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THE WEALTH OF NATIONS REVISITED

CADMUS

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SEED IDEAS

Organization Abolishes Scarcity

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ARTICLES

The World in 2052

– *Ian Johnson*

Rethinking Growth: The Need for a New Economics

– *Roberto Peccei*

The Evolution of Wealth & Human Security: The Paradox
of Value and Uncertainty

– *Orio Giarini and Garry Jacobs*

Real Economies and the Illusions of Abstraction

– *Hazel Henderson*

The Moral Arc of History

– *Robert W. Fuller*

Mediation of Conflicts by Civil Society

– *Melanie Greenberg, Robert J. Berg and Cora Lacatus*

Rising Expectations, Social Unrest & Development

– *Ashok Natarajan*

Brief History of Alternative Dispute Resolution in the USA

– *Michael McManus and Brianna Silverstein*

Turn Towards Unity: Converting Crises into Opportunities

– *Garry Jacobs*

In Search of Failure's Silver Lining

– *Bengt-Arne Vedin*

BOOKS

Towards Green Growth

Taming Global Governance Idea Chaos: A "Frontier
Frame" for Recent Books

– *Michael Marien*

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The acronym of the South-East European Division of The World Academy of Art and 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 with Harmonia represents the symbolic coupling of Eastern learning and Western love of beauty. The youngest son of Cadmus and Harmonia is Illyrius. The city of Zagreb, which is the formal seat of SEED, was once a part of Illyria, a region including what is today referred to as the Western Balkans and even more. Cadmus will be a journal for fresh thinking and new perspectives that integrate knowledge from all fields of science, art 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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Rising Expectations, Social Unrest & Development*

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Abstract:

The relationship between peace and development holds the key to effective strategies for addressing the roots of social unrest. Rising expectations are the principal driving force for social development. However, the faster and higher aspirations rise, the greater the gap between expectations and reality. That gap promotes a sense of frustration, deprivation and aggression leading to social unrest and violence. The opposite is also true: rising economic opportunity can mitigate or eliminate social unrest. The remarkable renunciation of armed struggle by the IRA in North Ireland in mid - 2005 appears inexplicable until the impact of rising incomes and expanding employment opportunities in the Republic of Ireland is also taken into account. A similar approach can be applied to address the problems of violence and social unrest in Kashmir and Palestine. Here too apparently intractable conflicts will lend themselves to be addressed economically. India's recent efforts to provide guaranteed employment to its rural poor are part of a strategy to stem the rising tide of social unrest in impoverished areas resulting from rising expectations among the poor.

1. Introduction

During the early 50s an American aid official working in Taiwan noted a marked change in the attitudes of the local population which was having a profound impact on the pace of social development in the Far East. Harlan Cleveland, who became Assistant Secretary of State under Kennedy, US Ambassador to NATO under Johnson and later President of WAAS coined the phrase "Revolution of Rising Expectations" to describe what he observed. He perceived that the real driving force for development in the region was social and psychological rather than financial. In the early 1970s The Mother's Service Society (MSS), a social science research institute based in South India, observed the same phenomenon of rising aspirations beginning to emerge in the first generation of young Indians born after Independence releasing fresh energies for national development. The Society formulated a comprehensive theory of social development explaining the role of this phenomenon in the development process. In the early 1990s the International Commission on Peace & Food (ICPF) observed a similar change in attitudes sweeping across Eastern Europe following the fall of the Berlin Wall. All three concluded that attitudinal change in the form of rising aspirations is the central motive force for social development.

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In its report to the UN, the Commission observed that the phenomenon of rising aspirations has positive as well as negative dimensions, both of which impact on global peace and security. Rising aspirations release social energy and dynamism for new initiatives and more rapid progress. At the same time, if the rising aspirations and actual results do not match and the gap between expectations and reality becomes too wide, expectation turns into disappointment, discontent and in some cases violence. More than absolute poverty, what breeds violence is the perception that others are developing faster and farther in relative terms. This explains why at a time of rising prosperity following the end of the Cold War, social unrest and violence have also increased, and the number of regional and local conflicts has risen sharply.¹

In the course of human evolution from mere physical survival to mental awakening, the social unrest generated by rising expectations is an inevitable and necessary stage. Discontent is an indication that people are no longer resigned or satisfied with mere survival. It replaces a feeling of resignation with an active aspiration for more. Rising aspiration for more has accelerated progress around the world, while at the same time spreading discontent across the globe. Peace and development are two aspects of a single social condition. When the nature of their relationship is fully appreciated, it offers a powerful means for resolving conflicts.

