system changes are needed, beyond sector-level changes, to make full impact mitigation and sustainable operations the profit-maximizing approach.

Political reform efforts often focus on one issue, such as campaign finance reform. But all major aspects of the political system and broader society are connected. Narrowly focused efforts can be restricted by barriers and other factors outside their focus areas. Whole system approaches that address all relevant factors often will be more effective. Reform efforts also frequently focus on promoting a particular political philosophy or putting certain political parties or individuals in office. These efforts can distract attention from fundamental systemic problems that transcend parties and personalities.

To illustrate, over the past 30 years, concentration of wealth (inequality) has increased in nearly all developed countries, regardless of the political party or leader in power. This

primarily results from lack of democracy caused by inappropriate vested interest influence of government.

The US Founders intended that all eligible voters should have equal influence over government. If one person spends $1 million on a politician's election campaign and another person spends zero, the two people obviously will not have equal access to and influence over the politician and government. To protect democracy and each citizen's right to equally influence government, campaign finance laws existed in the US for over 100 years.

> *"43 percent of US households cannot afford to meet basic needs."*

From the 1930s to 1970s, wages largely rose with economic growth and productivity. The US had the largest middle class in the world. A 1976 Supreme Court decision, *Buckley v. Valeo*, weakened campaign finance laws. Subsequent decisions, including *Citizens United* and *McCutcheon*, enabled wealthy individuals and large companies to make anonymous, unlimited campaign finance contributions.

As the wealthy gained greater control of both major political parties and government, a growing amount of public wealth was transferred to the top of society through extensive corporate welfare. Inflation-adjusted wages have been nearly flat for 40 years, while the economy and productivity continued to grow. The US now has the highest inequality among developed countries and nearly the highest in the world (Only Russia, Ukraine and Lebanon have higher inequality). Throughout US history, each generation did better financially than their parents. Today's young people are the first generation that will fare worse.

The US economy supposedly is strong. But 43 percent of US households cannot afford to meet basic needs. One study found that US citizens must earn $35,000 per year to meet basic necessities. Only about 30 percent of the US working age population earns this much or more. The US has the second highest childhood poverty rate among developed countries.

From the 1930s to the 1970s, the US implemented many major environmental and social protection programs that broadly benefited society and strengthened the middle class. But few major programs have been implemented since the 1980s. Instead, many have been weakened or dismantled. This trend is accelerating. The US is rapidly scaling back environmental and social protections. This will further expand inequality and poverty, and place future generations at risk by degrading life support systems.

When one adopts a whole system perspective, this degradation is shown to be the expected outcome of our grossly flawed economic and political systems. These systems unintentionally place short-term economic growth and shareholder returns before all other factors, including the survival of humanity. Anything that interferes with ever-increasing economic growth and shareholder returns, such as environmental and social protections, must be removed.

Flawed systems financially benefit large companies and wealthy business owners in the short-term. But by degrading the environment and society that enable business and the economy to exist, they ultimately degrade companies and investors. Obviously no one

intended this degradation of society. It results from myopia—failure to see the big picture and think from a whole system perspective.

> *"Limited liability is a grossly unfair form of socialism because citizens/taxpayers are compelled to act as the owners of business on the downside (by paying for negative impacts) while receiving none of the financial upside."*

Public deception is a main factor allowing this degradation. The US Founders' primary concern about democracy was the ease with which vested interests could mislead non-expert citizens. The main Founders, except for Alexander Hamilton, were greatly alarmed by the establishment of political parties. They did not want the new union divided into debating, acrimonious factions. The Founders knew that vested interests could take advantage of tribalistic tendencies and use emotional manipulation to divide and thereby disempower the people. This makes it difficult for citizens to work together on their many common interests, such as protecting life support systems and children. Dividing and disempowering the people enables vested interests to unfairly control government and take the public wealth.

Economic and political systems that degrade the environment and society obviously will change, probably soon, given the vast problems they are causing. Our only options are voluntary or involuntary system change. Involuntary change (collapse) would cause unprecedented trauma and disruption due to the large, interconnected nature of human society, and the many environmental and social tipping points that we are near or beyond. Avoiding collapse requires refocusing government (and by extension the economy) on the long-term well-being of society.

Achieving political reform at the pace and scale needed to avoid collapse and resolve the major challenges facing humanity requires many actions. Three key leverage points for political reform are internal government change, public empowerment, and corporate and financial sector engagement.

2. Government Change

Extensive internal government changes are needed in the US and many other countries to refocus the government and economy on maximizing the long-term well-being of society. Governments that are heavily influenced by vested interests, such as the US government, are unlikely to substantially change on their own, unless they face severe crises or system collapse. But by then, it probably will be too late to avoid widespread suffering and disruption.

European and other governments often make positive changes, including promoting sustainable financial systems and increasing environmental and social protections. In the US, some politicians are seeking substantial changes that broadly benefit society. But most

pressure for change probably will come from outside government, primarily from the general public and corporate and financial sectors.

"One study estimated that the wealthiest US citizens avoid as much as $3 trillion of taxes each year."

This section discusses internal government change, mainly to help focus the efforts of external groups. US government changes are emphasized. But the principles and changes summarized here generally apply to many other countries.

The primary purpose of government stated in the US Constitution is to promote the general welfare. This encapsulates all other stated purposes. The Founders often used the word 'posterity'. They were strongly focused on protecting future generations. Promoting the general welfare refers to protecting and maximizing the well-being of all current and future citizens.

The Founders intended to achieve this goal through the principle of democracy (all citizens equally control government). But they knew that democracy was an unworkable form of government for more than small groups. Average citizens usually do not have enough time to study complex issues and make the best decisions for current and future generations. The US is based on the principle of democracy. But it is structured as a constitutional republic (citizens equally control government through elected representatives).

James Madison, the chief architect of the US Constitution, said that the people are the only legitimate source of power in government. True democratic government is the agent of the people. Government uses the collective power of the people to protect their long-term interests and well-being.

The Founders intended to establish a new form of democracy that would be a shining light for the rest of the world. Their two primary goals were to promote the general welfare and establish republican government. But vested interests have thwarted the Founders' intentions by dividing the people and taking control of government. Democracy has been replaced with plutocracy (rule of government and society by the wealthy).

At least several trillion dollars of public wealth are unfairly transferred each year to the small group that controls government through many forms of corporate welfare. Broadly defined, corporate welfare includes all unfair transfers of wealth from the general public to this small group. Major types of corporate welfare include fractional reserve lending, limited liability, externalized costs, unfair taxation, unfairly high prices, unfairly low wages and declining customer value.

The money supply in the US and many other countries largely is created by the private sector through fractional reserve lending. The Constitution assigns the right to create money to Congress (i.e. the people), not the private sector. When government runs a deficit, the private sector creates money, loans it to government and citizens pay interest on it (about

$400 billion per year). In effect, citizens are paying interest to use their own money. If government created the money supply, citizens often would pay no interest.

> *"Primary goals of political reform should be to establish true democracy and use the public wealth to equally and fairly benefit all citizens. As plutocracy is replaced with democracy, the people's elected representatives will end the current massive, unfair public wealth redistribution to the top of society."*

In addition, the profit from money creation largely belongs to the people, not bank owners. Citizens lose an additional at least $100 billion per year by allowing private sector money creation. If the people reclaimed their right to create the money supply, federal individual income taxes potentially could be reduced by nearly 50 percent. National debt and deficit spending also could be greatly reduced or eliminated. A government-created money supply would be far more stable because the money supply would not be constantly expanding and contracting as loans are made and repaid.

Regarding limited liability, citizens and small business owners are held fully responsible for harm imposed on society. But limited liability caps the downside of corporate owners. 'Limited liability' is a misleading term. Liability does not disappear. It is transferred, mainly to taxpayers. A more accurate name would be 'transferred liability' or 'taxpayer liability'.

High risk activities often produce high returns. By transferring the downside to taxpayers, limited liability often compels companies to engage in the most risky and destructive activities. This greatly increases total costs to society because citizens often pay to clean up problems caused by businesses. Limited liability is a grossly unfair form of socialism because citizens/taxpayers are compelled to act as the owners of business on the downside (by paying for negative impacts) while receiving none of the financial upside. A limited liability company is not a private entity. It is a grossly unfair quasi-public structure.

Externalities are real business costs and burdens imposed on society. Citizens pay for them through increased taxes, higher healthcare and other fees, and/or reduced quality of life. If companies were held responsible for the actual, real costs they impose on society, they would be highly motivated to develop lower impact products and services. Like limited liability, externalized costs greatly increase total costs to society by compelling citizens to pay to clean up problems caused by business.

Unfair taxation is another major form of corporate welfare. One study estimated that the wealthiest US citizens avoid as much as $3 trillion of taxes each year through special deductions, exemptions, credits, loopholes, tax havens, tax underpayments, capital gains tax subsidies, regressive payroll taxes, the absence of taxes on financial transactions, and low effective corporate taxes (i.e. taxes actually paid).

Business controlled government creates extensive corporate welfare in the broader economy by enabling higher prices, lower wages and declining customer value. This unfairly increases profits and transfers substantial public wealth to the top of society. Government drives increased prices by suppressing competition, for example, by allowing mergers and acquisitions, subsidizing large companies, and prohibiting competition from the public sector.

"Establishing democracy in the US requires placing the Judiciary under the control of the people by imposing term limits and limiting the power of judicial review. No other country appoints Supreme Court justices for life."

It promotes unfairly low wages by suppressing unions and labor in general. If the minimum wage had kept pace with inflation since 1968, it would be over $21 per hour. Only 22 percent of the working age population in the US makes more than the equivalent of the 1968 full-time minimum wage.

The systemic requirement to provide ever-increasing shareholder returns places publicly traded companies under nearly constant pressure to increase prices and/or reduce quantity/quality costs. Customer and societal value decline as citizens regularly pay higher prices for lower quantities of lower quality products and services. To illustrate, in the airline sector, the increasingly obese US population often must endure rising prices, reduced amenities, and smaller, closer together seats.

Primary goals of political reform should be to establish true democracy and use the public wealth to equally and fairly benefit all citizens. As plutocracy is replaced with democracy, the people's elected representatives will end the current massive, unfair public wealth redistribution to the top of society.

Many changes are needed in the US government to establish democracy and abide by the Founders' intentions. The main Founders, again except for Alexander Hamilton, strongly opposed aristocracy in government. Democracy only can be achieved through rotation in office. This was common in the Founding era. Now legislators and judges often remain in office for decades. This cuts Congress off from the people and enables legislators to establish long-term, often financial relationships with vested interests. In 1947, Congress initiated a constitutional amendment to restrict Presidential terms. It now should complete the job by imposing term limits on itself.

James Madison and other Founders intended Congress to be the most powerful branch of government because it is regularly elected, and therefore closest to the people. The Founders intended the Judiciary to be the weakest branch because it is unelected, and therefore farthest from the people. They established this in the Constitution by giving Congress strong authority to structure and regulate the Judicial branch. Article III, Section 2, for example, gives Congress unlimited power to restrict and regulate the Supreme Court on appellate cases (nearly all Supreme Court cases).

The Constitution does not give the Judicial branch the authority to irrevocably void acts of the Legislative and Executive branches, a power known as judicial review. The Judicial branch unconstitutionally gave itself this power in 1803. This violates the Founders' intentions by making the Judiciary the strongest branch of government.

During the Civil War, President Abraham Lincoln warned that business had gained strong influence over government and would use it to achieve even greater control, for example, by appointing pro-business judges. Over the past 40 years, business-biased judges

"Accurately measuring social well-being is another critical requirement for democracy."

strongly facilitated plutocracy by largely dismantling US campaign finance laws. They also made many other decisions that benefited the wealthy business owners who essentially paid to appoint them.

For example, a 2012 Supreme Court decision found that generic drug manufacturers could not be held responsible for harm caused by their drugs because the FDA approved them. In other words, these companies could not be held responsible for selling drugs that sicken or kill people. Instead, citizens/taxpayers often would pay for the harm (corporate welfare).

Establishing democracy in the US requires placing the Judiciary under the control of the people by imposing term limits and limiting the power of judicial review. No other country appoints Supreme Court justices for life. The Constitution does not establish lifetime judicial terms. It says that justices shall hold their offices during good behavior. As some Founders believed, this could be interpreted to simply mean that good behavior is a requirement for remaining in office. Congress can impose term limits on the Judicial branch through legislation because the Constitution does not specifically establish lifetime judicial terms.

The Constitution implicitly assigns final judicial authority to Congress because it is closest to the people and has explicit authority to regulate the Judiciary. To establish democracy in the Judicial branch, Congress should pass legislation that restricts judicial review. No constitutional amendments are needed to do this or impose judicial term limits.

In The Federalist Papers, Alexander Hamilton pointed out that there is nothing in the Constitution that prevents Congress from reversing judicial decisions. To achieve the republican government established in the US Constitution, Congress should reverse judicial decisions that suppress democracy, including *Buckley*, *Citizens United* and *McCutcheon*.

Implementing popular election of the President also is essential for democracy. The Electoral College was established as a compromise at the end of the Constitutional Convention of 1787, in large part to protect the institution of slavery. In two of the past five Presidential elections, the candidate who received the most votes from US citizens did not become President. It is difficult to imagine a greater violation of democratic principles than this.

The Electoral College gives small state citizens more influence in electing the President than those from large states. It also compels candidates to favor swing states. All citizens

are equal. This should be reflected in Presidential elections. In 1913, the 17th Amendment changed the means of selecting US Senators from state legislature appointment to popular election. It is time to finish the job by establishing popular election of the President.

Accurately measuring social well-being is another critical requirement for democracy. What gets measured gets managed. Focusing government primarily on economic growth often concentrates wealth and degrades society in other ways, as shown in the US and many other countries over the past 40 years. Social well-being is comprised of many factors, most importantly environmental protection and ability to meet basic needs. Environmental protection ultimately is the most important aspect of social well-being because humanity cannot survive if environmental life support systems are not clean and stable enough to support human and other life. Publishing accurate social well-being indicators and requiring government to focus primarily on protecting and enhancing these factors will maximize social well-being (promote the general welfare).

Weakening political parties also is essential for democracy. Smaller political parties that truly represent the needs of their constituencies could play useful roles in government. But the two monolithic political parties in the US have diverse constituencies. Their agendas mainly are set by wealthy campaign donors. As a result, regardless of which party wins, the wealthy benefit while life becomes more difficult for the vast majority of citizens, again as shown over the past 40 years (Shifting control of society from political parties to an enlightened, empowered public is discussed below).

Publicly funding political campaigns is another essential requirement for democracy. Business-biased judges found that spending money on political campaigns was equivalent to free speech. Wealthy citizens and corporations do not spend large amounts of money on election campaigns without the expectation of preferential treatment, as if they were giving to a charity. Obviously, preferential treatment is expected and, as shown over the past 40 years, received. Protecting citizens' right to equal voice in government requires that wealthy citizens be prohibited from unfairly influencing elections and government.

The public controls the airwaves and broadband. Campaign costs could be substantially reduced by requiring major media outlets to provide free airtime for election activities as a condition of their public licenses. Publicly funding political campaigns has the potential to vastly lower total costs to society by greatly reducing corporate welfare.

Effectively enforcing the rule of law is one of the most important government changes needed to establish democracy and promote the general welfare. The rule of law usually is applied well to individuals. They are held responsible through murder and many other laws. However, the principle is applied poorly to businesses in the US and many other countries. Companies are not held responsible for extensive environmental and social degradation (i.e. harm). This is the general mechanism that puts business in systemically mandated conflict with society. In competitive markets, it makes it impossible to act in a fully responsible manner (by eliminating all negative impacts) and remain in business.

There are many specific economic and political system flaws that fail to hold companies responsible (i.e. violate the rule of law). All of the government problems discussed above

facilitate rule of law violations (i.e. lack of term limits, dismantled campaign finance laws, limited liability, externalities, fractional reserve lending, corporate welfare, over-emphasizing economic growth, inadequate social well-being measurement, divisive political parties and inappropriate business influence on government). Additional system flaws relate to time value of money and myopic application of the concepts of economies of scale, free-trade and competitive advantage (failure to use whole system approaches that account for all negative and positive impacts).

"Brexit probably would not have occurred if the UK had a written constitution. Constitutional-level decisions that could affect a country for generations should not be made by a simple majority of uninformed, easily misled, non-expert citizens."

Time value of money is a foundation of many economic decisions. It says that future generations and the resources needed to keep them alive are worth far less than current people and resources. This often compels companies to take actions that degrade the future environment and society.

The above democracy violations and system flaws generally apply to many countries. Specific democracy violations vary by country. For example, in the UK, lifetime appointments in the House of Lords and lack of term limits in both Houses of Parliament suppress democracy. Lord is an honorific title. But in reality, there are no lords among humanity. All people are equal. No person has a right to rule other people for life. Establishing democracy in the UK requires popular election in the House of Lords and term limits in both Houses.

In addition, the UK has no specific constitution. Accumulated laws, court rulings and conventions are considered to be its implied constitution. Lack of a specific constitution promotes aristocracy, suppresses democracy and creates other problems. For example, Brexit probably would not have occurred if the UK had a written constitution. Constitutional-level decisions that could affect a country for generations should not be made by a simple majority of uninformed, easily misled, non-expert citizens. As discussed below, public deception by vested interests was a primary cause of Brexit.

Maximizing the well-being of society requires that important, complex decisions be made by people who have thoroughly studied the issues (i.e. experts), in the same way that rational parents rely on expert medical advice to treat children's illnesses. The US Constitution intentionally makes amendments difficult. Two-thirds of Congressional or state approval is required for initiation and three-quarters of state approval is required for ratification. If the UK had a specific constitution, like the US, it probably would require a higher standard for major, Brexit-like decisions than a simple majority public vote.

The above government changes are essential for establishing democracy and maximizing the well-being of society. As discussed, it is unlikely that vested interest influenced

governments will voluntarily implement them. Change mostly will be driven by forces outside of government. Pressure for change largely could come from the general public and corporate and financial sectors.

3. Public Empowerment

Citizens collectively are the most powerful force in society. They could quickly change any government or business. But vested interests frequently divide and disempower the people. This enables them to control government and take the public wealth. Uniting and empowering citizens is one of the most important drivers of government change. It is essential for restoring democracy and promoting the general welfare. This section discusses how vested interests divide the public and how people can be united and empowered to protect themselves and future generations.

The US Founders knew that citizens were vulnerable to emotional manipulation, deception and division. This is a main reason why they structured the US as a republic instead of a democracy. Vested interests have been using political parties and inflammatory, deceptive media to divide and disempower citizens for nearly all of US history. People often are tribalistically misled into blindly supporting their party, attacking false enemies (leaders and citizens in the other party), and ignoring major problems (plutocracy, corporate welfare, degradation of life support systems).

Issues that threaten vested interests, such as reducing greenhouse gas emissions, can be labeled conservative or liberal. Then people in the other party often oppose action on the issue without rationally considering it. For example, 97 percent of climate scientists agree that humans are substantially contributing to global warming. But 66 percent of Republicans do not believe we are. This is a testament to the ease with which vested interests can mislead non-expert citizens.

Average citizens are misled into supporting their political party. But neither party is focused on supporting average citizens. Studies by Princeton and Northwestern universities found that US legislators from both major parties consistently meet the needs and requests of wealthy campaign donors. Those of average citizens had no statistically significant impact on Congressional voting and public policy. This of course is the expected outcome in a system that allows unlimited, anonymous, legalized bribery.

Vested interest deception and division are tragic because they mislead citizens from both major parties into supporting actions that benefit the wealthy, but harm their children and themselves. Division also is tragic because people agree on nearly all major issues and have many common interests. For example, virtually all people want a strong economy, good jobs, low crime, good education and healthcare, a clean environment, good international relations, and efficient and effective government.

The vested interest manufactured civil war between conservatives and liberals is a main, if not the main, problem in the US and many other countries. As long as the people remain divided, they remain conquered and largely unable to protect their common interests. The

conservative-liberal civil war is a primary factor perpetuating plutocracy, corporate welfare and nearly every other major problem in society.

"To unite citizens and solve major problems, we must establish a Second Enlightenment—a rehonoring of objective science and rational, big picture thinking."

Critical actions needed to unite and empower citizens include weakening political parties, requiring honest media, and promoting rational, big picture thinking. Political parties are not mentioned in the US Constitution. Politicians are supposed to serve the citizens who elected them and broadly promote the general welfare. But political parties often sit above politicians and compel party-line voting. This violates the Constitution because the people largely do not control political parties, and therefore are not controlling their elected representatives and government.

The first political party, the Federalists, was established by Alexander Hamilton and wealthy bankers and businessmen. The political party structure was used to overcome the new Constitution, control government and concentrate wealth. It is much easier for vested interests to control two large political parties than thousands of politicians.

Political parties can be weakened in several ways, including limiting their ability to fund political campaigns and advertisements. Governance structures could be implemented which ensure that members equally control agendas and all other party aspects. Financial contributions to parties also could be restricted. Citizens should be provided with summaries of candidate positions on all major issues and encouraged to vote based on these positions and candidate qualifications, instead of party affiliation.

Large parties could be broken up into smaller parties that better represent their diverse constituents. However, it should be emphasized that citizens' common interests greatly outweigh their divergent ones. They should be encouraged to work together on their massive common ground, and then maturely seek compromise on areas of disagreement, as our Founders did during the Constitutional Convention.

Regarding media, from 1949 to 1987, the Fairness Doctrine required major media outlets to present both sides of controversial issues. But this requirement for honest media limited the ability to mislead the public, and thereby concentrate on wealth and political power. As a result, vested interest controlled government removed it. Now media essentially is allowed to lie to citizens, for example, by presenting vested interest views that humans are not causing climate change, without discussing the overwhelming evidence that we are.

Citizens cannot adequately exercise their natural right to self-government unless they have accurate information about major problems and potential solutions. Free speech is not an unrestricted right. Vested interest controlled media should not be allowed to mislead and divide the public to protect shareholder returns or other interests. Democracy requires that

media tell the truth. To achieve this, the Fairness Doctrine should be re-established and other honest media requirements implemented.

"The priority is not promoting capitalism, socialism or any other philosophy. The allegiance, as shown in the US Constitution, should be to establishing democracy and supporting whatever actions objectively maximize the well-being of society."

The US was founded during the Age of Enlightenment (also known as the Age of Reason). The Enlightenment honored science and rational reasoning, and opposed the dogma, superstition and irrational thinking of the Dark and Middle Ages. Benjamin Franklin, Thomas Jefferson and James Madison were leading Enlightenment thinkers. They used rational thought to solve problems and develop a new and better form of republican government.

 Public deception and division are driving society into a New Dark Age. Many citizens are misled into blindly believing irrational philosophies and dogma. To unite citizens and solve major problems, we must establish a Second Enlightenment—a rehonoring of objective science and rational, big picture thinking.

Overcoming the small government deception illustrates the need for this type of thinking. Libertarian and other conservative philosophies often emphasize the principle of small government. They believe that shrinking government and reducing regulations will enhance society. But adopting this as a general position or philosophy is irrational and counterproductive. As shown in our Constitution, the focus should be on promoting the general welfare (maximizing social well-being), not minimizing the size of government.

Regulations and government are essential for promoting the general welfare, enforcing the rule of law and prohibiting companies from degrading the environment and society. But this requirement to act responsibly often inhibits the ability to maximize shareholder returns. Companies could not say that they resist being held responsible so that they can make more money. The public would not be sympathetic. As a result, vested interests often mislead people into blindly opposing government and regulations.

Rational thought illuminates the irrationality of this deception. It is far more important to hold businesses responsible than individuals. People can and usually would voluntarily act responsibly if there were no requirements to do so. For example, most people would not murder anyone if murder laws were removed. But in competitive markets, companies cannot voluntarily act in a fully responsible manner and remain in business. This is why business regulations are essential. The rational conversation should focus on how to most efficiently and effectively implement regulations that hold companies fully responsible and uphold the rule of law.

Using the socialist label is another common public deception. During the Great Depression, President Franklin D. Roosevelt opposed business control of government and

the resulting unfair concentration of wealth. He implemented many programs that greatly relieved the suffering of average citizens. Expanding social welfare programs reduced the amount of public wealth available for corporate welfare. Vested interests could not argue that they opposed government efforts to help average citizens because it limited their ability to take public wealth. Instead, they often labeled President Roosevelt and his programs socialist and said that he was against capitalism. This deception is still widely used today.

"The economy is the servant of society. Society takes priority."

Rational thought shows the irrational nature of this position. The priority is not promoting capitalism, socialism or any other philosophy. The allegiance, as shown in the US Constitution, should be to establishing democracy and supporting whatever actions objectively maximize the well-being of society.

Capitalism and socialism largely are economic forms. The economy is the servant of society. Society takes priority. Democracy is the only sustainable form of society. It is based on citizens' innate rights to equality and self-government. Once democracy is established, citizens should be encouraged to consider practical options for achieving a goal in a particular situation, and then choose the option that objectively provides the greatest benefits for the least cost.

Philosophies such as socialism or capitalism often interfere with rational assessment of which option objectively maximizes social well-being. They also irrationally imply that society should do one or the other. Rational thought shows that the public and private sectors have strengths and weaknesses. The most effective option varies based on specific goals and circumstances. But acknowledging that the public sector sometimes can provide higher quality services at lower costs could limit private sector growth. To protect shareholder returns, vested interests mislead many citizens into blindly believing that the private sector nearly always is better than the public sector.

Healthcare provides a perfect example of how the socialism deception is used to protect shareholder returns, mislead the public, and compel citizens to pay higher prices for lower quality services. Every other developed country and many developing countries provide healthcare to all citizens through government-owned or managed healthcare systems. The US for-profit healthcare system is by far the highest cost, worst coverage system in the developed world. US citizens pay two to three times more for healthcare than citizens in most other developed countries, and get mediocre healthcare outcomes in return.

Many people in the US die or file for bankruptcy due to having inadequate or no health insurance. This rarely happens in other developed countries. The socialism deception is used to mislead many citizens into opposing public healthcare. But every other developed country proves that the public sector can provide lower cost, higher coverage and frequently superior results in the healthcare area.

Rational thought also can help citizens to see through the social welfare deception. Vested interest controlled media frequently castigates social welfare recipients, implying or

stating that they are lazy and taking advantage of the system. This facilitates cutting social welfare programs and freeing up more public wealth for corporate welfare. To illustrate the irrationality of this deception, there are far more people who are willing and able to work than available jobs. As a result, many unemployed people will not find jobs, no matter how hard they look. They are not lazy. Instead, our shareholder-focused economic system does not provide adequate jobs. Using public wealth to provide corporate welfare, instead of supporting these and other legitimate social welfare recipients, creates unnecessary suffering.

The populism movement is also often deceptive. Populism supposedly involves meeting the needs of average citizens. But populist movements and leaders sometimes degrade the lives of average citizens and facilitate further concentration of wealth. For example, many UK citizens voted for Brexit because they were misled into believing that immigration and EU regulations were the primary causes of their declining quality of life. But as in nearly all other developed countries, far more important drivers are vested interests' control of government and resulting concentration of public wealth. As Brexit limits trade and other economic activities, while concentration of wealth expands, the lives of many UK citizens will continue to get worse.

Enlightened, big picture thinking can help people to see through the economic growth deception. Vested interests mislead many citizens into thinking that economic growth broadly benefits society. But this metric mainly measures business sales growth. Most business assets are owned by a small group of wealthy citizens. As a result, economic growth mostly measures the financial well-being of wealthy business owners.

To illustrate the deceptive, often destructive nature of economic and shareholder return growth, from 2000 to 2007, 75 percent of profit growth among S&P 500 companies resulted from cutting employee wages and benefits. This growth did not benefit society. It cannibalized it. Wealth was transferred from average citizens to the top of society. As shown in today's supposedly strong US economy, economic growth frequently represents the already wealthy getting wealthier, while life becomes more difficult for the large majority of citizens.

Uniting and empowering citizens may be the most important change needed in society. Once united, the people can require democratic government that focuses on promoting the general welfare. But it could take some time to raise awareness, overcome lifetimes of emotional manipulation and vested interest deception, and end the conservative-liberal civil war. In the shorter-term, engaging the corporate and financial sectors potentially could drive government change far more quickly.

4. System Change Investing

The corporate and financial sectors strongly influence government in the US and many other countries. Large companies in the US regularly use campaign finance and lobbying to secure reduced regulations and requirements to act responsibly. This enables them to externalize more negative impacts and burdens onto society, and thereby increase short-term profits and shareholder returns. Holding companies less responsible for negative impacts (i.e. allowing greater rule of law violations) exacerbates the primary system flaw in the business

and economic areas—the failure to hold companies fully responsible for negative impacts. As discussed, this is the general mechanism that compels all companies to degrade the environment and society. It is a main root cause of the major challenges facing humanity.

Companies largely are not held responsible for negatively influencing government in this manner. Proven SRI mechanisms can be used to hold them responsible. This can compel businesses to drive government changes that make acting responsibly (by fully eliminating negative impacts) the profit-maximizing strategy.

"System change probably represents at least 80 percent of the sustainability solution."

The global SRI market has grown to over \$23 trillion. Over the past 20 years, financial community pressure compelled nearly all large companies to implement sustainability strategies. Many pension funds and other large investors invest in ways that are intended to substantially benefit the environment and society. Nearly all SRI and corporate sustainability efforts are focused on company change and symptoms (the environmental, social and economic problems addressed by SDGs), instead of system change and root causes (flawed economic and political systems). As noted, system change probably represents at least 80 percent of the sustainability solution. But it gets relatively little attention compared to company change.

SCI shifts the focus of SRI and corporate sustainability from company change to system change. The process involves rating companies on system change performance and making strong business cases for using the ratings to develop SCI funds. As these funds grow, companies will be compelled to engage in system change, exactly as SRI compelled them to engage in sustainability. Given the strong influence that the corporate and financial sectors already have over government, they potentially could drive political reform faster than any other segment of society.

System change rating is more complex than the typical ESG rating used to produce SRI funds. The frame of reference is much larger. ESG rating mainly focuses on assessing corporate efforts to reduce negative impacts, for example, by lowering pollution and selling low-impact products. The frame of reference for system change rating ultimately is the whole Earth system and its sub-element—human society. Many ESG models contain some system-related metrics, such as campaign finance, lobbying and media campaigns. But accurate corporate system change rating requires measuring many other factors.

The first SCI model, Total Corporate Responsibility (TCR), was developed in 2003. The model utilizes a whole system approach. It is segmented into three performance categories—conventional ESG, mid-level (sector-level) system change, and high-level (economic and political) system change. Metric categories include efforts to address specific economic and political systems flaws, collaborative system change efforts, government influence activities, public system change disclosure, and supporting groups and segments of society that are seeking system change, including NGOs, academia and the general public.

TCR provides a strong, compelling business case for system change. As the human economy expands in the finite Earth system, negative corporate impacts return more quickly

to harm companies, often in the form of market rejection, lawsuits and reputation damage. Companies have strong financial incentives to reduce negative impacts. But they can generally eliminate only about 20 percent unilaterally. System change is needed to mitigate the vast majority of negative corporate impacts, and thereby protect the long-term well-being of business and society.

"Replacing one party or a leader with another often has limited impacts because flawed, myopic systems unintentionally compel destructive behavior, regardless of who is in power."

The TCR model is based on proven ESG rating approaches that consistently produced superior investment returns. The approach can provide far greater sustainability benefits than any other type of SRI or impact investing because it is focused on the most important sustainability issue—system change. Financial institutions launching SCI funds will be seen as the true leaders in the $23 trillion SRI market.

The best that current SRI and corporate sustainability efforts can do probably is to slow the rate of environmental and social degradation, because they are focused on symptoms, not root causes. SCI and related system change efforts are the only approaches that have the potential to reverse environmental and social degradation and achieve the SDGs. A growing number of financial institutions are assessing the systemic impacts of their portfolios. But this is still focusing on symptoms, instead of the flawed systems that cause the symptoms.

Non-judgment is an essential principle of TCR, political reform and system change. The wealthy citizens who control government and unfairly concentrate public wealth do not intend to degrade society. Their intention virtually always is to benefit, or at least not harm, it. The enemy is not well-intentioned leaders. It is the flawed economic and political systems that force them to take harmful actions. Replacing one party or a leader with another often has limited impacts because flawed, myopic systems unintentionally compel destructive behavior, regardless of who is in power.

Many corporate and financial sector leaders might resist system changes that limit their ability to unfairly take public wealth. But a growing number of enlightened leaders recognize that these systems increasingly harm business, by degrading the environmental and social systems that enable business to survive and prosper. Looking at the big picture shows that it is not rational, sustainable or fair to massively concentrate wealth among a small group of citizens, while the vast majority struggles, and often fails, to meet basic needs.

The private sector is essential for maximizing the well-being of society. But businesses have no right to prosper by degrading life support systems and society. This unsustainable form of business inevitably will change through voluntary or involuntary means. Businesses and investors will greatly benefit themselves and society by choosing the former option, before nature and reality impose the latter.

SCI models identify important corporate system change activities, and thereby provide system change roadmaps for companies. The approach represents a new paradigm in SRI and corporate sustainability. SCI ratings and funds can be launched quickly. As a result, System Change Investing potentially is the highest leverage, most effective way to drive political reform in the short to mid-term.

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The Significant Individual, Values and Social Evolution:*
How one man changed the world

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Abstract

Great achievements of the past hold invaluable lessons for the future. Often we deify the leader and celebrate the outcome, but overlook the underlying principles they reflect. The American Civil Rights Movement of the 1950s and 60s is a testimony to the combined power of an idea, the catalytic role of dedicated individuals and the power of token actions in extreme circumstances. The idea of non-violence and civil disobedience propounded by Thoreau and successfully implemented by Mahatma Gandhi showed that it is possible for an unarmed, untrained and loosely organized group to take on a powerful, well armed, well trained force, with minimum casualties on either side and maximum chances of reconciliation in the future. An idea acquires power when it touches the emotions. Martin Luther King Jr. imparted those emotions and inspired them in other people. In rising to be the leader of the movement, he represented the peak of the mountain or the tip of the iceberg composed of millions of African Americans who aspired for a better life and the millions more around the world who supported his cause formed the base that held up the peak. It was their aspiration that gave power to his words and actions. King identified with the conscious, and often subconscious aspiration of African Americans and channelized their energy into a force, organized it as the Civil Rights Movement, and transformed it into an irresistible power. Insightfully, he realized that a violent solution to the problem of discrimination would only deepen the fissures in American society and lengthen the healing process. Every single act that was undertaken in the movement by individuals and groups—Rosa Parks refusing to give up her seat on a bus, the Little Rock Nine courageously attending school though the Arkansas state National Guards blocked the entrance, everyone of the 250,000 people assembling in Washington DC to hear King's dream—exhausted whatever significant or insignificant resources were available and in that sense became a perfect token act. A strong individual inspired by a powerful idea led people in well planned and perfectly organized sit-ins, stand-ins, marches, speeches, prayers and protests. The movement generated such power as to alter the legislation of the land, and more significantly, the mindset that tolerated or approved of

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racism. Although many contributed to this remarkable achievement, King's actions testify to that fact that one man's commitment can change the world. But it equally reveals the power of a mass movement directed to advance social progress. This accomplishment continues to inspire activists all over the world and confirms the inevitability of the success of movements that strive for universal human rights. It illustrates the process and defines the strategy needed for the future evolution of global society and human unity.

A prayer, a master act, a king idea
Can link man's strength to a transcendent Force.

– Savitri, **Sri Aurobindo Ghosh**

1. The Prelude to the Dream

It was a momentous day in the history of the Civil Rights Movement and American history itself when a quarter million people gathered in the symbolic shadow of Lincoln and passionately cheered for Martin Luther King Jr. as he shared his dream. King and his fellow speakers representing a broad spectrum of organizations sought the same goal—the social, economic and spiritual emancipation of the African Americans.

One hundred years earlier, the Civil War freed every slave in the United States of America. From physical emancipation to seeking desegregation had been a long path. The road to physical emancipation itself had been still tortuous. Slavery is as old as human civilization, and eradicating it involved changing the law, culture, social and individual behaviour, and most importantly, the mindset of every human being.

Slavery was known to exist in the earliest civilizations. Starting from Sumer as far back as 3500 BC, in every civilization throughout the world, those in power made slaves of the weak, the defeated and the captured. But the movement to end the inhumanity is also just as old. The Republic of Dubrovnik on the Adriatic, in modern day Croatia, was the first European country to ban slave trade in 1416. Within a century, slavery was outlawed throughout Western Europe though it continued to exist in European colonies elsewhere in the world. In North America, German Quakers protested against slavery in 1688, though the abolitionist movement took another century to come to life. The 1688 Petition presented in a Quaker meeting in Germantown was the first American public document to protest slavery and define universal human rights. The current that swept King and placed him on the steps of the Lincoln Memorial at the end of the March on Washington in 1963 can be traced to a Quaker meeting close to three centuries earlier.

The slow advance of abolitionism in the United States is dotted with marches, protests, violent demonstrations, peaceful dialogue, assassinations, legislation and a war. The Republic of Vermont banned slavery in its constitution in 1777. The Congress of the Confederation prohibited slavery north-west of the Ohio River in 1787, and slavery was legally ended in every northern state in 1804. International slave trade was criminalized in 1807. The American Civil War unified the United States of America and the Emancipation Proclamation liberated every African American in 1863. The Thirteenth Amendment to the United States Constitution legally abolished slavery in the country in 1865.

The iron chains had gone. But in their place came economic and social shackles. Discriminatory laws and segregation ensured that the former slaves remained "*on a lonely island of poverty in the midst of a vast ocean of material prosperity.*"[*] The Niagara Movement and the formation of the National Association for the Advancement of Colored People (NAACP) at the beginning of the twentieth century were in response to the desperate condition of a vast majority of the African American community. World War I impacted the community variously. War opened up new manufacturing opportunities in the north, reduced immigration of labourers from Europe and took away young white men to the front. This resulted in the Great Migration that saw 500,000 southerners move north in search of a better life.

It was a watershed moment for other reasons as well. When President Woodrow Wilson declared that "*the world must be made safe for democracy*"[†], the community asked, "*why not make America safe for democracy?*" The hypocrisy of waging a world war in order to free peoples in Europe while suppressing a tenth of its own people at home was too glaring. It was accentuated by people from the community enlisting in large numbers to fight for the country, regardless of discrimination. Within a week of Wilson's declaration of war, the war office was forced to stop recruiting African Americans, their quota in the army had been filled. A million of them had volunteered, but less than 400,000 were allowed to enlist. Though most of them were assigned to non-combat duty, they all worked commendably. The 93rd division comprising African Americans had been assigned to the French army. Desperate to prove their loyalty, patriotism and worth, the men distinguished themselves in war. Their valour, success, even their culture and jazz music popularized by the division's band won them much respect and acclaim in France. King says in his autobiography that his mother told him what almost every African American child hears before he or she can understand why it is told to him or her[1], "*You are as good as anyone.*" What they had thus far heard as a comforting statement from their mothers became real to them by their experience in France. The French believed they were as good as anyone, and the African Americans could never again see themselves as second class people. The *New Negro* was born.

The *New Negro* saw himself differently from before. He belonged to the US army. He was trained and armed. He received remedial education and healthcare. He travelled far. He saw the world and his place in it differently. He sacrificed for his country and the world. He liberated Europe. *He was as good as anyone*.

However, others back home did not think so. The soldiers returned home to greater violence and discrimination. Seeing the descendants of slaves educated, armed, organized and confident disturbed and alarmed the descendants of many former slave-owning families. There was a drastic escalation in lynching, brutality and suppression. However, the *New Negro* had been born, and there was no going back. Civil rights activist W.E.B. Du Bois summed it up when he wrote in the NAACP journal *The Crisis*[‡] in 1919, "*We return. We return from*

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[*] Martin Luther King, "I Have a Dream", Lincoln Memorial, Washington DC., August 28, 1963. National Archives https://www.archives.gov/files/press/exhibits/dream-speech.pdf

[†] Woodrow Wilson. "Wilson's war message"; Washington, D.C., April 2, 1917 http://www.ushistoryatlas.com/era7/USHAcom_PS_U07_warmessage_R2.pdf

[‡] W.E.B. Du Bois, "Returning Soldiers," *The Crisis* XVIII (May 1919), p. 13. https://www.thecrisismagazine.com/

fighting. We return fighting. Make way for Democracy! We saved it in France, and by the Great Jehovah, we will save it in the United States of America, or know the reason why."

