

# **WAYS OF SEEING....THE GLOBAL CRISIS**

*A Common Place book*

**Ronald G Young**

**July 2015**

*We . . . must avoid the impulse to live only for today, plundering for our own ease and convenience the precious resources of tomorrow. We cannot mortgage the material assets of our grandchildren without risking the loss also of their political and spiritual heritage. We want democracy to survive for all generations to come, not to become the insolvent phantom of tomorrow.*

*Dwight Eisenhower 1960*

The only General to be elected President in the 20th century, he famously warned the nation about the potentially corrupting influence of the "[military-industrial complex](#)". This is frequently characterized as a criticism of the arms industry, which it was not. He in fact declared such an industry to be necessary. His concern was of its potential for corruption:

*Until the latest of our world conflicts, the United States had no armaments industry. American makers of ploughshares could, with time and as required, make swords as well. But we can no longer risk emergency improvisation of national defense. We have been compelled to create a permanent armaments industry of vast proportions. Added to this, three and a half million men and women are directly engaged in the defense establishment. We annually spend on military security alone more than the net income of all United States corporations.*

*Now this conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence -- economic, political, even spiritual -- is felt in every city, every Statehouse, every office of the Federal government. We recognize the imperative need for this development. Yet, we must not fail to comprehend its grave implications. Our toil, resources, and livelihood are all involved. So is the very structure of our society.*

*In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.*

*We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.*

## This too will pass.....taking the long view

Historians like Arthur Schlesinger and theorists like Albert Hirschman have recorded that every thirty years or so, society shifts - essentially, from the public to the private and back again. The grass, after a while, always feels greener on the other side. The late 1940s to the late 1970s was a period of the public, the late '70s to now, the private. Now the conditions are right for another turn, to a new common life and the security and freedom it affords, but only if we make it happen by tackling a market that is too free and a state that is too remote

Compass Think Tank 2011

Decade	Themes of intellectual discussion	Key names
1930s	The managerial revolution End of capitalism	J Burnham J Strachey
1940s	Keynesianism Meritocracy New world order	JM Keynes Michael Young R Niebuhr, EH Carr
1950s	End of ideology Revisionism Private affluence/public squalour	D. Bell A. Shonfield; Tony Crosland JK Galbraith
1960s	Corporate planning Modernisation of society Participation critique of professionals	R Ackoff Peter Berger C Pateman; Ivan Illich
1970s	Costs of economic growth Public choice theory Small is beautiful Change Corporatism feminism	EJ Mishan J Buchanan E. Schumacher; L. Kohr S. Beer; A. Toffler; D. Schon A Cawson Betty Friedan
1980s	Deindustrialisation Privatisation Pursuit of excellence ecology decentralisation globalisation	Blackaby; Dyson Consultancies; World Bank Tom Peters James Lovelock OECD J Stiglitz, Martin Wolf
1990s	End of history Flexibility and reengineering Reinvention of government; NPM Climate change The learning organisation Washington consensus	F Fukayama M Hammer D Osborne, OECD Scientific community P Senge World Bank
2000s	Good governance Neo-liberalism and its limits Environmental collapse Migration and social integration	World bank; OECD David Harvey Scientific community C Cauldwell
2010s	Migration financial capitalism austerity Inequality	Everyone J Stiglitz M Blyth D Dorling, Wilkinson and Pickett, T Pikety

Source; RG Young

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## Preface

### Smuggler

Watch him when he opens  
His bulging words - justice  
Fraternity, freedom, internationalism, peace,  
peace, peace.  
Make it your custom  
to pay no heed  
to his frank look, his visa, his stamps  
and signatures.  
Make it your duty  
to spread out their contents  
in a clear light

Nobody with such language  
Has nothing to declare

Norman MacCaig

Since the mid-60s, I've been involved in various forms of "development" efforts - first "community" and "regional" development in Scotland then "institutional" and "capacity" development in Central Europe and Asia - but now, with many others, question the very concept of development....Indeed the title I gave my second (autobiographical) little book in 1995 was .... PUZZLING DEVELOPMENT

But it was in 2000 that I began to feel the deep unease about the direction societies with which I was familiar seemed to be taking - increasing privilege, systemic corruption, centralization, ecological destruction, "consumerism", poverty, privatisation and a failure of European vision were the things I listed in a paper I circulated amongst friends in an effort to clarify where I should be putting the energies and resources left to me.

I itemized the people and organisations whose work I admired; regretted the lack of impact they were having; and then explored what channels we seemed to have for making more of an impact. A decade later - after the bursting of the bubble - I returned to the subject and beefed up the paper - the results of which can be read at [Draft Guide for the Perplexed](#)

With more time at my disposal from 2009, I started to blog about these matters; in autumn 2014 I opened a new website [Mapping the Common Ground - ways of thinking about the crisis](#); and a few months later uploaded a selection of the posts relating to the global crisis to the site.