2. An Irish Lesson

The truth of this linkage has been dramatically demonstrated by the cessation of terrorist violence in Ireland in July 2005. The origin of the Irish problem can be traced back nine centuries to the time when English kings colonized a small area around Dublin. In the 16th century, Edward VIII proclaimed himself King of Ireland. When he broke with Rome and formed the national Church of England, he failed to win over the Irish Catholics to Protestantism. A century later, Cromwell landed in Ireland and dealt a crushing blow to the Catholics, seizing their lands, massacring many and deporting many others. By 1703 Protestants owned nearly all the land and the majority of Catholics were reduced to being impoverished tenant farmers. Highly discriminatory laws were passed against the Catholics preventing their access to education, public office and parliament, etc. The English came to look down on the Irish as an inferior race, generating a sense of humiliation and resentment that seeped into the very blood of the Irish and festered for centuries. The potato famine of 1845-48 effectively depopulated the country, causing a million deaths due to starvation and disease and resulting in large-scale emigration to the United States. As a result, there are currently eight times more Irish living abroad than in Ireland.

The country was partitioned in 1920 into a northern and southern part and in two years the mainly Catholic South became a dominion within the British Commonwealth as the Irish Free State. In 1938, Ireland declared itself to be a republic and pulled out of the Commonwealth which prompted England to incorporate the six northern districts containing equal numbers of Catholics and Protestants into the U.K as Northern Ireland. This division of the country into two parts evoked protests from the Irish Republic but it did not spark serious violence until a Catholic procession was attacked by Protestants in 1968. This attack triggered a spiral of violence lasting for three decades and resulting in the loss of more than 3500 lives.

Over the past thirty years many attempts have been made to bring peace to the trou-

bled region, but no solution was ever found to the intractable political and religious issues dividing the Catholic and Protestant communities in North Ireland. The issues dividing the Catholics and Protestants remained unsolved and persistently defied solution. Then all of a sudden in an unexpected development, the IRA announced a permanent ceasefire in North Ireland. The announcement took the world by surprise, though politicians and academics were quick to explain away the miracle with a generous dose of practical common sense. Those explanations overlooked a critically important factor in the equation—the rapid economic development and changing social attitudes in and toward the Irish Republic, which have dramatically altered social perceptions and relationships in the region.

When Ireland joined the EEC in 1972, it was considered the “basket case of Europe” with a real per capita GDP one-third less than that of U.K. During the 1970s the flow of emigrants to Northern Ireland, Europe and U.S continued unabated. But by the time the European Union was established in 1993, the situation had changed dramatically. The Irish economy had undergone a miraculous change and Ireland emerged as a top performing country with an average annual GDP growth rate of 10%. Immigration trends reversed and people started coming from the North and other places looking for employment in the South. From 1988 to 2004, total employment grew by 67%. By 2000 the balance of labor movement shifted in favor of immigration into Ireland and the Irish per capita income rose beyond that of the U.K. By 2003 its per capita GDP was 16% higher than that of U.K and more than a third higher than the EU-25 average, with unemployment less than half the average of EU-25.

Prosperity in the South and termination of violence in the North may appear unrelated to a superficial observation, but a deeper analysis reveals a close connection between the two in an economic and psychological sense. So long as Catholics were emigrating into Northern Ireland, the Protestants were slowly losing the small edge they had in numbers. The slight majority the Protestants enjoyed was considered crucial in negotiations for sharing power. The reversal of emigration meant that more workers were going south than moving north. Till the year 2000, the U.K was the favorite destination for Irish emigrants. But in the first decade of the 21st century the trend has reversed and the immigration into Ireland from U.K is three times higher than in the other direction. Such a reversal of the emigration trend has impacted on the traditional attitudes of superiority and inferiority that used to mark the relationship between the two communities. Psychologically it boosted the self-confidence and self-esteem of the Irish people.

Ireland’s performance is all the more remarkable when considered in relation to the per capita GDP of North Ireland, which is 23% lower than the U.K. average. Ireland’s economic take-off elicited the admiration of Ulster, U.K and the rest of the world. That astonishing accomplishment absorbed all the energies of its people and channeled them into productive activities, leaving neither time nor inclination to support or encourage violence. The nation became too busy with its success to trouble others. Its success attracted people from Ulster who wanted to share in that success.