"Leadership does not sprout on barren soil. The roots of leadership are nurtured deep in the psyche of society."

If World War I created this determination in the African American community, World War II strengthened it and so set off in earnest the Civil Rights Movement in the United States whose origin coincided with the end of World War II and lasted for the rest of King's life.

2. One Man's Perfection Can Still Save the World

Altering the course of history, Mahatma Gandhi wrote in 1939, is possible even for "*a small group of determined spirits fired by an unquenchable faith in their mission.*" Henry David Thoreau argued further that a moral revolution can be inspired by even "*one honest man.*" The words of these two men who inspired King were proved right over and over again by him. Over the course of his work, King realized this truth and said himself, "*Almost always the creative, dedicated minority has made the world better.*"

Society is made up of people, organizations and the relationships between them. An individual who conforms to the rules and values of society becomes part of it, and receives social support and security in return for the conformity. But society only caters to the average of its members. There are some people who are not satisfied with the average. Society's pace of progress is too slow for them. They find its values outdated. Its rules curtail their creativity. They see the future before it arrives. They are well developed, strong individuals. They do not need the support that society has to offer. They do not depend on society to lead them. They lead society instead.

Leadership does not sprout on barren soil. The roots of leadership are nurtured deep in the psyche of society. The vast changes in the African American community all over the land can be seen in miniature in the King family. On the maternal side, King's great grandfather and grandfather had been a preacher and a Baptist minister respectively. His father's family had moved from slavery to sharecropping three generations earlier. His paternal grandfather had struggled with seasonal labor, poverty and injustice at the hands of white landlords. His father received an education and became a pastor. King grew up in a middle class home, and received as good a life as an African American could have growing up in the South in the 1930s and 40s. But he was not satisfied with his lot. The newly freed slave rejoiced in the freedom. His children worked for survival. The grandchildren received an education and prospered as much as they were allowed to. The fourth generation free African American, King sought equality and respect. He worked hard in school and was allowed to skip the ninth and twelfth grades of school on account of being outstanding in his studies.

World War II took away many youngsters to the front, leaving those who remained with greater openings, for study and work. King was accepted in college early at fifteen years of

age and graduated with a degree in Sociology. He read widely in college and was fortunate to be influenced by powerful thinkers and guided by good teachers. His constant, deep rooted "*inner urge to serve humanity*"[3] helped him overcome his doubts about the church and its teachings, and join a seminary. He believed he could deliver religious sermons with a social message and improve the conditions of his fellow human beings.

> *"One real idea— powerful and true—can change the world."*

A decade earlier in 1934, while on a visit to Germany, King Sr., inspired by Martin Luther, changed his name from Michael to Martin Luther, and his five year old son became Martin Luther King Jr. Interestingly, the Protestant reformer's namesake would also join the church and spark a revolution from within, mostly peaceful, completely idealistic, and thereby alter the course of history.

3. A Real Idea

Federico Mayor, former Director-General of UNESCO, in his preface to Mary King's book "*Gandhi and Martin Luther King Jr.: The Power of Nonviolent Action,*"[4] describes the force of ideas against the idea of force. The Civil Rights Movement of the mid-20th century vindicated the force of ideas. That King was inspired by the nonviolent methods adopted by India's Mahatma Gandhi is well documented. Nonviolence and civil disobedience defeated physical, economic and institutional might. Before studying the influence of Gandhi on King and its impact on the movement, the very fact that an idea from a completely different culture from twelve thousand miles away, at a time before fast air travel and instant mass communication, struck a deep chord with African Americans in the US deserves study.

Gandhi became the face of the Indian national freedom movement, but even before he associated with his country's freedom movement, he was fighting for the rights of Africans. After completing his studies in England, he worked in South Africa as a lawyer for twenty one years, and fought apartheid and the unjust racist laws that discriminated against native Africans and Asian immigrants. His politics and ethics were shaped during his stay there. The *Satyagraha* and civil disobedience movements of the Indian freedom struggle that King emulated in America were not originally from India. They dated further back to Africa. But Indian independence that politically liberated one fifth of the human race in 1947 was achieved through mostly nonviolent action under the leadership of Gandhi, and so non-violence came to be associated indelibly with Gandhi and the Indian freedom movement.

King's association with Gandhi was preceded by the interest many African Americans in the US showed in the South African and Indian movements for justice and freedom. Even before King was born, African Americans saw Gandhi's strategy of resistance to oppression could be employed in the US. Howard Thurman, Benjamin Mays, Channing Tobias, James Farmer and James Lawson were among African American students of Gandhi[5]. They had travelled to India and studied the Indian methods to employ in the US. In 1942, when King was still in school, a Northern organization called the Congress of Racial Equality had come into being to fight segregation, specifically employing techniques used by Gandhi.

Benjamin E. Mays, one of the early American followers of Gandhi and who had travelled to India in 1936, was the president of Morehouse College where King was a graduate student. He steered King towards the Civil Rights Movement and showed him how the church pulpit could be the launch pad. King's earliest encounter of Gandhi's methods was from Mays, and he decided that the Baptist ministry was the place for him.

In college, King received an assignment to read *On Civil Disobedience*[6] by Henry David Thoreau. It was his '*first intellectual contact with the theory of nonviolent resistance*,' and King was '*fascinated by the idea of refusing to cooperate with an evil system*.'[7] In the Crozer Theological Seminary he enrolled in next, King read texts on religion, philosophy, ethics and sociology. He was struck by theologian Walter Rauschenbusch who addressed the social ethics of Christianity and wanted Christians to act for an equitable society. King found a theological basis he had been seeking to tackle social ills. He also studied *Das Kapital* and *The Communist Manifesto* and found certain dimensions of Marxism stimulating. He was dubious about A. J. Muste, a radical Christian pacifist who insisted that all wars must be resisted. He studied Nietzsche who spoke against Christian patience and love. He wanted to find an intellectual solution to social evil. Then, one day in Philadelphia, King heard a sermon by the president of Howard University, Mordecai Johnson, on the life and thinking of Gandhi. King was so inspired by what he heard that he left the meeting and bought half a dozen books on Gandhi. Gandhi was not a new subject, and his methods were not unknown. But King studied Gandhi in detail for the first time. He was fascinated by the 1930 Salt March—a simple act of ordinary men and women walking to the seashore and making salt— that mobilized the entire nation through civil disobedience. The more he read about the Indian freedom movement, the more he was convinced that love, peace and civil disobedience could bring about social reform. The idea was compatible with all his thoughts, feelings, beliefs and aspirations. "*It was in this Gandhian emphasis on love and nonviolence that I discovered the method for social reform that I had been seeking for so many months. I came to feel that this was the only morally and practically sound method open to oppressed people in their struggle for freedom,*"[8] King said.

An idea acquires power when it touches the emotions. Over time and through each sit-in, demonstration and march, as he saw the power of love and nonviolence, King's commitment to the cause would receive his spiritual support and wholehearted conviction. He travelled to India in 1965 to personally study and understand the Mahatma (epithet commonly used for famous people like Gandhi, meaning 'Great Soul' in Sanskrit) and his work better.

One real idea—powerful and true—can change the world. It spreads and gains momentum from its success. It has the power of conscious force behind it. It is creative and manifests the truth it represents. Mahatma Gandhi read Thoreau and embarked on a nonviolent struggle in South Africa and India. King followed Gandhi and spearheaded the Civil Rights Movement. Nelson Mandela referenced King during his fight against Apartheid. A social movement to advance workers' rights in Poland in the 1980s used a documentary on King's life as a training guide for its resistance. Protestors in Czechoslovakia and Romania sang "*We shall overcome*", a key anthem of the Civil Rights Movement. Protestors in China's Tiananmen

Square held up signs that read "*We shall overcome.*" During the 2011 protests in Egypt, an Arabic version of a fifty year old American comic book, *Martin Luther King and the Montgomery Story*[*] was distributed by activists.

4. The Power of Peace

It is noteworthy that Western civilization tends to define peace only in negative terms as the absence of war. We lack the conception of peace as a positive spiritual presence and power as connoted by the Sanskrit word *shanti.* Various thinkers tried to explain the nature and outcome of violence and nonviolence. Gandhi described one meeting the other as a man violently striking water with his sword. The man hurts his arm, nothing else. Violence and its various expressions are a dissipation of energy. American social philosopher Richard Gregg explains that "*prolonged anger is very exhausting...It consumes energy very rapidly... The energy of the assailant is reverted and used up against himself. The steadfast appeals of the individual nonviolent resister work in the personality of the violent attacker... The attacker's personality is divided... If there are onlookers, the assailant soon loses still more poise... The disadvantage of the attacker increases by reason of a further loss of inner assurance... He dimly realizes the courage of the nonviolent opponent is higher than mere physical bravery or recklessness.*"[9] Often the aggressor's energy is transmitted to the peaceful protagonist, and goes on to strengthen the cause of nonviolence. Gregg explains superior poise and power of the nonviolence practitioner as stemming from his or her self-control, "*he has taken the moral initiative... he knows how to control the process... his self-control and lack of anger conserve his energy.*" The conserved energy is channelized to accomplish the goal.

Mary King, in her book, draws many comparisons between Gandhi and King, and shows that nonviolent behaviour was for both a means of transforming relationships and creating peaceful transitions of power, of minimizing anything negative and maximizing the chances of success. Both were up against a more powerful opponent, both had the support of large numbers of unarmed, untrained people. They clearly saw that nonviolent struggle was almost the only practical option.

Violence hurts the enemy, but at a cost. War may vanquish the opposition, but also create resentment if not a permanent rift. King wanted harmony. He was as much against Black Power as he was against White Power. Hate destroys the hater, he believed, and harmonious coexistence was possible at the end of a struggle only if the struggle was nonviolent. Hundred years earlier, Lincoln had integrated freedom and unity. He saw clearly that one could not exist without the other, and had to forcibly integrate the states and liberate all citizens. King too wanted unity, not only within the African American community but within the entire country. As he famously said, he wished "*little black boys and black girls will be able to join hands with little white boys and white girls as sisters and brothers.*" One generation cannot riot and kill, and then expect the next generation to play together. In order to achieve this, peaceful methods were imperative. As Mayor says in *Gandhi and Martin Luther King Jr.*, "*…the Culture of Peace has a history and, most importantly, a future.*"

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[*] Alfred Hassler and Benton Resnik, "Martin Luther King and the Montgomery Story, Fellowship of Reconciliation," 1957

King appealed to people's religious feelings to strengthen the cause of love and nonviolence. He combined the African American gospel with activism. His sermons in church had political and social messages, his public speeches had heavy religious symbolism. He extolled all to "*rise to the majestic heights of meeting physical force with soul force,*"* soul force being one way in which Mahatma Gandhi described his *Satyagraha,* the nonviolent civil resistance.

> *"A single token act, perfectly planned and executed, indicates the success of the whole project of which the act is a part."*

Nonviolence was not simply a noble, saintly ideal. It was purely practical. It was most effective when the focus was on one specific issue. When tens of thousands of passionate young and old men and women marched demanding something specific—integration in the classroom, desegregation of lunch counters, open housing, no discrimination in hiring—it was possible to channel all their energy and bring about one permanent, progressive change in the law.

Moreover, nonviolence, especially in the face of violent opposition, when publicized, won international public support for the cause. When photos of peaceful protestors praying on the road with armed guards facing them, young children braving water jets and police dogs being unleashed on activists were splashed on front pages of newspapers and television screens all over the world, the uproar they caused created immense pressure. There was pressure on the federal government to illegalize segregation throughout the country and on the racists to accept the federal law.

The US Supreme Court ruled that segregation in public schools was unconstitutional in the Brown v. Board of Education case, 1954. Montgomery buses were desegregated in 1956. The Civil Rights Act of 1960 established federal inspection of local voter registration. The 24th Amendment in 1964 abolished the poll tax, making it easier for African Americans to vote. The Civil Rights Act of 1964 banned discrimination in employment practices and public accommodations. The Voting Rights Act of 1965 suspended literacy tests and other subjective voter registration tests. The Fair Housing Act dealt a blow to housing segregation in 1968. Nonviolence defeated segregation, act by act.

5. A Token Act

"*If I cannot do great things, I can do small things in a great way,*" King said. "*If a man is called to be a street sweeper, he should sweep streets even as a Michelangelo painted, or Beethoven composed music or Shakespeare wrote poetry. He should sweep streets so well that all the hosts of heaven and earth will pause to say, 'Here lived a great street sweeper who did his job well'*"†. Clearly, King believed in the power of an act. Not the legal acts

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* Martin Luther King, "I Have a Dream", Lincoln Memorial, Washington DC., August 28, 1963. National Archives https://www.archives.gov/files/press/exhibits/dream-speech.pdf

† Martin Luther King, "What Is Your Life's Blueprint?" Barratt Junior High School, Philadelphia, October 26 1967. *The Seattle Times* http://old.seattletimes.com/special/mlk/king/words/blueprint.html

passed by the courts. Not action in its collective sense. But a perfectly executed individual act. Such as a sweeper cleaning a street. A common man registering to vote. A minister delivering a sermon. A student braving all opposition and entering a newly desegregated classroom. The aspiration of every African American and the essence of the entire Civil Rights Movement is captured in each such act. The universe is represented in every act, just as the macrocosm of the sea is present in essence in every drop of sea water. Regardless of the odds and the outcome, when one exhausts their resources completely in performing an act to the utmost human perfection possible, the individual act is seen to have miraculous results. A single token act, perfectly planned and executed, indicates the success of the whole project of which the act is a part. The Civil Rights Movement was filled with such perfect token acts. One of the most prominent of them is the arrest of Rosa Parks.

If Harriet Beecher Stowe through her book *Uncle Tom's Cabin*[10] was said to be the lady who started the Civil War, Rosa Parks was called "the first lady of civil rights". She had seen hardship early in life in Alabama, and suffered the same humiliating discrimination as any other Southerner. She was a civil rights activist and secretary to the president of the Montgomery chapter of NAACP, becoming secretary due to the fact that she was the only lady present, a secretary's role was traditionally considered a woman's job, and she was too timid to say no! And she had a deep conviction that the cause of the Civil Rights Movement was right. She was active in the movement in Montgomery.

On December 1, 1955, on her way back from work, this forty two year old lady was asked to give up her seat on the bus. She refused to get up. She was not tired, not physically tired anyway. But the image of Emmett Till was in her mind.

Till, an African American teenager, had been brutally lynched because of a story of a white woman alleging his misbehaviour. Later it turned out to be just that, a story, but the boy had been cruelly made a victim of racism. Images of the boy's ravaged face and his mother's insistence on an open casket so the world could see the nature of segregation had shaken the entire country. Parks was tired of giving in. Four African Americans had been seated, when one white man who entered the bus required a seat. African Americans could not sit in the same row as a white, not even across the aisle from him. So all four had to rise so this one man could sit. The other three seated got up and moved to the back of the bus. Parks thought of Emmett Till and just could not go back. She felt a determination cover her body "*like a quilt on a winter night*". This small, simple act of one individual refusing to get up and give in was a spark that the movement had been waiting for. Others before her had rebelled. They had resisted segregation, refused to give up their seats, undergone arrest. But there comes a point in history, a tipping point, when one simple act changes the course of history. That was Parks saying "*I don't think I should have to stand up.*"

"*If you can't fly then run, if you can't run then walk, if you can't walk then crawl, but whatever you do you have to keep moving forward,* "* said King. This small, perfect, significant act was a step in the right direction.

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* Martin Luther King, "Keep Moving from This Mountain"; Spelman College, Atlanta, GA, April 10, 1960. The Martin Luther King, Jr. Papers Project, http://okra.stanford.edu/transcription/document_images/Vol05Scans/10Apr1960_KeepMovingfromThisMountain,AddressatSpelmanCollege.pdf

6. The Ever-present Human Choice

Many things happened after Parks' refusal to give up her seat. She was arrested, fined and charged with breaking the law. Parks later recalled, "*I only knew that, as I was being arrested, that it was the very last time that I would ever ride in humiliation of this kind.*" She took the decision. As if a war had not been fought for the sake of liberating the slave. As if hundreds of people had not given up their lives demanding equality. As if an entire movement was not raging over the land with millions of African Americans seeking a better life. As if millions of others were not trying to suppress the movement with the backing of powerful politicians and law enforcement agencies. Whatever made Rosa Parks think that she had any power to decide? But decide she did! Later events seem to indicate that life bowed to the strength of her determination.

People realized that they had a choice. They did not have to get up and give up their seats. They could say no. They were not bound to obey an inhuman, even unconstitutional rule. They could remain sitting. They could demand what was due to them. As King said, "*Whenever men and women straighten their backs up, they are going somewhere, because a man can't ride your back unless it is bent.*"*

When a police officer arrested Parks, she asked him, "*Why do you push us around?*" to which he replied, "*I don't know, but the law's the law.*" The seemingly insignificant "*I don't know*" points to the presence of those who were not affected unfairly by the law, but who did not approve of it, and at the same time, did not think of questioning it. This episode awoke not only the African Americans, but the white population that had till then remained dormant.

The Women's Political Council of Montgomery, an organization founded to address racial issues, called for a boycott of public buses. 35,000 handbills were mimeographed overnight and distributed to Montgomery citizens the next day, announcing the boycott. A group of fifty leaders of the community came together to discuss the next steps. The group agreed that a new organization would have to be founded to handle the bus boycott effort. The Montgomery Improvement Association (MIA) was founded, and its members elected Martin Luther King Jr., all of twenty six years, newly ordained minister and a newcomer to the city, as the president of MIA.

7. The Source of the Leader's Power

All human accomplishment is based on energy. Technological advancement, natural resources, growth of science, discoveries and inventions have aided the accomplishment, but the origin is always human energy. Energy is generated by aspiration. But energy by itself does not accomplish.

A small child is full of energy. He or she is full of movement, noise, curiosity, and activity. But all of this energy does not get anything done. All the energy of a raging river is converted into hydroelectric energy only when the water is channelized through turbines. Similarly, human energy that is released by aspiration needs a direction in order to become a force. When

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* Martin Luther King, "I've Been To The Mountaintop"; Memphis, TN, Mason Temple, April 3 1968. The Martin Luther King, Jr. Research and Education Institute https://kinginstitute.stanford.edu/king-papers/documents/ive-been-mountaintop-address-delivered-bishop-charles-mason-temple

the force is organized around a pursuit, it is transformed into power. One who can identify with the collective aspiration, channelize the energy in a specific direction and organize it around tasks rises to be a leader. The transformational leader wields the power effectively and uses it to accomplish for the collective. He or she is a well-developed individual—strong, courageous, open minded, intelligent, wise, responsible, farseeing, creative.

The relationship between the individual and the collective is complementary. The individual is like the emerging tip of an iceberg. He or she represents the awakening and emerging consciousness of the collective and gives conscious expression to it. As the individual derives power from the collective, he gives back to the collective his conscious attainment and disseminates it far and wide.

The leader forms the mountain peak. So his or her position rests on all that lies beneath. This does not take away any credit from the peak, nevertheless the peak exists only because of all that holds it up. Society and its movements create the leader. When King became the leader of the MIA and gradually of the Civil Rights Movement in the country, his power came from the millions of African Americans who aspired for equality, dignity, and a better life. It came from the emancipated slaves who wanted to see their grandchildren become their own masters. From the war veterans who believed that for their contribution to the nation and the world, their children deserved respect and equality. From the sharecropper who struggled with crippling poverty. From the rural Southerner who craved for an end to humiliation and hardship. From the ghetto dweller in the North who wanted to escape the miserable living conditions. From the pain of those who lost their friends and family to racist violence. From the people from other communities who saw that segregation was unjust. From the peaceful marchers who faced police brutality. From every child who participated in the Birmingham Children's Crusade. From the stoicism of Emmett Till's mother. From Rosa Parks' decision. From the passionate crowd at Lincoln Memorial that inspired King to throw away the speech manuscript and speak from the heart.

The bus boycott movement was everything that King believed in. It was a nonviolent, mass movement that mobilized the entire society. It did not break any law. It unified the African American community and its supporters. It sent a powerful message to the segregationists. King appeared on the national stage of the Civil Rights Movement with his leadership role in the boycott. He gave impassioned sermons and speeches. He organized sit-ins, stand-ins, meetings and marches. Every member of the community participated in the boycott, with some members from other communities too supporting it. People walked, rode bicycles, even used carts drawn by animals, and carpooled. Some white car owners ferried African Americans to work. When local insurance companies were forced by the city administration to stop insuring cars used in carpools, the boycott leaders arranged policies at Lloyd's of London. African American taxi drivers charged the equivalent of a bus ticket. Churches across the nation raised money to support the boycott and collected shoes to replace the tattered footwear of Montgomery's citizens.

With 75% of the commuters being African American, it hurt the bus company economically. King was arrested and ordered to pay a $500 fine or serve 386 days in jail. He

spent two weeks in jail, but the arrest backfired. It brought national and world attention to the arrest. International press reported on the boycott which received worldwide support. When King visited India later in 1959, he found that the Indian press seemed to have covered the movement more than the American press did! The boycott was organized and implemented for more than a year till the federal Supreme Court ruled against segregation on buses.

The MIA worked with NAACP, Women's Political Council and other organizations and individuals, and coordinated every activity. As King said, one of their most powerful and demanding nonviolent weapons was organization. He wielded the power society entrusted him with, organized the protest movement, and achieved victory. As a great leader, he took consciousness responsibility, or responsibility for something far greater than himself and the authority he possessed. He raised the consciousness of individuals and society, helped them realize more of their potential, gave expression to the social aspiration and served as a catalyst for its realization.

Following the successful Montgomery Bus Boycott Movement, King invited sixty African American ministers and leaders to Atlanta and founded the Southern Christian Leadership Conference (SCLC). The SCLC was to look beyond buses to end segregation of all forms everywhere. It believed that churches should be involved in political activism against social ills, a belief close to the heart of its president, King.

8. A Call from Above and an Aspiration from Below

King's Bus Boycott Movement and others that followed, such as SCLC's Birmingham Campaign to end segregation of downtown merchants in 1963, were great successes for the Civil Rights Movement. But King had many detractors within his own community. People who did not believe in nonviolence, who did not see the role of religion and the church in the movement, who felt the movement was too slow and mild, who did not see why they needed to integrate harmoniously with the other races, who did not have faith in mobilizing the common man, woman and child.

One of the detractors was the NAACP. King believed in directly appealing to the people, and mobilizing them in large numbers in order to press for change. On the other hand, the NAACP sought to bring about change through changes in legislation. When a local court punished an activist, it appealed to higher and higher courts till it reached the federal Supreme Court. In fact, it had been waiting for a local court in Montgomery to arrest someone for breaking the segregation rule. Nine months before Parks' act, fifteen year old Claudette Colvin did something similar and was arrested. But the teenager was unwed and pregnant, a fact that might have prejudiced the jury against the case. So they waited for a better opportunity. Parks was a respectable, educated, law-abiding citizen. She had been active in the movement, was secretary to the president of the NAACP, and her behaviour throughout the arrest and subsequent court proceedings had been exemplary. The NAACP president Edgar Nixon considered Parks an ideal plaintiff for a test case against city and state segregation laws. But as the case was impeded as it moved through the district and state courts on its way to the federal Supreme Court, the Supreme Court ruled in another

case filed by the NAACP, Browder v. Gayle, that segregation was unconstitutional.

In favoring different strategies, perhaps neither the SCLC nor the NAACP realized that they needed each other in order for the movement to make progress. Neither would have been fully effective without the other. The SCLC's mobilization of people from below complemented the NAACP's legal approach from above. Law represents a codification of the public conscience. In the absence of public support, laws remain just words on a page. Without legal backing, people might go on marching and protesting without result. A law cannot come into force without being accepted by the people. The NAACP provided the law, while the SCLC generated the public support for its adoption and implementation.

> *"King realized that a permanent comprehensive solution needed a paradigm shift in thinking."*

King became the acknowledged voice of the American Civil Rights Movement, but the achievements of the movement were the result of a multitude of forces and social currents active at the time. While he roused the masses to non-violent protest and the NAACP pressed for legal measures, a third flank emerged advocating force and resorting to violence. The second generation of free African Americans wanted more than just emancipation. The World Wars led to a shortage of young men, and made available educational resources and employment opportunities that would have otherwise been out of reach for many African Americans. Those from the community who went to war returned with a changed outlook and affected change in society. The end of colonialism after World War II inspired people even in sovereign countries to seek greater freedom. The press coverage and the spread of television brought images of injustice and police brutality into every home around the world and resulted in public outcry. With such international coverage, the state governments could not continue supporting racism, the US government could not afford to be seen allowing it. The pressure had its effect. As did the simmering discontent among the African Americans with each new incident of injustice. Riots increased in number and intensity. Malcolm X and many others called for radical measures and gained public support. In contrast to the menacing threats and growing strength of the Black Power movement, King's Civil Disobedience Movement appealed to most Americans as a lesser evil and better alternative. Local and state administrations and the federal government agreed to negotiate with King. They listened and gradually acceded to his demands. The victory was won in the name of non-violence, but the threat of violence played a significant role. After all, a century earlier a divided nation had fought the bloodiest war in its history over much the same issue. Old ways die hard.

9. An Integral View

King was clearly aware of the warp and weft of the social fabric. Much ahead of his time, he could see the links of mutual interdependence between religion, economy, education, politics, poverty, housing, and every aspect of personal and public life of all communities and countries. "*It really boils down to this: that all life is interrelated. We are all caught in*

an escapable network of mutuality, tied into a single garment of destiny. Whatever affects one destiny, affects all indirectly,"* he said. Even today this integral perspective has yet to fully permeate the siloed fortresses of academia, public administration and national self-interest. Even today governments ignore the evidence linking poverty, unemployment, crime, drug use, violence and terrorism.

King wanted to learn the truth behind the constant violence and rioting in some localities. He visited the riot-torn slums of Watts in downtown Los Angeles, met the people and studied the conditions there. Violence was not in the nature of the community, it was an outcome of the frustration of poverty and the anger at police brutality. He saw that "*the violence of poverty and humiliation hurts as intensely as the violence of the club.*"[11] He marched to seek a level playing field for all, so the lowest sections could escape poverty. "*True compassion is more than flinging a coin to a beggar; it comes to see that an edifice which produces beggars needs restructuring,*"† he said. He did not restrict himself to his community alone. Poverty among all classes needed eradication. Be they American of any color, Asian, or Latino, he was clear, "*Injustice anywhere is a threat to justice everywhere.*"‡

King realized that a permanent comprehensive solution needed a paradigm shift in thinking. When he was invited to Chicago to establish quality integrated education there, he moved with his family to the city to experience the life of common African American in a ghetto there. He found the place "*too hot, too crowded, too devoid of creative forms of recreation*"[12]. Life was like an emotional pressure cooker. So he founded the Chicago Freedom Movement to seek open housing for African Americans. And instead of just waiting for legal changes to be made and put into effect, he focused on improving existing neighborhoods. Before returning to Alabama, he handed over activism in the city to Jesse Jackson, who successfully led the movement by tackling businesses that sold their products to African Americans but would not hire them. Such businesses were encouraged to use banks owned by African American for their finances and to stock products made by businesses of African Americans.

King saw the value of reconciling dualities and establishing harmony without and within, "*We proclaim our devotion to democracy, but we sadly practice the very opposite of the democratic creed. We talk passionately about peace, and at the same time we assiduously prepare for war. We make our fervent pleas for the high road of justice, and then we tread unflinchingly the low road of injustice. This strange dichotomy, this agonizing gulf between the ought and the is, represents the tragic theme of man's earthly pilgrimage.*"[13]

He opposed the American military involvement in Vietnam because of its harmful effect on the poor in America as well as in Vietnam. It was a cruel irony, he felt, to send young African American men eight thousand miles away to guarantee liberties in Southeast

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* Martin Luther King, "A Christmas Sermon on Peace - 1967" Ebenezer Baptist Church, Atlanta, GA, December 25 1967. The King Center http://www.thekingcenter.org/archive/document/christmas-sermon#

† Martin Luther King, "A Time to Break Silence", Riverside Church, New York City, April 4, 1967. *American Rhetoric* https://www.americanrhetoric.com/speeches/mlkatimetobreaksilence.htm

‡ Martin Luther King, Letter from a Birmingham Jail, Birmingham, AL, April 16, 1963, The Martin Luther King, Jr. Research and Education Institute http://okra.stanford.edu/transcription/document_images/undecided/630416-019.pdf

Asia which they had not found in Georgia and Harlem, to see young men of both colours killing and dying together for a nation where they had been unable to sit together in the same classrooms. He was saddened when he was told that civil rights and peace do not mix. SCLC's motto had been "*to save the soul of America*". He was convinced that he could not limit his vision to certain rights for the African Americans. America's soul could never be saved, he believed, as long as it destroys the deepest hopes of men the world over. He saw the war as but a symptom of a far deeper malady within the American spirit, and warned that "*we will find ourselves organizing 'clergy and laymen concerned' committees for the next generation. They will be concerned about Guatemala and Peru. They will be concerned about Thailand and Cambodia. They will be concerned about Mozambique and South Africa. We will be marching for these and a dozen other names and attending rallies without end unless there is a significant and profound change in American life and policy*."

"King Jr.'s work may not be complete, but the magnitude of his accomplishment entirely through peaceful and persistent efforts continues to inspire activists all over the world, while his success against repressive powers steeped in centuries of prejudice indicates the inevitability of the success of socially progressive movements that ensure universal human rights."

He was clear about the alternative in front of America in 1967, which is still true of the whole world in 2018, "*nonviolent coexistence or violent coannihilation*"[*].

10. The Sunlit Path

In his last speech that eerily foreshadowed his death, King said, "*...I've been to the mountaintop... And I've seen the Promised Land. I may not get there with you. But I want you to know tonight, that we, as a people, will get to the Promised Land.*"[†] The biblical reference King makes is about Moses, the leader of the people of Israel, who led them out of slavery to the Promised Land. But he was given to see the distant Land from a mountain top, he could not reach it himself. Moses died within sight of the Land and his successor Joshua led people to the Promised Land.

The first part of the prophecy, of the leader taking the people towards freedom but leaving them before reaching the Promised Land, sadly came true. The second part, of the African American community as a people getting there, has been gradually and surely coming true. King fell victim to racists who could not tolerate African Americans in their classrooms,

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[*] Martin Luther King, "Beyond Vietnam"; New York, N.Y., April 4 1967. The Martin Luther King, Jr. Research and Education Institute https://kinginstitute.stanford.edu/king-papers/documents/beyond-vietnam

[†] Martin Luther King, "I've Been To The Mountaintop"; Memphis, TN, Mason Temple, April 3 1968. The Martin Luther King, Jr. Research and Education Institute https://kinginstitute.stanford.edu/king-papers/documents/ive-been-mountaintop-address-delivered-bishop-charles-mason-temple

buses, restaurants and stores. Forty years later, the same country elected and then reelected an African American as President. Parks had fought for a seat on a bus. Barack Obama was voted into the White House.

Obama, who was six when King was assassinated, credited King with helping to pave his way to the White House. In 2011, during the dedication of the Martin Luther King monument in Washington D.C. on the forty-eighth anniversary of the March on Washington, Obama said, "*Our work is not done*"*. Two hundred years after a group of church goers declared that slavery should be abolished, a war was needed to accomplish it. Hundred years after the war, the Civil Rights Movement was needed to enforce in practice what was stated in law. Fifty years after King was assassinated, there are alarming signs of secessionism that threaten to undo centuries of painstaking efforts. Seventy year old Carolyn Bledsoe, an attendee at the dedication of the monument, felt racism had simply changed form since '63. She had participated in the March on Washington, growing up in the Jim Crow south where her father was a sharecropper. A retired teacher, she feels race still blinds her young students though in subtler ways. "*Some days I feel like we're at the beginning,*" she said. "*Some days I feel like we're in the middle. But I never feel like we're at the end.*" [14] Even today, a Black Lives Matter movement is required.

As the saying goes, it is darkest before dawn. After the lower classes of the French society had been harassed to the limits of their tolerance, the French Revolution raged and eliminated the aristocracy. When the pro-slavery feeling intensified so much that the American South broke away from the Union, a fierce Civil War had to be waged to firmly unite the country and abolish slavery. World War II that ravaged Western Europe put an end to centuries of internecine conflicts in the region. The same war that caused around 60 million deaths also ended colonialism in the world. Environmental degradation, climate change and the resultant natural calamities are forcing us to give up unsustainable practices and unite in our efforts to save our future on earth. The problems that continue to challenge us, problems of religious fundamentalism, refugee crises, economic warfare, military rule, oligarchy and erosion of human values, seem to reverse centuries of evolution and leave people helpless. Peaceful demonstrations and acts of civil disobedience seem to crumble in the face of repressive regimes and their brutal suppression of dissent. But that is the relevance of Martin Luther King Jr.'s life story today. His work may not be complete, but the magnitude of his accomplishment entirely through peaceful and persistent efforts continues to inspire activists all over the world, while his success against repressive powers steeped in centuries of prejudice indicates the inevitability of the success of socially progressive movements that ensure universal human rights.

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The Reunification of Germany & Global Social Evolution

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Abstract

Almost thirty years since the fall of the Berlin Wall, it has become all too easy to say that the Wall "fell," but what does that actually mean? The Wall did not vanish on its own. Rather it was the people, in a figurative sense, who unhinged it before the hammers and chisels could tear it down. It was the people who insisted on resisting the German Democratic Republic (GDR), the same regime that raised the wall in 1961. And of course it was the legions of brave people who faced their fears in the autumn of 1989 and paraded through the streets to bring about the dissolution of the Socialist Unity Party (SED) Regime. It was also a unique mixture of economic and political factors in 1989 that made it possible for the criticism of a few individuals to swell up into a huge choir and lead to a peaceful revolution. The Soviet Union and its "forced" allies had begun a reformation process, but the GDR had refused to react to the strong internal criticism. More and more people participated in the Monday Demonstrations in the streets, first in Leipzig and Plauen, and then in various other cities around the country. New political groups and initiatives were being established. Finally, the GDR government yielded to the demands of the citizens and created new rules for Westward travel on November 9, 1989. It was due to this development, and a subsequent mixture of crucial national mistakes and confusion, that the citizens of Berlin courageously ended the brutality of the GDR border regime once and for all. But this is only one instance of the many historical events the world has seen, there are more, from which we can always learn something. Maybe the most important lesson in history is hiding behind the reunification of Germany in '90, the answer to which may help solve the problems humanity at large faces today. Big history-making events are nearly always contingent, rarely inevitable; they can be explained afterwards but not predicted with confidence in advance.

The evening of November 9, 1989. Hugging, kissing, singing, cheering, and crying characterized the scene; there was massive celebration all along the Berlin Wall. Hammers and chisels did the work. The notorious Berlin Wall came down.

Despite the event that evening, no one woke up on November 9, 1989 expecting to see people tearing down the Wall that evening. And still, it happened. The full credit goes to Günter Schabowski, the man who accidentally opened the Berlin Wall. Schabowski did not intend to announce the date for opening the border. He was taken by surprise when a journalist asked him the question, to which he responded that the borders would be opened immediately. East and West Berliners, who watched the broadcast of this announcement, could not believe their ears and flocked to the border-crossings in the city, and the rest is history. The Berlin Wall opened, the first spontaneous step that inevitably led to the reunification of Germany, and events moved so quickly that they seemed ineluctable. But, were they?

On June 12, 1989, former Soviet politician Mikhail Gorbachev was on an official visit to West Germany. During the joint press conference, Gorbachev and Helmut Kohl, German statesman who served as the Chancellor of Germany, agreed that "*history has created this problem, let us leave it to history to resolve it maybe sometime in the 21ˢᵗ century*". These events were unexpected: neither social researchers, nor the international community, nor even the leaders of the change movements in Central and Eastern Europe, anticipated the enormity of the changes that were to occur between June and December 1989. Was the fall of the Berlin Wall really a sudden event, or was it part of the series of connected or similar events? And how could these two leading men who had so much insight be so wrong?

Parliamentary sessions in the German Bundestag were broadcast on television, and there was a huge public interest in what was going on. Reunification was the main issue on the agenda, and it soon became obvious that things had to happen quickly. The economic situation was rapidly declining, and the mass exodus of East Germans to the West continued.

As historian Andreas Apelt said, "*GDR's first free elections on 18ᵗʰ March, 1990 in effect were a referendum on German reunification, and as soon as the result was in, it was clear that East Germany would soon cease to exist.*" The vote determined the path the country would embark on. And that path clearly led towards a united Germany. The explanation for the result is simply that the people of GDR had one overwhelming goal and that was— reunification; and they wanted this to happen quickly and without problems.

"*It was this day that marked the end of the so-called 'dictatorship of the proletariat'*," said German Chancellor Angela Merkel. "*It was the final victory of the peaceful revolution.*"

1. Historical Origins of a United German Identity, Culture and State

A historical perspective is very important for understanding the events of 1989-1991 and Germany's subsequent role in European unification. In considering Germany, we should not ignore the map of Rome's domination in 105 BC. The map shows East Germany was never dominated by Romans, but there is a second map of Christianity's progress. It shows us that the Christian conquest reached the Rhine in the fifth century and the Elbe in ninth. The area between the Elbe and Russia was Christianized between the 9ᵗʰ and 12ᵗʰ centuries, though East Prussia and the Baltic countries did not become Christian until between the 12ᵗʰ and 14ᵗʰ centuries. The average German is also much more Slav than is generally believed. Between 400 A.D. and 700 A.D., the Slavs invaded the whole of Eastern Germany up to the Elbe. Thus the population of Central and East Prussia, Silesia and Saxony is mixed with Slavs. It was only in the Middle Ages that this non-Germanic area was reconquered by the Germans. Germany can be said to have three different races: the Teutons, the Alpines, and the Slavs. Germany is divided into three natural regions whose boundaries are mostly determined by geology and climate. There is a Rhenish Germany; a mountainous and geographically complicated Central and South Germany; and finally, the Germany of the great glacial plains of the north and east. The atmosphere of the first is to some extent Austrasian, that of the second Swiss or Austrian, while that of the third characterizes the remote presence of Russia.

The Rhenish axis, together with South Germany, is essentially Central European with strong Western tendencies; and the Berlin axis of the Great German plains belongs rather to Eastern Europe than to Central Europe, and is insistently penetrated by Eastern influences— Slav or Russian land mass to the east. It is from this standpoint that we can best understand German psychology.

What replaced or destroyed the Holy Roman Empire was the German Confederation, the organization of 39 German states established by the Congress of Vienna in 1815. It was a loose political association, formed for mutual defense, with no central executive or judiciary. Delegates met at a federal assembly dominated by Austria, but the Revolutions of 1848 undermined the confederation. It was dissolved with Prussia's defeat of Austria in the Seven Weeks' War in 1866 and the establishment of the Prussian-dominated North German Confederation.

The Kingdom of Prussia and the Austrian Empire were the two most powerful empires dominated by German-speaking elites by the 1860s; both sought to expand their influence and territory. The Austrian Empire—like the Holy Roman Empire—was a multi-ethnic state, but German-speaking people there did not have an absolute numerical majority; the creation of the Austro-Hungarian Empire was one result of the growing nationalism of other ethnicities, especially the Hungarians in Austrian territory. Prussia, under Otto von Bismarck, would eventually unite into modern-day Germany. Following several wars, most notably the German war in 1866 between the two most powerful German states, Austria and Prussia, with the latter being victorious, the German Empire was created in 1871 as "Little Germany" without Austria, following the proclamation of Wilhelm I as head of the union of German-speaking states.

2. The Stimulus for German Imperialism

In the Age of New Imperialism that began in the 1870s, European imperial powers established vast empires mainly in Africa, and also in Asia and the Middle East. Great Britain became an industrial giant, accounting for more than 25 percent of the world's output of industrial goods. Then, there was France and Napoleon's investment in industry and large-scale ventures, such as railroad building, which helped to promote prosperity. By 1870, it became indispensable for industrialized European nations to expand their markets globally in order to sell products that they could not sell domestically on the continent. The need for cheap labor and a steady supply of raw materials, such as oil, rubber, and manganese for steel, required that the industrial nations maintain firm control over these unexplored areas. Only by directly controlling these regions, which meant setting up colonies under their direct control, could the industrial economy work effectively, or so the imperialists thought.