This is the more polished (and updated) version but still retains the structure of blogposts. They are the musings of a well-read "sceptic" who was, in his early years, a prominent Scottish activist - pushing an idiosyncratic combination of corporate municipal initiative and community action with occasional reflections on the endeavours....That lasted 22 years and was followed for the next 22 years by a roving mission in some 8 post-communist countries whose government DNAs I was trying to crack....

Little wonder that I have developed an almost anthropological fascination for intellectual fashions and become increasingly sceptical of the baggage of social scientists. The table on the previous page is a doodle I did about 20 years ago - whose significance is only now getting to me.....

My position is that no one (but no one) can pretend to expertise on the matters covered here -

- Knowledge has become too specialised and diverse
- The claims of social "scientists" to expertise have anyway been thoroughly exposed in recent years

Those writing about such matters need, therefore, to be able to demonstrate humility - as well as some awareness of the fragility of the language and concepts they use...

Perhaps the only claims I can make for the reader's attention are that I

- have always been a great reader of books
- have tried to use the PC and internet to trawl for relevant writing
- keep a record of the most important of those readings
- attempt to articulate my uncertainties in short papers and posts using clear language

I confess, however, that I despair now of being able to make much sense myself of the world we live in - let alone of being able to contribute to the improvement it so patently requires.....and that I feel the same is true of us all (individually and collectively)

The structure of this book can be placed in the tradition of [commonplace books](#) - a reader's notes on items which have caught his attention since it became clear (from 2009) that this was no ordinary crisis

- Part One describes the central dilemma I now face since I realised the questionable nature of the rationalistic assumptions embedded in most of my thinking
- Part Two records my attempt to understand what was happening post 2008
- Part Three is a despairing set of thoughts about the self-destruction of modern professional and political elites
- Part Four tries to summarise the best sources of positive ideas for the future - which boil down to small-scale actions and mutual structures
- The last section will try to pull it all together.....

The text contains many hyperlinks to allow checking and further reading. And I have set up a new website [Mapping the Common Ground - ways of thinking about the crisis](#) to house the key books and articles I would recommend for those wanting more.....

# Part I Our New World?

I love what I imagine was the Victorian habit of giving sub-titles to their book chapters which offered explanations of what the reader might reasonably expect to find in them. And I've discovered that they are a good discipline for anyone trying to edit his own text.....

In which -

- Some important questions are posed
- Different ways of looking at the world are sketched out
- Some explanations are offered for our discord
- It is suggested we face the end of the world as we know it
- A letter to the Younger Generation is discovered



## Introduction

Some 15 years ago I found myself exploring 2 questions-

- where people of my age - disgusted with the behaviour of our corporate and political elites - should best focus their energies and resources to help nudge the systems of which we are part to a more hopeful future?
- And who were the people we could support in that venture?

This was explored in a [draft Guide for the Perplexed](#) which was written before the global economic crisis began to unravel the post-war world - with additional sections added in the years which followed.

Basically the essay looked at some key books; passed a bleak judgement on the impact various activists had made on global issues during the past decade.....and failed to give any answer to the first question.....

I'm sure I'm not alone in the growing impatience I feel with the glibness of the writing about the economic crisis and the absence of any real attempt to establish a common agenda. Every now and again my blogposts bemoan the lack of an annotated bibliography on the subject - although there are [two on the causes of the crisis](#). But what is really needed is a typology - to help us compare and contrast the world views behind the thousands of books on the market...

In 2010 or so I rephrased the questions -

Any convincing argument for systemic reform need to tackle four questions -

- Why do we need major change in our systems?
- Who or what is the culprit?
- What programme might start a significant change process?
- What mechanisms (process or institutions) do we need to implement such programmes?

Most books in this field focus more on the first two questions - and are much lighter on the last two questions. The first two questions require pretty demanding analytical skills - of an interdisciplinary sort which, as I've argued, the very structure of universities actively discourages. Hence the limited choice of authors - perhaps the two best known being [Immanuel Wallerstein](#) and [Manuel Castells](#). Both offer complex systemic views but the writing style is not very accessible. [Susan Strange](#) made a great contribution to our practical understanding of [Casino Capitalism](#) as she called it.

Sadly, two other well-known names with a much more accessible writing style - Noam Chomsky and Naomi Klein - tend to focus a lot of their energy on rogue states such as the USA.