The successful resolution of the Irish conflict offers valuable lessons for other conflict-prone countries and regions. Economic development and economic security can be an effective remedy for military and political conflicts. Indeed, much of what we take to be irre-

concilable religious and ethnic hatred thrives on a substratum of poverty and is aggravated by the absence of economic opportunities for those who seek through education to escape it. It needs to be mentioned that peace has been achieved in Ireland without actually reconciling the political and religious differences between Catholics and Protestants. These differences remain essentially unresolved, but the resort to violence as a means for addressing them has been abandoned.

Ireland's accomplishment demonstrates the validity of another principle also. The levels of development the most economically advanced nations have achieved over centuries can be replicated by other nations very quickly, now that it has already been done elsewhere. In practical terms this means that the most economically backward nations can develop quickly to overtake the traditional leaders, as Japan and South Korea did in the past and China and India are in the process of doing today. Ireland's greatest achievement is not the elimination of violence and social unrest. Rather it is a standing contemporary example of how great is the untapped potential for rapid human social advancement, once human beings become aware of the opportunities and release their energies to avail of them. Ireland offers a call to humanity to brush aside its age-old grudges, petty squabbles, festering resentments and competitive zero-sum perspectives and seize the opportunity to dramatically accelerate the pace and scope of human development globally.

More than practical examples, the world needs a theoretical framework—a comprehensive theory of social development—that gives full theoretical weight to the unlimited productive potentials and creative capacities of modern society. The economic and military mobilization that Allied nations achieved during World War II shows the untapped social capacity for organization. Humanity already possesses the knowledge, resources and technology needed to rid the world of violence, unrest and poverty in no time, should it awaken to the available opportunities. Today there is a glut of money in the world. Since 1980 the world's financial resources have risen by more than fifteen times. Not many nations are using more than a fraction of the available technological resources at their command. Japan's rise is an illustration of its cultural powers. England surviving the Nazi onslaught and eventually defeating Germany illustrates the power of psychological stamina. The European Union is a good demonstration of the benefits issuing from forging positive international relationships. The U.S illustrates the power of combining technology with practical organization in a free atmosphere that is conducive to individual development. The Internet surpasses all these, as it combines technology, organization, social networking and individuality into a new global organization of unparalleled power. Whatever be the present level of a country's development, a harmonious blending of its economic, technological, cultural, educational and physical resources can launch that country on a course of development far beyond what Ireland has achieved.

3. An Elephant Divided

Like Ulster, the Kashmir problem and the on-going tension between India and Pakistan are relics of a colonial past and the scarred divisions left by the collapse of Imperialism after World War II, an observation more generally applicable to conflicts in the Middle East and Africa as well. An insight into the possible resolution of the confrontation between India and

Pakistan over Kashmir arose from an unexpected source when a joint ICPF-MSS research team sought to assess the likely economic impact of the dismemberment of the Soviet Union. The team was surprised to discover that no economic studies had ever been conducted to model the potential impact of a breakup of the country on living standards among the Soviet republics. A Russian expert's prediction that it would cause a decline in per capita income in the successor republics by as much as 50% met with disbelief. His prediction proved valid. Between 1990 and 1995 the real per capita income of these countries declined by more than 40%.

In 2000 this same study group applied its understanding in the reverse to determine what would be the economic impact on Kashmir, India and Pakistan, if full trade relations were restored between the two countries in an atmosphere of freedom and peace. Studies had been undertaken previously about the mutual export potential of both these countries. But a full assessment of the benefits of economic integration between India and Pakistan had never been done, because it was widely perceived that economics had little or nothing to do with the conflict—the same reason it was rarely asked in Ireland or Palestine or other regions wracked by chronic violence. Remedies need not be directly related to causes. Overweight caused by overeating can be tackled by more exercise, which is not directly related to the cause. But there is an indirect connection. Overeating means excess intake of energy. More exercise offsets that by inducing greater consumption of energy. Society can also be viewed as an energy system. When excess social energies are not positively channeled, they acquire a destructive direction. A political problem tackled by an economic approach is one such indirect solution.