Leading European nations also felt that colonies were crucial to military power, national security, and nationalism. Military leaders claimed that a strong navy was necessary to become a great power. Thus, naval vessels needed military bases around the world to take on coal and supplies. Many people were also convinced that the possession of colonies was an indication of a nation's greatness; colonies became status symbols.

And there she was, at the heart of Europe: Germany. With no geographical framework, nor any natural frontiers. It is difficult to know where the country begins and where it ends, but it is surely landlocked by European imperial powers. By the time Germany had formed a cohesive state in 1871 after the Franco-Prussian War, the established imperial powers—Britain, Russia, France, Holland, etc.—had laid claim to much of the world's available real estate. And they were definitely a model and powerful stimulus to the urge of Germany to establish her own empire. As a young, relatively recently united nation, Germany, which had directed its energy inward for decades in order to resolve differences between its constituent parts and eventually unify them, was now ready and in full power to demand its place under the Sun. German aggression in WWI & WWII was driven by a combination of two powerful revolutionary forces,—nascent nationalism and industrialization—a form of state capitalism harnessed for political domination. After two destructive world wars, Germany redirected the enormous nascent energies of nationalism from physical conquest through war into expansion through economic development. After WWII, Europe was cut into two. The two parts were called West and East. The division itself was called Yalta. The division was set in concrete by the Berlin Wall. West Germany became the most productive and competitive economy in Europe. East Germany became the most productive in the East.

3. Germany's East-West Connection

West and East. Two sides which were more connected through the economy than was generally believed. And it was not a unilateral relationship. There was in fact an obvious complementarity between the supply and demand profiles of West Germany and Eastern Europe. It was not only that Eastern Europe found all the manufactured goods and technology that she increasingly sought in West Germany, but West Germany was also able to take primary goods that Eastern Europe had to offer in return. By the mid-1980s, West Germany traded more with the Soviet Union and Eastern Europe than any other Western power. And trade was not the only economic relationship she had. West Germany's banks lent more money, her firms transferred more technology. And when joint ventures became possible, Germany was again in the lead. The gas and oil pipelines which are now critical to providing energy sufficiency to Europe were envisioned and discussed as early as 1989. In the late '70s, more than a quarter of all the high technology supplied to the Soviet Union came from West Germany, and by 1989, around eighteen percent of East Germany's Western trade was with West Germany. As a consequence, it was apparent that Germany would gain the most by the end of the Cold War. The eventual opening up of Eastern economies as markets for her products, and her becoming a destination for investment and providing cheap and efficient source of labor would drive her economic growth. Similarly, being the dominant export power in Western Europe, Germany had the most to gain by the establishment and rapid expansion of the EU after 1992 to 28 member countries, thereby creating a tariff-free zone for free movement of her exports and bringing low wage labor to support her industry. This is one reason for Germany's strong commitment to the EU. Similarly, as a trading nation, Germany had the most to gain from the creation of the Eurozone as a common currency area in which trade could take place without currency exchange costs.

4. The Spring of Nations

The movements sweeping away the Stalinist regimes in Eastern Europe in the '80s were motivated by a deeply-felt hatred for the ruling bureaucracy, its privileges and its dictatorial forms of rule—a hatred that was shared by an overwhelming majority of the population. Adding to this was the poor economic performance of East Germany compared to the West. Those political events and economic changes in Eastern Europe in the late 1980s radically altered the geopolitical situation in Europe and transformed existing institutions and structures. Aspirations for freedom, democracy and human rights, which had long been stifled by the authoritarian regimes of the Soviet bloc, were expressed more and more openly, thanks in particular to the reforms introduced in the Soviet Union by Mikhail Gorbachev and his policy of gradually opening up to the West. Those participating in strikes or demonstrations generally hoped for an improvement in their living conditions and for more democracy.

What happened exactly in Europe in the late 1980s and early 1990s can best be described by the term "Spring of Nations". The Revolution, which was followed by another revolution, eventually resulted in the end of communist rule in Central and Eastern Europe, and beyond. Lacking a civil society, an independent foreign policy, political opposition, and economic autonomy, the Eastern European countries under Soviet control transformed into overt dictatorships by the late 1940s. The protests began in Poland in 1989, and spread to Hungary, East Germany, Bulgaria, Czechoslovakia and Romania. It was obvious that Stalinism in Eastern Europe was going down. The citizens of the "people's republics" throughout the region rose in revolt against the system established by Communist parties which dissolved all alternative political organizations, and employed internal security services, detention camps and show trials that had become symbols of Stalinism throughout the region. They also rebelled against the prohibition of organized religion and state-controlled systems of media, arts and entertainment, and employed constant surveillance over people. They rejected regimes which worked so diligently to abolish capitalism and private property by nationalizing and directing all industry, agriculture, and trade.

Gorbachev's twin policy of *glasnost* and *perestroika* created the opening. But it was the changes visible in neighbouring Poland that precipitated the events. The Poles were demanding reforms of the existing system. The largest demonstration at that time took place on 4th November, 1989, when half a million East German citizens went to Alexanderplatz in Berlin. Two days later, a similar number of people were protesting in Leipzig.

One of the biggest breakthroughs was on 10th September 1989, when the Hungarian government announced the opening of the border with Austria to allow thousands of East Germans to leave the Communist Bloc. Hungary had been flooded with East Germans since the government began removing the border fence in May that year. Unwilling to "become a country of refugee camps", Hungarian Foreign Minister Gyula Horn made an announcement that the East Germans would be permitted to enter Austria. In the East German city of Leipzig, earlier that week, peaceful political protests against the government of the German Democratic Republic called 'Monday demonstrations' had begun and the Hungarian announcement encouraged others to begin protesting in favour of democracy.

Within a month, up to 70,000 Germans a week were making their way to the Leipzig protest, and by the end of October over 300,000 were taking part. Met with incredible anger from the East German government, Hungary's decision was a major step on the road to the fall of the Berlin Wall.

"In 1987, when Gorbachev was asked about the difference between his reformation effort and that of Alexander Dubček in 1968, he replied, "Nineteen years.""

5. The Origins of the Revolution

The events in 1989 were the culmination of events that began in the past and gradually gained momentum long before the "Spring of nations" and the opening of the Hungarian border. A secret speech changed the history of the world. It was the first congress of the Communist Party of the Soviet Union since the death of Joseph Stalin. On February 14, 1956, in Moscow in the Great Hall of the Kremlin, the First Secretary of the party—Nikita Khrushchev, gave a speech on "The Personality Cult and its Consequences". Khrushchev denounced Stalin, the cult of personality he had fostered and the crimes he had perpetrated, including the execution, torture and imprisonment of loyal party members on false charges. He blamed Stalin for foreign policy errors, for the failings of Soviet agriculture, for perpetrating mass terror and for mistakes that had led to appalling loss of life in the Second World War and the German occupation of huge areas of Soviet territory. There was no applause when the speech ended. The audience left in a state of shock. Soviet sources now say some were so convulsed as they listened that they had a heart attack; others committed suicide afterwards. One of the people sitting in the audience was young Alexander Yakovlev, who later became a leading architect of *perestroika*. He once recalled that it shook him to his roots. The population until then had deeply respected Stalin and linked their lives and hopes with him. Gorbachev was an impressionable university student at the time and would definitely have been subject to the catastrophic shock. The idols of the past were being shattered and what they had all believed in was being destroyed.

The tremors of Stalin's death in 1953 gradually awakened aspirations among people elsewhere in Eastern Europe that they might be freed from Soviet rule. On October 23, 1956, students and workers took to the streets of Budapest and issued what they drafted as Sixteen Points which included policy demands on personal freedom, the removal of the secret police, more food etc. Poland had already been granted rights which had been gained through street protests and displays of rebellion. Imre Nagy, the Hungarian Prime Minister then, announced that Hungary would withdraw from the Warsaw Pact on October 31, 1956. This was pushing the Russians too far and on 4th November, Soviet tanks went into Budapest to restore order and they acted with immense brutality. Tanks dragged around bodies through the streets of Budapest as a warning to others who were still protesting.

Twelve years after the Hungarian Revolution and seven years after a wall first divided Germany into two, in the summer of 1968, the illusion that the communist system would gradually develop into a new kind of liberal democracy died out. The Soviet Union and other members of the Warsaw Pact invaded Czechoslovakia to halt the Prague Spring reforms. The reforms were made by Alexander Dubček, who proposed the introduction of "*socialism with a human face*," democratized socialism, and acted as a catalyst for acquiring additional rights for the citizens of Czechoslovakia in an act of democratization and partial decentralization of the economy. But the new Soviet leader, Leonid Brezhnev, sent some 165,000 Warsaw Pact troops to suppress the movement. Brezhnev's doctrine of limited sovereignty, threatening the use of military force against East European countries that turned away from communism, destroyed all hopes that truly reformist socialism was possible among the Soviet satellites.

To oppose the invasion of Czechoslovakia by the Soviet Union and her Warsaw Pact allies who had crushed the Prague spring, in the noon of August 25, 1968 in Moscow, protests took place at the Red Square. Eight protesters sat at the Lobnoye Mesto and held a small Czechoslovak flag and banners with various slogans, such as "*Long live free and independent Czechoslovakia*". Within a few minutes, protesters were assaulted and loaded into cars by KGB operatives. The Czechoslovak flag was broken, and the banners were confiscated. In 1987, when Gorbachev was asked about the difference between his reformation effort and that of Alexander Dubček in 1968, he replied, "*Nineteen years*". Obviously he had been thinking about reforms long before he acquired the power to initiate them.

It was on August 14, 1980 when the strike that changed the world occurred. Some 17,000 workers seized control of the Lenin Shipyard in Gdańsk to protest against, among other things, a recent rise in food prices. Their leader, Lech Wałęsa, had narrowly avoided arrest by the secret police that morning, and had managed to scale the shipyard gate and join the workers inside. Soon, workers in 20 other factories in the area joined the strike in solidarity. Seventeen days later, after negotiations with Poland's Communist government, Wałęsa appeared before the workers in the shipyard with a historic message: "*We have an independent, self-governing trade union! We have the right to strike*!" Poland's first deputy Prime Minister Mieczysław Jagielski had signed a deal granting the workers their main demands: the right to organize freely and to strike. Those were rights accorded under conventions by the International Labor Organization, of which Poland was a signatory. But this was the first time that any Communist government had put them into practice. It was the first trade union in a country abiding by the Warsaw Pact that was not controlled by the Communist Party. Its membership reached 9.5 million members before the September 1981 Congress, after which it reached 10 million.

6. Inter-German Relations in the 1980s

In the 1980s, relations between East Germany and West Germany fluctuated between conflict and cooperation. Upon coming to power in 1982, West German chancellor Helmut Kohl emphasized the Deutschlandpolitik (German policy), which had emerged under the rule of his predecessor, Helmut Schmidt, and was distinguished from the previous policy of Ostpolitik. Deutschlandpolitik involved the pursuit of three related policy aims: improving the East-German lot, alleviating the personal hardships on both sides of the border caused

by the division of the German nation into two separate states, and fostering the unity of the German people. To pursue these policies required the continuation and strengthening of detente between the two German states and, in a larger sense, between the United States and the Soviet Union. In the 1980s, the Erich Honecker regime had also evinced an interest in relaxing the tension between the two German states for both economic and political reasons. The Honecker regime needed West Germany's economic support to meet the needs of East German consumers, and West Germany gave East Germany access to hard currency markets. In 1983 the West German government arranged a 1 billion D-mark banking credit to East Germany through a West German consortium. In return, the East Germans removed many of the SM-70 automatic firing devices along the inter-German border, and they also demonstrated a willingness to undertake efforts to protect the environment by controlling air pollution, acid rain, water pollution, and damage to forests that largely affected the two states.

Political factors were also at work in the Honecker regime's attempt to continue rapprochement with West Germany in the 1980s. Erich Honecker had sought full diplomatic recognition from West Germany and an acknowledgement that East Berlin alone represented the sovereign interests of the East German state. Continued cooperation between the two German states held open the possibility that these two political objectives could be attained. But that cooperation faced a blow in 1984 due to Honecker's decision to postpone his visit to West Germany. The American scholar A. James McAdams argued that for his own reasons Honecker himself played an important role in this decision. Recognizing that the West German public demanded that its government maintain good inter-German relations, Honecker may have hoped that by postponing his visit indefinitely, he could win the resolution of outstanding issues between the two governments on terms more favorable to East Germany. From 1985 to 1987, both Bonn and East Berlin continued to repeat that Honecker's visit had only been postponed. However, in 1985 East Germany took up Moscow's propaganda line, warning about West German "revanchism" and criticizing West Germany's celebrations of the fortieth anniversary of Nazi Germany's defeat. After the Eleventh Party Congress in April 1986, the East Germans again joined the Soviet Union in attacking West German policies.

To a large extent, relations between the two German states were held hostage to relations between the United States and the Soviet Union. When relations between the two superpowers worsened, they exerted pressure on their German allies to refrain from extending relations with the other German state. There were also other pressing issues: the nature of German citizenship, East Germany's demand for West Germany's recognition of its sovereignty, and the need for the resolution of border issues left ambiguous by the victorious Allies after World War II. Finally, there were other problems that divided the two German states. East Germany sought the abandonment of the monitoring station in Salzgitter used by West Germany to record human rights violations on the border. In turn, West Germany sought a general improvement of conditions along the armed border and the Berlin Wall and the free movement of people and ideas between the two German states.

7. Reunification

On July 1, 1990, the two German states became one. It was the first time in history that a capitalist and a socialist economy had suddenly been united. There were no clear

guidelines as to how it could be done. Instead, there were a number of problems, of which the most severe was the comparatively poor productivity of the former East German economy and its links to the collapsing socialist economies of the Soviet Union and Eastern Europe. The social, political and economic inferiority of East Germany was a source of tension and problems. The reunification of Germany was very much a take-over of East Germany by West Germany. The West's constitution and legal system, economic and political system were simply transferred to East Germany. This was not a problem as such since this was something East Germans had been longing for and for which no serious alternative existed. But the stigma of economic, political and social inferiority which was attached to East Germans created hostility and reinforced the two different identities Germans had adopted. The existing feeling of inferiority was reinforced by a West German superiority to which many East Germans responded with psychological self-defense mechanisms.

International alliances were also another part of military problems that the two German states confronted. While East Germany had been a member of the Warsaw Pact, West Germany was a member of the North Atlantic Treaty Organization (NATO). After numerous debates on continuing or modifying German participation in these alliances, Mikhail Gorbachev of the Soviet Union, at a meeting between Germany and the Soviet Union on 16th July 1990, ultimately agreed to NATO membership for a united Germany. In addition, the Soviet Union agreed to withdraw its 370,000 troops from East Germany by the end of 1994. In return, the Federal Republic agreed to provide financial and economic aid to the Soviet Union. On 12th September 1990, in Moscow, the foreign ministers of the four wartime allies signed the Treaty on Final Settlement with Respect to Germany and relinquished their occupation rights over German territory, often called "2 + 4 Treaty".

Even before economic unification, the West German government had decided that one of its first tasks was to privatize the East German economy. For this reason, it had taken over in June the Treuhandanstalt (Trust Agency, commonly known as Treuhand), which had been established by the GDR to take over East German firms and turn them over to new management through privatization. By the time the Treuhand was disbanded at the end of 1994, it had privatized some 14,000 enterprises. As economic unification proceeded, issues that had been recognized but inadequately understood in advance began to surface. There was massive confusion about property rights. As wave after wave of Nazi, Soviet, and later GDR expropriations took place between 1933 and 1989, there was often little clarity about the actual ownership rights of property. Another problem was that East German production costs were very high. The conversion of East German marks to Deutsche marks in order to raise the purchasing power of Germans in the East also had the effect of rising costs of production in the East, as did the early wage negotiations, which resulted in wages far above the productivity level. West German firms found it easier and cheaper to serve their new eastern German markets by expanding production in western facilities. Inadequate infrastructure also posed a problem for many potential investors. Telephone services improved very slowly. Many investors also complained about energy shortages, as numerous East German power stations were closed for safety and other reasons. Roads and railroads had to be virtually rebuilt because they were so badly maintained.

In addition to these practical problems, there was also a deep policy dilemma that underlay the entire process of unification. From the beginning, there had been a dangerous link between the earlier and later phases of the East German transition to a free-market economy. Policies calculated to make the initial adjustment as painless as possible hampered long-run growth and prosperity. Real economic efficiency could only be achieved by permitting and even forcing considerable immediate dislocations, whereas temporary compromises might have led to permanent structural burdens. At the same time, it was feared that abrupt disruption of the East German economy and social welfare system could endanger the economic and political stability required for a smooth unification process and might also drive streams of East Germans to move West. The government never found a satisfactory solution to this dilemma. When it was forced to choose, it usually selected the more expensive and slower course to encourage persons to stay in the East. Despite these problems, the process of unification moved ahead, slowly. Less than 5 percent of all investment in East Germany was non-German, and most of it was from companies with subsidiaries in West Germany which were expanding to the East.

"German reunification shows that it is possible to make dramatic changes in political culture, social attitudes and economic life within a single generation."

As might have been expected, the economy of East Germany went into a deep slump immediately after the unification. Within a year after the unification, the number unemployed rose above 3 million. Industrial production in East Germany fell to less than half the previous rate, and the total regional product fell precipitously through 1991. One estimate was that in 1991 the entire production of East Germany amounted to less than 8 percent of that of West Germany. Because the process of unification was managed by persons from West Germany, new eastern firms were usually subsidiaries of western firms, and they followed the western ownership and management patterns. As a consequence, fresh private investment and economic growth came into East Germany at a relatively slower rate. Investment during the early years of unification was only 1 percent of the all-German GDP, when much more was needed to jump-start the economy of East Germany. Much of the investment went into the purchase of East German companies, not into their rehabilitation.

Government funds were used essentially for two purposes: infrastructure investment projects (roads, bridges, railroads, and so on), and income maintenance (unemployment compensation, social security, and other social costs). The infrastructure projects sustained employment levels, and the income maintenance programs sustained living standards. But neither had an early growth payoff.

As East Germany went into a deep recession during the first phase of unification, the West German economy experienced a small boom. West Germany's GDP grew at a rate of 4.6 percent in 1990, reflecting the new demand from East Germany. The highest growth rate came during the second half of 1990, but growth continued at a slightly slower pace into early

1991. Prices, however, remained relatively stable because the cost of living grew at only 2.8 percent despite high wage settlements in some industries. Employment rose during the year from 28.0 million to 28.7 million, and the unemployment rate sank to 7.2 percent. Notably, the number of those unemployed in West Germany only declined by about 300,000, showing that at least half of the new jobs in West Germany had been taken over by persons who had moved to or were commuting from East Germany.

"If varyingly strong economies, diverse mentalities and different working and living habits are to be integrated, everyone involved needs to be willing to accept the inevitable changes this entails."

The dramatic improvement in the West German figures resulted from the opening up of a large market of 16 million persons in East Germany and the simultaneous availability of many new workers from East Germany. Many easterners did not want the shoddy goods produced at home, preferring western consumer products and food. Moreover, many easterners were coming to the west to work. By the end of 1990, as many as 250,000 were commuting for work to the west, and that number was estimated to have grown to 350,000 or even 400,000 by the middle of 1991. This meant that West Germany not only had a vast new market but also saw a growth of over 1 percent in its workforce, as sharp an increase since the days of the economic miracle. However, unemployment also reached a record number, 4 million. Two-thirds of that figure were unemployed in West Germany; the other one-third were unemployed in East Germany. East Germany contributed more to unemployment than to production.

The reunification of Germany in 1990 was widely hailed as a revolution in Europe. It marked the end of the more than forty-year division of the continent into two rival ideological blocs, epitomized by the liberal democratic capitalist Federal Republic of Germany on the one side and the communist dictatorship of the German Democratic Republic on the other. The absorption of the latter by the former was also seen as a shift in the European territorial and geopolitical order. Already the continent's largest and most populous state outside of the Soviet Union, the Federal Republic, was given a huge territorial and demographic boost. After the fall of the Berlin Wall in 1989 and the reunification of Germany in 1990, the country reinforced its economic strength, becoming perhaps the most successful economy in the world. Also, with the collapse of communism across central and eastern Europe, Europeans became close neighbours. In 1993 the Single Market was completed with the 'four freedoms' of: movement of goods, services, people and money. The 1990s was also the decade of two treaties, the 'Maastricht' Treaty on European Union in 1993 and the Treaty of Amsterdam in 1999. People were increasingly concerned about how to protect the environment and also how Europeans can act together when it comes to security and defense matters. Millions of young people were studying in other countries with the EU's support. Communication was made easier as more and more people started using mobile phones and the internet. German unity became the key and stimulus for European unity.

8. Implications for Europe and other Regions

German reunification shows that it is possible to make dramatic changes in political culture, social attitudes and economic life within a single generation. Where there is a will, there is a way. But its accomplishment was the result of both internal and external factors. Simply put, reunification would never have been possible had the USSR under Gorbachev not taken great efforts to realign her domestic and international policies with the aspirations of her people and the global community for freedom and prosperity and had the West not reciprocated, at least grudgingly, by welcoming an end to the Cold War and the nuclear arms race. German reunification was made possible by a dramatic decline in superpower rivalry. And it has also shown us that market reforms can work in places where people have been indoctrinated in a completely different economic system.

"One of the most valuable lessons history offers us is the consciousness of the fallibility of our own foresight and openness to opportunities that will only be tangibly real after they have been physically realized."

Most importantly, the population needs to demonstrate a great willingness to change. Almost everything changed for the citizens in East Germany—not just politically and economically, but also socially and culturally in their daily lives. If varyingly strong economies, diverse mentalities and different working and living habits are to be integrated, everyone involved needs to be willing to accept the inevitable changes this entails.

9. Conclusions

The peaceful reunification of Germany is one of the most dramatic political events of the last half-century. It occurred as part and parcel of the momentous movement of democratic and economic transformation which dissolved the Soviet Union and her empire, swept away East European communist regimes, ended the military confrontation between the superpowers, led to the dramatic reduction in nuclear weapons, and abolished the Cold War confrontation between the East and the West. It also formed a foundation and cornerstone for the establishment and expansion of the European Union, the creation of the Eurozone and the rise of Germany to a preeminent position in Europe. In this larger context, it may be tempting to underestimate the extent of the difficulties it entailed and the magnitude of the achievement it represents. Countries such as Korea with a far longer history of national unity dating back millennia remained divided much longer than nascent Germany did with its deep cultural fissures.

But the real importance of understanding German reunification lies in its relevance to the future rather than its historical significance. For today we find the EU confronting very similar problems to those which Germany had to overcome so rapidly and dramatically in

the early 1990s. After expanding to encompass 28 nations with the ascension of Croatia in 2013, the EU is confronting signs of reversal that could well unravel the gains of the past two decades. The pending exit of Britain, the prolonged struggle over governance of the Eurozone, the revival of nationalist and populist governments in Poland and Hungary, and the breakdown of the open-border agreements within the Schengen area, all pose threats to the future of the EU. For the real challenge to the EU is psychological rather than political. The real question is whether the EU can succeed in generating a common European identity greater in bonding strength than the resurgent nationalism now sweeping the region. German unification offers a positive example worth understanding and emulating.

So too, the sudden backlash of inward nationalistic populism championed by Brexit advocates in the UK, Trump in the USA and Putin in Russia threatens to undermine and reverse much of the progress on peace and economic cooperation that have been the most signal achievements of the post-Cold War era. Here too, we may look for relevant lessons in German unification.

And finally, it is essential to consider the potential relevance of the German achievement to the resolution of the threats represented by other deep fissures in international politics—the prolonged division and confrontation between India and Pakistan, North and South Korea, Israel and Palestine. All three involve nuclear weapon powers and global military alliances. Looking backward through the rear view mirror of mind, it is easy to conclude that German reunification was inevitable and far easier to achieve than the resolution of these three persistent, intractable and apparently insoluble global hotspots. But that is actually a matter of perspective, rather than reality due to the fact that the human mind sees far more clearly in historical retrospect than it does happenings which are staring us in the face, even a moment or two into the future. Insights from German reunification counsel us not to be excessively pessimistic about future possibilities, while exaggerating the probability of events after they have occurred, especially when they were totally unexpected and unbelievable a short time before they took place. One of the most valuable lessons history offers us is the consciousness of the fallibility of our own foresight and openness to opportunities that will only be tangibly real after they have been physically realized.

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The Principle of 'Unity in Diversity' as a Measured Response to Resurgent Nationalism:
Valuing local diversity as well as global citizenship is not a contradiction

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Abstract

The ideological war between globalism and resurgent nationalism in recent years is seen as an invitation to take sides by many intellectuals. Demonising or dismissing followers of the new right-wing nationalism is easy, but the outcome of the Brexit referendum and the last presidential election in the USA should have taught us that ignoring the genuine arguments of this demographic is foolish and dangerous. It reflects a failure by globalists to appreciate the externalised costs of globalisation and the people who bear these costs disproportionately. Supporters of renewed parochialism and xenophobia in turn fail to acknowledge the facticity of our current state of global interdependence, and indeed the urgent need for even greater global cooperation. I will argue that tensions between the two camps arise from the fact that genuine advantages are associated with national and local diversity as well as with global cooperation and unity. In short, from a rational perspective, the purely nationalist and the purely globalist viewpoint are both incomplete, and a new higher order perspective is needed to resolve the issue. This paper is an attempt to develop such a more integrated perspective beyond nationalism and globalism. I will be drawing on some of my own research, which has shown that local cultures in Asia have been experiencing strong globalisation pressures and also have been pushing back through a range of revitalisation movements. The paper draws also on my complementary experiences of working in a number of organisations that are global, but wherein diversity is valued and retained.

1. Introduction

We have been witnessing a massive nationalist reaction to globalisation in recent years, the reasons for which can be difficult to untangle. If intellectuals hastily come to the defence of the globalist position and demonise this opposite point of view, we only add to a general climate of hostility that is poisoning the prospects for rational public debate in many countries. Rather, our duty is to reveal what is really at stake in this struggle, to identify the forces that are at play, and to make proposals for how to address the underlying problems associated with 'real-existing globalisation.' In short, we need to present the public with alternatives superior to those offered by a legion of democracy-, journalism- and science-bashing right-wing demagogues.

I will begin by tracing the causal link between resurgent nationalism and real-existing globalisation. I will argue that the downsides of globalisation need to be addressed in two ways; at the level of political economy—by restoring and internationalising democratic structures, and at the ideational level—by drawing on ethnographic insights into the nature of the local to better contextualise our understanding of globalisation.

2. Nationalism: A Reaction to Real-existing Globalisation

My own ethnographic research has looked at how nationalist or local ethno-nationalist cultural and religious movements have been reacting to globalisation in developing countries, particularly since the end of the Cold War. I have referred to these movements as 'localisation' movements (Reuter, 2008; 2013), and discovered that localisation movements seek not only to limit or repair the damage caused by globalisation but also the growing local influence of the nation-state. The first lesson therefore is that "nationalism" may be understood as a localisation movement operating at a nation-state scale, while similar localisation movements operating at a regional or local scale may classify the very same nation-state as a globalising force in its own right or an agent of globalisation, eroding local autonomy, social structure and culture. In Indonesia, where I have conducted most of my research, for example, a national anti-globalisation movement based on modernist Islam has recently brought down the governor of Jakarta, Basuki Tjahaja Purnama alias 'Ahok', an ethnic Chinese Christian, on trumped-up accusations of blasphemy against the Quran.

This religious ethno-nationalist movement coexists with local revitalisation movements in Bali and other non-Muslim majority regions. For the latter, the modern nation-state with its development agenda and general bureaucratic interventions as well as its increasing usage of Islamic identity markers are a threat to autonomy and self-determination.

Overall, we can observe two opposing forces here, one that seeks to integrate and homogenise, and another which insists on the right to be separate and different. It is appropriate to label these forces globalisation and localisation, after the two extreme points of the scale. We need to remember, however, that nationalism is Janus-faced because it sits somewhere in the middle of this scale. It thus may simultaneously adopt a xenophobic attitude, facing out toward the global, and a globalising attitude, when facing inward toward local peoples, especially members of ethno-cultural and religious minorities. And of course, there are also movements advocating an alternative globalism, such as international revivalist Islam.

The globalising attitude many developing nation-states direct at their own local societies and citizens is in part tied up with the nation building projects of national elites, but in large part it is also a reflection of the use of the nation-state by external forces as an instrument of globalisation. For example, the structural adjustment programs mandated by the Bretton Woods institutions, IMF and World Bank, as a condition for granting credits to developing countries, would not have been implemented without the complicity of captive national elites in those countries. In short, the developing nation-state sometimes has globalised for its own cause of national integration, and at other times has acted corruptly as a servant of supernational forces.

The greater severity of this globalisation drive in developing countries with no or inadequate democratic safeguards has meant that the reaction, in the form of ethno-nationalist or right-wing nationalist movements, has happened somewhat earlier in these parts of the world than in the west. The same globalisation effects that had already stirred up public sentiment in the developing world in the 1990s are only now starting to really sting middle class people in western countries, particularly since the 2008 Global Financial Crisis (GFC). The reason is that the great democracies, often upheld as a gold standard for developing countries, have in fact been seriously undermined and become more similar to the weak democracies of the latter. David Rothkopf (2008) and C. Wright Mills (1956) before him have documented how the so-called revolving door, for example, operates in the United States to further the interests of the globalist corporate and financial elite by way of legislative capture, and how the problem has grown ever more severe.

Thomas Piketty (2014), Elizabeth Warren (2007) and others have demonstrated with compelling empirical evidence how this trend has adversely impacted on the most disadvantaged members of society but increasingly also on the middle class, as wealth concentration in the class of the superrich continues to rise dramatically at the expense of the former.

Figure 1: Stagnating US Middle-Class Incomes
(partly concealed by the effect of more women entering the workforce)

Median Income
Married Couples, 1970–2008
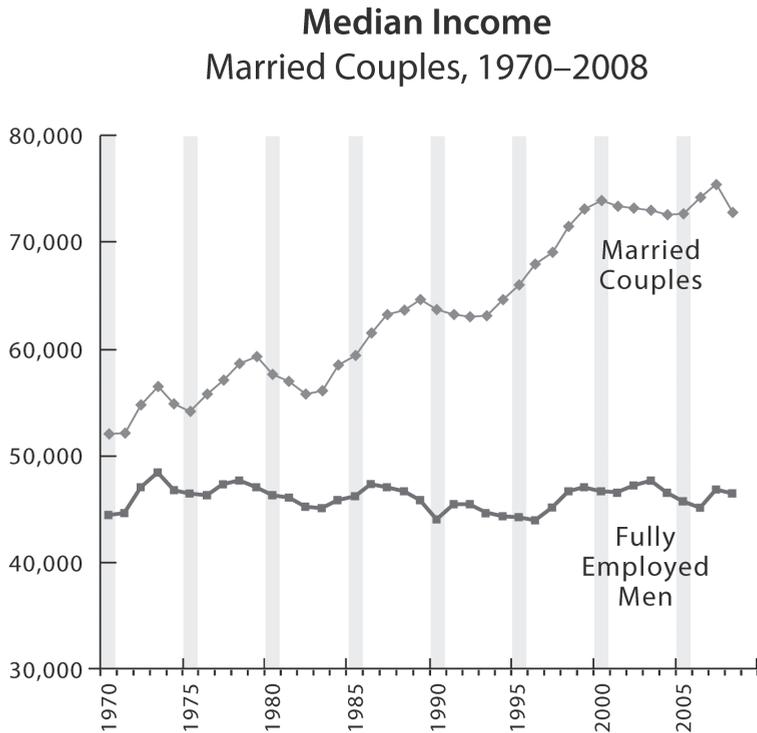
To illustrate the same revolving door problem with a European example, there is the case of former EU Commission President José Manuel Barroso, who received a lucrative job from Goldman Sachs as a lobbyist soon after the end of his term. Apparently, he had proven his usefulness in various ways, as has been revealed in documents leaked by Paulo Pena.[*]

"The worst dictatorships make the loudest claims about acting in the name of the people or nation."

From my own elite research in Indonesia and my extensive reading on global elites, I could list hundreds of further examples to illustrate the increasing severity and impunity of worldwide nation-state capture by global elites. It is unnecessary to present such a list, however, given that even ordinary citizens have by now absorbed enough of this kind of information to get a general idea of what is happening behind their backs, though it may be underreported by mainstream media that are also captive to private interests. People know that productivity and profits keep rising while corporate tax contributions to the reproduction of society are falling and while wages remain flat, thus lowering labour's proportional share of the benefits of production and raising the proportion of its fiscal contribution. The result is a massive tide of distrust and anger toward captive political representatives, and a justified sense that democracy has been undermined.

Figure 2: Real hourly Wages and Output per hour
(Wages falling behind Productivity Growth)

Real hourly wages and output per hour (100 = 1970)

Gross output per hour

Production worker hourly wages (CPI)

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[*] See https://www.theguardian.com/world/2016/aug/29/eu-staff-petition-attacks-former-ec-president-over-goldman-sachs-job
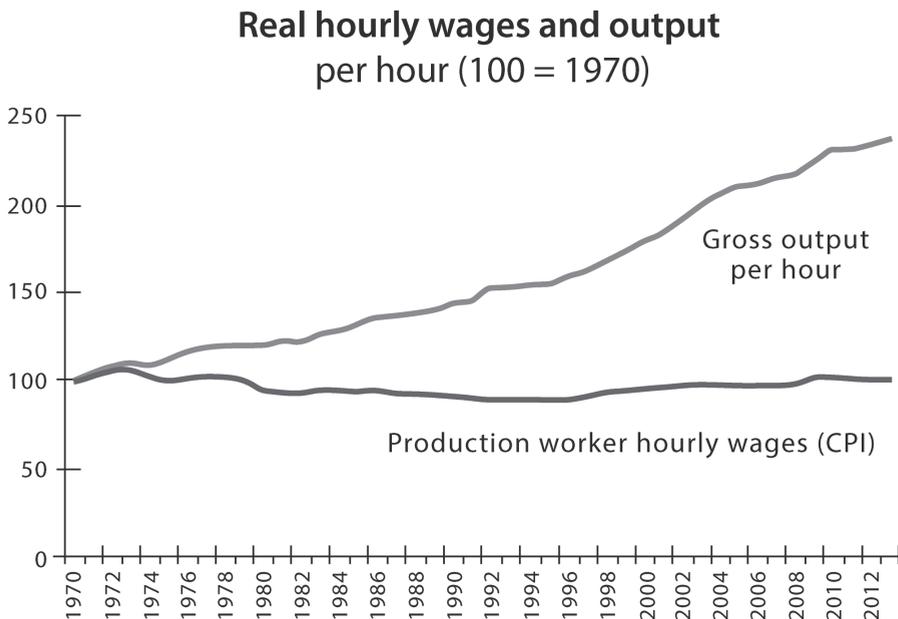
Some people, myself included, respond by coming to the defence of representational democracy, and have called for steps to limit the undue influence of private interests and money politics through electoral reform (Reuter, 2015a). Others however have decided to support new populist nationalist parties that promise to replace the liberal democratic system that has betrayed them with an authoritarian state in the name of an imagined ethnically 'pure' nation. As is well known from history, the worst dictatorships make the loudest claims about acting in the name of the people or nation. What most of these followers are blind to is the fact that some of the same global elites who have been busy undermining liberal democracy are now bankrolling the neo-fascist movements that want to do away altogether with what is left of democracy.

"The new nationalism now spreading around the globe is in many ways fraudulent and a false flag operation."

It is ironic and surprising at first that in this way nationalism can be weaponised to serve the same neoliberal globalist agenda it is meant to counteract. The newly arisen German alt-right party *Alternative for Germany* (AfD) is a pertinent example. Despite a public face of populist rhetoric and professed empathy for ordinary people who have been left behind by globalisation, the economic program of AfD, which few of its followers look at, can only be described as neoliberalism on steroids. The same duplicity is evident in the turnabout of many of the contemporary leaders' populist politics. One of the politicians promised to "drain the swamp" of Wall Street and criticised banking firms like Goldman Sachs for their greed and their contribution to the GFC, saying they "robbed our working class, stripped our country of wealth, and put money into the pockets of a handful of large corporations and political entities."

"What is needed is a New Deal that will deliver a more benevolent and inclusive form of globalisation, based on genuine participatory democracy and based also on due recognition for the intrinsic value of locally embedded and differentiated societies and their associated cultures and identities."

We can conclude that the new nationalism now spreading around the globe is in many ways fraudulent and a false flag operation. The sentiments it capitalises from, however, are not baseless. A large and growing number of people have indeed been left behind financially by corporate globalisation, and people are also concerned at the loss of local embeddedness, social cooperation, community and a declining sense of cultural belonging. The resulting sentiments need to be rechannelled in the direction of a struggle for genuine democracy, and for a more appropriate form of globalisation that removes the pressures for forced mobility and serves the common good.

The role of intellectuals is to inform this rechannelling process through a critique of globalism in its present form, revealing its corrosive effect on democracy and on people's wellbeing, broadly conceived, and presenting better alternatives. On the other hand, widespread liberal intellectual elites' response of shock and horror at the outcome of the Brexit referendum and the last presidential election in the USA is counterproductive. To condemn populism without due analysis and acknowledgement of its causes is to ignore and fail to address the genuine grievances to which it gives expression. It thereby helps to fuel growing anti-intellectual sentiments.

"A higher order understanding and synthesis is needed to overcome the unproductive polarisation of contemporary public discourse."

Intellectuals who support globalisation tend to do so for two reasons, either actively, because they value liberal ideals of cosmopolitan modernity, or passively, because they accept globalisation as the inevitable consequence of a relentless and irreversible historical trend in the development of human civilisation toward the formation of ever wider webs of human interdependence (cf. Norbert Elias, 1965). I have sympathy for these positions, but more is needed. The globalisation enthusiasts among intellectuals must acknowledge that 'real-existing globalisation' does not conform to their cosmopolitan ideals, that its costs are externalised, and that such costs are disproportionately borne by ordinary people who are less privileged than themselves and more so by marginalised population groups. Real-existing globalisation withholds global citizenship from the vast populations it excludes from participation. The second group of intellectuals, the globalisation fatalists, meanwhile, must remind themselves that real-existing globalisation need not be accepted with resignation, on the false assumption that globalisation *in this particular form* is natural or without alternative. Both groups must stop belittling Brexiters, Front National or AfD voters and others like them for their regressive parochialism or condemning them for their illiberal and sometimes racist attitudes. One must have the courage to look through this ugliness to see what truth lies at the heart of the matter.

On the other hand, those who give in to parochialism and xenophobia must be reminded of the facts of our state of global interdependence, and of the benefits of global cooperation. They too must learn to separate globalisation per se from globalisation as it is now manifesting, arguably still caught in an early, unregulated and hence uncivilised form, though not entirely bereft of benefits even for the most disadvantaged. Neo-nationalists must recognize the urgent need for global cooperation in view of ecological and resource-related crises that will not stop at national borders, not even if we build a wall of steel topped with machine guns. A retreat from globalisation is simply impossible, undesirable and even unimaginable, except in the event of a global eco-political collapse.

What is needed instead is a New Deal that will deliver a more benevolent and inclusive form of globalisation, based on genuine participatory democracy and based also on due

recognition for the intrinsic value of locally embedded and differentiated societies and their associated cultures and identities.

3. Reconciling the Global and the Local: Toward a Genuine Alternative

Concerns in intellectual circles over the new wave of parochial and self-serving nationalism and the decline of international cooperation are justified, but often fail to acknowledge a crucial issue: The genuine need for socio-cultural diversity at national or still more local levels. A higher order understanding and synthesis is needed to overcome the unproductive polarisation of contemporary public discourse. I would like to develop such a more integrated perspective now, drawing on my anthropological research on local societies in Asia. In Asia, local societies and cultures have been experiencing strong globalisation pressures and the majority have been pushing back through a range of nationalist or local ethno-religious revitalisation movements, most of which are non-violent. I also will draw on my complementary experiences of working in a number of progressive global organisations, wherein diversity is already recognised, valued and defended despite a simultaneous commitment to the idea of global cooperation and unity.

Research on globalisation effects and localisation movements from within the discipline of anthropology, which is the iconic science of the local, conveys an important message: Cultural diversity is an essential requirement for human survival, no less so than biodiversity is essential for the health of ecosystems. 'The local', in its cultural diversity, is thus an ideal no less worthy of our support than is 'the global', which rightly points at the essential unity and equality of all humankind. One of these ideals should never be sacrificed to the other, and there is no need, because they do not contradict one another, so long as we adopt a higher order perspective based on principles of free knowledge exchange and democracy.

Anthropological research has amply illustrated how frictions and sometimes violent struggles arise at the frontiers of the global and the local (Lowenhaupt-Tsing, 2004; Reuter, 1999; 2009). What is not so well understood outside this field of research and outside the discipline of anthropology, however, is that members of "localisation movements" are not opposed to all elements of globalisation. Local people are in fact quite capable of discriminating between benefits and costs of globalisation. They embrace the social changes they perceive as beneficial, such as modern communication devices, but wish to retain the right to decide for themselves when and how they want to engage with globalisation. They object to being dispossessed by globalisation, and defend those elements of their distinct and characteristic socio-cultural lifeworld which they value and consider under threat. In short, their conservatism is overstated by critics, and sometimes also by themselves.

Furthermore, it is not widely understood that local cultural diversity and associated local knowledge are valuable and indeed essential for human survival. There has been much lip service to diversity in the form of liberal multiculturalism, even though multiculturalism is a side effect of mobility on regions with high levels of migrant influx, rather than a sustainable means of protecting localised diversity. It is only in localised settings that cultural diversity can be maintained long-term. It is also in localised settings where particular sets of cultural

knowledge evolve to be adaptive, for example, by taking the form of plural human ecologies. In short, cultural diversity is premised not on mobility, but on the ability of local people to shape their own destinies in diverse ways which take into account local ecologies, histories and cultural traditions and produce multiple alternative ways of being in the contemporary, modern world. This raises the question: how can the promotion of localised cultural diversity be reconciled with the ideal of global collaboration and unity?

The solution is to aspire for unity in diversity. This is not a contradiction in terms. Indeed, unity without diversity is meaningless, because a unity based on sameness has no communicative and rational potential. Diversity without unity also precludes communicative and rational potential. One basic fallacy is the ill-advised desire to eradicate difference until interlocutors have nothing left to say to one another, while the other fallacy is to radicalise difference to the point of eliminating the possibility for communication and cooperation, just when it is needed more than ever.

How close unreformed globalism and nationalist parochialism in fact are in their flawed logic can be easily demonstrated: For one, parochialist movements, while they seem to defend national identities and the right to be different at that level, tend to be hostile to local or individual difference within their own ranks and to insist on conformity in the name of loyalty; liberal globalism, meanwhile, manages to celebrate and to obliterate cultural difference at the same time, by confusing ephemeral multiculturalism with lasting diversity. The solution is to defend the right of local populations not just to be but to remain culturally different, and their simultaneous right to participate on an equal footing with others in a safe, open and just global sphere, where shared interests and values can be discovered through open communication and democratic processes, and enshrined in international agreements that are equally owned by all parties. That is certainly possible, necessary, and in the rational interest of the 99% of humanity who are more or less short-changed by real-existing globalisation as we experience it today.

4. A Program and an Example for Alternative Globalisation

To achieve this outcome, we need a new alternative for globalisation based on what I like to refer to as 'sovereign cooperation.' Sovereign cooperation can address the legitimate concerns of globalists and localists at the same time. Sovereignty appeals to the local perspective, in that sovereign cooperation partners have the right to be culturally distinct and free of unlawful coercion by outsiders. Cooperation appeals in a positive way to the global perspective, because sovereign cooperation unites diverse peoples as equals who nevertheless recognise their interdependence and the benefits of mutual support and insurance, and thus voluntarily cooperate on a basis of mutual respect and trust. Sovereign interlocutors need not be afraid of others, and hence they will spontaneously cooperate. They will appreciate the common ground of the human condition they share with others, and yet they will also appreciate the hard fact that their cooperation is meaningful and fruitful only where there is the freedom to be different. Sovereign cooperation recognises and safeguards those complex ties of interdependence that are characteristic of contemporary civilisation, and it also celebrates and safeguards the freedom of choice and open-ended nature of knowledge that are embodied in the diversity of human cultures.

This may seem like a rather utopian program for globalisation, but it is in fact already happening in some places. An inspiring example is international anthropology, in which I have been prominently involved over the last thirteen years. Building on a paradigm of 'world anthropologies' that recognises the diversity of culture within the discipline itself as an asset, the main institutions of international anthropology have made a great effort and have had considerable success in creating a level playing field where individuals and associations of anthropologists from all parts of the world can meet at eye-level to learn from one another and to cooperate on issues of shared concern (Reuter, 2011; 2012; 2015b; c).

In this sphere of interaction an ethos of equality and unity coexists with a deep appreciation for the value of diversity that is exemplary of a new ethos and practice of globalisation. Such an ethos of mutual appreciation and support also needs to be considered and applied within world politics and economics.

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The Leadership the World Needs

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Abstract

As society evolves in consciousness, the character of its leadership evolves as well. The physical stage of human development is characterized by the rule of physical strength and directed by military leaders with the capacity to mobilize and exercise physical force through violence. In the vital-social stage, leadership shifts to the authority of custom and law backed by a wealthy aristocratic elite which exercises power by virtue of its dominant position in the social hierarchy. The emergence of mentality makes possible a more equitable distribution of power to the masses and a transition to governance by laws and institutions based on principles of justice, ideas and universal values. The SDGs cannot be achieved by the UN alone or even by national governments. The problems of humanity today are global in nature, complex and inextricably interlinked. They can be effectively addressed only by a broad-based social movement that awakens the aspirations and releases the energies of the wider population. Such a movement can best be awakened and directed by the power of ideas based on a comprehensive and integrated knowledge of society and human potential. The risk of existential threats alone has thus far proven insufficient to effectively mobilize global society to concerted action. Humanity needs to be positively inspired by a vision of a better future for all, which has yet to be formulated. For developing nations, the goal should be total eradication of poverty and material prosperity for all. For advanced nations it should be a shift from the pursuit of material accumulation to ever higher levels of well-being and human development for all. Ideas founded on rationality and truthfulness espoused by a global leadership of individuals or organizations have the power to serve as the catalyst for that movement.

The world has so far been led by individual leaders with the exception of ancient Greece, which was inspired for a short time by the power of Ideas. Rome developed law and founded a vast empire based on the rule of law, but it attained its heights on the basis of the achievements of Julius and Augustus Caesar. From that time onward, Europe became the center of the civilized world. These were periods in which leadership was backed by military might. Caesar and Napoleon were outstanding military leaders who acquired power by their courage, military knowledge and leadership skills. Military leadership is primarily physical in character, founded on physical strength and organized violence. Heroism was achieved by conquest and destruction of opponents. Those were days when spectators enjoyed witnessing gladiators battling lions and each other to the death or the torture of helpless victims. It was a culture of physical violence, cruelty and tyranny. In later centuries this violence persisted in the form of state-sponsored religious persecution, which survives even today. The origin of

England's Irish problem was the persecution of other religions for several centuries. Those were days when might was declared right simply on the basis of strength. Today, it expresses in the form of the tyranny of the majority.

The spread of democracy and education is a result of the evolution of humanity from physical to mental consciousness. The conscious mind serves as a greater seat of truth than the subconscious vital herd mentality or the unconscious habits of the physical body. Mental ideas and organization are the source for all the progress of civilization. At the level of the animal, the stronger animal leads the herd by virtue of its physical prowess. Physical strength delights in destruction. In a vital society, falsehood, darkness and ignorance fortify the physical consciousness and retard its evolution to mentality and rationality. Physical leadership thrives on falsehood and violence. Democracy, parliament, an educated population and a free press do not support the reign of falsehood to the extent prevalent in totalitarian states. Hitler and Stalin both organized their leadership on that basis. Both banned foreign journalists from entering their states to prevent the spread of news to foreign countries. Though democracy had its nascent roots in 1600, dictators like Stalin and Hitler suppressed and fabricated information throughout history to strengthen their control. These were short-lived attempts that could not survive, for Truth does not allow falsehood a long reign. Long ago, states mastered the art of suppressing and distorting facts, bluffing and hypocrisy. When Stalin died in 1953, Khrushchev denounced the cruelty and injustice of Stalin's misrule of the country, which came as a shocking revelation to the Soviet people. Disclosures of this nature help move the world from falsehood to Truth.

The passage of time fosters the revelation of truth. Time belongs to the spiritual plane, while falsehood belongs to the darkness of ignorance. Viable and enduring leadership can be built only upon the basis of truth, or at least rationality. States can no longer survive on the basis of organized falsehood. Charismatic leaders have always manipulated the masses with fear-mongering and the hysteria of hatred. The public today is more conscious of their true character and less susceptible to their illusions, even when prevented from openly expressing their opposition. Glasnost opened the door to permit the suppressed opposition in the Soviet bloc to express their true sentiments. Donald Trump may continue to project falsehood wherever he goes, but as in the case of Reagan he is exposed by the media each and every time. Short-term success does not ensure long term survival. However vulgar and disconcerting to sensible minds, his power can only be short-lived. Rather, his blatant and total disregard for truth of fact is an expression of the darkness before the dawn announcing its approaching death and the exit of falsehood from the arena of national politics and international diplomacy. This is akin to what occurred in the mid-19th century when the slave states launched the American Civil War in order to both preserve and extend slavery to the new territories out West at precisely the very moment in history when slavery and slave trade were being abolished in nations around the world and had become a thing of the past with no right to exist any longer. The legacy of the past was finally destroyed by a violent struggle. Today, it can be overcome by a persistent insistence on truth.

Threats such as climate change and economic crisis loom large today. The world has progressed significantly since the Club of Rome published *Limits to Growth* in 1972. Progress

has been considerable, though based on a negative vision of catastrophe to be avoided rather than a positive vision of the opportunities for human development and social evolution. It is better to seek a positive approach based on a knowledge that can inspire all, rather than relying on fear as the prime mover.

"Ideas are the primary instrument available to the World Academy of Art and Science to offer leadership to the world— leadership in thought that leads to action."

Integration of knowledge is stymied by specialization. Specialization developed rapidly over the last two centuries, resulting in an increasing fragmentation of knowledge, compartmentalized policies and divided operational responsibilities. Specialization need not generate problems, provided the underlying knowledge is integrated and unified. Today, it is highly fragmented, especially in the social sciences. The divorce of finance from the real economy is an obvious example. Banking and financial markets played a crucial role in the development of global economy in the early 20th century. Business flourished on the basis of capital accrued from public savings. European entrepreneurs set up limited liability companies to pool capital for larger enterprises. Governments supported this initiative with the necessary legal framework. This single legal innovation opened up infinite opportunities for people doing business. It enabled them to acquire the funds needed for unlimited growth and limited the risks of investors to the amount of capital they contributed. The East India Company promised a return of minimum 10%, which reached a maximum of 20% now and then. In this way business expanded rapidly. Gradually the focus shifted from investment in production to pure speculation. The very success of financialization began to undermine investment in the real economy and had a destabilizing impact on exchange rates, foreign investment and trade. The finance-led economy reached a crisis point in 1929. When he became president in 1933, Franklin Roosevelt found that no conventional economic policy measures could stem the banking panic. He finally overcame the crisis by appealing to public confidence in the psychological roots of American society.

Life is infinitely resourceful. As humanity advances, it opens up so many avenues for individual progress. At the same time, for those who do not want to lead an idealistic life, less positive opportunities open up. Marriage used to be an institution that stabilized social relationships. But parallel to that, concubinage also flourished. On top of that, extra-marital relationships also became quite pervasive. The internet and cryptocurrencies are powerful systems for enhancing human welfare, but they also lend themselves to illegal and destructive purposes such as fake news, fraud, and the illicit drug and arms trade. These are negative examples of the infinite resourcefulness of society.

Since the Great Crash in 1929, the world economy has been hit by a continuous succession of smaller financial crises, the most recent being in 2008. Most often, the response to problems is to resort to negative measures that temporarily suppress but do not eliminate the root cause,

thus facilitating their eventual recurrence. Many of the measures adopted to stem the 2008 crisis have benefitted those who profited by it at the expense of the general public. The result is a dramatic rise in inequality, flat incomes for the lower half of society, exorbitant corporate profits and renewed cycles of speculation. Each time society resorts to negative measures to address a crisis, it becomes more difficult and costly to solve the problem. A positive approach is needed and the leadership that is ready to take up this positive approach must offer the necessary social and intellectual support to be accepted by society.

> *"[Achievement of SDGs] must be based on a total knowledge, objective knowledge of scientific technology integrated with subjective life knowledge representing emotional awareness of the external world and humanity's aspiration for the future."*

1. Power of Ideas

Ideas are the primary instrument available to the World Academy of Art and Science to offer leadership to the world—leadership in thought that leads to action. When Charles I was deposed in England, the idea of democracy was conceived. Slowly it gained acceptance and now in the 21st century, it has spread around the world. The American War of Independence was fought on the basis that all men are born equal. The French Revolution was based on the ideas of freedom, equality and fraternity. The emphasis of Karl Marx on social equality found practical application in 1917, compelling capitalist nations to adopt more worker-friendly welfare policies out of fear of communism. In 1945 there were only 46 democracies. Today, there are 123.* Famine struck India in the year 1943 when she was still a subject nation. The absence of proper handling of the famine resulted in the loss of three million lives. After India gained Independence in 1947, the government's efforts to increase food production yielded only minimal results. In the mid-1960s, FAO studied the food situation in India during a period of severe drought and forecast epidemic hunger leading to the loss of 10 million lives. The Food Minister of India conceived the idea of launching a nation-wide program to achieve national food self-sufficiency within five years. The nation was mobilized to realize that idealistic goal and achieved it. The Green Revolution was thus born. India doubled its food production in a decade and became a net food exporter.

The UN is a pioneering institution and evolutionary landmark in human history. Historically, great leaders have risen and established organizations around themselves. War became a global institution in the 20th century and it destroyed the institution of global empires. The League of Nations, proposed by President Wilson, proved ineffective in combating the global imperialist urge, but contained the seed for global government. The British Empire could have been converted into a global commonwealth had her persistent imperial ambitions not prevailed. But the imperialist urge was still very strong at that

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* 2013 figure

time. France and Spain were narrow-minded in matters of religion in the colonies. Britain exhibited that same tendency towards Ireland. Wilson gave the lead but politics then was not a conducive foundation for a global organization. Such a foundation arose only after World War II essentially abolished the acceptability and utility warfare. Political leadership moved to the US and USSR and political immaturity of the world allowed for the formation of two rival blocs. While unity prevailed during the war, it did not survive afterwards to pave the way for global government. Still the formation of the UN, even though based on the veto power, can be considered a victory for peaceful co-existence. The Marshall Plan was introduced to economically help Western European nations recover from the damages of World War II, while strengthening the political influence of the USA. The Soviet Union understood that taking help from America would mean political subservience to that country. It refused the offer and recovered on its own financial strength and thereby preserved its independence. This attitude helped it become a superpower.

"Even when a crisis breaks out, economists try to solve the crisis by resorting to policies which are the source of the problem. Thus, unprecedented tax cuts for the rich are introduced at a time when inequality is at a hundred-year peak and has become a dangerous source of social unrest."

Though politically not very powerful, the UN has accomplished considerably on many human fronts. The 17 SDGs that were unanimously adopted by the UN member-states are a remarkable achievement in the evolution of global society. They represent the shared aspirations of all humanity. These lofty goals cannot be achieved on the strength of the UN alone or even by the commitment of national governments. Achieving them will require a broad-based movement of the people of the world to organize themselves to achieve them. As India's Green Revolution was embraced by the Indian society and turned into a social movement of the Indian population, achievement of the SDGs will require a grass-roots movement that engages the participation of the people of the world. It must be based on a total knowledge, objective knowledge of scientific technology integrated with subjective life knowledge representing emotional awareness of the external world and humanity's aspiration for the future. An international organization or network of organizations representing the common aspirations of humanity is needed to project inspiring ideas based on total global thinking. Leadership of the future will rest with such an organization or network.

2. Specialization and Fragmentation of Thought and Life

Anything founded on the basis of unity has scope for growth. When that unity moves towards Integrality, the impetus for growth gets stronger. Mind operates by dividing reality into parts and regarding each as a whole in itself. It is an instrument of division. But its division is creative in that it expresses unity through division. In early civilizations, all life activities were centered on basic survival. Family, religion, production, festivals, trade, etc.

were all closely interlinked. As society became more sophisticated, each sector acquired a life of its own and began to develop independently of the others. Thus, trade, commerce, banking and other sectors each developed a life of its own. Such a division eventually led to segregated specialization and fragmentation of knowledge, institutions and activities. These divisions appear real to the mind that accepts them, but social reality remains undivided and integrated.

"Life is an organic whole. Even where it divides, it does so in such a way as to retain the underlying unity."

Current theories regard economy as a separate and independent sphere of activity, ignoring its inextricable linkages with politics, law, ecology, culture and the underlying forces of social power. Economics generally ignores the impact of subjective psychological and cultural factors on economic and social outcomes or applies simplistic assumptions far removed from the real world. This fragmentation has been stretched to the point of regarding finance as a field independent of the real economy. Financial theories have become abstract and remote from the real world, reduced to econometric formulas and computer algorithms with little relation to ground realities. And by a stroke of irony, these formulas are now being used to drive the economy they purport to reflect. Such a disconnect has prepared fertile soil for recurring economic crises. Even when a crisis breaks out, economists try to solve the crisis by resorting to policies which are the source of the problem. Thus, unprecedented tax cuts for the rich are introduced at a time when inequality is at a hundred-year peak and has become a dangerous source of social unrest. The more complex the crisis, the more innovative the counter-productive strategies become. Those who borrow far beyond their capacity for repayment constantly formulate new ways to ensure their success.

Disaster can only be prevented through education that fosters values. But few are the voices that recognize the urgent need for radical change in education. Integrated thinking is rare. The future leadership of the world should strive for that integrality by bringing such views together and generating solid ideas that lead to action. Education is the essence of social growth. The essence of human experience in physical activities and social interactions accumulates as knowledge in the Mind and is passed on to subsequent generations through education. Education has always preserved the underlying sense of unity about existence. The current fragmentation of knowledge and education threatens that perception of unity and needs to be countered by a conscious emphasis on a more integrated perspective before the fragmentation proceeds to even greater extremes.

In reality, specialization need not lead to fragmentation. It can serve the needs of integrality also. The problem arises when the underlying social unity is ignored, leading to imbalances, excesses and various forms of crisis. Fragmentation of social functions in government, business, education and other fields continues to grow today, but there does not seem to be any awareness of the problems it generates. Only a few thinkers in stray bursts of inspiration seem to recognize the fact that future growth depends upon forging integrality. European historians have now come to recognize the arbitrariness of the perceptual divisions through which they have been viewing the world, which served as a rationale for colonial

imperialism and a catalyst for incessant warfare. Recently, they have begun to reshape their view of history from a more global, objective perspective that recognizes the contribution of other civilizations to human progress. Now the focus of attention has shifted from Europe to America and a similar distortion of reality and disproportionate importance are accorded to their temporary and waning dominance. Here too, an inherent intellectual bias distorts our understanding of current events.

3. Unity of Life Reflected in Literature

Over the past century, intellectuality, reductionism and specialization have come to dominate modern thinking. They generate ideas increasingly divorced from social reality, reduce complex phenomena to their infinitesimal component parts, and divide the organic social whole into separate mechanical elements. Even in the field of literary criticism, specialization, abstraction and reductionism have obscured the precious essence of life that literature depicts. For many centuries, the epics, poetry and fiction have been fundamental sources of both education and entertainment. Fragmentation has no place here. The knowledge communicated through enjoyment is stifled by dry intellectuality. Even the great Shakespearean critic, A. C. Bradley, fell victim to intellectual analysis when he claimed that the attack of the pirate ship in *Hamlet* was a flimsy dramatic device rather than a supreme act of creative genius by a great seer of life.

Life is an organic whole. Even where it divides, it does so in such a way as to retain the underlying unity. In the 18th and 19th century England, novels were mainly read by women. Serious people abstained from reading them. A novel entertains by the surprises and intensity depicted in its plot. Its characters reveal human nature in all its depths and dimensions. No other form of knowledge equals this power of literature. Thus, literary criticism made the study of human character a central tenet. But beyond human character lies the character of life. When literature reveals the character of life, readers are enthralled and receive knowledge as sensational education. Shakespeare created living characters who remain real to our imagination even today. This is not an education that any school or college can give. Jane Austen's *Pride and Prejudice* entertains and retains its charm even 200 years after it was written, because it is full of insight into human character and the character of life. Lydia's elopement brings ruin on her family and makes her father, Mr. Bennet, suddenly aware of his own serious deficiency. He decides not to blame anyone for his misfortune and to shoulder full responsibility. He takes consciousness responsibility by accepting to bear the consequences even of other people's physical acts. He does not voice a complaint against anyone. Such responsibility raises other people's physical acts to the level of thoughts. Lydia's acts and Mrs. Bennet's initiatives are raised by his decision. Such mental elevation endows it with the power of life and it mobilizes everyone concerned with it. Darcy realizes the gravity of the situation, is mobilized into action and finds a way to get Lydia and Wickham married. It is a dramatic instance of the capacity of life to suddenly change course and reverse its outcome.

In our own lives, we are not conscious of how life responds to our own thoughts and attitudes. Though readers may overlook the true significance of events in a story, the knowledge great literature conveys is received subconsciously and has its impact. It is a

powerful form of subconscious education. The educative power of storytelling has been universally recognized. With the advent of videos, social education has become more organized and pervasive. This is one reason that today's youth are far more informed than previous generations, but society does not officially recognize the importance of this informal education.

4. Thought that Leads to Action

The Mind of the World gets organized when a thought is endorsed by the subconscious of the world. Such a thought will be powerful and lead to action. That is the task set for the mental leadership of the world. A dramatic expression of this power can be seen in German reunification. The German nation had long sought imperial status on par with other European countries. Its landlocked geography made overseas conquests difficult. Denied easy access, its ambition grew ever more intense, leading to two world wars. After World War II, the nation was divided into four parts. The three western parts were merged to form West Germany, while the eastern part fell into Soviet hands and remained separate. Its isolation was reinforced by the construction of the Berlin Wall. The circumstances which precipitated the sudden fall of the Berlin Wall have not been adequately explained to this day. When Germany's political ambitions were stifled, they were diverted into economic activity and she became the economic powerhouse of Europe. But her aspiration to this day is for political leadership. Her political aspiration will be realized only when she utilizes her economic superiority to promote the unity of the whole European Union rather than for competitive nationalistic aims. Creative, dynamic world leadership is needed in areas such as this.

In the distant past land was regarded as the only real form of property. The leadership of the nation arose from the aristocracy which owned land. That included the monarch himself. When trade and commerce developed, the center of power shifted to those in business who possessed monetary forms of wealth. Thus, America has come to rule the world. Global civil society advances on many fronts and progress comes in many ways, even through apparently negative and retrograde movements. Hitler's initiation of World War II to establish a German empire by force of arms ended centuries of incessant conflict on the continent, leading ultimately to the abolition of war and unification of Europe. Nuclear weapons have become useless because of their immense destructive power, leading to the strange situation in which even small states can threaten larger ones by the use of nuclear weapons, heralding the beginning of the end of use of physical force by nation-states.

As the discoveries of Quantum Physics challenged the premises of classical Physics, the complex, interconnected and interdependent global society of the 21st century presents challenges which the conventional theories, institutions and policies of sovereign nation-states are incapable of managing. Nor is it clear that even a global government would be capable of handling them effectively based on prevailing concepts. At most, a world leadership can formulate ideas which can be implemented by a world government. The foremost question is whether there are visionary world leaders with the capacity to formulate these ideas and establish such a government. Ideas that can lead to action are those that can precipitate the formation of a global government.

The same subject can be approached from the wider perspective of a theory of social evolution, which views humanity in the process of transition from the physical-vital to mental stage of civilization. This process is leading humanity to renounce war and terrorism and move on to diplomacy and rational thinking as its principal means of progress. When people act impulsively, they can never be rational. Rationality implies adherence to truth, not personal preference, self-interest or one-sided viewpoint. Truth ensures rationality. We can conceive of a world leadership which thinks rationally.

"Education is leadership in thought."

The world cannot be united by fragmentary ideas and theories. All academic disciplines need to overcome the fragmentation arising from over-specialization and restore the basic unity of thought. This is especially needed in the social sciences to integrate the disparate disciplines into a unifying science of society as WAAS is striving to do. Such a unifying thought can serve as the basis for effective action. International NGOs can accomplish at least this much. There are also MNCs that are moving beyond the mere pursuit of profit to think in terms of service to society. Google, Microsoft, Apple, Amazon and Facebook have discovered new planes of activity that unleash greater resources of society, opening up higher fields of service and instantaneous global communications. They have almost become indispensable global social institutions. These developments reflect a subconscious movement of society from selfishness to selflessness.

Future leadership should embrace these wider movements, base themselves on the unifying ideas they represent and unite them by a greater ideal. The ideas represented by these ideals are sufficiently powerful to initiate a world movement. Such a movement cannot issue from conventional thinking. It has to come out of new thinking, especially in the field of education. Education is leadership in thought. Education is a mental process with the power to move the body into action. In the past, there have been numerous occasions in which ideas have given rise to new and more powerful movements of action. Credit cards, microcredit and social networks are good examples. Cryptocurrency is another emerging opportunity with immense potential for action. It is up to the world leadership to discover the unifying perspective linking these thoughts and offer it to the world.

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On the Principles of a Social Theory

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Abstract

This paper addresses the problem of how to identify a small and parsimonious set of principles or "postulates" that may help us understand the great theoretical foundations of the social sciences. From a philosophical point of view, it presents ten premises that are perhaps essential for any attempt at elaborating a social theory.

When one tries to elaborate a theory of society based on the principles of reason and experience, first it is essential to examine the nature of the fundamental elements that should be included in such a model. As it happens with a great variety of frameworks in the natural sciences, it is inevitable for the social researcher to start with postulates, susceptible to improvement or elimination, but always latent in any statement.

How to successfully combine the conceptual and the empirical dimensions represents one of the greatest challenges of the social sciences. The method employed by the natural sciences achieves an *optimum* in the relation between the conceptual and empirical realms: it gradually refines the first in interaction with the second, and enriches our possible knowledge of the second, thanks to the first. In this fruitful synthesis of reason, observation and experience lies one of the foremost intellectual conquests of the human mind, since it has provided us with a virtually infallible strategy to unravel the mysteries of nature.

In the social and humanistic disciplines, it is legitimate to consider what indispensable postulates should appear in any successful attempt to subsume the vast heterogeneity of human phenomena under certain theoretical paradigms. Of course, a considerable number of models have addressed this issue from different perspectives, often diverging. I do not want to insist on this point, or analyze them with the historical and systematic prolixity that they would demand; I simply seek to sketch a brief and succinct list of postulates from which, in my opinion, no theoretical model can be exempted. Extracted from experience, deduced from pure reason or inferred from a combination of both faculties, many of these principles may seem obvious to everyone, but their evidence does not contradict their explanatory inexorability. Indeed, they can be conceived as heuristic rules that tentatively orient our understanding of human activity.

First, any social science aims to understand the combined activity of human beings. Therefore, the inexcusable starting point is the human being as a biological entity in possession of cognitive abilities far superior to those of other animals in dimensions such as the power of abstraction, symbolism and inventiveness.

The human being, however, does not enter the biological sphere in magical ways, but as the product of millions of years of genetic mutations that, filtered by natural selection, have led a branch of the class of mammals to evolve in one specific direction. Therefore, to understand human action, it is unavoidable to study the need for adaptation to specific natural conditions, since this exogenous driving force underlies many of the developments experienced by different human groups. Environmental pressures have categorically conditioned the evolution of the various human communities. Man seeks to adapt himself to the environment so that he can satisfy innate or acquired needs, and in this *tour de force* against an immense and indifferent nature, deaf to his desires, he is forced to expand his creative abilities. Immersed in the struggle against an often hostile environment, the human species does not differ from other forms of life, having embarked on an incessant struggle against the environment and against other creatures for the sake of survival and reproduction. However, the human being does not simply adapt himself to the environment, but enjoys a cognitive power so remarkable that permits him to adapt the environment to his own needs. Thus, the adaptive effort is complemented by an indisputable impulse to transform those same natural conditions in which he lives. Indeed, here one can appreciate the trace of human creativity, the preeminent manifestations of which reside in the development of technology and in the progress of knowledge. Thus, inheritance, work and chance shine as three fundamental principles when it comes to understanding human activity: that which is explained by biology, that which is transmitted by culture and continued by the present work of man and that which is produced by the uncontrollable forces that many times determine human existence. It seems then inevitable to use three major methodological strategies to shed light on the nature and possibilities of human activity.

The first of them will study the logic of the inherited elements, that is, the insertion of the historical course followed by the different human groups in rational patterns and in a mechanism of concatenations of causes and effects. The second will deal with the work of human beings: with action in its present, abstracted from time and circumscribed to individual psychology, the fruit of mental deliberation, to elucidate the rational and emotional motivations that move human beings to transform the environment and themselves. The third will focus on the inevitable contingencies that prevent us from subordinating human activity to a strict and irrevocable logic, susceptible to predictability from the historical background or from the psychological causes themselves. This methodology will try to subsume the different types of chance in basic and repeated typologies.

Third, in a theoretical model of human activity it is necessary to take into consideration the importance of social skills as defining elements of the human condition. This sociability is not, of course, exclusive to the human species, but in us it reaches incomparable peaks, sources of countless possibilities for cooperation, although also of increasingly sophisticated forms of conflict. Such social skills are largely mediated by the existence of articulated languages, which exponentially multiply the possibilities of combining ideas and contribute to incrementing the expressive complexity of the human mind.

Fourth, environmental pressures and the role played by the inheritance of certain cultural forms do not completely eclipse the fact that each individual develops particular habits,

preferences and aspirations, though he is undoubtedly influenced by the community to which he belongs and in which he becomes aware of his own identity. In this way, every theoretical model of human activity must include the individual element. It is legitimate to believe that progress in our understanding of the human mind will lead to a fruitful synthesis of the neuroscientific perspective and the cultural approach, thereby illuminating our knowledge of the decisions that individuals make within the social contexts in which they operate. Comprehending the combined interaction of human minds in a certain biological and social niche requires clarifying the mechanisms that the brain uses to explore the world and face the different challenges that may emerge. Thus, neuroscience stands as the true bridge between the sciences of nature and the human sciences; the behavioral complexity of our species is rooted in the wonderful organization of a brain that, through neurons, synapses, glial cells and an extraordinary computing power, is capable of creatively assimilating external influences and identifying innovative strategies to transform the world around us.

> *"A better understanding of how individual minds and societies work can help us elaborate social systems closer to our needs and aspirations."*

Of the main forms of interaction between individuals, the two basic types are cooperation and conflict. They can be motivated both by external circumstances (such as environmental pressures) and internal causes (such as the development of certain values). Therefore, and in the fifth place, it seems necessary to pay attention to the more general manifestations of cooperation and conflict. It is not surprising then that game theory—and, in a deeper sense, theories of rationality and irrationality—be meant to shed light on the interaction between human beings. Again, understanding the reason and unreason of human behavior demands delving into the workings of our mind, based on cerebral mechanisms that exhibit a fascinating mixture of complexity and simplicity. The synthesis of neuroscience, theory of rationality, sociology and history represents an exciting challenge to extend and perfect our scientific worldview.

Sixth, it is indisputable that divergent goals among individuals coexist with common aspirations and preferences, probably rooted in the physical, emotional and rational nature of the human being. It is impossible to understand human activity without deciphering this delicate intertwining of the collective (the biological and cultural heritage of a certain group) and the individual (the development of a unique identity and the ability to creatively navigate the world). The reciprocity that characterizes both realms forces us to understand what strategies have been designed throughout history to optimize the relation between these two inescapable dimensions of the human species, in our being and in our actions.

Thus, and in the seventh place, a descriptive social theory (prelude to a more ambitious explanatory model) cannot neglect a question of intuitively normative resonances: how to maximize the creative capacity of individuals and at the same time minimize their mutual

collisions. It can be said that the study of explanatory categories and their contrast with the data drawn from anthropology, history and sociology merely evokes the theoretical dimension of the social sciences, while the analysis of their applications for the improvement of human existence points to its practical dimension. Although a scientific model legitimately aspires to exonerate itself from addressing normative questions or from making evaluative judgments, human activity always faces dilemmas that, in general terms, it seeks to resolve in the most efficient way. When there is a diversity of strategies, the question arises as to the cause that motivates the choice of one or the other. If the natural sciences lead harmoniously to technology, which reveals the practical understanding of theoretical principles (the ability to distill from their content those consequences that may be useful for satisfying certain goals), in the social sciences it is possible to discern an essentially analogous process, through which a better understanding of how individual minds and societies work can help us elaborate social systems closer to our needs and aspirations.

> *"No matter how ambitious its theoretical pretensions are, no social model can artificially abstract human beings from their historical context."*

In the eighth place, it seems necessary to ask how culture, that which the human being adds to nature, emerges from certain biological conditions while at the same raising new explanatory elements. If in biological evolution the law of natural selection prevails (over which individuals and species virtually lack any power of resistance, because they live at its mercy and can only confront it with the physical characteristics inherited from their ancestors and with the precarious contribution of their own effort), in the case of human beings a new law is born, which we could call "rational selection." The equivalent of natural selection would therefore be the conscious activity of man, which rationally selects and discriminates according to goals, supervened or created. It superimposes itself on mere natural facticity and configures worlds beyond the world that the physical universe offers. Endowed with an exuberant imagination, we anticipate possible scenarios and creatively modify the circumstances to meet our needs, impulses and aspirations. The strength of a blind selection, which only seeks to maximize the reproductive success of individual varieties, then cedes the witness to a rational selection, formalized according to principles that the human being assimilates and uses consciously. Therefore, and rather than succumbing to biological inexorabilities, we strive to identify new principles for understanding reality, capable of triggering the emergence of new "worlds," that is, environments selected by human beings, and not only legacies of nature. On many occasions, this innate creative impulse can be conceived, indeed, as the inevitable reaction to a constant cascade of environmental pressures, whose effects force us to evolve. However, it seems reasonable to postulate that, along with a reactive creativity, a free and spontaneous class of creativity subsists, hardly associable to concrete stimuli that are external to the activity of the human mind, a faculty that constantly lends itself to combining ideas and making projections.

In the ninth place, the analysis of the joint activity of human beings cannot fail to examine the organizational problems faced by human groups, given that they share the same habitat, which is subject to countless constrictions: how to dispose in the most rational way (that is, in the most universal, parsimonious and optimized mode, that with a smaller number of presuppositions is able to incorporate more information), the common life of the members of the human species, or how to realize their possibilities in the context of a set of needs and contingencies. This is the most obvious result of the interdependence of human beings, connected by physical and cultural links. The members of a human group face scarcity of resources and overabundance of needs and desires. Furthermore, their knowledge has seldom, if ever, been acquired in a purely individual way, for it has been obtained by learning

"It is important to understand how power is distributed in society, and how this process depends on the distribution of knowledge."

what others have discovered and taught. Thus, human beings establish heterogeneous social bonds, often alterable, but always present in one way or another, because individual actions inevitably impact other individuals. When there are different biological and social heritages, the challenge is to optimize individual divergences in order, on the one hand, to avoid conflicts and abuses and, on the other hand, to promote collective progress (such that the development of some individuals may not hinder, but rather enhance the development of others, given their mutual interdependence and inescapable common needs). No matter how ambitious its theoretical pretensions are, no social model can artificially abstract human beings from their historical context. Just as we can inherit knowledge, technologies and beneficial values, past conflicts are often responsible for serious asymmetries of power, thereby generating relations of oppression and subordination that in many cases are historically transmitted and seriously affect the initial situations of individuals. Hence, a pressing problem emerges: the question of how to reconcile the principle of difference and that of solidarity. The ability to optimize the relation between both principles defines the creativity and success of a particular social group, its ability to guide in satisfactory ways the creative tension between divergence and convergence. It is therefore important to understand how power is distributed in society, and how this process depends on the distribution of knowledge. Power is mediated by material conditions and shared beliefs in the form of social relationships, by 'bottom-up' and 'top-down' mechanisms. Thus, it mirrors a hardly quantifiable mixture of efficiency and arbitrariness.

Finally, a relevant field of social research invites us to understand how the inherited conditions can be rationalized according to goals. The problem could be formulated in the following way: how human rational selection modifies that which is inherited, so that in different cultural contexts it may be possible to design interpretative frameworks that determine what needs and aspirations should be met. Here a premise (perhaps questionable) is assumed: that beyond evaluative differences it is possible for individuals and groups to reach rational agreements, founded upon the existence of a common capacity for abstraction, formalization and analysis that defines the human mind. However, interpreted as a heuristic rule, this conviction does not impose itself as a theoretical burden; indeed, it can help us

to understand why individuals and groups, despite their divergences, have been able to cooperate and solve a variety of problems together.

Thus, in the study of human activity three great realms are juxtaposed: the biological, whose conclusions offer theoretical bases to understand the human condition and the predominant evolutionary forces that have molded it; the cultural, that seeks to understand the symbolic and technological development of humanity; and the other, more elusive and subtle, that could be described as *rational*, since it refers to the possibility of grasping permanent laws in thought and nature, a process which characterizes to a large extent the intellectual history of our mind. This last dimension may raise theoretical suspicions, but the potential doubts dissipate if one considers that, in addition to biological and technological evolution, the human being can acquire knowledge about the universe as such, about its laws and about the relations between pure objects of thought (as it is the case in the formal sciences, like logic and mathematics). Our mind opens itself, therefore, to a truly universal content, which is no longer subsidiary to biology or culture, but refers to a more fundamental sphere. Of course, and viewed from a more practical point of view, the level of knowledge acquired by an individual or a human group conditions their self-understanding and the development of their expectations. This is the reason why it stands as a force that significantly affects the biological and cultural realms. However, and beyond the usefulness of knowledge for humanity, the most abstract and universal forms of knowledge to which reason can ascend may be contemplated as ends in themselves, because the human being, as part of nature, will hardly find a deeper horizon than that of knowing the universe to which he belongs.

The postulates that have just been enumerated in a rather concise manner do not exhaust the theoretical and empirical principles of social research. Nevertheless, sometimes it is interesting to synthesize ideas and data in order to acquire a more complete awareness of the assumptions that guide our scientific inquiries. Given that no human discourse is free of presuppositions (one of the basic premises refers, indeed, to the very idea that it is possible to rationally understand the universe), the act of highlighting the existence of some fundamental principles does not diminish the dignity of the scientific enterprise, but stimulates it, in an incessant search of ever more universal and deeper categories and frames, of increasing perfection both in their extension (the number of objects that they cover) and intension (their ability to elucidate the basic elements of those same objects).

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Global Governance, Human Needs, and Values

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Abstract

The anthropological literature has given us a key to understanding life in a very elementary community. Life revolves around human beings energized to satisfy human needs. Anthropologists also identify the structures that emerge from society which are specialized in whatever degree of efficacy to facilitate securing those needs. When we map needs onto institutions, we emerge with a social process* that is based on the interaction of energies directed at securing needs through institutions. These institutions direct human energies, in some degree, to the satisfaction of those needs. We can now begin to identify basic human needs as the goods, services, honors, and gratifications that people in society desire or need. Moreover, we can classify these desires/needs in terms of the basic values that the individual social participant pursues to secure for himself and those dependent on him. Thus, we may emerge with a model of social process in which human beings pursue values through institutions based on resources. Now, this is a purely descriptive inquiry, but it is possible to observe that the needs/values and the institutions specialized to secure them are, generally speaking, identifiable. What are these values and what are the institutions specialized to secure them in any social process? This essay concludes with an overview of some of the central global governance issues of the climate change crisis.