Since gaining independence from the British in 1947, India and Pakistan have gone to war four times in 1947, 1965, 1971 and 1999. The problem was seen to be mainly religious, in spite of the fact that there are roughly equal numbers of Muslims living in the two countries. Later it acquired political dimensions also, when authoritarian Pakistan allied itself with democratic America, while democratic India allied itself with autocratic Soviet Union during the Cold War. But the conflict between India and Pakistan has deeper origins than these religious and political overtones. It stems from the divisive caste system prevailing in India from ancient times, which labeled 25% of the population as social outcastes relegated to abject poverty. Islam, which arrived with the Moghuls, and Christianity, which arrived with the Europeans, offered the outcastes an opportunity to escape from poverty, ignominy and exclusion through religious conversion. Urdu, the language of the invading Moghuls and their descents, is spoken by only about one-third of the Muslim population of the sub-continent, indicating the magnitude of the conversions that took place to Islam because of the social and economic inequalities perpetuated by caste system. Though Islam gave them respectability, their economic condition remained much the same until the British quit India. Mahatma Gandhi took an immense effort to uplift the scheduled castes and his service to the downtrodden sections of the Indian population must be rated as equal or if not greater than his contribution to the freedom movement. The Muslims' demand for a separate nation can be seen as the erstwhile excluded population's demand for social equality and respectability.

A similar background is there to the Kashmir problem. At the time of Independence the Hindu king of Kashmir, a state with a Muslim majority, wanted to remain separate and join neither India nor Pakistan. The move prompted Pakistan to attack Kashmir and the resulting

cease-fire led to a division of Kashmir into Indian-held and Pakistan-held portions. When the Russians left Afghanistan unable to withstand harassment by fundamentalist forces, these religious warriors became jobless. They readily switched over to fighting a holy war for liberation of Kashmir, where they were promised good pay and maintenance. Rising violence was directly related to rising cross-border infiltration of Pakistani-trained militants. India feared that Kashmir may ask for out-right independence, if the separatists force gain control of the government, prompting interference with the electoral process.

Terrorist violence began to weaken the local economy. The stream of educated youth coming out of the colleges faced bleak employment prospects and took to violence to vent their frustration. Educated unemployment rose markedly through the nineties and the ranks of the terrorists swelled by addition of the educated unemployed.

Viewed strictly in narrow religious and political perspectives, the Kashmir problem and the conflict between India and Pakistan appears as an insoluble problem as the Irish problem did a few years ago and the Arab-Israeli conflict does today. *But approached in social and economic terms, rapid economic advancement based on full exploitation of the untapped potentials of economic integration can wipe out the underlying source of social tensions between the two countries.*

This proposition was tested by the ICPF-MSS research team when it approached the Government of India in 2000 with a proposal to explore the potentials for wider economic cooperation between the two countries. Less than two years after Pakistan's surprise attack on Kargil and at a time when cross-border infiltration of extremists and terrorist violence in Kashmir were at a peak, the idea that the Indian Government, a coalition headed and supported by Hindu extremists, would seriously consider efforts at peaceful reconciliation with a military government in Pakistan headed by the general who spearheaded the Kargil War was itself almost an unthinkable proposition. In fact, the proposal received a warm welcome in both New Delhi and Islamabad. Plagued by low growth and high educated unemployment, Pakistani officials were more interested to learn about the achievements of India's software industry and the prospects for cooperation in this field, than to discuss questions of politics and religion. The Federated Chambers of Commerce of both the countries agreed to jointly explore and study the wider economic potentials of cooperation, including shared exploitation of water, power and natural resources and transportation.

One of the most promising potentials explored in 2000 was a proposal to address India's burgeoning energy requirements through collaboration with Pakistan on what has become known as the Peace Pipeline. The proposal called for bringing gas from Iran to India through Pakistan to meet India's burgeoning energy requirements, which were slated to triple by 2020. The proposal had been summarily rejected by numerous governments because of the high perceived security risks and unwillingness to depend on Pakistan for meeting the country's essential energy needs. The possibility of attractive transit fees for Pakistan is a very good temptation for that country to go ahead with the project. Negotiations between the three governments removed the major hurdles to the project, until US concern over possible nuclear weapons proliferation by Iran led to intense pressure on India to consider alternative ways to meet its energy needs.

4. Guaranteed Employment

The truth about the linkage between rising expectations and social unrest is further demonstrated by other sources of internal violence in India. India witnessed secessionist violence in Punjab during the 1980s and on a continuing basis in Assam. Since 1947 armed left-wing extremists called Naxalites have exploited the resentment of impoverished, landless tribal communities promoting violence in a number of states, including West Bengal, Andhra Pradesh, Jharkhand, Chhattisgarh and Bihar. Naxal violence is clearly based on economic deprivation, rather than religion or politics. The annual death toll in Naxal-related violence averages about 1500 lives in recent years.