1. Human Perspective and Consciousness[†] in the Evolution and Interdetermination of Values in the Human Social Process

In this representation, values and institutions are represented descriptively in order to describe the system of community order as it is. It should, however, be understood that the social process of the community is a dynamic process in which there is an energy flow between the participators, values, institutions and the results. Some of the results are generative of conflict. Other results are generative of the success of institutions functioning optimally. What is important is that social process is a generator of problems, and these problems are about the acquisition and distribution of values. This means that the dynamism of society requires a decision process[1] that is frequently challenged to produce a solution to the problems of

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* Winston P. Nagan, *Contextual-Configurative Jurisprudence The Law, Science and Policies of Human Dignity* (Vanderplas publishing) 2013

† Philip Perry, *Harvard researchers have found the source of human consciousness,* http://bigthink.com/philip-perry/harvard-researchers-have-found-the-source-of-human-consciousness

value conflict, value deprivation, or value over-indulgence. Thus, the community's response to the problems that values pose for community order invariably must implicate a normative dimension about the optimal allocation of values in society. Indeed, some political scientists describe political science as concerned with the authoritative allocation of values in society. The intimate link between the politics of power and the political economy of wealth is this: power may serve as a base of power to get more power. It may serve as a base to get more of all the other values extant in social process. Even more importantly, every value may serve as a base of power to get and keep power. Wealth may serve as a base of power to acquire power and keep it. It may serve as a base to get more wealth. It may serve as a base to get a lion's share of all the values extant in social process. Thus, *homoeconomico-politicus* is an intimate association influencing the production and distribution of value needs in the social process.

> *"The authority for the international rule of law, and its power to review and supervise important global matters, is an authority not rooted in abstractions like 'sovereignty', 'elite', or 'ruling class' but in the actual perspectives of the people of the world community."*

In reviewing this map of values and institutions of social process, it is important to keep in mind that it is the human perspective that gives meaning and life to the values and institutions in society. The human perspective comes with the perspective of identity, ego-demands, and the value ideals of expectation. These perspectives are driven by deep drives for self-actualization, self-realization and psycho-social fulfillment. In this sense, the private motives of personality, even when displaced on public objects and rationalized in the public interests, still represent an underlying force that moves the personality in all social relations. This underlying force may be the force of self-affirmation for self-determination and is the most foundational energizer of the demand for human rights and dignity. The relationship between personality and value achievement may itself generate a sense of inner-fulfillment, which, in turn, becomes the driver of still greater levels of value creation and achievement.

2. Consciousness in the Identification & Allocation of Values in Society

The problem of the allocation of values implicates the idea that there may be different standards which justify one form of allocation over another. Historically, at least in law, there has been an assumption that legal interventions are meant to discriminate between the claims for values that are just and those that are unjust. It is this challenge that has given rise to the great traditions of jurisprudence and, most importantly, the jurisprudence of natural law[2]. Natural law, however, could only generate procedures, not substantive rules, to facilitate the use of right reason in the resolution of value conflicts. Two of the most enduring of these natural law-based rules have survived and are essentially matters of procedural justice: *audi*

alteram partem[*] [the obligation to hear both sides] and *nemo iudex in causa sua*[†] [no one should be a judge in his own cause]. However, we had to await the aftermath of the tragedy of the Second World War before we got a kind of official code of natural law in the form of the Universal Declaration of Human Rights[‡]. Although couched in the form of rights, the Declaration may be reduced to nine fundamental value-needs categories. The adoption of a code of moral priority, intended to bind all participants in the international system, limited the speculation about the role of values in the social process. Although most intellectual and scholastic speculation stresses the notion that values are somewhat opaque, difficult to distill, and even more difficult to clarify, the adoption of the United Nations Charter has served as a political impetus for the development and clarification of values. As a starting point, therefore, we may reduce the Charter [a legally binding instrument of global salience][3] to several comprehensible and clearly articulated keynote precepts. We list them as follows.

3. Global Values, the UN Charter[§]: the Normative Value Guidance for Science and Society

1. The Charter's authority is rooted in the perspectives of all members of the global community, i.e. the peoples. This is indicated by the words, '[w]e the peoples of the United Nations.' Thus, the authority for the international rule of law, and its power to review and supervise important global matters, is an authority not rooted in abstractions like 'sovereignty,' 'elite,' or 'ruling class' but in the actual perspectives of the people of the world community. This means that the peoples' goals, expressed through an appropriate forum (including the United Nations, governments and public opinion), are critical indicators of the principle of international authority and the dictates of public conscience.

2. The Charter embraces the high purpose of saving succeeding generations from the scourge of war. When this precept is seen in the light of organized crime syndicates' involvement in the illicit shipment of arms, the possibility that they might have access to nuclear weapons technologies and chemical and biological weapons, the reference to 'war' in this precept must be construed to enhance the principle of international security for all in the broadest sense.

3. The Charter references the 'dignity and worth of the human person'. The eradication of millions of human beings with a single nuclear weapon or policies or practices of ethnic cleansing, genocide and mass murder hardly values the dignity or worth of the human person. What is of cardinal legal, political and moral import is the idea that international law based on the law of the charter be interpreted to enhance the dignity and worth of all peoples and individuals, rather than be complicit in the destruction of the core values of human dignity.

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[*] See "audi altered partem" James Edelman, *Why Do We Have Rules of Procedural Fairness?* http://www.fedcourt.gov.au/digital-law-library/judges-speeches/speeches-former-judges/justice-edelman/edelman-j-20150904

[†] See "nemo index in causa sua", James Edelman, *Why Do We Have Rules of Procedural Fairness?* http://www.fedcourt.gov.au/digital-law-library/judges-speeches/speeches-former-judges/justice-edelman/edelman-j-20150904

[‡] UN General Assembly. *Declaration of Human Rights* http://www.un.org/en/universal-declaration-human-rights/

[§] UN General Assembly, *The UN Charter* http://www.un.org/en/charter-united-nations/

4. The Preamble is emphatically anti-imperialist. It holds that the equal rights of all nations must be respected. Principles such as non-intervention, respect for sovereignty, including political independence and territorial integrity, are also issues that remain under constant threat of penetration by alienated terrorists or organized crime cartels.

5. The Preamble refers to the obligation to respect international law (this effectually means the rule of law) based not only on treaty commitments but also on 'other sources of international law'. These other sources of law include values, which complement efforts to promote ethical precepts built into expectations of the universal ideals of morality.

6. The Preamble contains a deeply rooted expectation of progress, improved standards of living, and enhanced domains of freedom and equality for all human beings on the planet.

> *"Politics and economics are intimately connected to the critical questions of the nature of global governance."*

Based on the keynote precepts in the UN Charter, the world community also adopted an International Bill of Rights. The central challenge to a scholastic understanding of the International Bill of Rights is the need to clarify and distill its basic, underlying values. It may now be stated with confidence that we can distill at least nine functional values that underlie the entire international bill of rights. In a general sense, these rights, when considered collectively, represent the integrated, supreme universal value of human dignity. The central challenge then is that those charged with decision-making responsibility must prescribe and apply a multitude of values in concrete instances and hope that their choices contribute to the enhancement of human dignity and do not, in fact, disparage it. At an abstract philosophical level, distinguished philosophers such as Sir Isaiah Berlin have maintained that it is futile to attempt to integrate these values with the abstract principle of human dignity because fundamentally, these values are incommensurable[4]. Not everyone agrees with this. Specialists in decision- and policymaking acknowledge that human dignity based on universal respect represents a cluster of complex values and value-processes[5]. Therefore, the challenge requires that ostensibly conflicting values be subject to a deeper level of contextualized social insight and a complete sensitivity to inter-disciplinary knowledge, procedures and insights. Thus, decisions in these contexts are challenged with the task of broader methods of cognition and a better understanding of abstract formulations of value judgments. Disciplined intellectual procedures have been developed to provide better guidance in particular instances of choice to approximate the application and integration of values in terms of the human dignity postulate. Does the ethic of universal respect and human dignity demand absolute, universal compliance at the expense of other universally accepted values? Ensuring that the values of respect, democratic entitlement, and humanitarian law standards are honored requires fine-tuned analysis and great subtlety in the structure and process of decisional interventions.

Rules of construction and 'interpretation' are painfully worked out, which hold, for example, that even if a peremptory principle (*ins cogens**) of international law embodies an obligation *erga omnes*[†], it should be evaluated, appraised, and construed to enhance rather than disparage similar rights, which may also have to be accommodated. The currency behind the universal ethic of essential dignity and respect is that it provides practical decision-makers with goals, objectives, and working standards that permit the transformation of law and practice into a greater and more explicit approximation of the basic goals and standards built into the UN Charter system itself. This prescribes a public order committed to universal peace and dignity for the people of the entire earth-space community.

"It is imperative that in the education of scientists and technology innovators, their sense of social responsibility is at least minimally influenced by the global values of a minimum sustainable system of world order."

The most important thing to keep in mind here is that from a global perspective, politics and economics are intimately connected to the critical questions of the nature of global governance. In short, they are critical to an understanding of the allocation of basic value needs in the planetary social process as it is and the challenges concerning the allocation of values for an improvement of the human prospect. This requires a challenge to scientific consciousness as well as a challenge to the consciousness of *homoeconomico-politicus*[6].

3.1. Consciousness, Values and Public Order

It is useful to approach the questions of value in terms of the nature of the public order that the rule of law system seeks to promote and defend. The system of public order secures the complex values that it is committed to defend by making an essential distinction between the minimum-order aspects and the optimum-order aspects of the system of public order.

3.2. Consciousness, Values and the Minimum Order

The problem of scientific responsibility, values and the prospect of at least realizing a system of minimum order in the global governance of humanity now represents a critical challenge for scientific consciousness. We may understand the relationship between community, minimum order, and values by imagining a society without an expectation that agreements and exchanges made in good faith and according to law will be honored; that wrongs (delicts) inflicted upon innocent parties will be compensated; that basic interests and expectations of entitlement [as in fundamental norms of right and wrong] shall be sanctioned by a collective community response; or that basic structures of governance and administration will respect the rules of natural justice such as *nemo judex in sua causa* or *audi alteram partem*, and will in general constrain the abuse of power and thus the prospect of caprice and

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* "Jus cogen" Bassiouni, M. Cherif, ed. *International Criminal Law, Volume 2: Multilateral and Bilateral Enforcement Mechanisms*. Brill, 2008.

†"erga omnes" Bassiouni, M. Cherif, ed. *International Criminal Law, Volume 2: Multilateral and Bilateral Enforcement Mechanisms*. Brill, 2008.

arbitrariness in governance. The necessity of minimum order in a comparative, cross-cultural, historic reality is that human beings interact within and without community lines. In doing so, they commit wrongs intentionally or unintentionally, they require some security over their possessions and entitlements, and their systems of governance aspire invariably to constrain the impulse for abusing power. These are the minimum values of social co-existence. It is in this sense that law as minimum order confronts the idea of justice and potentiality. It is commonly thought that minimum order is a critical, but not absolute condition of a more just, more decent, more optimistic human prospect. The rule of law precept is uncontroversial in the sense of minimum order and its 'boundaries'. Peace, security, and minimal standards of human rights are reflections of these values in international, constitutional, and municipal law. Fundamentally, the quest for the maintenance of a minimum order in society would appear to be an essential condition for the individual or aggregate of individuals to evolve toward a social process that maximizes value production and distribution. It is possible to see in this an evolutionary idea of progressive change relating to production and distribution, optimally for all social participants. It is imperative that in the education of scientists and technology innovators, their sense of social responsibility is at least minimally influenced by the global values of a minimum sustainable system of world order.

"Scientific consciousness, driven by a commitment to scientific social responsibility, will have to carry a significant level of commitment in utilizing social power so that the results of technology serve human purposes that are constructive and avoid those that are destructive."

3.3. Consciousness, Values and the Optimum Order

This challenge to the public order raises the question of the production and the distribution of values beyond the minimum for social coexistence. This is an insight that is more challenging to the question of scientific responsibility and the values that ought to guide it. Clearly, a great deal of science will have an imprint that goes beyond minimum order and will be let loose in the domain of optimal possibilities and prospects. Here, it is critically important that value clarification be a component of the definition of scientific social responsibility. This is the challenge of the unequal distribution of opportunities or results. Human beings exist not only spatially, but also in terms of the duration of time and events. There is hopefully a tomorrow, a next week, next month, next year, and next century. Human beings, such as scientists, are also transformative agents who make things happen, and in doing so underline the question embedded in the nature of law and community that we can change things for better or worse, for the common good or the special interests, for the sense of expanding human dignity or the prospect of a negative utopia, the rule of human indignity. This is a critical challenge for scientific consciousness[7]. The central challenge for values posed by the optimum order precept is the problem of the procedures and methods

for producing values as well as the procedures, methods and normative ideas about the fair distribution of the values that are produced in society. At the back of the concern for human values is the belief in human capacity for the essential, energized generation of value at every level of the social process and the human resource as a producer of ideas, insights, and values of exponential salience. At the back of the human dignity idea is the belief that widespread human dignity flourishes when the dignity of the individual flourishes and reproduces values of exponential importance for the common interest of all. Fellows of the World Academy of Art and Science have suggested that the nine values embedded in the International Bill of Rights [power, wealth, respect, rectitude, enlightenment, skill, affection, health and well-being, and aesthetics] are the key to the notion of a public order of human dignity[8]. They postulate that the maximal production and distribution of these values on a universal basis are the key to improving the human prospect and approximating a public order of human dignity. This means that the prescription, application, and enforcement[9] of the fundamental values behind human rights remain a major professional challenge to *homoeconomico-politicus* and its focus on the importance of global governance remains for the global processes of governance charged with the defense of global public order. We may conclude that value needs are a condition and a consequence of focusing and directing the energy of the human perspective into *conc frete* operations that establish institutions concentrated on and specialized to value realization. In this sense, values and needs are incentives that generate a self-directed force, which ultimately evolves into institutions of effective power crucial to the allocation of values. It is possible to see these generalizations in the evolution of the sovereign authority of the nation-state and its own evolution from state absolutism to sovereignty rooted in people's expectations. Another insight of this model is found in the notion that the power process[10] itself is energized by human expectations, especially expectations of demand. Without demanding or claiming an aspect of social power, society would be static. Thus, we see in the power process, the social activist. In the United States, Rosa Parks resented segregation in public transportation, so she staked a claim to repudiate racial discrimination in public transportation. Gandhi was thrown off a train in South Africa because he was not white. He initiated a claim to challenge the power of the state to impose unjust discriminatory laws. His challenges to the power process[11] brought him to India as a leader of the Indian Independence Movement. Nelson Mandela challenged apartheid and indicated in open court that he was committed to human dignity and democracy and that these ideals were ones that he was prepared to die for. Therefore, it is important that we have a clear understanding of the process of effective power, and what the limits and strategies are of mobilizing bases of power, to effect meaningful social change. It is quite obvious that scientific consciousness, driven by a commitment to scientific social responsibility, will have to carry a significant level of commitment in utilizing social power so that the results of technology serve human purposes that are constructive and avoid those that are destructive. As Einstein suggested, the development of science and technology should be a blessing and not a curse on humankind.

From the perspective of an enlightened *homoeconomico-politicus* concerned with science, consciousness and values, the following framework is provided as value conditioned guidance for the technological innovators of our time and the immediate future.

4. Value Frameworks to Guide Scientific Consciousness and the Social Responsibility of *Homoeconomico-politicus*

1. The value of life: This is centrally valued human subjectivity. It is referred to not in the "pro-life" sense (that a pregnant woman must bear a child), but in the Bill of Rights sense (that a person has the right to personhood and autonomy). The value of life, therefore, includes the respect and deference given to the individual in the global community.

"The problem with regulating science is the problem that it will be regulated by a politically ignorant constituency, which may seek to appropriate technology with selfish special interests."

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2. The status of the value of power and security: Should it be narrowly or widely shared? Is the common interest of all honored in a system that seeks to secure the widest possible participation in all key areas of the power process? One of the central values identified in the Atlantic Charter was the freedom from fear. This concern for freedom has evolved so much that today no one denies that there is a critical interdependence between the concept of peace as a human right and all the other values in the UDHR. Peace and security might well be included under the functional category of power. However, peace is recognized as a complex peremptory component of the human rights value system. It is of value to again recognize that there are complex ways in which all human rights values have an influence on peace and security, recognizing as well that peace and security at all levels are critical conditions for the effective mobilization of human rights values. A central aspect of the values of peace and security relates to the connection between the mobilizing force of strategy for the realization of human rights goals and the realization of these goals themselves. For example, is it appropriate to deploy violent strategies of action to achieve human rights objectives? Is it appropriate to disengage the value discourse involving strategy and struggle on the one hand and idealistic value objectives on the other hand? Gandhi, for one, insisted that the morality of struggle was even more important than the morality of distant idealistic objectives[12]. Indeed, he also insisted that a disconnect between struggle, strategy, and goals was morally indefensible.

3. The status and value of economic and wealth processes: Is the common interest of all better secured by optimizing the capacity to produce and distribute wealth or is it the opposite?

4. The status and value of respect and equalitarian values: Should invidious discrimination be fully prohibited (covering all areas of race, gender, alienage, etc.)? Can equality be meaningful if it is only a formal, juridical idea without regard for the legacy of exploitation, repression, and discrimination? The repression of equal opportunity is also an invidious denial of liberty.

5. The status and value of educational and enlightened values: Should these values be widely produced and distributed or narrowly experienced? In the context of science, the critical value that secures scientific innovation and the liberation of scientific consciousness is the freedom of inquiry. The challenge posed by dramatic technological innovation is that further scientific consciousness will generate an internal process focused on scientific responsibility and a deeper sense of the value implications and consequences of technological innovation. The problem with regulating science is the problem that it will be regulated by a politically ignorant constituency, which may seek to appropriate technology with selfish special interests. *Homoeconomico-politicus* has a critical role to play in the transmission of shared enlightenment.

6. The status and value of skills and labor values: The centrality of skills and labor values to the human condition indicates that these are central and fundamental values implicated in the rights and expectations of those who seek to create and sustain these rights and labor values. Should these rights and expectations be widely shaped or narrowly shared? The global crisis of massive unemployment would seem to impose a special responsibility on *homoeconomico-politicus*.

7. The status and value of health and well-being values: The delivery of reasonably formulated and accessible healthcare and social services to all is now widely regarded as a crucial entitlement, if the most basic standards of decency in politics and society are valued. Today, unemployment aid, social security, Medicare, and other social services are considered crucial to a society that cares for its people.

8. The status and value of the family and other affective values: Because the family is the basis of collective existence and is central to the human rights of children, the public policies of a society that destroys family (and other affective ties) pose a problem for a wide generation of affective values, including the loyalty values of patriotic deference.

9. The status and value of moral experience and rectitude: A system that endorses the centrality of moral experience to the legal and political culture and seeks to maximize the spiritual freedom of all is yet another of the central themes of human rights. Rectitude should never be a foundation for sectarian and ethnic conflict.

10. The status and value of cultural and aesthetic experience: The term "cultural" includes the concept of the aesthetic. In fact, the word "cultural" could encompass all the value preferences that we might extract from the UDHR. There is, however, a narrower meaning that the term "culture" might carry. That meaning ties in with the notion of human rights as also emblematic of the diversity of human experience, experience that reflects the cultural richness of humanity as a global community. There is great controversy about the issue of culture and tradition, culture and creativity of the present, culture and the elaboration of the aesthetic, which may capture and nurture the cultural narrative of creativity and beauty which may in fact be the critical psychological view of how the glue of social solidarity promotes creativity. The boundaries of this discourse are controversial. Sensitive matters of sexual regulation which may differ widely may be justified by culture and yet here the culture of tradition may not be compatible

with the culture and creativity of the present or the future in human rights terms. For example, female genital mutilation justified by cultural tradition is not justified by either religion or by the science of human sexuality. Human rights thus provide a process by which these boundaries may be appropriately protected and expanded according to the normative challenges of human dignity. The current discourse often suggests that universality trumps cultural relativity or vice versa. This is not necessarily helpful unless one sees these ideas as only the starting point for value clarification and application from a human rights perspective. Aesthetics should never be a foundation for demonizing vast sectors of humanity.[*]

11. The status and value of the ecosystem: Today, we recognize a complex right to a viable eco-system on what theorists have seen as Spaceship Earth[13]. The values embedded in the protection and promotion of a healthy ecosystem are, like many other values, issues of complex interdependence and interdetermination. However, implicit at least, in the concern for the integrity of the ecosystem, is clearly the notion that there are no human rights if there is no environment in which human beings can survive and possibly even improve the human prospect. But this insight suggests an even higher level of moral consciousness in the sense that the ecosystem (with its plant life and animals, wild and domesticated) is part of a complex cycle, in which human beings are both custodians and also utterly dependent as individuals and as society. This means that we now see in nature not something irresponsibly exploited and destroyed but something that is central to our identity as a sentient species. To take a simple example, for all the vaunted technology of human progress and human egotism, no one has seen a dog or a cat or a rat or indeed the most elemental of recognizable life forms outside of this lonely and unremarkable planet called Earth. Thus, as humanity, we now look at life even in its most humble forms as not only indispensable to the interconnected chain of life on this planet but we see in it something new and utterly connected to the very consciousness of being human and being alive. In short, we know that our dogs identify with us. We may now know those ordinary pets in terms of how they and all other living forms have shaped our identity both psychologically and physiologically. The integrity of the ecosystem requires a form of identification from *homoeconomico-politicus* that is sufficiently comprehensive to cover the entire Earth Space System.

5. *Homopolitico-economicus*, Governance, and the Challenge of a Green Economy as a Critical Ecosystem Value

In this paper we seek to clarify the salience of *homoeconomico-politicus* and the challenge of climate change. Climate Change is a good tool to better understand the idea of *homoeconomico-politicus*, consciousness and social responsibility for values. Climate change floundered at the Copenhagen conference because of the determined efforts of the climate change deniers lobby. Among the former spokesmen of that lobby were right-wing Republican senators, fanatically moved by the idea that climate change would require

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[*] Haddad, Aitza M., and Nagan, Winston P. "Aesthetics and Human Rights". *Montenegrin Academy of Sciences and Arts*, Proceedings: International Conference on Humanities and the Contemporary World (2012).

the mandatory regulation of corporate polluters. It is a maxim of modern Republican politics to oppose governmental regulation and in particular, the governmental regulation of environmental matters. The most vocal voice in the United States was the Republican senator from Oklahoma, Senator Jim Inhofe. The senator came with a record challenging the integrity of the entire climate-science community; this community he felt, was a self-interested one and uncommitted to genuine science. The senator himself is an ignoramus on science, any science. According to Oil Change International, Inhofe has received over $1.3 million dollars in contributions from the oil and gas industries[*]. His attacks on climate change were sheer political opportunism. He remains unrepentant and continues to lead the charge in the American congress to undo the environmental regulations of the Obama administration.

> *"With all of the hysteria, all of the fear, all of the phony science, could it be that man-made global warming is the greatest hoax ever perpetrated on the American people? It sure sounds like it."* – **Senator Jim Inhofe**

Indeed, he has demanded that the climate change agreement be brought before the Republican-controlled congress in order for the congress to kill it. Inhofe is unduly influenced by the fossil fuel industry. This industry is, in effect, responsible for the overwhelming contribution of greenhouse gases to the looming crisis of climate change. Inhofe is an excellent example of the political-power oriented personality type. His private motivations driving his antagonism to climate change are rooted in the financial support he receives from the fossil fuel industry to secure his position in the Senate of the United States. Of these industries, ExxonMobil remains the world's largest oil and gas company. According to Forbes Magazine, Exxon is the most profitable publicly traded company in world history[14]. The company generated revenue of over $1.6 trillion dollars from 2009-2012 alone. Exxon is a notorious climate change denier, so notorious in its actions that Greenpeace has created a website detailing the company. Other republican senators are also beholden to the plutocratic establishment and its infusion of money into American politics.

Apart from the right-wing lobby, the concern for the development of a global mandate on climate change through the good offices of the UN had to confront a longstanding global problem: the division of the world community of states between the rich and the impoverished. Since a lion's share of the carbon emissions in the atmosphere was generated by the rich industrialized countries, there was a lingering concern about the price and distribution of the price for reducing carbon emissions in the world community. Since the poor states made a negligible contribution to greenhouse gases in the atmosphere, a question of justice and fairness seemed to emerge. Why should they share in the cost of the reduction of greenhouse gases when they are not responsible for the crisis? More than that, the predictions of the crisis could spell catastrophe for poor states.

Perhaps these states should be the beneficiaries of financial assistance from large states to convert themselves to green economies, and to compensate for the damages they suffer. Clearly, in attempting to move forward there needs to be some formula for allocating

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[*] Matt Maiorana, *Hypocrite Alert: Senator Inhofe Complains about Money in Politics*, http://priceofoil.org/2014/06/03/hypocrite-alert-senator-inhofe-complains-big-money/, June 3, 2014

responsibility as fairly and as universally as possible. Perhaps the most important outcome of the Paris Accord[*] is that every country is a stakeholder in the problem and must commit itself to a constructive role in reducing greenhouse gases in the future. Most countries were persuaded to come up with plans as to how the economy would respond to cutting carbon emissions through 2025-2030[†]. In this context, every state is required to come up with a plan without a specification of the extent to which individual countries would cut emissions.

The agreement is not in the form of a treaty. It will only become technically and legally binding as an international treaty when at least 55 states which together represent 55 percent of global greenhouse emissions adopt the agreement within their own legal systems as a form of treaty ratification[‡]. Even assuming that this happens, the question would still remain as to what the legal responsibilities are of the other approximately 100 states. We would contend that the agreement as it now exists is not without an element of a juridical *imprimatur*. In effect, the agreement contains in terms of its background, the core elements of the creation of a form of international soft law. This would appear to have an approximation to the development of a form of customary international law. The reasoning is as follows.

This agreement depends upon the good faith obligation that international law imposes on states, which establish public declarations of the nature and scope of their duties. The good faith obligation implies that these will be legally binding on the states. Thus, the binding effect of the agreement is not in the agreement itself but a matter of the customary international law dealing with the rights and duties of states. The agreement contains a legal expectation that states are required to reconvene in good faith every five years starting in 2020 indicating in good faith their updated plans to strengthen their emissions cuts. States were also required to reconvene every five years starting in 2023 to publicly report how they are achieving their emissions cuts, compared with their stated plans. Moreover, the agreement requires states in good faith to monitor and report the state of their emissions levels and reductions using a universally accepted counting system. This approach was achieved largely because the Obama administration did not want an agreement specifying specific levels of emissions reductions. Of course, such an agreement would in effect resemble the form of a treaty and the U.S. administration would have to submit it to the senate for its advice and consent. There are at least thirty nativistic and ideologically driven right-wing Republican nutcases in the senate of the Unites States. That is all that is needed to kill the treaty if its jurisdiction was submitted to them. The Obama Administration would therefore want to avoid the Senate at all costs.

In short, the standard of emissions set in good faith by states is voluntary but there is a legal requirement that they publically monitor, verify, and report on their progress. This model seems to work on the principle of transparency as a foundation for global peer pressure on states. States therefore will not want to be embarrassed by falling short of their own

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* United Nations General Assembly, *The Paris Agreement*, https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement

† IEA. World Energy Outlook 2017. Organisation for Economic Co-operation and Development, *OECD*, 2017 https://www.iea.org/media/weowebsite/2017/Chap1_WEO2017.pdf

‡ Alex Gray, *What is the Paris Agreement on Climate Change?*, https://www.weforum.org/agenda/2016/09/what-is-the-paris-agreement-on-climate-change/

commitments. It is by no means clear that these steps are both necessary and sufficient to avert continued disasters triggered by the climate change process. In the Unites States itself, various states have experienced massive floods, including the states of major climate change deniers. To get the poorest countries onboard, the preamble of the agreement indicates that $100 billion dollars is promised to help the poor countries adapt to a desirable green economy and to mitigate some of the damages of climate change[*].

The principal feature of the climate change agreement is the target of holding the average global temperature to a figure below 2 degrees centigrade above pre-industrial levels[15]. In practical terms this means that the temperature increase on the planet should not increase above 1.5 degrees centigrade above pre-industrial levels. The idea of limiting the global temperature to 1.5 degrees above preindustrial levels means that there is a concrete goal to stay well below 2 degrees. Scientists believe that this would likely ward off the worst effects of climate change. No one is exactly sure what the triggering point is that would melt the entire Greenland ice sheet as well as the West Antarctic ice sheet. It is possible that staying below 2 degrees centigrade would trigger such a catastrophe. However, the odds are much better if we stay at 1.5 degrees centigrade. It is not necessarily clear that the 1.5 target will be achieved by purely relying on voluntary state action. Even if it is achieved, it is only a scientific guess that this will be sufficient to avert the worst consequences of climate change. The position of this economic forum is that the target of 1.5 is a bare minimum to be attained and if it could be improved upon, it would secure a greater safety net for humanity. Additionally, the fact that the agreement is not a treaty of hard law does not mean that it has no juridical effect whatsoever.

In this regard to this target, the target temperature aspiration is not mandated as a matter of international treaty law. It therefore does not have the status of hard international law. However, it does have important juridical characteristics, sometimes defined as international soft law. The idea of soft law means that the binding character of the agreement is a matter reinforced by indirect methods designed to give the agreement the force of international obligation. First, the agreement comes with a consensus of 150+ states. It comes with strong support from the international scientific community as well as important scepters of learned societies of the international social process. It comes with a strong support of a multitude of organizations constituting the civil society of the planet committed to environmental integrity. The agreement is supported not only by states, but also by civil society, learned societies in the arts and sciences, specialist communities in the sciences, and those committed to environmental integrity.

Additionally, the agreement comes with the institutional support of the foundations of authority of the United Nations system itself as well as other organizations of nation-states at different levels of global society. Specialist aspects of civil society concerned with human rights and humanitarian values are also lined up in support of this agreement. This adds up to considerable strength in the foundations of the authority component, which is a critical part of the dynamics of international lawmaking. The other important component of international

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[*] John Upton, The $100 Billion Climate Question *Climate Central* http://www.climatecentral.org/news/the-100-billion-climate-question-19726 November 25, 2016

lawmaking is the component loosely described as the controlling intention designed to give prescriptive force to the obligation. Here, the controlling intention is reflected in part in the good faith expression of intent to abide by the agreement of at least 190 sovereign states. In general, the good faith expression by a sovereign state that it intends to respect a prescription that it has openly supported or advocated is enough to secure the notion that the agreement has sufficient controlling intention, which along with the authority signal gives it the force of law. Additionally, the agreement requires a public commitment to the scope of the obligation with regard to emissions reduction that the states openly subscribe to. This public commitment includes a threshold publication of the state's plan of action in the future, and a reporting of the results of its action, which requires global transparency. This provides an additional lever to support the seriousness of the controlling intention of the sovereign states' commitment to emissions reduction. The active monitoring of the process by the United Nations itself, as well as a vast constituency of members of civil society including specialists in local politics, environmental advocacy, scientific expert knowledge, human rights organizations, and highly respected learned societies, reinforces the controlling intention of states.

Finally, international law making does require clarity in the expression of the specific prescriptive expectations that the agreement entails. Since the states have stated what the prescriptive expectations are, this provides a degree of clarity in terms of the prescriptive expectations that a state is obliged to honor. Thus it would seem that at least in the context of the specific objectives of state action in reducing carbon emissions there is without a doubt a binding obligation on the part of states and their subjects to respect their agreements that the states have agreed to as having the force of binding international soft law.

The most important aspect of giving the human efficacy is the recognition that within states major corporate and industrial enterprises are largely responsible for greenhouse gases. This puts the controlling intention of the state against the self-interest of the corporate and industrial sectors within a state. This is a challenge that has to be confronted. The most significant cause of pollution lies with the fossil fuel industry. Modern society owes progress to energy. To change this confronts not only corporate interests, but also the interest of workers dependent on the fossil fuel industry. There has to be an alternative and that alternative would depend in part upon radical new thinking, envisioning new economic thinking behind the policy and progress of the global sustainability movement. The fundamental challenge lies in the shift on a global basis from the total dependence on the fossil fuel process to an alternative approach to meeting global energy needs as well as producing energy that eliminates the flow of greenhouse gases into the atmosphere. Experts maintain that the fundamental challenge of stabilizing global climate via green economic growth is a matter of fundamental policy choices. Those policy choices have to be made on the basis of new economic thinking which makes as its fundamental postulate, the vital importance of human capital. Green growth can be achieved by the recognition of human capital's basic resource, human creativity. We must therefore creatively take stock of how to make buildings, transportation systems, and industrial processes energy-efficient. This would have to extend to offices, homes, residences, cooking equipment, automobiles, and public transportation.

The recognition of human creativity must be sustained by a commitment to major investments in clean and renewable energy. This includes solar, wind, geo-thermal, and various scales of hydroelectric power. If we are willing to recognize the genius of human creativity in creating a carbon-neutral environment, experts estimate that an investment of 1.5 percent of the global GDP will generate effective and alternative energy policies for all countries at any level of development. Such large-scale investment in clean energy would help raise efficiency standards in buildings, expand public transportation, and replace fossil fuels with clean and renewable energy. It is further estimated that such investments will pay for themselves in 3-5 years. These investments will have to come from both the public and private sectors. The attractiveness of green energy would mean that energy costs would be reduced for all. If a carbon tax is placed on fossil fuels, then the price of fossil fuels will be far more expensive than green energy[16]. A policy commitment to green energy would enormously expand job opportunities. It is estimated that if the U.S. spent $200 billion a year on the green energy economy, the country's emissions would drop by 40 percent in 20 years and there would be a net increase of 2.7 million jobs. If India spent 1.5 percent of its GDP on the economy, a 20-year program with these investments would create more than 10 million jobs a year. Other illustrations are equally impressive.

"Scientific leadership must be more articulate in the defense of values that sustain a creative, dynamic, and responsible scientific, economic and political culture as an indispensable foundation for an improved world order based on human rights and human dignity."

The real losers will be the fossil fuel industry and the mega-corporate giants that own it. It is estimated that they stand to lose $3 trillion in values over the next 20 years. Clearly, the petroleum industry will not take this lying down. Hence, the real problem is with green energy and greed energy. The losses of the fossil fuel sector may be somewhat tolerable if the losses are averaged out over 20 years coming to about $150 billion a year. One major issue that the mega-giants of the fossil fuel industry must consider is that the holdings of the largest 200 corporations in the fossil fuel sector hold assets, which indicates that 60 percent of those assets are unburnable. This is an important issue for investors and already some 456 institutions investing some 2.6 trillion dollars have committed themselves to this investment, or to reinvestment in clean energy. Others have already looked at diversification of their investments. For example, Warren Buffett, a famous corporate investor, doubled his holdings in solar and green energy companies in the amount of some $50 billion[*]. It is important that this economic forum use its good offices to illustrate to the major players in the fossil fuel industry the importance of them diversifying their energy enterprise in the direction of green clean energy[17].

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[*] Zacks Equity Research, Invest Like Buffett with These Top Ranked Solar Stocks- Stocks in the News, https://www.nasdaq.com/article/invest-like-buffett-with-these-top-ranked-solar-stocks-stocks-in-the-news-cm360536, June 10, 2014

6. Conclusion

This paper has sought to clarify the salience of the difficult concept of scientific consciousness and its implications for *homoeconomico-politicus*, and the importance of cultivating that consciousness not only in creative ways but in ways that are morally and ethically compelling. This means that consciousness should be alert to the dynamics of positive and negative sentiment in the shaping of the technological paradigm of the future. Even more importantly, it is crucial for scientific consciousness to self-regulate itself by being better informed about the values it seeks to promote and defend. Successful self-regulation of science avoids the danger of control and regulation by forces completely ignorant of the implications of science and technology. This means that scientific leadership must be more articulate in the defense of values that sustain a creative, dynamic, and responsible scientific, economic and political culture as an indispensable foundation for an improved world order based on human rights and human dignity. This issue is made practically relevant by the challenges demanded for an economics and politics equal to the challenge of climate change for the earth-space community.

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Techno-science and Ethics

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Abstract

The emergence of science-based industries after the Second World War, characterized by high technological intensity, created deep impacts on the economy, society, and on the scientific establishment itself. Science became a critical factor of competitiveness and economic growth and technology-driven research began to attract a majority of science-devoted funding. Mainstream science turned into techno-science and curiosity-driven research became the periphery of scientific endeavor. On the other hand, economic globalization nurtured a struggle between competing world orders implying the phasing out of the moral world of modernity. The resurgence of ethics is thus the other side of the new minted coin of globalization. Its aim is an impediment, rather than stimulation of new behavior, amenable to change and to create a sustainable new world.

> *"There are more things in heaven and earth, Horatio,*
> *Than are dreamt of in our philosophy"*
>
> – **W. Shakespeare,** *Hamlet,* Act 1, Scene v.

New technologies have always emerged from existing artifacts and devices, tested and verified in the framework of prevailing technical cultures. It was in the course of everyday life that new ideas were conjectured and then tried through tinkering—a procedure that witnessed slow accumulation of expertise about the usage of the forces and substances of nature. This was true until the introduction of the railways and, to a certain extent, the telegraph.

However, in the course of the 20th century, the mechanism of technological creation was drastically transformed. Industrial research activities grew stronger with the development of new industries in the sectors of rubber, oil, glass, metallurgy, transportation and instrumentation; and science left the relative isolation in which it lived until then (in laboratories, academies and universities) but it was summoned during the Second World War to develop technologies with direct and immediate military application. The effort of post-War competition propelled national scientific and technological research budgets to embrace values which had never been attained before. With the birth of the first artificial satellites at the end of the 1950s, the public character of science and its technological applications were definitely established. (Caraça, 1999)

The emergence of industries of high technological intensity in the second half of the 20th century, such as nuclear power, aerospace, semiconductors, computers and

telecommunications, and, more recently, pharmaceutical and biotech-based industries, reveals the critical importance of scientific applications in the societies of the industrialized world. Business and societal practices now strongly depend on new ideas which have their origins in scientific effort, i.e., it does not derive from natural language or from common knowledge. This procedural change was not straightforward; it implied a thorough transformation and a deep institutional reorganization in the societies that assumed it.

> *""Mainstream science" became "techno-science", and curiosity-driven research was relegated to its margins."*

It is of course necessary to change, but it is necessary to know what to change and how to change. This means that we should not attempt to change everything, because then everything would remain the same. And this is the central difficulty of innovation in the societies we live in. To change what, how, and by how much?

Advanced societies adopted structured processes of transformation where innovation was envisaged as the only answer to economic survival in the framework of fierce and omnipresent competition. This transformation had in the new science-based technological creation process a powerful driving force that no innovative effort could remain indifferent to.

The process of development that can be traced in the Western societies since the middle of the 20th century thus has a scientific base that prompted significant changes in the behavior of societal institutions and the way they were organized. New structures of economic activity were created by the assimilation of new innovative systems based on science. And the newly created wealth fueled the performance of this brave new world: its (diversified) success brought forward the concept of "globalization".

It is important to reflect on the changes that took place in the last seventy years. The first and foremost consequence of the new process of science-based technology was the emergence of new sectors in the manufacturing industry. These "hi-tech" or high technological intensity sectors were characterized by high added value associated with their operation. New enterprises were created in these sectors, which in turn generated powerful multinationals managing the surging new wealth in association with the financial sector. The world today would not be possible without its technologies: nuclear weapons, airplanes, missiles, satellites, space vehicles, computers, electronic networks, antennas, lasers, genetically modified products. And a long list of additional consequences can be added, ranging from the emergence of "technology management" to the issue of the "two cultures", from "digitalization" to "machine learning" and the comeback of "ethics".

Science, however, "suffered" the most dangerous impact. Having lost the seclusion of the walls of "academia", science experienced a tremendous pull from military and (later) business activities and markets. It became a critical factor of economic growth—a thrilling sensation at the beginning, which would and did become a stringent need to be fulfilled

later. With growing budgets allocated to the creation of new technologies, equipment and personnel, the research sector's main strategy became the invention of new technology—no longer the discovery of new laws of nature. "Mainstream science" became "techno-science", and curiosity-driven research was relegated to its margins. Science was no longer Queen, it drifted towards becoming Cinderella (Caraça et al., 2009).