During the past three decades of Naxal unrest, the central and state governments have tried in vain to tackle this problem effectively. Then in 2005 a more ambitious program to eliminate the economic roots of social unrest was launched by the newly elected Congress Government, which passed the National Rural Employment Guarantee Act (NREGA), a landmark legislation guaranteeing a minimum 100 days of employment in public works projects to people living in 200 of the poorest districts in the country. In 2008 the scheme was extended to all the districts of the country. Despite its many deficiencies, NREGA is India's most comprehensive effort to wean people from social unrest by trying to ensure jobs to the poorest of the poor. The government's offer of guaranteed employment opportunities is not a mere welfare scheme. *It is the main plank of a strategy to neutralize social unrest in the country by channeling the energies of the discontented into productive activity. Psychologically, it provides the poor with a minimum sense of security and reduces the incentive to violence.*

5. Palestine

Development is not merely a question of material accomplishment. It is an organic social process which follows a natural evolutionary course. Social unrest is an inevitable phase of that evolution. What appears as unrest when seen from a partial perspective acquires a different meaning when we view development as a whole. The main thesis of this paper is that rising expectations release enormous amount of social energy that spills over into social unrest when no suitable positive channels are available to utilize it for social advancement. Harnessing that energy for constructive purposes requires appropriate social organizations and productive skills. Over the last 200 years America harnessed the energies of a heterogeneous, impoverished immigrant population in an atmosphere of freedom through emphasis on innovative economic organization and education to build the world's most prosperous society. A clear focus on prosperity as the main goal and the intense cultivation of work-related values directed those energies for national prosperity. The Americans had to invent new technologies and organizational arrangements to achieve their goals. But developing countries today need only adapt the available technological and organizational resources to their requirements, making it possible for them to dramatically abridge the time required for achievement.

This thesis meets its most severe test in application to the peaceful resolution of the conflict in Palestine, a problem that traces its lineage back to Biblical times and combines in a single issue all the political, religious and economic strands that fuel social unrest in the

world today. Trying to untangle the past record of right and wrong, claims and counterclaims will not lead to a solution. A good faith effort to find a solution should not start there. It should begin with a clean slate and examine the options for the future. Palestine is equipped with all the human, economic, technological, organizational, educational and physical resources needed to achieve rapid development and become a showcase of prosperity. The whole world has a stake in resolving this problem rapidly and permanently, since much of the instability and violence in the world sprouted from the seed of Palestine and claims continued justification today because of the unresolved problems in this region. For that reason, the whole world can and should contribute to the solution, and the UN is justified in demanding or even compelling the cooperation of all the parties concerned.

Two decades ago an Israeli Prime Minister remarked that Palestine has all the essentials required to become another Singapore. Had that remark been heeded, the Arab-Israeli conflict could have been permanently resolved by now. Even now it is still practicable. Singapore raised its real per capita GDP from about \$2000 to \$22,000 in 50 years (measured in constant 2000 dollars PPP). During the same period the GDP of Palestine rose only from \$1000 to \$5000 dollars before sliding down by 40% after the outbreak of the second intifada in 2000. Available development experience shows that Palestine can be turned into another Singapore by 2020 or even sooner. Unless prosperity comes to Palestine, weaning the people from violence is an unrealistic proposition. Prosperity would divert the energy from protest and agitation to productive engagement.

Experts in Middle Eastern affairs may point to numerous attempts to use economic incentives to resolve this conflict, which have failed to make headway, but past attempts have been far too modest to succeed. Development experience shows that potential gains must be very substantial before people will break existing patterns of thought and behavior. Much of the money that has been injected into the Palestine economy has come in the form of aid, which saps local initiative, fosters a sense of dependence and resentment, and is highly susceptible to corruption. Investment, *not aid*, is the solution. What is required is a coordinated effort of the international community backed by a determination to convert Palestine into a Garden of Eden. The financial cost would be miniscule by international standards. The gains, even in direct monetary terms to the world-at-large, arising from reduced violence and security risks would repay that investment a hundred-fold.

Enough studies have already been done to identify the potential. One British study published in 2007 identified five essential components for economic recovery of the region. Even this modest scheme would double per capita GDP in the region in five years and restore the higher living conditions prevailing in the late 1990s.²

Another study done by the Peres Centre in 2006, based on intensive discussions with Israeli and Palestinian business communities, projected a larger vision. Identifying specific opportunities for economic cooperation and integration in agriculture, textiles, tourism, IT and other sectors, the study concluded that Palestine could increase its exports 20-fold and triple its GDP in a span of 5 to 10 years. More importantly, the number of employment opportunities in Palestine could double. Employment is the real key to eradicating social unrest in the region. This plan would have virtually eliminated unemployment and added 10% more

to Israeli GDP. This did not actually happen for various reasons, but the potential to make it happen was very real. Instead, during the last decade unemployment rose from 14.3% to 23.6%, providing the ideal kindle for violence.

These studies represent a good starting point. But in order for any viable program to be initiated and sustained, the vision and the goals must be far greater, otherwise it is likely to remain a non-starter. Halfway measures will not suffice. The goal must be to improve living standards in Palestine to the level of Israel or Dubai, which is practicable if the unrealized potentials are fully tapped. It would convert Palestine from a festering wound of discontent and extremism into an inspiring model for the whole world. Nor is such a notion utopian. Ireland, a country of roughly equivalent population, did it on its own initiative and resources over the past two to three decades. It can be done here in a much shorter time. Rapid social development will channel the energies released by rising expectations into productive activities for prosperity and replace the painful recollections of the past with the anticipation of future accomplishments.

Stability is essential for this accomplishment. Rapid economic development within a certain range is inversely related to political freedom, as the example of Singapore illustrates. Singapore achieved its remarkable performance by keeping social energies under control, while rigorously implementing government programs. In the given context, the UN is in a position to impose that stability in Palestine as an essential step toward world peace and global development.

The key to speeding up development is social organization. Potentials may exist, awakening can occur and energy may be released. But social organization is essential to convert the potentials into actualities and deprive instability of the fuel which sustains it. That requires providing the essential infrastructure for governance, quality education and economic development. The UN can take upon itself the responsibility for providing that infrastructure and ensuring that stability prevails, while development activities are being carried out. Organization has to be supplemented by productive skills. A comprehensive survey of skills required for increasing GDP ten-fold will reveal a big gap between what is required and what is available. Preparing people with the necessary skill to fill the gap will generate a centripetal force that will attract more opportunities to the region and facilitate each step of its development.

There is no single solution to the Palestinian problem. There are many solutions that can all be applied to the situation in a mutually reinforcing manner. When this approach is adopted, current problems can be converted into opportunities for the development of the region, just as the inferiority complex of the Irish became an impetus for progress. The fervor and intensity that has engaged the inhabitants in incessant warfare over the Promised Land can be redirected to bring peace and prosperity to the entire region. The Irish example reminds us that intractable religious and political issues need not be permanently resolved at the outset. Rapid economic development can alter the social attitudes and perceptions as well as the ground realities that make arriving at final solutions so difficult at the beginning. The fact that a number of European countries have surrendered some of their sovereignty to a common organization is the culmination of 50 years of cooperative interaction amongst erstwhile enemies, not the original pre-condition for their working together.

6. Laws of Development

Specific applications of the principles given below will vary from country to country and from region to region. Nevertheless the basic features of the principles are universal and applicable anywhere at any time. A few of the most salient of those principles are summarized below:

1. Society is in constant movement and that movement seeks progress. Society self-regulates its movements with regard to production, consumption, communication and knowledge acquisition and dissemination, and is always trying to raise these to higher levels of complexity in order to continuously make its organizations more efficient and effective.
2. Society evolves by raising its consciousness and becoming aware of untapped potentials. It progressively shifts its focus from concrete physical realities to possibilities that are real to the mind. The heightened awareness releases greater energy which is directed towards greater achievements. Social awareness is transformed into results by the development of social organization. Like business and governmental organizations, social organization is the fabric of interconnectedness that enables society to channel its energies to fulfill its aspirations. Organization absorbs in productive activity the energies released by aspiration.
3. Society organizes itself at successively higher and higher levels. First it strives for bare survival and preservation, then for growth and expansion, then for development of higher levels of productivity and complexity, then finally for the evolution of new and higher forms of social activity and social organization. The transition from hunting-gathering to agriculture, trade, industrialization and urbanization traces some of these steps.
4. The only lasting form of development is self-development. Development that comes through the aid of others may give temporary relief but will not generate the attitudes, skills and organizations needed for permanent development. The policy of aid is inconsistent with the principles of development. The Marshall Plan helped war-torn Europe to quickly rebuild itself, mainly because those nations were already developed and had the necessary social organizations and infrastructure. In most cases aid has only deterred development.
5. Learning by trial and error is a slow and wasteful process of learning, which is the prevalent mode of learning when knowledge about the development process remains subconscious. When people acquire a conscious knowledge of the development process, they can learn quickly from the experience of others without having to pass through every experience countless times before they acquire knowledge.
6. Society is an organic, integrated whole. Problems develop when disharmonies emerge between parts of the whole. Looking at a problem from the perspective of the whole can eliminate the disharmonies among the parts and, thus, solve the problem. Solutions are available at many levels—physical, vital and mental.³ Problems turn into opportunities when we shift the focus from the physical to the mental. The Peace Pipeline is a good example. Diplomacy refines the physical urge for violence into vital negotiations across the conference table. Law turns vital negotiations into a set of mental principles. Military