> *"The "old" pyramid of knowledge, with science at its top (inherited from positivism), is no longer credible."*

Today's world, born out of networks which create, diffuse, manage and support innovation and finance, is based on a group of formidable social, organizational and technological changes which were brought by the new process of producing technology from a scientific base. But these changes are societal, they are responses to the transformations experienced, involving all aspects of today's reality, concerning all networks of intense and enlarged communication that support our activity. They aided the emergence of a new way of living, intensive in information, knowledge and communication. Wild economic competition also selected its new "champions", eager to display their capabilities. A big turmoil in the classification of validation of true knowledge is also being observed.

We must understand that both knowledge and the languages devised for its expression and circulation evolve and are carried away with the times. Times of "fragmentation" of the existing social order—like the 16th and the 18th centuries, or the present—bring along the need to rethink our perception of how diverse fields and disciplines are structured, how they communicate and interact. The "old" pyramid of knowledge, with science at its top (inherited from positivism), is no longer credible (Caraça, 1999). The time has come for a system of knowledge that operates as a network, which does not postulate any common origin or hierarchy. Otherwise, how can we account for the critical value of marketing, design, software, management and finance, strategic foresight and cognitive sciences in the economy?

Clearly, the worldview of "globalization", which is based on a fuzzy and ill-defined notion of "knowledge", is at odds with the view of the world of modernity, which was derived from science. The new vision of knowledge and information favors the use of "governance" as a substitute for "government"; stresses "environmental" issues rather than an understanding of "nature"; promotes "global" contracts over "universal" rights.

In this vision, too, "techno-science" is no more than a factor of economic growth and innovation; and science and its universals are confined to the realm of "nature", and are recognized as the "theory of plausibility".

So we must not be surprised at the resurgence of ethics, now transfigured into the "theory of responsibility". Our moral world, made cohesive since the Middle Ages by religion and, throughout modernity by the idea of progress, has the tremendous challenge of reinventing a

new cohesive "glue". Otherwise, it risks dissolving into blocks—a sort of "moral apartheid", the final stage of the religious structuration of the world (Gauchet, 2002).

"No society will ever have a future by rejecting the kind of science that allows us to be reconciled with the universe."

The high visibility of ethical issues and ethics is associated with the rising complexity of contemporary society. As governance is the political conjugate of economic globalization, we may view the comeback of ethics at the local, institutional and sectoral levels, as a corollary of the underground struggle between competing world orders. Therefore, the emphasis on ethical aims appears as an unexpected partner of the triumph of techno-science (the science of science-based technology) that today pervades and supports the communication and physical infrastructure of the developed world.

Only the most naïve may envisage the unfolding of techno-science as being neutral in social terms. In fact, as François Gros deftly asserted more than a decade ago, the scientific enterprise is changing from the "exploitation of nature into a factory of life". (Gros, 1989) The culture of techno-science is aiming more and more at the direct control of human beings, by centering its aim and weight on the knowledge of physiological and psychological behavior, rather than through the longer path of understanding the forces of nature.

By acting on procreation, on embryo development, on birth, on sexuality, on aging, and on death, biological techno-science influences the very conditions of "individuation" of the citizens (Lecourt, 2003). Ethics thus is being used for all the wrong reasons: rather than being a stimulus to the improvement of new modes of conduct, we see ethics being applied essentially to the pure formulation of interdictions. It is interesting, here, to reflect on the passage of Bertrand Russell's *History of Western Philosophy* concerning the Atomists and classical Greece:

"Democritus (...) is the last of the Greek philosophers to be free from a certain fault which vitiated all later ancient and medieval thought. (...) From this point onwards, there are first certain seeds of decay, in spite of previously unmatched achievement, and then a gradual decadence. What is amiss, even in the best philosophy after Democritus, is an undue emphasis on man as compared with the universe. First comes skepticism, with the Sophists, leading to a study of how we know rather than to the attempt to acquire fresh knowledge. Then comes, with Socrates, the emphasis on ethics; with Plato, the rejection of the world of senses in favor of the self-created world of pure thought; with Aristotle, the belief in purpose as the fundamental concept in science. (...) After their time, there was a decay of vigor, and a gradual recrudescence of popular superstition." (Russell, 1945).

We probably have to redirect the present lively debates on, and over, ethics, by simply acknowledging the fact that there is no way through the 21st century without the illuminating presence of a strong basic science component and, especially, of first class fundamental

research. At the dawn of modernity, man traded his soul for his intellect (Forti, 2016). No society will ever have a future by rejecting the kind of science that allows us to be reconciled with the universe.

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Fighting the Debt Crisis' Undertow:
Greece and the Eurozone

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Abstract

To measure the debt crisis in Europe in general, and in Greece in particular, there are different levels of analysis, rarely examined together: at the global, EU and the national levels. The global level involves the origins of the crisis in the infra-regulated practices of financial entities worldwide, whereas the EU level reflects architectural weaknesses of the European Monetary Union. The national level entails specific vulnerabilities of the national economy. Underlying all this, there has been a total (public+private) debt bubble that has been growing since the 1980s, and an implicit promise of higher standards of living through large market deregulation experiments (chief among them are capital markets and capital mobility deregulation). Delivering on this implicit promise called for an increasing assumption of debt. This was based on the hope that growth in the real economy would justify increasing debt—in a sense outrunning debt growth. Unfortunately, not only did debt growth prove to be too rapid, the growth of finance ended up attracting grey matter away from science and technology, the ultimate productivity-growth booster, and giving finance the grey matter to engineer ever-cleverer ways to raise debt. In some countries, debt growth could be reflected more on the side of private debt (Spain, UK, US, Ireland, etc.) or public debt (Greece, Italy, Portugal), or both, but that distinction is secondary. The key point when it comes to the global level of analysis is that incomes and consumption growth ended up being achieved through practically continuous debt (public and/or public) growth.

1. Introduction

The persistent long shadow of the debt crisis and its handling is not only exacerbating a diminution of the middle class across Europe and beyond, it is also showcasing internal contradictions in both theoretical as well as policy terms, which provide fertile grounds for analytical work. We will propose a framework for examining this issue and to hopefully encourage further analytical work, drawing on evidence from Greece, which may also be applicable to other countries facing a similar situation.

To measure the current and ongoing debt crisis in Europe, there are different levels of analysis and policy approach, which are rarely examined together; generally speaking, there is a global level, a European one, and a national one. The first two levels of analysis and policy response mentioned above, correspond to the global level, i.e. the origins of the crisis in the infra-regulated practices of financial entities worldwide, and at the level of the

European Union (EU), i.e. architectural weaknesses of the European Monetary Union (the EMU or the euro, in short).

At the global level, there has been a total (public + private) debt bubble that has been growing since the 1980s, and an implicit promise of higher standards of living through large market deregulation experiments (capital markets deregulation and capital mobility being chief among them). Delivering on this implicit promise called for an increasing assumption of debt. This was based on the hope that growth in the real economy would justify increasing debt—in a sense outrunning the hare of debt growth. Unfortunately, not only did debt prove to be a very rapid hare, the growth of finance ended up attracting grey matter away from science and technology, the ultimate productivity-growth booster, and giving finance the grey matter to engineer ever-cleverer ways to raise debt.

In some countries, debt growth could be reflected more on the side of private debt (Spain, UK, US, Ireland, etc.) or public debt (Greece, Italy, Portugal), or both, but that distinction is secondary. The key point when it comes to the global level of analysis is that incomes and consumption growth ended up being achieved through practically continuous debt (public and/or public) growth; in western countries debt grew roughly from 160% of GDP in the early 1980s to 320% thirty years later.

Indeed, one of the concerns emerging in the current economic context is that the debt-fuelling growth machine is becoming less and less efficient; these days, it takes more debt to generate the same growth impetus than in the past (the 'getting-less-bang-for-the-buck' issue).

In what follows, we will focus mostly on aspects emerging from the interaction of different levels of analysis.

2. Different Levels of Analysis and Policy Response are emphasized in different quarters

Within countries hard-hit by the crisis, the emphasis is usually on aspects/traits of the local economy that are blamed overwhelmingly for the crisis.

This is not only wrong, since it ignores the other two (European and global) arguably more important levels mentioned above, it is also counter-productive because it leads to strategies/policies that fail to win popular support, because they place the practices of large system-driving players and the average nameless citizen behaviour at the same level, in a sense mixing crimes with misdemeanours. The majority of the population, which never felt being in the driver's seat, and has been adapting reactively to patterns established elsewhere, both before and during the crisis, sees this as a 'blame the victim' approach, and is reticent to support even simple, non-ideological, 'clean-house' initiatives.

In a sense, the zero-tolerance mentality that was presumably applied in several cities on both sides of the Atlantic since the nineties, to address violent crime and criminal-court delinquency, is being blindly applied to economic practices. A key social point here is that whereas high-level violent crime barons are not role models (at least not in any of the countries hit by the European debt crisis), those wealthy players, who amass and preserve

their wealth by bending/breaking economic behaviour laws, are trend-setting role models. They enjoy high status, are well known, respected locally or nationally, and are the ones whom many of their fellow citizens look up to or regard with envy. In any case, unless zero-tolerance implementation begins with the largest fish in the pond, before catching the smaller fish, the policy will not be backed by the majority and will ultimately fail.

> *"Wealthy players, who amass and preserve their wealth by bending/breaking economic behaviour laws, are trend-setting role models. They enjoy high status, are well known, respected locally or nationally, and are whom many of their fellow citizens look up to or regard with envy."*

The blame-the-victim (and/or self-flagellation) approach has another unintended 'asymmetric' consequence. The facile criticism of high corruption levels in the hard-hit countries takes hold, both within those countries, in terms of collective self-image (and self-respect, social trust and social capital, more generally), and also in the wealthier member states, in terms of stereotypes of lazy, corrupt southern societies siphoning off resources from the self-perceived 'virtuous' hard-working north. These stereotypes are not true—Greeks, for instance, work notoriously longer hours than their northern fellow Europeans, though systemic/infrastructural weaknesses keep their productivity down, as the UK Office for National Statistics indicates.[*] However, stereotypes sustain and nourish resentment, tensions and ultimately centrifugal forces in the EU.

An understanding of more profound structural aspects would debunk other myths about corruption proclivities too. The most central and frequently mentioned includes tax evasion. Tax evasion is indeed a more serious problem in southern European countries than in countries in the north. The frivolous conclusion to which one may jump next is to suggest that this implies higher intrinsic propensity for corruption in the south. Closer inspection however reveals that rather than some innate, intrinsic propensity for corruption in the south, what one has is a much higher incidence of self-employment in the south, than in the north. In other words, it is not that southern societies per se are more prone to tax evasion, they simply have a larger part of the economy devoted to self-employment activities. Thus, tax-evasion can flourish in any country in the world, north or south. It is much more difficult to see salaried employees evading tax in any country, regardless of their moral fibre. The strikingly higher percentage of salaried employees in northern countries is the secret behind their tax-compliance.

More specifically, and focusing on the case of Greece, non-salaried incomes there represent multiples of their counterparts than in the rest of the EU. The self-employed account for more than 40% of the workforce in Greece vs. 16% in the EU27, according

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[*] See "Hours Worked in the Labour Market" 2011 *Office for National Statistics* http://www.ons.gov.uk/ons/dcp171776_247259.pdf

to Negreponti-Delivanis, Economics Professor at the University of Thessaloniki. There lies the root of high and persistent tax evasion and tax avoidance—indeed, economist Nick Caldor had identified such cases as requiring reduced emphasis on income tax and increased emphasis on progressive consumption taxes (Negreponti-Delivanis, pp. 122-123, p. 280).

Another key structural asymmetry can be seen in the weight of consumption in total GDP, which is very high for countries such as Greece and Italy (higher than 70% in the case of Greece)—investment and exports being less weighty than in other EU countries. This implies that an 'internal devaluation' adjustment program, such as the one imposed on Greece, will be much more painful there, because it undercuts the main pillar of economic activity, than it would in other circumstances, and the loss of output and jobs is concomitantly higher.

Related to the above, these adjustment programmes are largely export-focused, and may work reasonably well for countries with a strong export base that have suffered a setback, and aim to recapture or maintain export markets, building on existing strengths and brand recognition. It fitted and worked well, expectedly, in the case of Germany and Ireland. It is less suited to cases of chronically low export performance, where large markets must be built from scratch, usually an expensive and long-term exercise. Greece has a relatively low export contribution to GDP (approx. one fifth of GDP for Greece, vs. more than half of GDP for Germany). And even though Greek labour costs have been reduced drastically, Greek exports did not see an important boost for much of the long adjustment programme period, and only truly picked up in 2017-2018. This tardiness surprised those who downplayed these asymmetries between the cases of countries with a strong exports base, such as Germany and Ireland, and countries with a weak exports base such as Greece.

Besides asymmetries, we also observe cases of logical incongruence. A logical incongruence between avowed intentions and consequences is that internal devaluation programmes lead to emigration of skilled individuals, and innovative firms that seek easier access to finance and lower taxation elsewhere. There is a clear danger in shifting the exports profile towards cost-based competition to emerging economies that provide low-skilled labor and low knowledge-input for manufacturing homogeneous goods. This is a situation in which no EU country wants to find itself, and this is a competition in which any victory can only be Pyrrhic.

Moreover, adjustment programmes that base in general much of their promise of future growth on attracting private investment underestimate two elements: first, that public investment (clearly cut back through the adjustment programmes) may be a necessary catalyst/prerequisite for private investment. Second, the adjustment programmes are implicitly conceived for single-country environments, where investors face a binary decision to invest or not to invest, as if there were a pool of 'quasi-earmarked' resources waiting to be invested in the adjusting country, as long as a set of reforms are made. The reality of course is that investors have many more options available, and a very wide array of 'reforming' countries competing for their attention and resources. In other words, one may introduce all the prescribed reforms and still may not enjoy the hoped-for investment, and be wooed by countries with ever more investor-attractive environments.

In countries like Greece, the very effective imports penetration consolidated in the pre-crisis years, coupled with the huge weight of domestic consumption in GDP, have nourished a productive system, which is sectorally thin. Exacerbating the impact of the above, there is a chronic exports underperformance. When your products are very expensive in world markets, you can either improve their quality and differential characteristics, for which innovative human capital is crucial, or you can choose austerity paths that bring down real costs, since nominal depreciation is not available.

> *"The atavistic fear of inflation which has led to a European Monetary Union (EMU) architecture and a European Central Bank (ECB) charter that was created in the 1990s to fight the inflation wars of the 1970s is ill-prepared to fight the Great Recession and sovereign debt wars of this century."*

The problem here is not only the formidable low-cost global competitors, but also the massive human capital flight and the defanging of productivity issues that this approach entails.

At a higher policy level, there are incongruences identified from the beginning between adjustment programmes and regional development approaches—such as the very promising smart specialisation strategy (S3) approach adopted by the EU for the 2014-2020 structural funds cycle. Adjustment programmes incongruent to S3 approaches are behind both persistent unemployment and the resulting worrisome human capital trends. Reports bring the number of Greek emigration (including graduates) to six-digit figures—more than 400,000 according to 2016 reports, which is large for a country with a population of 11 million.[*]

Unfortunately, it does not bode well for the Greek economy/society in crisis, as most do not plan to return, and they are absent at a transformative juncture for the country that has shouldered the cost of their preparation for the first couple of decades of their lives. Moreover, the situation identified above renders fallow the central ground for the reception, absorption, and development of innovation, and defangs local productivity issues, making networking, clustering, value-chain insertion, etc. ever more difficult.

Part of the reason for the above is an interesting pattern in adjustment lending that is rarely reported—indeed the impression given in the media is exactly the opposite to what the figures tell: that most of the money lent through adjustment programmes did not address hardship or growth rekindling. For example, between 2010 and early 2014, the official lenders (ECB, EFSF_ESM and the IMF) lent Greece more than 200 billion. More than 77% went directly or indirectly to the financial sector. Attac calculates that €58.2 billion (28.13%) was used for bank recapitalization, while 101.33 billion (49.98%) went back to the lenders to

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[*] See https://greece.greekreporter.com/2016/07/02/economic-crisis-marks-3rd-emigration-wave-of-greeks/ which refers to the internal Bank of Greece results

pay back maturing bonds.[*] €34.6 billion was used to 'convince' private lenders to accept the Private Sector Involvement (PSI) 'haircut'. €11.3 billion was used for debt buybacks by the government from private lenders. A small part of €43.7 billion (22.46%) actually went for other purposes, including the coverage of budgetary shortfalls.

"The architecture of the EMU requires a deep rethink, because asymmetric shocks (and not only those triggered by debt crises) can wreak havoc on it otherwise."

Note here that before the so-called PSI 'haircut' in 2012, 62% of the Greek debt was in private hands; after the PSI process only 27% was (and more than 70% got into the hands of official creditors, such as states, the ECB, the IMF). Note also that the ECB is making a profit from Greek bonds that it bought at huge discounts, as if it were a private, for-profit bank (while having obliged pension funds to lose 50% of their investment worth in public bonds in the aforementioned PSI process). These 'profits' were promised to be returned to Greece back in 2012. They are very slowly, and only recently, beginning to gradually find their way to Greece.

There is a profound logical-temporal incongruence that is behind much of the above: the atavistic fear of inflation which has led to a European Monetary Union (EMU) architecture and a European Central Bank (ECB) charter that was created in the 1990s to fight the inflation wars of the 1970s (and some will say even the 1920s) is ill-prepared to fight the Great Recession and sovereign debt wars of this century. Testament to this misplaced fear of inflation and the outplaced inflation-mongering is the fact that the US Federal Reserve has been pursuing extremely lax monetary policies since 2007, unemployment has dropped drastically, and inflation has not reared its head in the US.

The reasons for the absence of fear of inflation are also not hard to see for anyone not stuck in the seventies: unions do not have the power to demand/impose wage hikes to feed inflation, and new cheap producers and economic powerhouses in Asia easily flood western markets with inexpensive goods, stopping western producers from even flirting with raising prices, as they did in the seventies.

As we will see later, the architecture of the EMU requires a deep rethink, because asymmetric shocks (and not only those triggered by debt crises) can wreak havoc on it otherwise.

Political and institutional aspects of what is at stake may be even thornier, according to a striking July 2013 JPMorgan report suggesting that part of the problem for southern Europe is constitutions that were informed by the nefarious fascist experiences either during World War II and/or in dictatorships in the following decades, establishing strong institutions and

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[*] See www.attac.at/up-loads/media/backgroundmaterial_bailout_english.pdf

rules against such phenomena. According to this view such strong counter-fascist institutions are an impediment to reforms![*]

> *"Waves of emigration of young scientists have been observed in the context of adjustment programmes, and the fear is they may not come back easily, even when the economy finally picks up."*

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3. Statistics Placing the Crisis in Perspective

Let us provide a few indicators that will place the Greek crisis specifically in perspective. Greek GDP went from €231 billion in 2009 down to €184 billion in 2013—debt was at 120% of GDP in 2009, and rose to 176% in 2013. The average tax burden rose by 52% during that time. A small primary surplus was achieved in 2013 (earlier than expected), and a similar one was estimated for 2014—largely thanks to government delaying at will its own payments to suppliers, and thanks to unforeseen tax-patriotism by citizens, who cut down everything else to pay increasing taxes. (Negeponti-Delivanis, pp.128-9). The budget has moved firmly in primary surplus territory in the last couple of years, achieving the draconian surpluses dictated by lenders, thanks largely to both tougher enforcement and a shift to non-cash forms of payment.

Between 2008 and 2013 investment dropped from €56 billion to €23.6 billion, and exports dropped from 56.2 billion to €53 billion (op.cit. p. 139).

Although it has eased in recent years and is down to 19.1% in June 2018, the official unemployment rate reached 27% in Greece in the darkest moments of the crisis. In terms of families/households, 550000 families are without any wage-earning member, comprising 1.5 million unemployed people approximately. For those working, the minimum monthly wage has been reduced by decree by 22% or even by 32% (from €751 down to less than €500), depending on the age of the worker. Not surprisingly, more than 3 million people came to live below the poverty line, with 7 out of 10 not able to afford heating oil during the winter (Negeponti-Delivanis, p. 39-41), and in many areas of the country between one-thirds and half of the stores/businesses have gone out of business (op. cit. p. 249). Since the onset of the crisis, life expectancy has dropped by three years (op. cit., p. 119-124). Seven out of ten youths indicate they look to emigration as a solution (p. 249, op. cit.). Suicide rates went up by 35% after the onset of the crisis.[†]

Moreover, more than a third of total employment is estimated to be uninsured (the corresponding social security contributions are not made). In other words, the relevant labour laws are not respected under the threat of discontinuation of employment. This has been exacerbated due to the reduction in public inspection services staff. As in other crisis-hit countries, the other side of this coin is part time jobs, wherein new hires are registered and paid for part-time work but made to work full time; 20% of all employment contracts

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are part-time, 50% of new hires are part-time (unpublished new data—informal communication). The damage here is multi-fold: not only do they receive half-pay, they are also credited with half-day's work towards their retirement benefits. The longer this goes on, the harder it is that they will meet pension eligibility, when they reach pensionable age. Furthermore, the already dire straits faced by pension funds become even worse as the social security contributions those funds receive correspond to part-time contract, and not to the real full-time schedule. (Negreponti-Delivanis, pp.39-41).

> *"Adjustment programmes have generally raised inequality in areas they have been applied."*

It is easy to see how in this context, any source of income will be zealously guarded, as will the possibility to keep as much of it out of sight, particularly vis-a-vis fiscal authorities. This makes self-employment and small family-owned firms increasingly attractive, undermining the adjustment programme's vision of reducing self-employment. It makes family (often an extended version of it going back to living under one roof due to job loss, etc.) the relevant unit of decision-making, as opposed to the individual, as the adjustment's logic would have preferred. Adjustment programmes prefer the assumption of individualistic, atomised human existence; individuals conform to single human agent models underpinning standard economic models, and they cannot hide behind families, when dealing with fiscal, administrative or judicial inquiries/decisions. However, it is hard to be individualistic when the pension of grandparents is what three generations live on. The reassertion of the importance and the protection of the hearth reaffirms other cultural parameters that go against the grain of adjustment programmes—for instance, social/peer pressure is strong in that people will not bid in foreclosure auctions that would take a family's home or shop away from them (recently, to counter this, faceless digital auctions have been introduced).

We have already seen above how the traditional emphasis on education—implying higher wage expectations, and more demanding citizens and economic agents—is not sacrificed in favour of accepting any job/salary that would help bring the country to compete with countries at lower levels of income/development. Instead, waves of emigration of young scientists have been observed in the context of adjustment programmes, and the fear is they may not come back easily, even when the economy finally picks up.

4. The Inequality Issue and the end of the Cosy Equality vs. Efficiency Trade-off

Adjustment programmes have generally raised inequality in areas they have been applied. In the case of Greece the numbers are particularly striking: one study shows that the poorest households lost nearly 86% of their income, while the richest lost only 17-20%. The tax burden on the poor increased by 337% while the burden on upper-income classes increased by only 9%. This is the result of a study that has analyzed 260.000 tax and income data from the years 2008-2012 (Giannitsis, T. and Zografakis, S.)[*]

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[*] Forthcoming, commissioned by the German Institute for Macroeconomic Research (IMK) affiliated with the Hans Böckler Foundation http://www.boeckler.de/pdf/p_imk_study_38_2015.pdf

According to this study, the nominal gross income of Greek households decreased by almost a quarter in four years; the wage cuts caused nearly half of the decline; net income fell further by almost 9 percent, because the tax burden was significantly increased; while all social classes suffered income losses due to cuts, tax increases and the economic crisis, particularly strongly affected were households of low- and middle-income, due to sharp increase in unemployment and tax increases that were partially regressive.

"The difficulty in rekindling robust sustained growth, through traditional mechanisms of credit flows (the savings-investment-consumption pump), is linked to high and increasing income inequality."

This should be placed in a wider context in which, globally, 8% of the world's population controls more than 80% of total wealth, while the poorer 70% control little over 3% of global wealth. Since the crisis, things have become even more skewed: since 2009, 60% of growth has been captured by the highest earning 0.1% (Negreponti-Delivanis, p.42).

It is evident that the middle class would suffer in any austerity programme. However, in the case of adjustment programmes imposed in the context of this crisis, in the south of Europe, and particularly in Greece, their vicissitudes are exacerbated, as the theoretical assertion and cherished past evidence on a trade-off between equality and growth are proving to be wrong; you can have both shrinking in tandem, and we need to rethink our understanding of the interaction between the two thoroughly. It is becoming clear (even to institutions/publications a priori least likely to accept such a proposition) that the difficulty in rekindling robust sustained growth, through traditional mechanisms of credit flows (the savings-investment-consumption pump), is linked to high and increasing income inequality. Since the wealthy have much higher savings than those at the lower and middle levels of the economic ladder, who have little left to save after they consume, the pump has usually worked as follows: the financial sector has used the savings of the well-off to lend to the less affluent, allowing them to raise their consumption and investment levels. The less affluent were able to repay their debts, as long as the economy grew at a sufficiently high rate AND they received an important part of the extra income generated through this growth. However, the increased skewedness of income distribution in recent years has undermined the capacity of borrowers to pay back loans, and is undermining the functioning of the entire system, with less extra output generated by each unit of extra credit. Indeed, a central aspect that recent analysis has identified is that for all the hype, the actual growth achieved in the credit bubble years was not all that exuberant, with respect to the credit needed to finance it.

The standard counterargument is about placing the emphasis on expanding the pie, and worrying about distributing it later. However, there are three key problems here:

1. The theoretical provision for lump-sum transfers needed to guarantee Pareto optimality is not actually pursued, and is taken for granted;

2. Interpersonal comparisons of utility are excluded from these standard expand-the-pie models; however, envy and altruism unfortunately do exist (allowing them into the models may well lead to the emergence of public goods everywhere);

3. Even setting aside envy and altruism, the fact that the rich minority can push prices up for key limited supply goods (e.g. housing), pricing the poor and the middle class out of key market is an important, often bypassed, effect.

"Social initiatives, imbued by the 1930s' New Deal approaches, and leading up to the 1960s' Great Society programmes, are being or have been cancelled, and a return to 1920s or even 19th century style capitalism is lurking as a tendency."

Inequality is expectedly associated with a sense of failing representation by constituencies—52% of Europeans felt their voice was not heard in 2004, has gone up to 66% since then. This sense is exacerbated by the fact that much of the spectacularly high income has accrued to finance professionals in recent decades, and that finance, and practices adopted by its professionals, have provoked the crisis, and have been rescued by cash-strapped tax-payers (Op. cit. pp. 43-45). The implicit insurance against financial bets turning sour provided by the taxpayer makes the finance business a utility-like 'protected' business in need of regulation on the upside, as well as the downside.

Social initiatives, imbued by the 1930s' New Deal approaches, and leading up to the 1960s' Great Society programmes, are being or have been cancelled, and a return to 1920s or even 19th century style capitalism is lurking as a tendency (or at least as an asymptotic goal). Its keys are capital mobility enhancement, championed since the 70s, which has led to socially-downward-spiralling competition to attract mobile capital, and a 'pre-requisite' reduction in labour rights, also accelerated by the entry of new players, such as China, India, etc. in the arena of economic competition.

5. Asymmetric Economic Shocks and the Eurozone Crisis

As mentioned above, the architecture of the euro has been the key accelerator of the crisis in Europe, and the reason why it has acquired this particularly virulent debt-crisis form in the eurozone. These architectural vulnerabilities have to do with the way asymmetric economic shocks, in the context of uncertainty, can be dealt with in a monetary union. Unless these weaknesses are redressed, similar crises may very well plague the eurozone again in the future, potentially due to trade-related developments, and not only financial ones. It is worth delving deeper into them.

A shock is symmetric if it has a similar impact in all countries in the area in question (the EU in this case), and asymmetric if the impact differs substantially among countries. Shocks may be common to all countries in the community or country-specific. Country-

specific shocks are obviously asymmetric and may be due to policy shocks, resource shocks or changes in the behaviour of economic agents. Even common shocks, however, may be asymmetric because countries react differently to a common shock due to differences in initial conditions, economic structures, policy preferences and economic agents' behaviour.

"The lingering undertow of the debt crisis, in which many still feel caught up, and its handling are not only producing a diminution of the middle class, they are also showcasing internal contradictions in both theoretical as well as policy terms, regarding the social aspects of the crisis and the economic policies and models behind them."

The European Monetary Union and the recent tension faced by the eurozone provide an instructive context and the impetus for this analysis by making the theoretical models more relevant in two ways: a) The minimization of impediments to trade within the EU should move states toward increasing specialization on the basis of comparative advantage, thereby making them more vulnerable to random shocks and fluctuations; in other words, integration by reducing the plausibility of diversified production makes the problem of uncertainty more acute; b) At the same time, however, abolition of all capital controls and eventual monetary integration will assure free capital flows both in the direction of initial investment, as well as in the direction of interest repatriation, and will minimize the exchange risk usually associated with purchasing foreign currency denominated assets, hence tackling two of the constraints of the solution suggested in the literature. That solution basically consists in replacing real production diversity with internationally diversified portfolios, emphasizing investment in assets negatively covariant to the activity in which the country has specialized.

We should stress that although our analysis examines diversification through the asset market as a defense against post-specialization uncertainty in a neoclassical framework, the arguments apply, albeit with modifications, to an intra-industry trade framework. Studies exploring intra-industry trade and trade under imperfect competition shed light on them. (Gilpin, 1987; Krugman, 1986; Frankel and Rose, 1997; Tilford, 2006; Boone and Johnson, 2010).

To see this let us examine the taxonomy of shocks. Symmetric and asymmetric shocks have been discussed above. The mechanism of diversification through the use of the asset market can be employed in the absence of specialization on the basis of comparative advantage, and our analysis applies in that case, too: instead of purchasing assets from a country specialized in a negatively covariant activity, diversifiers should purchase assets from a country characterized by 'negatively covariant' reactions to the same common shocks.

A central authority with taxing, redistributing powers is not a feature of the EU integration, not yet anyway. Therefore, countries will need to buy insurance against unfavourable shocks,

since there is no mechanism guaranteeing that rising income in one member state will be taxed to ease hardship in another. The analysis of this process however, its possibilities and pitfalls, escape the confines of this brief essay.

"Austerity policies may paradoxically end up reinforcing precisely those patterns they purportedly aim to overcome."

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6. Concluding Comments

The lingering undertow of the debt crisis, in which many still feel caught up, and its handling are not only producing a diminution of the middle class, they are also showcasing internal contradictions in both theoretical as well as policy terms, regarding the social aspects of the crisis and the economic policies and models behind them. Moreover, much of the most interesting analysis addresses impacts, but rarely delves into the deeper social and economic incongruences at work in exacerbating both the crisis and the impact of austerity measures.

These incongruences end up frustrating the adjustment process by damaging the adjusting economy in profound ways, making it more difficult for it to recover (for instance, by losing key human capital to migration). There are 'deep' asymmetries between societies in crisis countries, and the target social model implicit in the austerity strategies adopted. They underpin a key contradiction: the austerity policies may paradoxically end up reinforcing precisely those patterns they purportedly aim to overcome.

Moreover, in the current and ongoing debt crisis in Europe, there are different levels of analysis and policy approach that are rarely examined together; generally speaking, there is a global level, a European one, and a national one. The European Union level involves the architectural weaknesses of the European Monetary Union, and its capacity to react to asymmetric shocks in the context of uncertainty. These weaknesses and interactions across levels of analysis must be addressed as other countries are facing tensions, and not just Greece, which has through blood, sweat and tears survived not just the crisis, but also the overshooting in terms of misestimated painful costs of adjustment, accompanying the various adjustment programmes imposed on the country in the last decade. Greece has joined other adjustment programme survivors (Portugal, Spain, Cyprus, etc.), and is gearing to face similar sets of problems (e.g. loss of human capital, precarious, often part-time, low-income new employment, etc.). In many ways, the more vexing problems in the not-too-distant future involve other larger countries, where very painful adjustment may be ahead, and where political tensions may be expectedly larger, both in international terms, as well as in the sense of the rise of social and regional pockets of discontent, with strong electoral consequences. Even though Greece has toughed it out in an enormously painful fashion, the issue still remains, facing countries large and small: it is not enough for each one of them to eliminate inefficiencies and tighten operations; the entire ship on which all European countries find themselves (and some would argue the western economies as a whole) must change its course, in order for any painful adjustment to bring about sustainable fruits, and for the common ship to make it to safe haven.

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Urgent Need for the Establishment of the International Institute for Sustainable Technology in South-East Europe

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Abstract

In our interdependent and fast changing world, every individual's future depends on the wellbeing of all humanity. Transformative out-of-the-box thinking is urgently required, especially in South-East Europe, which occupies a unique position in the world. Historically, it has been the crossroads of cultures and civilizations. Its strategic geographic location has placed it at the centre of significant socio-political actions. It is on a major migratory route that could alter the demographic and economic structures of not only the region but also the rest of the world. The region that was once home to reputed centres of education now faces an intellectual vacuum and a significant decrease in skills, particularly technological skills. This sensitive SEE area urgently requires the establishment of centres of scientific excellence within the next 5-10 years. The most current challenges we face require science along with original thinking, creativity and action to eliminate the ignorance that leads to existential risks and to support achievement of the UN 2030 Agenda. Today knowledge is the most dominant power for social change. Employed properly, it also has the potential for being the most democratic source of power as a great equalizer for people and countries. The political decision to establish centres in SEE, with focus on physical and life sciences research as well as human resource development, needs to be made. These centres must involve the scientific community worldwide. International involvement provides greater scientific impact. It facilitates technology transfer, improves all forms of communications and establishes cultural understanding. International scientific cooperation can be the precursor to cooperation on other fronts as well.

1. The Need for Urgency

We live in one of the best times in history.[*][†] Yet, our world is not sustainable; it is economically, socially and politically vulnerable and self-destructive.[1] The Bulletin of the Atomic Scientists decided on January 25, 2018 to place the Doomsday Clock at 2 minutes to midnight—the worst ever scenario[‡] since 1953 when the testing of hydrogen bombs both by the USA and the USSR implied that the world could be destroyed by war, terror or human error. The dangers and threats have now multiplied: in addition to military conflicts, we are

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[*] The German weekly 'Der Spiegel' published a series of articles under the title "In the old days everything was worse". The figure published on October 16, 2016 shows a significant reduction in global poverty from 1820 when over 90% of population lived in poverty; in 1970 the percentage was reduced to 60% and in 2015 to less than 10%. In absolute numbers, 1.022 billion in 1820, 2.218 billion in 1970 and 706 million persons lived in poverty in 2015.

[†] Ivo Šlaus, 'Transforming Our World', to be published

[‡] Bulletin of the Atomic Scientists, it is two minutes to Midnight, January 25, 2018

threatening our only home—Earth: not only with climate change but also through the sixth biological extinction and pollution; we use the equivalent of the capacities of two earths. The wealthiest countries' ecological footprint is 200 times more than the poorest ones'.

Humankind is aware of the dangers, threats and the need to act. On September 25, 2015, the UN General Assembly unanimously approved the UN Agenda 2030—the Sustainable Development Goals, appropriately called 'Transform Our World!' Nobel laureates meeting in 2000 stated: "It is time to turn our backs on the unilateral search for security, in which we seek to shelter behind walls. Instead, we must persist in the quest for united action to counter both global warming and a weaponized world. …**To survive in the world we have transformed *(and are transforming)*, we must learn to think in a new way *(out-of-the-box thinking and acting)*. As never before, the future of each depends on the good of all.**"

Various activities evolve at different time scales. For instance, synthetic biology and Information and Communications Technology (ICT) have been evolving much faster than shipbuilding did. In addition, different countries evolve at different speeds. These time scales—the speed of change—constantly change. In a global, interdependent and fast changing world, the shortest time scale is the most critical and it is about 10 years. **Therefore, our actions have to be urgent!**

2. Why South-East Europe?

Politics is very difficult and naturally one pays attention to problems that seem to be imminent. North Korea and the Middle East appear now to be the most demanding problems. We tend to associate terrorism just with the Middle East, ignoring extremism in our midst.

South-East Europe (SEE) has been at the center (ancient Greece is the source of our science, democracy, logic and philosophy), the crossroads of cultures and civilizations (Franks and Byzantine Empire, Ottoman Empire and Europe, crusades, Habsburgs and Romanovs) and at the periphery. Throughout its history it has produced remarkable cultures, e.g. Vučedol and Vinča, geniuses and emperors, and it initiated major socio-political actions, sometimes just because it was at the periphery.

Though a major conflict occurred within SEE 20 to 30 years ago, SEE is still a major vulnerable area that can erupt and dangerously reverberate globally. It is the most important unfinished job of the European unification process. Seven countries in SEE are still not members of the EU, and each enlargement creates at least mild frictions. SEE has among the lowest employment rates in the world. All socio-economic and political indicators place the SEE countries at the bottom of Europe.

Europe is characterized by a low fertility rate. Within a few decades the indigenous population of SEE countries will decrease by about 10-20%. In addition to low fertility rate, the SEE has appreciable difference in fertility rates among different ethnic groups, thereby changing ethnic compositions. SEE is a major migratory route and within the next few decades, about a hundred million people will cross this area. The demographic and economic structures of the SEE have been aggravating the already vulnerable socio-political conditions.

Sustaining Growth, a report of The European Bank for Reconstruction and Development (EBRD), lists various socio-economic indicators (Table 1).

Table 1: Indicators Assessing Socio-economic Progress
(Source: EBRD Report 'Sustaining Growth' 2017)

Country	Competitiveness	Good Governance	Ecological Approach	Resilience	Total
Germany	8.43	8.66	7.39	8.41	**8.06**
Slovenia	6.93	5.74	6.67	7.44	**6.90**
Poland	6.38	6.15	6.27	6.65	**6.64**
Hungary	6.42	5.31	6.37	6.65	**6.49**
Croatia	5.75	5.14	6.03	6.61	**6.07**
Bulgaria	5.96	4.69	5.82	6.54	**5.87**
Montenegro	4.89	5.12	5.15	5.93	**5.38**
Serbia	4.94	4.39	5.77	5.55	**5.37**

A serious threat stems from inequality. The ratio of the wealthiest 20% of the population to the poorest 20% is 3.6 in Slovenia, 5.0 in Croatia, 8.0 in Bulgaria and 10.0 in Serbia.

Indicators assessing political (DEM), structural (RoL—Rule of Law) and economic progress (ECON) for the 27 countries in transition in Central and South-East Europe and in the Commonwealth of Independent States in 2001 are summarized in Table 2 (smaller value signifies better result).

Table 2: Indicators Assessing Political (DEM), Structural (RoL—Rule of Law)
and Economic Progress (ECON)

Country	DEM	RoL	ECON
Poland	1.44	1.88	1.67
Hungary	1.94	2.5	1.92
Slovenia	1.94	1.75	2.08
Croatia	3.25	4.13	3.58
Serbia+MN	4.63	5.88	5.33
Macedonia	3.75	4.63	4.58

The area that is home to academies, schools and universities does not have a single high-ranking university within Emerging Europe and Central Asia's top 30 universities. During the last 50 years the scientific activities in SEE countries have relatively decreased, thereby creating an intellectual vacuum in the most sensitive area—in the Mediterranean encounter of Africa, Asia and Europe. The beauty of SEE has encouraged tourism but there is a significant decrease in skills, notably in technological skills. **Therefore, it is necessary to establish a center of scientific excellence in SEE.**

Our contemporary world is interdependent and any adverse fluctuation within SEE will influence the entire global world. Similarly, lack of action has grave consequences. The unsuccessful proposal to locate International Thermo-nuclear Experimental Reactor (ITER) in former Yugoslavia is an example. Yugoslavia was an excellent country—neutral, non-aligned and positioned close to the heart of Europe and close to Asia and Africa—to host a major international endeavor crucial for developing fusion energy. Though the proposal went to the level of the Prime Minister and Presidency of Yugoslavia, and most of them supported it, it was drowned by meaningless political activities. More than 20 years were lost in fusion research and the country suffered war and aggression. This was the failure of domestic and also international politics, giving reality to the warning by Axel Oxenstierna: "Behold, my son, with how much stupidity is world politics done."

"The existential risks facing humankind are mainly caused by our ignorance."

"A necessary condition of all life is interdependence: everything relates to everything else; nothing exists in isolation."