problems can be given political solutions and political problems can be given economic solutions, etc. When solutions are given from higher levels, they tend to be more effective and longer lasting.

7. A solution that can be meaningfully applied in one place cannot be applied in another place unless the essentials of the problems are the same. The essence alone is applicable at all times and at all places. Forms and appearances are changeable and can be given up, but the essence of the past experience has to be retained. Specific strategies applied in one location can be successfully applied in another location only when the specifics match. Liberal democracy that was cultivated in Europe was transplanted to North America more successfully than to parts of Asia, because the political culture of Asian countries differed very much from the culture of liberal individualism that evolved in European countries.
8. Most nations have developed on the strength of one or few capacities such as freedom, sea-faring (England), quality of industrial production (Germany), technological innovation (USA), natural resources (middle East), social structure (Europe), intellectual resources (China), cultural energies (Japan), etc. A strategy that capitalizes on all of the cultural, political and economic capacities of a nation can take it to the leading position in the world.
9. Resources are created by the mind when it recognizes something as valuable and useful. The potential resources available to any nation are far greater than what any nation is using. These resources are in the form of knowledge, human capabilities, organization, technology, education, social and cultural resources etc. Though the value of natural and technological resources is widely acknowledged, the power of cultural and organizational resources is not very much appreciated. The phenomenal mobilization during war-time in America is an example of the power of organizational capacities that are normally not fully mobilized during peacetime. More than physical or technological resources, it was psychological resources stemming from the value of self-reliant individuality that propelled America's rise to world leadership.
10. No nation need take centuries to attain high levels of development. Even backward nations can develop quickly, as Ireland and the Asian Tigers have shown. America compressed ten centuries of European development into one century. It is true that many centuries were required for the world to develop all the various aspects that contribute to a high-level of accomplishment—productive skills, technology, organization and education, etc. Each aspect was developed in isolation by a few nations and later spread to others. Now that the parts have all been developed, they can be quickly combined for the growth of the whole. The world has all the knowledge, information and experience needed.
11. Peace is not merely the absence of violence. It is a positive condition of stability and harmony that can be established at various depths in society, founded in turn on production, distribution, money power, organization, social cohesiveness and cultural emotion. The deeper the foundation, the more stable and lasting the peace.
12. Social evolution is moving progressively from smaller social units such as family, village, tribe, caste, ethnic or linguistic group and nation to a single, integrated global society. Language, law and money are social institutions that have played a vital role in linking

people together harmoniously and productively within larger social units. Today the internet is emerging as the first truly global social institution and infrastructure for an integrated global society.

7. Global Peace and Development

The principles and process of development are the same for the individual, family, organization, nation-state and for the whole world. At each level peace and stability are indispensably required for development. When the activities of the smaller unit are aligned with that of the bigger unit, the scope for development is vastly enhanced. The evolution of city-states and feudal kingdoms into nation-states illustrates the power that issues from coordinating and integrating activities at a higher level. Today it is not just nations that have an opportunity to advance rapidly. Humanity as a whole is poised for a quantum leap forward, when it moves beyond the limitations imposed by the nation-state as the European Union is doing. Viewed in terms of global social potential, the opportunities for everyone are exponentially greater.

A few important initiatives can release latent human aspirations and energies and provide a stable and peaceful foundation for society to evolve to higher levels of global organization.