Socio-economic and political indicators of most of the countries in transition change appreciably and erratically (Table 1 and 2). **It follows that any meaningful action to influence SEE countries has to be accomplished within the next 5-10 years.**

3. Why Science?

The salient features of our contemporary world—fast changing, interdependent and global—are all generated by science. Succesfully facing most current challenges requires science, creativity and out-of-the-box thinking and action. The existential risks facing humankind are mainly caused by our ignorance. The realization of the UN Agenda 2030 demands research across all scientific disciplines: multi-, inter- and trans-disciplinary.

All major cultures developed science and scientific research is deeply rooted in each culture. Scientific research enriches each culture. Science is the best way to develop culture and in addition—since science is universal, international, cumulative and objective—it links itself with all other cultures and nations.

Furthermore, science is a self-correcting system. It is cooperative and at the same time encourages originality, independence and dissent. It stresses the need for an open mind; time and again the scientists must reverse direction, and they normally do. Proven scientific positions have often been proved wrong no matter how original. Interpretations of experimental data and observations, explanations of events and paradigms have had alternative rationalizations and have always been limited, never complete. This helps scientists tolerate ambiguity, strive for improvement and allow for self-correction. Science teaches us the value of relatedness. A necessary condition of all life is interdependence: everything relates to everything else; nothing exists in isolation. Hence everything gets its

essence via its interactions with something else. Science, therefore, seeks not only truth, but also relatedness which is embedded within various domains. One branch of science relates to and in various degrees is embedded into another. Out of this implicit coupling of the parts of science emerges the underlined unity among its seemingly chaotic functions. The mutual embeddedness of the parts of science allows for their integration, feedback and accommodation. Science is changing, it is becoming more complex. Large international projects like the Intergovernmental Panel on Climate Change, the human genome, the International Thermonuclear Experimental Reactor, the European Organization for Nuclear Research, the large "user" facilities (e.g., particle accelerators), the big data facilities for medicine and knowledge being generated in cyber space, are examples of this trend. Even the character and culture of today's large-scale research at major research facilities have been changing.

Presently knowledge is the most dominant political power. It is inexhaustible. It is the most democratic source of power. Science and Technology breakthroughs act as equalizers creating a chance for resetting to zero economic and political advantages accumulated in some centers. *However significant science and technology are, they are of little use without concomitant socio-economic inputs and appropriate political drive.*

4. Development and Research Excellence

Global competitiveness and Summary Innovation Indicators are strongly correlated with Research Excellence Score (RES), as defined by the OECD Oslo Manual. This suggests that RES, which measures the quality of the R&D potential, could be a reliable indicator for assessing the effectiveness of the R&D potential in achieving social and economic goals.

Research Excellence Score (RES) is defined by four indicators: HICIT—top 10% of the most highly cited publications/total number of publications, PACPAT—high quality patent/million inhabitants, TOPINST—number of world class universities and institutes/GNERD, and ERC—number of high prestige grants/public GNERD. Table 3 summarizes Research Excellence Score for several countries.

Table 3: Composite Score of Research Excellence

Country	Overall Score	HICIT	TOPIN	PCTPAT	ERC
Germany	62.8	69	44	69	73
Hungary	31.9	39	20	17	82
Slovenia	27.5	48	10	25	48
Croatia	12.2	17	10	13	10
Latvia	11.5	14	10	12	10
Turkey	13.8	32	10	11	10
Greece	35.3	57	27	13	79

SEE countries were at the very bottom on the Composite Research Excellence Score for 2005 and 2010. In addition, they almost did not progress in those five years, as opposed

to the Netherlands, Denmark, Sweden, Germany and Norway which have demonstrated significant progress. Countries with the highest Research Excellence Score are Switzerland, the Netherlands, Denmark, Sweden and Israel, while Latvia, Croatia, Turkey, Lithuania, Slovakia, Romania and Malta have the lowest.

Publications that by citations ranked in the top 1% of 'Highly Cited Papers' for the period from 2014 to 2017 for several countries are listed below.

Table 4: Publications that by citations ranked in the top 1% of 'Highly Cited Papers'

USA	2644	Slovenia	4	Hungary	3	Germany	297
UK	542	Serbia	4	Croatia	1	Greece	15
China	249 ('17)	Slovakia	1	Romania	2	Bulgaria	1

Even EU27 is just at the 2% level, and all SEE countries rank quite low in the RES compared to the ratio of the public and business R&D Expenditure to GDP. The scatter among RES and public and business R&D expenditure indicates that Gross National Expenditure for R&D (GNERD) is not necessarily a good indicator for the R&D activity.

The R&D potential consists of human power, science-technology infrastructure, organization of R&D, creative capacity, efficiency (measuring R&D activity vs. Science and technology: number of publications, impact factors, highly cited papers, number of patents) and effectiveness (accomplishing pursued socio-economic objectives). One can distinguish among input (number of scientists, number of engineers, number of technicians, GNERD) and output indicators (number of authors publishing in the Web of Science journals $\rho(W)$ and the four Research Excellence Scores: HICIT, TOPIN, PCTPAT and ERC. Any indicator is subject to uncertainties. The largest uncertainties are in the number of scientists and engineers (**±20%**) and in the GNERD/GDP (about 15% of governmental budget is 'lost' and so this indicator also carries a large uncertainty of ±20%). Output indicators are much more accurate: number of authors publishing in WoS journals has uncertainties of ±10% and highly cited papers, top institutes/universities of ±5%. Different accuracies of indicators stem from the fact that input indicators are compiled from various nation-state sources plagued often by somewhat different definitions. On the contrary, output indicators are based on several international assessments, thereby considerably reducing uncertainties. A basic question that needs to be answered is: 'can the measurement of top performance give a meaningful assessment of the entire R&D system?' The answer is in the fact that the relationship between indicators is described by the Matthew's effect 'to those that have, will be given more', or equivalently by the cumulative advantage distribution characterized by Lotka's law: $P(n) \sim 1/n^2$, where P(n) is the number of authors that published 'n' publications. **Therefore, identifying research excellence provides a good assessment of the entire R&D system.**

The relationship between input and output R&D indicators measures the efficiency of the R&D potential. There has been an impressive increase in the Gross National Expenditure on R&D (GNERD) in China from 4.6% to 20% and it is significant that it has been followed by

a similar increase in highly cited papers: from 2.6% to 1.9%. The importance of these R&D indicators is best summarized by Maria Zuber, NSB Chair and Vice President for Research, of the Massachusetts Institute of Technology. "*This year's report shows a trend that the U.S. still leads by many S&T measures, but that our lead is decreasing in certain areas that are important to our country....That trend raises concerns about impacts on our economy and workforce, and has implications for our national security. From gene editing to artificial intelligence, scientific advancements come with inherent risks. And it is critical that we stay at the forefront of science to mitigate those risks.*"

The US is still the undisputed leader in GNERD, but will not remain in that position for long. Last year, the US spent $496 billion on research and development, while also attracting $70 billion in private investment. China spent $408 billion and attracted $34 billion worth of venture capital in 2016. However, since the year 2000, China has been increasing its R&D expenditure by a staggering 18% a year while the US witnessed just a 4% annual increase. At this rate, it will not take long for China to invest more than any other country in R&D. In addition, between 2000 and 2014, the number of people graduating with a bachelor's degree in science in China had risen from 359,000 to 1.65 million, compared to 483,000 to 742,000 in the US. In other words, China is on the cusp of becoming the undisputed king of science and technology. China is becoming a role model of R&D activity and productivity!

Measuring effectiveness is much more complex. The general relationship between R&D input indicators and specific socio-economic results is described by an S-type curve. The features of this relationship are: a) There is a threshold. The R&D potential below the threshold cannot accomplish socio-economic tasks. M.M. Qureshi formulated the Development Capability Index (DCI) as

$$\text{DCI} = (\text{GDP/c})^{0.45} \times (\text{GDP})^{0.55} = (\text{R\&D potential})^{0.45} \times (\text{GDP})^{0.55} = (\rho(W))^{0.45} \times (\text{GDP})^{0.55}$$

The essential step is linking GDP/c with the R&D potential and consequently with the number of authors publishing in WoS journals. b) The threshold is given by the following: **$\rho(W) = 100 - 200$/million inhabitants, GNERD/GDP = 0.8 -1.0% and number of scientists and engineers, technicians = 300-500/million inhabitants.**

The R&D potential of the SEE countries is around the threshold and therefore, the essential political goal of these countries and also of the EU is to strengthen the R&D potential of each SEE country so that specific socio-economic objectives can be achieved. We need to clarify three issues at this outset.

First, is the above expression which links DCI and the number of authors publishing in WoS journals reliable? An analysis of Lamy's High Level Group comparing the EU and the USA shows that growth in the EU is larger in all scientific activities, but the EU lags behind the USA in the number of patents and in the value added growth of business economy in high-tech sectors. This seems to contradict the result that Research Excellence leads to prosperity. Interaction between science, technology, market and prosperity is complex. V. Bush in his famous report advocated the science-push model. A few decades later, partly

stimulated by the phenomenon described above which is particularly notable in the UK, the market-pull model was proposed. Actually, interaction evolves in bundles of streams synergistically synthesizing basic research and innovation.

Second, the increasing cost of more and more basic research leads decision makers to suggest setting priorities in a nation's research. While certainly one has to judiciously select among various major experimental facilities, it is necessary to appreciate that even the largest international facilities such as ITER cost less than 0.01% of the world GDP, and as rightly said by Erich Vogt, director of TRIUMF, "*Major experimental facilities today are an expression of our worldview and of our culture as pyramids and cathedrals were centuries ago, and how much of the GDP was devoted to them*." Though it is frequently said that the beginning of the 20th century was determined by breakthroughs in physics and the mid-20th by breakthroughs in biology, we are most likely approaching a time when major breakthroughs will develop in economics and political sciences. This will be characterized by a unity of scientific endeavor—consilience. New technologies always end up becoming social activities. All scientific disciplines have to be developed and this underlines the essential role of universities and academies which need to be intertwined with research centers.

Third, the dilemma: the science-push vs. market-pull debate is sometimes erroneously translated as curiosity-driven vs. applied research. This dilemma is easily resolved by realizing the most curiosity-driven research: x-rays are now the most applied technology, and an attempt to improve the antenna and cleaning birds' excreta finally signalled the birth of our universe. Development of instruments has been a milestone in the history of science.

5. Why International, Why Global?

Throughout our history centers of excellence have always been international attractors and consequently many, often most researchers, professors and students working at these centers have been foreigners. For example, this was so during the Tang dynasty in China, at the University of Paris during the Middle Ages and so it is today. A question we should ask is: is it beneficial and if so, in what way?

Clearly, international co-publications have a greater scientific impact. They have multiple other benefits: facilitating technology transfer, improving all forms of communications and establishing cultural understanding. There is no doubt that international scientific cooperation was at the core of second-track diplomacy as is the case of the Pugwash Movement, and it was the basis of very successful international endeavors such as the Intergovernmental Panel on Climate Change.

Therefore scientific centers of excellence have to be international centers.

6. Case Study: The Ruđer Bošković Institute

To contemplate establishment of an international center of excellence in SEE, it is instructive to analyze the foundation and development of an institute that was established almost 70 years ago in Zagreb. Immediately after the end of World War II, Yugoslavia

established three nuclear institutes: Vinča near Belgrade in 1948, Jožef Stefan Institute in Ljubljana in 1949 and Rudjer Bošković Institute in Zagreb in 1950. Scientists leading these institutes were internationally well-known: Pavle Savić was the collaborator of Irène Joliot-Curie and Frédéric Joliot-Curie, Anton Peterlin later worked at TU München and at Research Triangle Park, N.C. and Ivan Supek collaborated with Heisenberg and later was the founder of the Yugoslav Pugwash Movement and the InterUniversity Center, Dubrovnik. Excellence and international dimension continued to be the essential feature of all three institutes and they are all internationally well-known and several of their professors taught and were researchers at some of the world's best universities. The Nuclear Energy Institute in Bulgaria was founded in Sofia in 1972. The Ruđer Bošković Institute (RBI) was conceived as a nuclear institute with emphasis on nuclear sciences, but it quickly included theoretical physics, solid state physics, physical chemistry, organic chemistry, biology and electronics. During the late 1960s, marine research developed and RBI included an old research institute founded by the Berlin Academy at the end of the 19th century in Rovinj.

Scientometric studies demonstrate that in the period 1960-1975, the scientific productivity of Tito-ruled Yugoslavian scientists was comparable to that of scientists from Austria, Finland, Czechoslovakia, Hungary and Poland. During 1975-1990 it was behind, comparable to Bulgaria, Greece, Ireland, Portugal and Romania. The founding of three nuclear institutes in Yugoslavia has to be certainly credited for this success. Table 5 compares numbers of WoS publications during three periods: 1976-1990, 1991-2004 and 2005-2016 published by scientists from the Ruđer Bošković Institute with the number of papers published by all scientists of Croatia and the number of papers published by scientists working in natural and life sciences and in engineering.

Table 5: Number of WoS Publications

Period	IRB	Croatia (nat+engi)		Croatia (all)	
1976-1990	2.671	6.214	**43%**	7.487	**28%**
1991-2004	3.947	11.822	**33%**	16.309	**24%**
2005-2016	5.845	20.210	**29%**	40.749	**14%**

It is clear that the establishment of the Ruđer Bošković Institute (RBI) gave an impulse to scientific activity and scientific productivity of Croatia. Later, many scientists from the Institute went to universities in Croatia and some continued their career abroad. (Percentages of papers by scientists from RBI with respect to the corresponding total number are in bold.)

Basic features of the three nuclear institutes in Yugoslavia were international cooperation, inter-, multi- and trans-disciplinarity and a large degree of flexibility. Naturally, these features varied among the three institutes. We will now focus on the RBI and mainly on physics since the discussion concerning establishing the SEE International Institute for Sustainable Development is now concentrated on two proposals dealing with synchrotron and hadron radiotherapy. Two features characterize the development of the RBI. One, from the very

beginning, the promotion of physicists was based on international evaluations. Gradually this extended to all disciplines in the RBI. Two, besides full-time employees, RBI opened its facility to scientists from other institutions who worked part-time.

Development of a center of excellence requires concentration on frontline research in certain niches where relative advantage can be found. Physicists from the RBI concentrated on five niches:

1. Few particle studies. The first international conference was held in London in 1959, the next one was held on the Adriatic coast in Brela in 1967, and then a series of international conferences was established every two-three years. Mostly, physicists from RBI were organizers or speakers, e.g. in Los Angeles in 1972, in Santos in 2006, and the Caen conference in 2018. In addition, they were among the initiators of the European Few Particle Community. European conferences were regularly held and the late 1980s saw the collaboration of physicists from RBI, Tübingen and Bochum. The first successful study of the neutron-neutron force was done in Zagreb in 1961, and it led to additional data as to where it would be possible to determine the difference between the masses of the up and down quarks, thereby providing information on charge symmetry breaking. Few particle studies involved extensive international collaborations with UCLA, Rice University, Los Alamos National Laboratory, Naval Research Laboratory, Georgetown University, Duke University, Kyoto University, IKO Amsterdam, Louvain-la-Neuve, Hokkaido University, North Carolina Central University and Vinča Institute. Few nucleon studies were based on the use of the 0.2 MeV Cockcroft-Walton accelerator used as a source of 14 MeV neutrons, on a counter, a 3-dimensional analyzer and on international collaboration with theoretical physicists from the USA, Germany, India, Japan, USSR and later with experimentalists from the USA, the Netherlands, Germany and Belgium. **Within about 6-7 years (1956-1962/3) the group of physicists from the RBI became internationally well-known.** In addition to particle research, fast neutron physics and nuclear reaction mechanism studies achieved international recognition.

2. Radiopharmaceuticals. By the early 1950s, local industry was capable of building a 15 MeV cyclotron. Construction started in 1953, and Tito opened the cyclotron in 1962. Unfortunately, it was impossible to extract the beam and only after accelerating the negative ions could the deuteron beams be extracted in 1972. However, the internal beam was quite adequate to produce radiopharmaceuticals and to initiate studies on neutron radiotherapy. During 1975-1983, ^{67}Ga and ^{81m}Kr were regularly produced and delivered to hospitals throughout Yugoslavia and Austria. In addition, a mathematical model for lung ventilation was developed. During this time RBI was the largest producer of these two radiopharmaceuticals together with Hammersmith Hospital in the UK. The paper on the use of cyclotron in neutron radiotherapy is still one of the most widely read papers. **It took radiopharmaceuticals about 25 years from 1955 to 1980 to achieve international recognition.**

Table 6: Scientific Productivity in Physics and Medical Science

	Articles in Physics		Articles in Medical Science (NSF-Science Indicators)	
	1997	2011	1997	2011
World	84,021	108,551	144,819	182,772
Austria	483	598	1,437	1,515
BG	226	127	67	58
Slovenia	116	216	91	176
UK	4,661	4,321	13,410	12,282
HR	77	104.5	115	192
Serbia		175		194
Montenegro		3.5		
Macedonia	7.7	14.9	5.7	9.5
(fractional credit for authorship)				

3. Computer-constructive visual art was developed between 1968 and 1974 by several electronic engineers led by Vladimir Bonačić working in the nuclear physics lab. 'New Tendencies' were part of a broader European post-informel art movement which included famous Croatian artists, e.g. Ivan Picelj and sculptor Vojin Bakić. The group led by Bonačić extended their activities in Israel and Germany and some of their work are in museums in Zagreb and Karlsruhe.

4. A group of physicists from RBI founded the 'Interdisciplinary Frontline Research Center' in 1985 involving scientists from the Academy and the University of Zagreb. Among its most notable activities were: a) endeavor to locate ITER in Yugoslavia (current project DONES—part of ITER—will most likely be located in Spain, but Croatia will be the prime collaborator); b) including ex-patriots in the Yugoslav R&D program. It was estimated that Diaspora represents about 30% of the national R&D potential; c) establishing Yugoslav Association for the Advancement of Science; d) active participation in the UNESCO 'Reconstruction of Scientific Cooperation in SEE' (1999-2001); e) proposal to establish SEE International Institute for Technology (2003) and f) support to establish the South-East European Division (SEED) of the World Academy of Art and Science (WAAS Fellowship increased from about 15 to over 100).

5. The R. Bošković Institute was founded by a group of professors from the University of Zagreb and the close relationship between the RBI and higher education is a noteworthy feature. Throughout the history of the Institute it has secured the best human resources. Several young researchers from RBI got their PhD with co-mentors from outstanding universities: University of Rochester, MIT and UCLA. The RBI was part of the University of Zagreb for about 10 years in 1980s and during that time several M.Sc. and PhD degrees were awarded.

The essential feature of all these niches was the development of human-resources. It started in 1946 through the seminar on theoretical physics.

7. Conclusion: Plan of Action

Three centers of excellence—The Extreme Light Infrastructure (ELI) —were recently established in Bucharest, Szeged and Prague. The southern SEE countries—from Slovenia and Croatia to Bulgaria and Turkey—have no comparable major centers of excellence. Our analysis clearly demonstrates the imperative to establish a center of excellence, actually at least two centers in southern SEE, one in the West and one in the eastern part of the southern SEE.

Such a center should be focused on sustainable technology to contribute toward the realization of the Sustainable Development Goals—the UN Agenda 2030. From our analysis, particularly the case study of the RBI, it seems that the essential features of these centers of excellence should be multi-, inter- and trans-disciplinary, having a strong connection with higher education and education in general, and since the salient characteristics of the contemporary world are changing fast, it is desirable that the center is flexible. **The establishment of such a center is urgent. It implies that within at most 10 years the center has to be internationally recognized as a center of global excellence.**

It is necessary that the majority of scientists and technicians working in the Institute are local, and by local I mean citizens from SEE countries. Majority means about 60-65% for the first 10 years after which the institute would gradually become more international, but there must always be at least 30-40% local scientists and technicians. Administrative staff have to be kept to a minimum and they do not have to be local. The emphasis on inter- and transdisciplinarity as well as experiences at RBI and elsewhere suggest that it would be advantageous if a fair number of researchers are physicists: about 35-40%. All studies on the future of work stress that employment in all fields, including research, should be flexible, and insist on maximum human capital maintenance and development.

Essential and necessary steps to take are:

1. Identify pillars,
2. Develop human resources and
3. Assure appropriate political drive: both nations and EU should include international action, and secure adequate financial support.

The pillars could be existing nuclear institutes in Slovenia, Croatia, Serbia and Bulgaria, universities, academies, or the noteworthy: The Inter-university Center (IUC) and The International Centre for Sustainable Development of Energy, Water and Environment Systems (SDEWES).

IUC was established in Dubrovnik more than 40 years ago at the initiative of Ivan Supek, then rector of the University of Zagreb, who proposed it at the conference of the International Association of Universities in Montreal in 1970. It includes over 100 universities throughout

the world. Courses, seminars and conferences are regularly organized and IUC is one of the centers of WAAS. The IUC is led by an international board and chairs of the Council and the Executive Board members are scientists from abroad. There were 598 courses and 266 international conferences with 38,881 participants during 1971-1991, and in 2011 there were 45 courses and 11 international conferences with 1,416 participants.

SDEWES is a series of international conferences aimed at promoting and pointing out the need for sustainable development. SDEWES is also a WAAS center. The first conference was organized in 2002, and so far 12 conferences in Dubrovnik, Piran, Ohrid and Rio de Janeiro and on a cruiser have been organized with about 200-500 participants, with 450 papers and about 100 posters per conference, many published in scientific journals and also in their own journal JSDEWES.

Development of human resources should proceed in a three-pronged way. First, joint degrees (essentially Ph.D.) and joint permanent education systems should be established in collaboration with outstanding universities throughout the world. It is interesting that the Zagreb School of Economics and Management, a mono-disciplinary private university, has initiated a joint PhD program with the Sheffield Hallam University, UK. During Tito's rule in Yugoslavia, the University of Zagreb attracted thousands of foreign students. Unfortunately, this number is now much smaller. Second, frontline research should be encouraged and concentration on certain niches based on the pillars outlined above should be emphasized. Strong support should be given to CERIC-ERIC (Central European Research Infrastructure Consortium) which includes centres in Trieste, Ljubljana, Krakow, Prague, Budapest, Zagreb, Belgrade and Bucharest. Due to fast changes with a characteristic time of about or less than 10 years, there should be some diversity among these niches. One example of an outstanding project is DONES and all support should be given to assure its full development. Third, development of human resources across scientific disciplines is necessary, education should become innovative at all levels and systems must be established to develop the right instruments.

The Lisbon Strategy for growth and competitiveness agreed on March 23-24, 2000, defined a strategic goal that the EU should become in the next decade the most competitive and dynamic knowledge-based economy in the world. Obviously, more time is needed and certainly the 'vacuum' in the southern SEE countries has to be quickly corrected. How much financial investment is required and through whom and how should it be provided? It is clear that a major EU endeavor is needed! A well-defined political decision and directive are necessary, including proper financial support. Financial support can come from the EU, from international sources (e.g. IAEA), from national and private sources. Experience with private and even private-public funding has not been very good so far. For instance, a private medical center 'Medicol' in Zagreb is using the building where the RBI cyclotron was located. A small cyclotron is being used to produce F-FDG, but there is absolutely no research. It is an entirely commercial activity with focused medical application. International sources can currently provide only a small fraction of financial help, so financial support has to be assured from the EU and national sources, with some possible support from interested major economies of the world. Starting with the investment in ELI (each about €400 million,

to be followed e.g. in Romania by the center on Danube with about €200 million and an ICT center requiring €100 million) one can conclude that a €200-400 million investment should be made for the founding of the South-East European International Institute for Sustainable Technology. **All of this should come from the EU while costs towards the continuous maintenance of the institute should be borne by the host country. This would help them reach the necessary 3% level of the GNERD/GDP.** For instance, the GDP of Croatia is about 40G€ and assuming 3% of GDP is allocated to GNERD, it amounts to 1.2G€. A reasonable fraction of about 25% would suffice for maintenance of the SEEIIST.

At a recent conference in Trieste, two alternative types of facilities for the SEEIIST were outlined: synchrotron and hadron radiotherapy. Bulgaria declared its interest in hadron radiotherapy. Since for western SEE countries facilities in Trieste and other cities in Austria and Italy as well as CERN are much more convenient, it can hardly be justified that they would be focused on using facilities in eastern SEE and/or build a facility similar to those that already exist in Italy and Austria. It seems that it would be strategically appropriate to contemplate a center in the western SEE focused on sustainable technologies (where SDEWES is ideal), linked with education (and IUC is appropriate), sea, marine and habitat research (there are centers along the Adriatic), sustainable energy sources including energy storage and related robotics. **Clearly, such a centre could be established and it could reach international recognition within the next 6-10 years.**

In summary:

- **Step 1:** Clear political decision to establish two centers in southern SEE: one focused on SDEWES, sea, marine, habitat research, sustainable energy sources including energy storage and related robotics, on IUC in western SEE, and another on hadron radiotherapy in Bulgaria. Decisions about appropriate funding from individual countries and from the EU should be quickly and wisely made.

- **Step 2:** Human resources development should emphasize joint degrees and simultaneously, support for CERIC-ERIC and DONES endeavors.

The existing Western Balkans Research and Innovation Strategy Exercise (WISE) could be intertwined with both steps.

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Scientific Reversal in the Offing?

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Abstract

Quantum physics with quantum entanglement as its crown, has shaken up science as we knew it. 'Is another powerful change in the offing?,' we can ask. The consequences of implementing the universal truth that 'the force is (always) anterior to the instrument' into our general scientific approach, will be phenomenal and earthshaking. As it reverses the cause and effect: from 'matter to consciousness', it turns into 'from consciousness to matter'. It opens the possibility of marrying science with the science of life on an equal footing. It can propel life as we know it to unknown heights and usher harmony and unity as first principles.

1. Introduction

The moment we implement that 'force is anterior to the instrument' in our scientific approach as a basic, self-evident truth or axiom, science will be reborn into a new scientific reality.

"Can the next step be science changing its view and approach from 'matter is the beginning of everything' to 'consciousness is the source and force behind our reality'?"

2. Force and Instrument

An instrument uses a force, adapts a force but never creates a new force. Without a force there can be no instrument. Still we look at the instrument body or brain and presume it creates the force consciousness. But the force consciousness should be anterior to the instrument human being. Consciousness should have created brain, the instrument, for its use to issue thought.

Mental consciousness should be behind its physical expressions in our brain which we associate with thoughts. Vital consciousness behind feelings and their expressions in our body. Physical consciousness behind the perfect expressions in health and continuity of our body. It follows that the brain cannot produce thoughts neither together with our glands feelings nor together with our nerves pain as it is only an instrument. It is like the car that feels ecstatic about his excellent driving, not being aware of the driver and his skills and mind that decides all the car does.

3. Involution and Evolution

Consciousness first! It is consciousness that uses matter as its instrument.

The first question that arises is: matter existed first in our universe and consciousness appeared long afterwards in the form of life and still later in the form of mind, so how can consciousness be first?

The only rational explanation can be: before the start of the evolution there must have been a process of involution. It explains why the universe was not created out of nothing but started at the point where the process of involution reversed into a process of evolution. The turning point we have observed as the Big Bang.

"The science of consciousness can open us to the knowledge of so many levels of consciousness by making them accessible."

4. Process of Awakening

It further explains that life is latent in matter and mind latent and involved in life and matter. It shows that evolution is a process of awakening as we see in seeds where the future being is involved and evolves out of it.

5. One Next Step

This process of awakening is gaining speed before our eyes. What are the next steps of this awakening, one can ask. Can a next step be science changing its view and approach from 'matter is the beginning of everything' to 'consciousness is the source and force behind our reality'? Many things will follow that change of view. The science of life can take the lead and flower. The science of consciousness can open us to the knowledge of so many levels of consciousness by making them accessible. Man will be given its rights that go with being the head of the evolution. Matter, not technology, nor artificial intelligence (AI), will be the main determinant of the future of earthly life, it is man and his evolving consciousness that is and will be the determining force.

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Research on Europeanization in Literature:
From the Top-down Approach to Europeanization as a Multi-directional Process

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Abstract

Europeanization is a highly complex phenomenon researched through various approaches, methodological frames and concepts. One of the leading discussions in literature is whether Europeanization happens as a top-down or a bottom-up phenomenon. At the same time, other approaches emerge and Europeanization is increasingly being researched as a multi-directional process, which incorporates both perspectives. This article gives an outline of three leading approaches to the Europeanization research—top-down, bottom-up, multidirectional—aimed at providing insights that might be useful in the task of designing the research. It opens with the overview of the most influential definitions of Europeanization in literature, followed by the description of three leading approaches to Europeanization research and concludes with the argument that some common challenges and pitfalls of research might be overcome by designing the research based on the multi-directional approach, using methodological frame and tools developed by researchers within that perspective.

1. Definitions of Europeanization in Literature

The definitions and conceptualizations of Europeanization in literature can be divided into a group that includes the process of political integration, and a group that strictly distinguishes the process of European integration as pre-ontological (Radelli, 2003) and defines Europeanization as a process, situation or reaction once institutions are in place. The first group defines Europeanization rather broadly.

Olsen, thus, defining it as a phenomenon with many faces, contextually classifies Europeanization into five categories (2002):

1. Europeanization as changes in external territorial boundaries—EU enlargement;

2. Europeanization as the development of institutions of governance at the European level;

3.   Europeanization as central penetration of national and sub-national systems of governance;

4.   Europeanization as exporting forms of political organization and governance that are typical and distinct for Europe beyond the European territory;

5.   Europeanization as a political project aiming at a unified and politically stronger Europe.

Grubiša (2006) expands Olsen's classification with "retrospective" Europeanization, which combines identification with cultural and political European heritage. Belonging to the European circle is defined by identifying with the common history and unity of European states in the age of countering non-European threats. This classification could further be expanded by adding a definition of Europeanization which includes diffusion of ideas and concepts, both outside and inside the EU territorial borders, and within each dimension of political research—politics, polity and policy.

Vivien Schmidt (2009) defines Europeanization strictly as a "top-down influence of the EU on its member states", while European integration is a separate, bottom-up process. Buller and Gamble (2002) ascertained five definitions or ways in which the term can be defined: 1) development of governing institutions at the EU level; 2) exporting distinctive forms of governance and organisation outside the EU territorial borders; 3) political unification of Europe; 4) process by which domestic policies become more and more subject to the EU policies; 5) "smokescreen" for domestic maneuvers.

One of the earliest concrete definitions of Europeanization as a process once institutions are put in place was coined by Ladrech (1994): "Europeanization is an incremental process reorienting the direction and shape of politics to the degree that EC political and economic dynamics become part of the organizational logic of national politics and policy-making." Radaelli (2000) observed that Ladrech is on the right track since he defines Europeanization as a process, but saw shortcomings in his definition which placed too much emphasis on organizations and was limited to national politics and policy. Therefore, he proposed that cognitive and values components be introduced into the definition.

Based on Ladrech's definition, Radaelli (2003) proposed the most influential and most quoted definition of Europeanization: "Processes of (a) construction (b) diffusion and (c) institutionalization of formal and informal rules, procedures, policy paradigms, styles, 'ways of doing things' and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies."

Moumoutzis (2011) later revised Radaelli's definition, adding discourse to the concept. According to his definition, Europeanization is the "process of incorporation in the logic of domestic (national and sub-national) discourse, political structures and public policies of formal and informal rules, procedures, policy paradigms, styles, 'ways of doing things' and shared beliefs and norms that are first defined in the EU policy processes."

Other influential definitions of Europeanization include Börzel (1999): "a process by which domestic policy areas become increasingly subject to European policy-making" and Risse, Cowles and Caporaso (2001): "*the emergence and development at the European level of distinct structures of governance*, that is, of political, legal and social institutions associated with political problem solving that formalizes interactions among the actors, and of policy networks specializing in the creation of authoritative European rules." (italics in original)

Another distinction between definitions of Europeanization in literature is whether researchers approach it from top-down or bottom-up standpoint (or incorporate both approaches). These approaches are analysed in the next part of the article.

2. Conceptualization of Europeanization—Three Approaches to the Research on Europeanization

2.1. Theoretical Evolution

The research on Europeanization can be divided into two phases or generations (Dyson and Goetz, 2003; Bache and Marshall, 2004) based on the shifts in theoretical frames. Europeanization is not a theory, but rather a vague, multifaceted concept, so researchers looked into the new institutionalism as theoretical foundation for research. The first generation approached Europeanization through the lenses of historical institutionalism. In that perspective, Europeanization is an explanatory variable, which influences the domestic level (top-down perspective), and the research is limited to institutions and public policy. Europeanization was approached through the basic premises of the theory—explaining changes through analyses of institutions in time sequences and with "path dependency" as the main concept.

The second generation introduced bottom-up approach and shifted the attention to political processes, with emphasis on changes in informal institutions, such as norms, values, identities, and with focus on political processes (Bache, Marshall, 2004). Europeanization is not an independent variable, but rather a process which should be explained. The second generation research focused on the perspective and the interests of actors and the values and norms framing their actions and interactions. Within that perspective two theoretical approaches to the research on Europeanization emerged—institutionalism of rational choice and social (constructivist) institutionalism.

The rational choice theory approaches Europeanization as a process in which political actors purposefully use EU institutions as a means to promote their interests and it follows the logic of consequence (March and Olsen, 1998; Börzel and Risse, 2000), according to which a misfit or an incompatibility between the research dimension (policy, polity, politics) at the EU and domestic level opens new opportunities for redistribution of power at the domestic level. Whether this new opportunity will be used and redistribution of power will occur, depends on two intervening variables: the existence of multiple veto points, which might empower actors to resist change, and on the other hand, the existence of certain formal

institutions might provide actors with recourses which enable them to use opportunities and, thus, lead to change (Börzel and Risse, 2000).

The socialist or constructivist approach focuses on the cognitive component of Europeanization, with focus on social norms, socializations, values and, most recently, discourse. The constructivist approach follows the logic of appropriateness, according to which European norms, values and policies lead to change at the domestic level because they differ and even "clash" with domestic norms, values and policies. Two intervening factors which determine the scope and degree of adaptation are: a) "change agents" that are able to mobilize and persuade the public to change and b) political culture and other informal institutions which facilitate consensus building (March and Olsen, 1998; Börzel and Risse, 2000).

Börzel and Risse (2000) point out that these two logical arguments are not mutually exclusive and can often exist simultaneously or in different phases of the Europeanization process. More recently, some scholars argue for development of metatheory in Europeanization research (e.g. Bache, Bulmer, Gunay, 2011) and others advocate incorporating social and rational choice institutionalism (Börzel and Risse, 2003) into "analytic eclecticism" (Sil and Katzenstein, 2010), which does not assume synthetizing two theories, but rather follows the logic of "multiplicity of connections between the different mechanisms and social processes analysed in isolation in separate traditions."

The following section will outline three leading approaches to the research of Europeanization: top-down, bottom-up and circular (multi-directional) approach. The top-down approach is mostly framed within the perspective of historical institutionalism, while bottom-up and multi-directional approaches use all three theories to explain Europeanization.

2.2. Top-down Approach

The top-down approach considers Europeanization as a reaction to the influence at the EU level and thus defines the concept as an independent, explanatory variable. One of the most influential conceptualizations of Europeanization from the top-down perspective is the definition by Buller and Gamble (2002), according to which Europeanization is a situation in which distinctive forms of European governments transform aspects of domestic policy. *Differentia specifica* of their definition, according to the authors themselves, is that it understands Europeanization as a "situation" rather than a process. Buller and Gamble argue that it enables researchers to define Europeanization more clearly and explicitly by answering the questions whether it even exists and how it can be detected. The other crucial characteristic of their approach is transformation—change is a necessary condition; inertia or retrenchment (Radaelli, 2000, 2004) is thus not considered as an effect of Europeanization.

Bache and Marshall (2004) define Europeanization as "redirection or reframing of domestic politics in ways that reflect policies, practice and preferences of actors and institutions on EU level". Furthermore, they determine the distinction between direct and indirect, as well as voluntary and involuntary, Europeanization. Based on thus defined distinctions they designed a top-down typology of Europeanization (See Table 1)

Table 1: Types of Europeanization Effects. Source: Bache and Marshall (2004)

	Voluntary	**Involuntary**
Direct	Intended EU influence without the resistance of dominant domestic actors	Intended EU influence with the resistance of dominant domestic actors
Indirect	Unintended EU influence without the resistance of dominant domestic actors	Spillover as a consequence of direct involuntary Europeanization in other areas

Common to all top-down definitions of Europeanization is that they view the pressure to change at the EU level as a necessary condition for Europeanization to occur. The most influential typology of EU instruments that can lead to change at the domestic level was provided by Knill and Lehkmull (1999). Their typology distinguishes between three types of pressure or "mechanisms of Europeanization". The first mechanism is "positive integration", which includes certain set of rules or criteria set at the EU level, which member states should follow or meet. The terms which explain the level of adaptation or change are institutional capacity and goodness of fit.

The second mechanism is "negative integration" which presumes removing certain obstacles in domestic legislation, i.e. liberalisation and deregulation. In this case there are no rules to follow and domestic change is produced by removing certain legal obstacles. The third mechanism is "framing integration" which happens in areas of very limited EU competences. Radaelli (2004) calls this mechanism "facilitated coordination". The mechanism is in fact an open method of coordination (OMC), which functions as a certain discussion forum and platform for policy transfer. This mechanism brings about change by changing beliefs and expectations of relevant actors in a way that corresponds to intended changes (Knill and Lehkmull, 1999).

2.3. Bottom-up Approach

The bottom-up perspective emerged as an additional research framework since, as Europeanization research developed, it became evident that the top-down approach with pressure from EU as a leading independent variable cannot explain all domestic changes.

The bottom-up approach analyses the domestic level before the EU pressure begins and then follows participation of the country in negotiations at the EU level, ending with the process of implementing EU regulation (Radaelli, 2004). Instead of starting at the level of EU policies and then following their influence on domestic policies and actors, it begins and ends at the level of domestic political interactions.

According to Radaelli (2004), by using causal sequences, the bottom-up approach analyses whether (and when) the EU level leads to changes in one of the main components of the system of interaction. As demonstrated in Figure 1, bottom-up Europeanization begins and ends at the domestic level.

Figure 1. Three approaches to Europeanization (Extracted from Radaelli, 2004)

Domestic level → EU (EU integration)

EU → domestic level (top-down)

Domestic level → domestic level (bottom-up)

↑

European variables
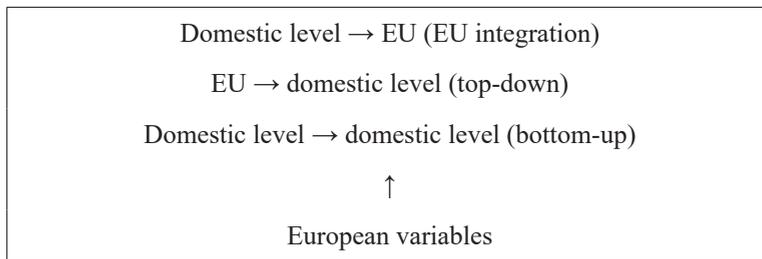
2.4. Europeanization as a Complex Multi-directional Process

In practice, bottom-up and top-down processes often take place simultaneously: on the one hand EU policies are being adopted and implemented and, on the other, domestic actors participate in policy-making and standard-development (Radaelli, 2004). That notion led to a new, more complex understanding of Europeanization as a circular process happening in multiple directions.

Jacquot and Woll (2003) define Europeanization as a result of interactions between actors and institutions at the national and the EU levels. Relying on constructivist approach, they explain how non-state actors can create Europeanization, as opposed to merely reacting by using material and non-material EU resources to produce domestic changes.

Dyson and Goetz (2003) developed the circular concept of Europeanization defining it as a "top-down and bottom-up process in which domestic polity, politics and public policies are shaped by European integration and in which domestic actors use European integration to shape the domestic arena. It may produce either continuity or change and potentially variable and contingent outcomes". They thus conceptualize Europeanization as a process broader than European integration, but point out that the two terms should be carefully separated by distinguishing "defining" properties from "accompanying" properties.

As Radaelli (2004) warns, the different approaches to Europeanization research are not mutually exclusive; on the contrary, most scholars use more than one perspective. Drawing on current literature, Radaelli (2004) identified three elements crucial for designing the Europeanization research:

a. Europeanization happens when the logic of domestic political actors changes;
b. Europeanization is a change, both a reaction to pressure and the use of EU resources without the pressure;
c. Europeanization is a process which includes complex sequences and timeframes.

Basing the understanding of Europeanization on these three elements solves, according to Radaelli, the confusion between "uploading" and "downloading" in the process. Therefore, it is necessary to begin with the domestic level and include intervening time variables in order to conclude whether change is a result of Europeanization or it is brought about by the influence of other factors.

Radaelli (2004) points out that Europeanization covers both vertical and horizontal processes and dynamics. The EU provides a context, cognitive and normative frame, opportunities for the socialisation of domestic actors, who, in turn, produce mutual exchange of ideas, power and policies. Accordingly, Europeanization involves both the pressure and utilisation of material and non-material EU resources by domestic actors. However, according to Radaelli, only the bottom-up approach can give unequivocal answer to the question whether change is the result of pressure or of motives and activities of domestic actors.

> *"A conceptual analysis of Europeanization cannot be limited to narrow definitions."*

Europeanization is, therefore, in Radaelli's concept, a multi-directional process and the crucial determinant is not direction, but rather the system of interactions at the domestic level. With or without the EU's pressure, this system of interactions is the crucial intervening variable explaining the process of Europeanization.

3. Conceptualisation of Europeanization as a Research Tool within the Circular Perspective

In the following section, the article analyses the conceptualization of Europeanization developed by Claudio Radaelli as an important methodological tool within this approach. As Radaelli and Pasquier rightly warn, a conceptual analysis of Europeanization cannot be limited to narrow definitions, even though they may be an important basis for operationalization of the concept (2007). Based on the notions of multi-directional approach to Europeanization in an analytical frame, Radaelli (2000) designed a highly sophisticated research tool for conceptualizing Europeanization, while most other attempts mainly remained at the level of definition or broader approach to Europeanization (top-down, bottom-up). Borrowing from Sartori (1970) and his concept of the "ladder of abstraction", Radaelli defines the concept by its two basic aspects—extension and intension. Intension refers to the collection of attributes covered by a concept, while extension represents the class of entities to which a concept applies. These two aspects are inversely proportional—the more attributes are included in the concept, the less empirical cases it applies to. As Radaelli suggests, further research should give more attention to the intension of the Europeanization concept. That would minimize the risk of conceptual stretching and what Radaelli calls "degreeism", which occurs when differences in kind are mistaken for different degrees.

> *"There would be no Europeanization without European integration."*

Radaelli further warns that it is difficult to define Europeanization without clearly demarcated borders, which means that it is necessary to determine what Europeanization does not include. Connotative precision is crucial for setting research design and establishing a causal relationship in Europeanization research. This, however, does not mean that the researcher should limit their research to only a few aspects of Europeanization. In order

to ensure that, Radaelli developed a research strategy for conceptualizing Europeanization which he, again borrowing from Sartori (1970), termed "unpacking".

Table 2: Taxonomy of Europeanization Research (Source: Radaelli, 2000)

Domain of Europeanization	Extent and Direction
	Inertia, absorption, transformation, retrenchment

Domestic Structures

  1. Political Structures

  • Institutions (e.g. relations between executive and parliament)
  • Public management
  • Relations between national governments and regional governments
  • Legal structure

  2. Structure of Representation and Cleavages

  • Political parties
  • Pressure groups
  • Structures of socio-political cleavages

  3. Cognitive and Normative Structures

  • Discourse on Europe
  • Norms and values
  • Political legitimacy
  • Identities
  • State traditions – the way of understanding governance

Public Policy

  • Actors
  • Style
  • Instruments
  • Resources
  • Cognitive structures of policy
  • Paradigms
  • Frames
  • Narratives
  • Policy discourse (Legitimacy)

To answer the question what Europeanization is not, within the "unpacking" strategy, Radaelli distinguishes the term from convergence, harmonization and political integration

(2000). Convergence can be a consequence of Europeanization, which, according to Radaelli, is a process. Further, Europeanization can also produce divergence. Europeanization is not harmonization either as it presumes diminishment of differences, which is not necessarily an effect of Europeanization. Europeanization should also be differentiated from political integration, even if, as Radaelli admits, there is no Europeanization without European integration (2000). However, the concept of integration belongs to the ontological phase of research which attempts to understand the process of sovereignty transfer from member states to the EU institutions. Meanwhile, the concept of Europeanization is post-ontological and addresses the issue of what happens after the institutions are in place and produce certain effects. In the strategy of "unpacking" the concept and defining the taxonomy of Europeanization research, Radaelli poses two crucial questions: a) what is Europeanized (the domains in which the effects of Europeanisations are expected to materialize)? and b) to what extent has Europeanization happened (scope and direction)? Based on these two questions, Radaelli proposes a taxonomy as described in Table 2.

Radaelli's taxonomy provides an analytical tool, which allows for connotative precision and helps avoid conceptual stretching, without having to sacrifice and limit the scope of Europeanization research. However, Radaelli (2000) does not claim that this taxonomy is enough; Europeanization research has to further develop causal mechanisms of change.

4. Concluding Remarks: Case for a Multi-directional Approach to Europeanization

Most of the research on Europeanization in literature is still performed within the top-down approach. The reasons are many, but one of the most important is the methodological simplicity it provides. However, research design positioning EU's influence with an independent and domestic impact as a dependent variable, and with Europeanization being a one-dimensional and one-directional influence from the EU level to the domestic level, may very well be too simple. As the process allows only one direction, from the EU to the state level, the top-down approach ignores the influence of domestic actors and their interactions, and thus fails to include one of the key variables in the research. Another issue with the top-down approach is its implicit premise that Europeanization happens only if harmonization occurs with the EU's "way of doing things" (Radaelli, 2000). As Radaelli (2000) demonstrated, Europeanization takes place even in the case of divergence, inertia or retrenchment.

The alternative—bottom-up perspective—is not methodologically solid enough to be able to explain Europeanization on its own, since Europeanization inevitably entails EU—with impact at the domestic level—at one point or another. Furthermore, the bottom-up approach makes it hard to draw the line between concepts of European integration and Europeanization, which are crucial for the conceptualization of Europeanization research (Radaelli, 2000).

In order to be able to grasp the full scope and direction of Europeanization, and take all relevant factors and variables into account, Europeanization research should move beyond this dichotomy of "uploading" and "downloading". A step in the right direction is to make efforts to reconcile the two perspectives by incorporating top-down and bottom-up approaches (Börzel, 2002; Graziano and Vink, 2007, 2013) and to frame Europeanization

as a process that happens in different directions, within complex sequences and time frames (Radaelli, 2003, 2004).

The two main challenges of Europeanization research, overestimating the influence of EU over domestic policy and politics, and assuming that every change similar to the EU propositions happens under the influence of Europeanization (Radaelli and Pasquier, 2007), can be overcome with the help of the analytical frame available if Europeanization is approached as a multi-directional process. Viewed as such, Europeanization is not an independent variable explaining every change, but a process to be explained, and its research should take into account both influence at the EU level and the domestic level, analysing horizontal and vertical interactions within certain, carefully chosen timeframes. Thus defined, the method of research enables the researcher to establish a stronger causal relationship with the research on Europeanization, avoiding the risk of ignoring crucial variables.

This approach is not without challenges of its own, as it brings more complexity into the research, which can lead to methodological and analytical confusion. Major challenges arise from possible conceptual misinformation and the consequences that circular design might pose for the relationship between dependent and independent variables, as Radaelli warned (2000, 2003, 2004). That is why the researcher should take all available steps to design the research with parameters that are as clearly and as precisely defined as possible. For Europeanization research, especially in circular research design, conceptual precision is of great essence. As literature offers a wide array of concepts and definitions of Europeanization, the key to a solid research design is analytical and methodological precision and strict demarcation of the concept of Europeanization. A valuable methodological tool for this task was developed by Radaelli (2000), who offered the taxonomy for "unpacking" Europeanization into less extensive, but more precise and controllable segments.

To avoid the confusion between independent and dependent variables, which might occur due to the changes in the perspective and circular nature of research, Europeanization should be analyzed, as Radaelli (e.g. 2003, 2004) advised, in sequences, with each sequence using either the top-down or bottom-up approach. This is similar to a methodological strategy which is in literature known as "bracketing" and was initially used in the constructivist research on international relations (e.g. Wendt, 1999).

Europeanization indeed has many faces, as Olsen (2002) famously wrote. Complexity and scope of the phenomenon call for a highly sophisticated research methodology—we want to be able to research all its "faces", but with proper analytical tools. Multi-level approach, combining both top-down and bottom-up approaches in carefully designed time frames, for all its potential methodological risks, might be a promising tool in that direction.

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International Competitiveness and its threat to Democracy and the Planet

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Abstract

When considering governments' failure to act on global problems such as climate change, the comment often heard is "all that is required is the political will"; the implication being that governments are somehow negligent, irresponsible and do not care sufficiently about such issues. The article explains that it is not that governments do not want to solve these problems but that their need to keep their economies internationally competitive in the global market means that they cannot. Solving global problems inevitably means higher taxes and tighter regulations. But any government moving much in advance of others risks damaging its own national economy, risking the uncompetitiveness of its industries, a loss of jobs and political support. The result, predictably, is only inadequate incremental action while global problems are consequently left to worsen. No government can move first, a dilemma the article refers to as Destructive Global Competition. It goes on to outline an international political campaign designed to resolve the dilemma known as The Simultaneous Policy (Simpol). Already operating in a number of countries around the world, Simpol invites citizens to use their right to vote in a new way capable of driving politicians, political parties and eventually governments towards substantive global cooperation and a solution to global problems.

1. Destructive Global Competition—its effect on Governments and on Global Problem-solving

Neoliberalism and the doctrine of international competitiveness gained hold during the 1970s. They were implemented through deliberate policy choices on the part of national politicians, notably U.S. President Ronald Reagan and UK Prime Minister Margaret Thatcher. But the central argument of this essay is that, from around the mid-1980s onwards, the implementation of neoliberal policies ceased to be the free choice of governments.

Once globalization had reached a certain level of integration and intensity, once the global market—and especially financial markets—had developed to a certain critical tipping point, the global competitive pressures that this created were *themselves* sufficient to automatically drive governments towards an ever-deeper application of neoliberal policies. These pressures themselves constitute a vicious circle which, through the ability of capital to move across national borders, is now self-sustaining. In my new book, *The Simpol Solution*, co-written with psycho-historian Nick Duffell, we call this vicious circle *Destructive Global Competition* (DGC).[*]

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[*] For more information on the book, please go to http://www.simpol.org/index.php?id=545

As a result, governments are now unable to address seriously the global problems that confront humanity such as climate change, wealth inequality and mass migration. It is not that they do not *want* to act on these issues, but that they *cannot*. A careful reading of almost any serious newspaper offers a wealth of examples of how DGC prevents governments from acting adequately.

Let us start with the topic of climate change. The public knows that climate change represents a very serious threat and hopes that governments will implement the commitments they made at the COP 21 Paris climate agreement reached in December 2015. But, will they? The agreement reached was hailed as historic, but, crucially, its most vital clauses— especially the adherence to emissions-reduction targets—are not binding. How realistic is it to expect substantive action when the cause of governments' inaction—DGC—remains firmly in place?

For any government, substantially cutting carbon emissions inescapably means implementing much tougher emissions regulations and higher business taxes, but any government that did so in advance of other governments would only force its corporations to move production and thousands of jobs elsewhere. Global markets, likewise, would punish any nation that significantly increased its businesses' costs much beyond levels in other countries because this would make its economy less attractive to investors. The 2015 Paris agreement rests on the hope that all nations will move more or less together, avoiding these risks. But the non-binding nature of the agreement means that all governments are likely to remain extremely cautious. With every government needing to maintain or enhance its international competitiveness, only minimal action can result.

This manifestation of DGC is rarely recognized, but the few economists that do sometimes refer to it as 'regulatory chill'.[1] Governments are 'chilled', only able to take relatively small steps but not the really large strides needed. Global warming, consequently, is left to worsen.

A similar situation prevails over corporation tax. At a time when corporate profits remain buoyant while the ability of governments to tax corporations to provide vital public services is declining, DGC only reinforces the problem.

In contrast to the static regulatory chill that besets climate negotiations, here we see how DGC often has a dynamic effect. It places governments in a vicious circle in which each is forced to respond in tit-for-tat fashion. The result being that other governments will be forced to join the race to the bottom. Michael Devereux of the Oxford University Centre for Business Taxation foresees that corporation tax may continue to diminish while governments remain locked in competition and fail to find the political will to apply any long-term solution to the allocation of international profits.[2]

One of the key functions of governments—the funding of public services through tax collection—is thus severely undermined by DGC. With corporation and other taxes on globally mobile entities no longer offering adequate sources of revenue, governments have been forced to shrink public spending while shifting the tax burden on to individuals,

especially the middle and working classes who cannot easily move elsewhere, and the gap between rich and poor inevitably widens.[*]

The fear of losing jobs and investment—the fear of becoming uncompetitive—once again leaves governments trumped. The values of human rights, social equity and economic justice are neatly subverted, not by governmental laxness but because politicians have no choice.

Given just how disastrous the crisis was, considerable speculation arose among politicians and in the media as to whether neoliberalism might be abandoned or even whether capitalism as we know it had perhaps reached its limit. But such speculation, I contend, is premised on a false assumption that, just because neoliberal policies were implemented deliberately in the 1970s and 80s, they can just as deliberately be reversed.

This is to completely misunderstand the global nature of DGC. DGC has taken on a momentum all its own, and it cannot be stopped by any government. Operating transnationally as a vicious circle, it is just too ubiquitous, too powerful. This is why, despite the crash, the only story in town has been getting back to business as usual.

2. Destructive Global Competition—Democracy becomes Pseudo-democracy

Let us now turn to how the pursuit of international competitiveness undermines democracy. The feeling that democracy has lost its lustre is, by now, a widespread complaint that affects citizens in many countries around the world. Voter apathy, anti-establishment sentiment and a resort to more extreme political parties are phenomena that now stalk all Western democracies, Brexit and the election of Donald Trump included. But DGC makes this inevitable.

Since the global free-movement of capital and corporations forces governments to do whatever is necessary to maintain the international competitiveness of their respective national economies, the policies available to them have become restricted to a very narrow, centre-right, market-and-business-friendly range. Any party in power attempting to veer beyond that range would only make its country's economy *un*competitive and eventually risk capital flight and bankruptcy, which cannot be an option.

In this way, DGC has reduced national democracy to a narrow political monoculture. It is hardly surprising that the distinctions between political parties get eroded and that, in every nation, we find left-of-centre parties adopting policies traditionally espoused by right-of-centre parties. This is why, for example, New Labour's Tony Blair was often said to be the best Conservative leader since Margaret Thatcher, or, as former Conservative Prime Minister John Major quipped: 'I went swimming leaving my clothes on the bank, and when I came back Tony Blair was wearing them.'[†]

Under the new ultra-narrow politics that DGC dictates, politicians and political parties are effectively no longer free to choose their political stance according to their convictions.

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[*] See, for example, Oxfam's Report, *Wealth: Having it All and Wanting More*. http://policy-practice.oxfam.org.uk/publications/wealth-having-it-all-and-wanting-more-338125

[†] See *The Guardian*, https://www.theguardian.com/theguardian/1999/oct/14/features11.g23

Instead, DGC dictates it to them. This is what the former French President, Francois Hollande, found to his cost after coming to power in 2012. Having initially attempted to implement the centre-left policy platform he had been elected on, he soon found France's economy becoming uncompetitive as inward investment dried up and capital and jobs moved elsewhere. Quickly, he found himself compelled to shift his stance to the centre-right.

"Instead of appealing to the moral duty of governments to solve global problems, Simpol's approach is to remove the barriers which prevent cooperation."

The message to citizens ought, by now, to be clear: whatever you vote—left, right or what-not—you get the same competitiveness agenda regardless.

The fact that DGC has rendered left-of-centre policies impractical is an important reason why parties on the centre-left in many countries find themselves in turmoil and riven by division. DGC has driven a wedge between those willing to submit to the competitiveness agenda and those who refuse to. In the run-up to the 2016 U.S Presidential election this was reflected in the split between Democrats who supported Hillary Clinton, the candidate set to maintain the competitiveness agenda, and those who preferred the more left-wing Bernie Sanders who broadly rejected it. In the UK, at the time of writing, the division is expressed through two divisions of the Labour Party, the 'Blairite' centrist, pro-business wing and the 'Corbynite' traditional socialist wing. The former insist that the latter are unrealistic and unelectable, while they, in turn, insist the Blairites no longer stand for authentic Labour values.

Both sides are right in their criticisms, but both are also profoundly mistaken in their macro analysis. Electing a Blairite Labour Party, or a President Clinton, would only produce more of the same market-and-business-friendly policies that DGC demands, politics as usual and the world firmly headed on its present disastrous course. Yet if we elected a Jeremy Corbyn, a Bernie Sanders, or a Green Party we would find that they—like François Hollande—would have no choice but to quickly backtrack to policies that keep the country competitive. Whichever road is chosen, DGC sits quietly and confidently at the end of both.

Although the supporters of Brexit, Trump and other nationalist/protectionist policies hope for an improvement in their condition, DGC will ensure they remain frustrated, pushing them even further towards the far-right. Donald Trump, for example, has implemented tariffs against Chinese imports. But more generally he is likely to stick fairly closely to a neoliberal, free-trade agenda in order to keep the U.S. economy internationally competitive.

Electing more extreme candidates, whether from the political right or left, is unlikely to make much difference. DGC, as ever, stays firmly in control. As a result, democracy has been subtly, but substantively, degraded and has been reduced to what I am calling *pseudo-democracy.*

It is therefore little wonder that today's modern pseudo-democracies are characterized, on the one hand, by chronic voter apathy and, on the other, by a resurgence of anti-establishment or far-right political parties.* The implications are frighteningly clear: our governments are impotent, and so are we citizens.

So, can anything be done about this perilous situation?

3. Escaping DGC's Vicious Circle: the Simultaneous Policy (Simpol) Campaign

To release governments from the tyranny of DGC and to solve urgent global problems, the Simultaneous Policy (Simpol) campaign was launched in the UK in 2000. It offers real hope of overcoming DGC and pseudo-democracy while opening the way to a just and sustainable future.

Simpol is based on a completely new way of thinking. Instead of appealing to the moral duty of governments to solve global problems, Simpol's approach is to remove the barriers which prevent cooperation. The idea is to provide a process and campaign that encourage cooperation in each nation's immediate *self*-interest.

Solving global problems on the basis of national self-interest requires the inclusion of three key attributes:

1. Simultaneous Implementation: The simultaneous implementation of agreed policies by all or sufficient nations is a direct response to the vicious circle of DGC. By implementing detailed global problem-solving policies at the same time, global coverage is achieved while the fears and risks of moving first are eliminated: every nation moves together; everyone wins.

2. Multi-issue Policy Framework: To vastly increase the chances of substantive cooperation, Simpol incorporates multi-issue policy packages, so that what a nation loses on one issue, it can win on another. The losers on a climate agreement, for example, could be compensated by revenues from a currency transactions tax, potentially taking immediate action in every nation's self-interest. And if the agreement is in their interests, so will be the inclusion of verification and enforcement measures. National sovereignty remains protected, because only policies requiring simultaneous implementation are included.

Simpol, then, is a series of multi-issue policy packages for addressing current and emerging global challenges with each policy package to be implemented simultaneously by all or sufficient nations on precisely the same date.

3. A New Way for Citizens to Compel Politicians and Governments towards Cooperation: Some politicians and governments will see the common sense of such an approach. But many will not. Simpol therefore includes an active campaign that engages civil society in a way that overcomes pseudo-democracy and compels national governments towards global cooperation.

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* See *Voter Turnout Since 1945 – A Global Report*.

4. The Simpol Campaign

The campaign's initial aim is to get politicians, political parties and governments to sign a Pledge to implement Simpol (the Pledge).[*] This commits them to simultaneously implement Simpol's policy packages, subject to all or sufficient other governments also signing, and subject to the policy packages eventually being agreed. It is therefore a commitment only in principle at this stage.

The Simpol campaign develops first in democratic countries. The governments of non-democratic countries can join at any time but would be invited to join especially once support in democratic countries is already well developed.

In democratic countries, national Simpol organisations encourage citizens to join the campaign. Citizens who join agree to "give strong voting preference at all future national elections to politicians or political parties who have signed the Pledge, to the probable exclusion of those who don't". As citizens join, their relevant MP(s) or political parties are informed accordingly. As numbers grow, supporters in each country become a powerful voting bloc.

For politicians or parties, signing means potentially gaining the additional votes of Simpol's voting bloc. But failing to sign means potentially losing out to competitors who signed instead. The larger the bloc becomes, the less politicians and parties will be able to resist. When an entire political party that wishes to sign it formally adopts the Party Resolution[†], Simpol is thus made an official part of its policy, thereby requiring all its candidates to sign the Pledge.

If a pledged party becomes the government, it is required to legislate that commitment-in-principle into law. Should it not do so, it runs a risk: the Simpol voting bloc would be unlikely ever to trust it again, so potentially jeopardizing its future electoral chances. Thus, for any politician or party, cancelling its commitment or not fulfilling it is simply not in their interests.

4.1. The Campaign's Actual Progress

Citizens can join the Simpol campaign online at any time free of charge. If this occurs in the run-up to an election, the national Simpol organisation concerned sends a message on the supporter's behalf to all the candidates standing in his/her constituency (as electoral areas are known in the UK). Candidates are informed that the supporter will be giving "strong voting preference at all future national elections to politicians or political parties who have signed the Pledge, to the probable exclusion of those who don't".

For politicians and political parties Simpol is a win–win. Signing the pledge at this stage represents their support for Simpol only *in principle* and is thus no-risk. It also attracts the Simpol voting bloc. A politician who fails to sign, by contrast, risks losing those votes to political competitors who have signed, and that could spell disaster.

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* To see the Pledge go to http://www.simpol.org/fileadmin/user_upload/General/MP_PPC_Pledge_Form_-_New.pdf

† The draft Party Resolution can be seen at http://www.simpol.org/fileadmin/user_upload/Articles/ISPO_Forms/Party_Resolution13.pdf

Once signed, cancelling the Pledge is simply not in politicians' interests. Politicians could of course cancel, but there would be little point since Simpol's implementation cannot take place *until all or sufficient nations are on board*. So, until implementation occurs, there is nothing for a politician or party to go back on. If, despite this, a politician or party did cancel, the national Simpol organisation concerned would publish this news on its website so that no Simpol supporter would ever be likely to vote for that politician/party again. And when the date for implementation finally arrives, political support for Simpol would be so strong, and global problems so dire, that no politician would hesitate.

For citizens, supporting Simpol is rather like having two votes: one that operates at the global level and the other at the national. Joining the campaign, accompanied by the email that each supporter's National Simultaneous Policy Organisation (NSPO) sends to all the relevant candidates or to their sitting MP(s), represents the supporter's *global* vote. Then, on election day, supporters also get their *national* vote, just like everyone else.

It is important to stress that Simpol supporters do not give up their autonomy as voters. Their commitment is only to give *strong preference* to candidates who have signed the pledge to the *probable* exclusion of those who do not. Each supporter thus still retains the ultimate right to vote as they please.

4.2. The Domino Effect

The combination of a no-risk Pledge and the risk of losing if they do not sign can create a "domino effect" among politicians. Once one major candidate in a constituency signs, the others have little choice but to follow.

Prior to the last European elections, Catherine Stihler, one of the Labour candidates for Scotland, was first to sign the Pledge on 1st May, 2014. A few days later, perhaps seeing that she had signed, one of her competitors, Alyn Smith of the Scottish National Party (SNP), followed suit. Finally, another Labour candidate, David Martin, signed too. All three are now Members of the European Parliament and pledged, alongside some others, to implement Simpol alongside other governments.

In the 2017 UK general election, in some closely contested constituencies, the domino effect was also evident. In the Vale of Clwyd in Wales, for example, the Liberal Democrat candidate signed the Pledge on 14th May. Soon after, the Labour candidate signed on 19th May. A day later, seeing that both of his main competitors had signed, the Conservative candidate (the sitting MP), also signed. With all three main candidates having signed, the result for Simpol was clear even before polling day: whoever won the seat, Simpol was certain to gain another pledged MP.

By polling day on 8th June, over 650 candidates from all the main parties had signed the Pledge. Of those, 64 became MPs. That is about 10% of all UK MPs.

The Simpol campaign does not only work at elections. In each country, as each new supporter joins the campaign, the NSPO immediately informs the supporter's MP(s), even if no election is imminent. Occasionally, just one supporter is sufficient for the sitting

MP to sign the Pledge. On 18th August 2015, for example, Jonathan Edwards, the MP for Carmarthen East and Dinefwr, signed after a single supporter in his constituency had joined the campaign. In fact, while Simpol presents politicians with a powerful incentive to sign, this is far from always necessary. Even MPs in safe seats have signed simply because they see Simpol as "common sense" and worth supporting.

"The harnessing of our right to vote is a critical feature that distinguishes Simpol from initiatives that propose a world parliament, direct global democracy or other forms of global governance."

Simpol's approach works also in proportional representation (PR) electoral systems. In the Irish general election in 2016, for example, fifty-three candidates from most main parties signed the Pledge as polling day approached. Of those, fourteen were elected to the Dáil (Irish Parliament). Since all electoral systems are based on competition between parties, Simpol should prove effective. Also important to note is that when a politician signs the Pledge, their commitment remains valid for life, unless they cancel it in writing. They do not need to sign again each time they stand for election. Support for the campaign therefore builds from election to election and does not need to start from zero each time.

Simpol has gained support from across the party-political spectrum and from citizens in over 100 countries. While the campaign is most developed in the UK, campaigns are already developing elsewhere. The UK, however, could be regarded as providing a taste of the enormous impact that might be possible if large numbers of citizens joined the campaign. With many parliamentary seats and even entire elections around the world often hanging on a relatively small number of votes, it need not take as many people as we might think to implement an "agreement by nations, driven by citizens".

Having stressed Simpol's electoral potential, one should not underestimate its common-sense appeal. Being aware of how competitiveness concerns frustrate their desire to take substantive action, politicians often require little persuasion to sign the Pledge. They feel liberated because Simpol's condition of simultaneous implementation at last allows them to support a process for global problem-solving that avoids any risk of uncompetitiveness.

With many parliamentary seats and even entire elections around the world often hanging on a relatively small number of votes, it is not difficult to see that the number of campaign supporters needed could be surprisingly small. This helps us recognize the disproportionate power we citizens already possess to ensure that our governments cooperate to implement a global-justice agenda.

Simpol's extraordinary power and the fact that it does not require a majority highlight the vital need for it to have sufficient democratic legitimacy were it ever to be implemented. Its Founding Declaration consequently specifies that implementation can only proceed once a

majority of citizens in each democratic country—be they campaign supporters or not—give their consent. In considering the likelihood of Simpol enjoying the support of a majority of citizens in each democratic country, it is important to understand that global conditions are very likely to deteriorate further in the coming years. As a result, support for the campaign is likely to grow stronger. By the time any global negotiations or national referendums took place, it is to be hoped that a majority of citizens in democratic countries would have become Simpol supporters in any case.

5. What about Non-democratic Nations?

Non-democratic countries can sign the Pledge at any time and pass it into law. Since no electoral pressure can be applied in such countries, what is their incentive for signing?

- Many such countries are relatively poor, so they would have much to gain from the kind of policies likely to be included in Simpol. Apart from solving problems like climate change, these would likely raise considerable revenues, a portion of which could be distributed to poorer countries on a debt-free basis.[*]

- Many non-democratic nations are frustrated at the international community's present lack of action and their own lack of influence. Many would want to sign the Pledge to set an example to the richer, more powerful countries.

- As the campaign develops and its public profile grows, Simpol would increasingly become accepted as the world's most likely means of solving global problems. As non-democratic countries witness how democratic governments are being driven by citizens to sign the Pledge, they will not want to be left out of the process.

6. Making Global Citizenship a Reality

For those of us in democratic countries, the harnessing of our right to vote is a critical feature that distinguishes Simpol from initiatives that propose a world parliament, direct global democracy or other forms of global governance. Since none of those initiatives uses existing electoral processes to achieve their aims, they of course cannot be implemented unless national governments give their consent. Such initiatives thus place the ultimate authority for global governance with nation-states rather than with citizens. Simpol, by contrast, offers citizens in all democratic nations a way we can use our votes to compel our governments to consent, a way we can make it in their electoral interests to cooperate globally. Simpol thus puts citizens back in the driving seat in a unique and highly creative fashion.

7. Developing Simpol's Policy Content

Not only does Simpol allow us to drive our politicians and governments towards cooperation, that power equally confers upon us the opportunity to determine Simpol's policy content. As we earlier noted, Simpol is not just a new way to use our votes, it is also a platform of policies, even if their precise content is yet to be decided.

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[*] Any guidance issued by the UN for implementing SDG-related policies in Least Developed Countries would be taken into account by the ISPO-PC.

The process of policy development would only be launched by International Simultaneous Policy Organisations (ISPO) once a sufficient number of politicians, parties and governments around the world had first signed the Pledge. Seeking a high level of in-principle support for Simpol before developing any policies is deliberate. It builds the necessary global trust. Delaying policy development also ensures that the packages are fully appropriate for then-prevailing world conditions.

> *"Restoring our faith in democracy as well as solving the global problems that confront us now require a global level of political action."*

There is not sufficient space here to describe Simpol's policy development process, nor to explain how international negotiations to agree its policy packages would be organized. A more complete explanation of the entire process can however be found in Simpol's Information Pack.[*]

8. Evolving a World-centric Political Consciousness

As I hope to have shown, restoring our faith in democracy as well as solving the global problems that confront us now require a *global* level of political action. Neither national politics nor flawed global institutions such as the United Nations are capable of dealing with the death-grip that DGC holds us in. But for large numbers of people to engage in Simpol or other forms of global politics will require their political consciousness to evolve beyond its present nation-centric level. It will need to include an additional world-centric level. For this, universities and educational networks such as the World Academy of Art & Science surely have a crucial role to play.

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Notes

1. For a fuller explanation of 'regulatory chill', see Blair, D. (2008) *Race-to-the-Bottom Denial: Reassessing the Globalization-Environmental Regulation Relationship*, paper presented at the Midwest Political Science Association 66th Annual National Conference Chicago 3 April 2008, by David J. Blair, Department of Political Science, Huron University College, London, Ontario, Canada. http://www.allacademic.com/pages/p268485-1.php

2. Michael Devereux, "The best reform of corporation tax would be its abolition" *The Financial Times*, December 3, 2012 http://www.ft.com/cms/s/0/cac9ebe8-3d5c-11e2-b8b2-00144feabdc0.html#axzz3hGWUXve1

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* Please see http://www.simpol.org/fileadmin/user_upload/Policies/Information_Pack.pdf

Book Review
"Taming the Wicked"

The SIMPOL Solution: A New way to think about solving the world's Biggest Problems,
2018, Amherst: Prometheus

Reviewed by James Surwillo[*]

In *The Simpol Solution*, John Bunzl and Nick Duffell take a multi-disciplinary approach to what systems theorist Horst Rittel forty-five years ago called a "wicked problem". Wicked problems are insoluble, contradictable, multi-causal, ill-defined issues involving many stakeholders. Even before Information Theory evolved into full-blown economic, technological and cultural disruption, Rittel suspected that networked collaboration, patience, and non-judgement about competing value systems would be the cybernetic answer towards regulating complex systems. And today, as we tend to rely more on the wisdom of crowds, innovation has less of the guarded rigor of Newton and owes more to open source ideas to simplify and untangle.

This book is not about networks, however, it is about solving a very large, very wicked problem. Although it is a book about politics, economics, and globalization (the expertise of Bunzl), any attempt to tackle a wicked problem requires a dive within, which just so happens to be the expertise of Duffell, a psychotherapist of thirty years. We begin with Einstein, whom the authors reference frequently, stating that the first step is to properly define the problem—the most difficult aspect of all wicked problems. According to the authors, there is one barrier above the rest that has impeded the world from moving forward developmentally: The pursuit of international economic competitiveness by governments, which they call Destructive Global Competition (DGC). This statement is free-trade, boardroom, and business school heresy.

The authors closely align these destructive tendencies with the rise of neoliberalism and its assumption that human well-being rises the more we compete in open markets, claiming that DGC has stolen the sovereignty from individuals and nations and left us with less agency. Governments set the rules for business, but competing against other governments to attract businesses at lower costs causes a global "chilling effect" that ends in Bangladeshi sweatshops paying workers $2 per day. This race to the bottom is a "Tragedy of the Commons" where the collective good begins to be affected. In cases such as France in 2012 and Greece in 2015, citizens elected politicians to implement Liberal policies. However, the will of the people has been no match for the "competiveness agenda" that is required of national governments by global markets. From the political right, we have yet to see whether protectionist populism effectively battles the forces of DGC, as in Trumpian trade wars.

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[*] James Surwillo is the author of *Metamodern Leadership: A History of the Seven Values That Will Change the World* NY: Page Publishing, 2017.

The Simpol campaign was born eighteen years ago, and has picked up steam in British and European politics since that time. So what is their mysterious solution, anyway? First, more advice from Einstein: "We can't solve our problems with the same thinking that created them"—we need to continue defining the problem. The human animal seeks identity based on context. Throughout history that context has expanded more widely and deeply but now our identity as "nationcentric" beings seems to be losing its pragmatic benefits. Accordingly, Bunzl and Duffell examine the context of governance and politics in evolutionary terms. What stages have developed over the course of human socialization, the authors ask. The patterns identified broadly follow the work of Neo-Piagetian developmental theorists over the past fifty years.

"Nomads did not want to learn to plant, warriors did not want monotheism, and the traditionalists did not want rationality. There are always very good reasons to remain at lower stages based on the rational presuppositions of the former world."

Jean Piaget began his analysis of cognitive development back in the 1930s and found that children have a cumulative sophistication and complexity with regard to their cognitive abilities. Piaget's legacy left an opening for future research in psychological growth by Baldwin, Kuhn, Habermas, Gilligan, Kegan, Commons, Graves, Pirsig, Wilber, and others. Although coming from various disciplines, the central thought behind their theories suggest that increasingly complex thoughts and perspectives have been evident in cognitive function across individual human life spans as well as broadly in societies throughout history. Since resolving crises, historically, involves increasing the comprehension of the complexity involved, before we can prescribe the complexity to defeat, or better, *outcompete* DGC, we have to appreciate the level of complexity with which we are dealing. We have to climb the mountain to get a better view, in a sense, the authors propose. Usually, it involves a complexity of cooperation one notch higher than the level that could not deal with the problem in the first place, as Einstein suggested. It is said that a student once raised his hand in Einstein's class and said, "Sir, this appears to be the same test as last year," and Einstein replied, "Yes, but the answers are different."

From a developmental perspective we have woven our way through cultural eras that require us to understand new phenomena and practice new truths. In the 20th century alone we incorporated the realities of quantum theory, information theory, and chaos theory into former frameworks that no longer quite fit. The authors consider the nationcentric mindset to problems in the modern or postmodern world outdated. I recall the Australian consultant Jeremy Heiman's metaphor of the analogue game of Tetris; in this environment, pre-determined shapes fall from the sky and we retrofit them into what we believe to be their optimal location. The global world of digital technology has totally new power structures, and a game like Minecraft is more suited to a connected world where we can make things

globally, collaboratively, and immediately to build new realities from the ground up. Plugging this idea back into the Simpol model, it becomes self-evident that the global problem of DGC requires a "worldcentric" model of development.

> *"Simpol plays the long game of leadership, understanding that a small tipping point is possible consisting of highly engaged individuals."*

How did we update to a new model throughout history? First we had to kill the former structures that caused us pain. To shed our nationcentric human urges we have to accept our powerlessness: This feels a lot like the death of someone important and close. So the book's psychotherapeutic suggestion is to use Kubler-Ross' Five Stages of Grief—denial, anger, bargaining, depression, and acceptance. An easy avoidance option is returning to regressive nationalism, the latest fractal of repeated former stages of cultural connection that we ultimately need to transcend. Perhaps nomads did not want to learn to plant, warriors did not want monotheism, and the traditionalists did not want rationality. There are always very good reasons to remain at lower stages based on the rational presuppositions of the former world.

It is also possible to have "communal dissociation". 250 years ago, when Captain Cook sailed to their shores, the Pacific islanders were so collectively shaken and traumatized by the appearance of unknown objects (ships) approaching that no one could perceive them, much less react. While we have moved beyond many of the limiting and deadly Marxist suppositions about culture, we must remember the wisdom in his idea that "It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness". In a fast-paced world, social existence is a highly volatile state. So whereby evolutionary psychologists may see human nature as a closed system of determinism approximating the hardwiring of biology, developmental psychologists instead focus on the open system of software in the human system across time. *The Simpol Solution* conjures precisely the required level of empathy and faith based on the meta-narratives and empirical pathways available to the species.

During the Enlightenment we figured out the self-evident natural rights of mankind. Recent pursuits of cultural relativism and limited hierarchy can be re-prioritized and re-ranked to accommodate for their inevitable dead ends. Postmodernism becomes another version of the world that we must integrate, even if we no longer believe in its underpinnings. This meta-analysis appears to be the only way to further develop. Leadership guru Stephen Covey spoke of the importance of matching our "circle of influence" (what we can control) and our "circle of care" (what we see as important). Perhaps the crux of the book rests on: "Technological advances… require humans to radically re-envisage how their societies are organized". Technology allows our circle of care to expand. It is natural that our circle of influence follows because it finally can be aligned with our deepest truths, thanks to our technological capabilities to connect on a higher plane.

Simpol, short for Simultaneous Policy, uses an exceptionally pragmatic solution to better organize global governance, to tabulate a world vote and legitimize governance at a world level, while still negotiating national sovereignties. Since the Peace of Westphalia in 1648, we have organized as nation-states. Is that the "End of History" as Francis Fukuyama suggests, or perhaps a new collaborative and democratic solution to bridge the entire world to outcompete capitalism is needed?

The stark reality is that we may be a half-century away from the full implementation of this idea. What the movement needs is leaders invested in well-being around the world and over time. Simpol plays the long game of leadership, understanding that a small tipping point is possible consisting of highly engaged individuals. As Margaret Meade once said, "Never doubt that a small group of thoughtful committed citizens can change the world; indeed, it is the only thing that ever has".

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Martin Luther King's actions testify to the fact that one man's commitment can change the world. But it equally reveals the power of a mass movement directed to advance social progress. This accomplishment continues to inspire activists all over the world and confirms the inevitability of the success of movements that strive for universal human rights. It also illustrates the process and defines the strategy needed for the future evolution of global society and human unity.

Janani Ramanathan & Garry Jacobs,
The Significant Individual, Values & Social Evolution

Scientific leadership must be more articulate in the defense of values that sustain a creative, dynamic, and responsible scientific economic and political culture as an indispensable foundation for an improved world order based on human rights and human dignity.

Winston P. Nagan & Brittany M. DiCaprio,
Global Governance, Human Needs and Values

The solution is to aspire for unity in diversity. This is not a contradiction in terms. Indeed, unity without diversity is meaningless, because a unity based on sameness has no communicative and rational potential.

Thomas Reuter,
'Unity in Diversity' as a Measured Response to Resurgent Nationalism

Restoring our faith in democracy as well as solving the global problems that confront us now require a global level of political action.

John Bunzl,
International Competitiveness and its threat to Democracy and the Planet

There would be no Europeanization without European integration.

Goran Bandov & Nikolina Herceg Kolman,
Research on Europeanization in Literature

No society will ever have a future by rejecting the kind of science that allows us to be reconciled with the universe.

João Caraça, Techno-science and Ethics

Our analysis clearly demonstrates the imperative to establish a center of excellence, actually at least two centers, in SEE.

Ivo Šlaus,
Urgent Need for the Establishment of IIST in South-East Europe

Nomads didn't want to learn to plant, warriors didn't want monotheism, and the traditionalists didn't want rationality. There are always very good reasons to remain at lower stages based on the rational presuppositions of the former world.

James Surwillo, Book Review: "Taming the Wicked"

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