- Abolish veto power in the UN Security Council as the first step towards developing a truly democratic form of global governance.
- Abolish nuclear weapons to remove an underlying source of anxiety and instability.
- Establish an International Food Corporation to eliminate food scarcity and to prevent speculation in food which threatens the lives of a billion people.
- Guarantee employment to thereby eliminate unemployment which is a major source of violence and social unrest.
- Establish regional currencies along the lines of the Euro as the first step toward development of a single world currency and a world central bank which will eliminate currency speculation and global financial instability.

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Notes

1. *Uncommon Opportunities: Agenda for Peace & Equitable Development* (London: Zed Books, 1994), 22-24.
2. Ed Balls and Jon Cunliffe, *Economic Aspects of Peace in the Middle East* (London: HM Government, 2007).
3. Ivo Šlaus and Garry Jacobs, "Human Capital and Sustainability," *Sustainability* 3, no. 1(2011): 97-154 <http://www.mdpi.com/2071-1050/3/1/97/pdf>

Rising expectations release enormous amount of social energy that spills over into social unrest when no suitable positive channels are available to utilize it for social advancement. Harnessing that energy for constructive purposes requires appropriate social organizations and productive skills.

Ashok Natarajan, Rising Expectations, Social Unrest & Development

I would suggest searching for a more appropriate word for failure, one not tainted with negative connotations. Because failure is the high road to innovation, because failure is the inevitable investment in the future, because failure is – the road to success.

Bengt-Arne Vedin, In Search of Failure's Silver Lining

First, we must recognize the crises we face are not black swans, fat tails or perfect storms, but symptoms of our limited perception, fragmentary reductionist mindsets, models, research methods and academic curricula, particularly in economics and business schools. Second, we must move beyond economics to capture all their "externalities" in multi-disciplinary frameworks, systems models, multiple metrics and pluralistic research.

Hazel Henderson, Real Economies and the Illusions of Abstraction

The wide range of innovative mechanisms commonly employed to settle disputes outside the courtroom is illustrative of the larger potential for organizational innovation in other fields designed to enhance governance nationally and globally.

*Michael McManus and Brianna Silverstein,
Brief History of Alternative Dispute Resolution in the United States*

Today humanity has acquired the conscious self-awareness and the organizational capacity for self-expression and coordinated action. Organizing the consciousness of the global power of citizenry is the natural step to transcend the nation state. It needs only the right pioneering leadership with the right ideas and the right values to sound the call.

Garry Jacobs, The Turn Towards Unity: Converting Crises into Opportunities

Global governance is clearly taking shape in complex and chaotic ways, with widespread dissatisfaction of present arrangements and numerous proposals for betterment — all at a time when many national governments are also being questioned, arguably due, at least in part, to deficiencies in global governance and international accords.

*Michael Marien,
Taming Global Governance Idea Chaos: A "Frontier Frame" for Recent Books*

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Inside This Issue

The world needs a paradigm shift in economics similar to the one physics experienced at the dawn of the last century, when quantum mechanics and the special and general theories of relativity were invented to address new phenomena not explainable by Newtonian mechanics or Maxwell's electrodynamics.

Roberto Peccei,

Rethinking Growth: The Need for a New Economics

Society is evolving. Understanding the present in the light of the past, we see only the problems resulting in gloom. Understanding the present in the light of the future compels us to evolve, we see the opportunities it points to.

Ian Johnson, The World in 2052

We have organized production to perfection, but left out the most crucial ingredient – humanity. We have raised the value of GDP phenomenally, but overlooked the value of human security. The process of society's past evolution offers hope and assurance that there is a better way and a better life for all humanity waiting to emerge. Human-centered economic theory and measures of wealth, welfare and human security can help us realize it now.

Orio Giarini & Garry Jacobs,

The Evolution of Wealth & Human Security

Working for peace is part of the heritage WAAS fellows have been given by Academy founders who, after helping develop the theories and technology for nuclear weapons, were amongst the first to recognize that they should be banned. Two of the seven founders of WAAS (Robert Oppenheimer and Bertrand Russell) became global figures in proposing nuclear disarmament.

Melanie Greenberg, Robert J. Berg & Cora Lacatus,

Mediation of Conflicts by Civil Society

The difference between predation and competition is that predation knows no rules. In contrast, competition can be made fair. Making sure that it is—by disallowing rankism in all its guises—a proper function of government.

Robert W. Fuller, Moral Arc of History

Continued . . .