Will Hutton's [The World We're In](#) (2002) was as powerful and accessible of the limitations of the Anglo-saxon model as you will ever read - and, with his stakeholder concept, carried with it a more optimistic view of the possibilities of reform. He has the wide inter-disciplinary reading necessary for anyone to have anything useful to say to us about how we might edge societies away from the abyss we all seem to be heading toward.

I've used the verb "edge" because the calls for revolution which come from the old leftists are unrealistic (if not self-indulgent) but mainly because, historically, significant change has rarely come from deliberate social interventions. It has come from a more chaotic process.

More and more disciplines are applying chaos theory in recognition of this - [even management](#) (less a discipline than a parasite!) So the call these days is for paradigm shift to help us in the direction of the systemic change the world needs to make in its move away from neo-liberalism.

[David Korten's various books](#) also offer good analysis - although his focus on the American corporation does not easily carry to Europe (See William Davies' recent [Reinventing the Firm](#) for a recent attempt).

Most commentary on the recent global financial crisis has identified banks as the culprit - and those governments who made the move in recent decades to free banks from the regulation to which they have been subject. Marxists such as David Harvey have reminded us that government and banking behaviour is simply a reflection of a deeper issue - of surplus capital.

It hit me suddenly last year that one reason for my failure to make any progress with the 2000 essay I've referred to is the tension between, on the one hand, the "rationality" model with which I was imbued by my education and, on the other hand, the richness of other prisms which have been attracting me in my effort to make sense of the world (note even in 2010 the reference to chaos theory).

Of course I knew that liberals, conservatives and socialists operated with very specific "world views" from which it was almost difficult to dislodge them - Amatai Etzioni had spelled this out first for me in the early 1970s in his "Social Problems!

But it was Chris Pollitt's small book, "State of the State" (2000) which brought me up against the power of Mary Douglas' "[Grid-group" theory](#) - whose basic structure is presented in four quadrants

***The egalitarian paradigm:***

*This sees benign change as being driven bottom up through collective action by those who are united by shared values and status. The idealism of egalitarians (emphasising the possibility of equality and the power of shared values) tends to lead them to feel that nature (including human nature) is vulnerable and has been corrupted.*

***The hierarchist paradigm***

*This sees benign change relying on leadership, authority, expertise and rules. As long as these things are in place then the potentially dangerous cycles and vagaries of nature can be managed.*

*Hierarchists see the other paradigms as naïve and unbalanced, but may accept each has its place as long as the hierarchy allots and regulates those places.*

***The individualist paradigm***

*This sees benign change as the result of individual initiative and competition. The aggregate sum of individual actions is collective good. It's OK to take risks because nature is resilient to change.*

***The fatalist paradigm***

*This sees successful change as unlikely and, in as much as it is possible, random in its causes and consequences. The world is unpredictable and unmanageable.*

And it was Mike Hulme's book - [Why We Disagree about Climate Change - understanding controversy, inaction and opportunity](#) - which really opened my eyes in summer 2014 to the full potential of the sort of post-modernist "discourse analysis" which I had held until then in such disdain.....

Most radicals take a "mechanical" view of the world ([Gareth Morgan's Images of Organisation](#) is still the best read on the metaphors we use) - they assume, that is, that societies and systems can and should be diagnosed and "fixed". Political parties have operated on this pre(o)mise for most of the past century. But for more than a couple of decades, a lot of serious thinkers (mainly management writers and scientists) have been questioning the simplistic nature of social interventions driven by this principle - pointing to the lessons from chaos science and systems theory.....although economists and social scientists have stuck with the old paradigms.....

It took a few months for this disjuncture to sink in and it was only when I was doing an end-of-year review of the year's blog posts that I noticed several recurring themes which cried out for further development

- Lack of trust and belief - we no longer trust the politicians and have lost the belief in the capacity of the government machinery (that word again!) to succeed in its socio-economic tinkering
- The corruption of the political class
- academic specialization.....

Until now I have been using the following narrative to make sense of the world -

- The "mixed economy" which existed from 1950-1980 was a healthy and effective system for us in the West.
- It worked because power was diffused. Each type of power - economic (companies/banks etc), political (citizens and workers) and legal/admin/military (the state) - balanced the other. None was dominant.
- Economic globalisation has, however, now undermined the power which working class people were able to exercise in that period through votes and unions
- Privatisation is a disaster - inflicting costs on the public and transferring wealth to the few
- Neo-liberalism has supplied a thought system which justifies corporate greed and the privileging (through tax breaks and favourable legislation) of the large international company
- All political parties and most media have been captured by that thought system which now rules the world
- People have, as a result, become cynical and apathetic
- Two elements of the "balanced system" (Political and legal power) are therefore now supine before the third (corporate and media power). The balance is broken and the dominant power ruthless in its exploitation of its new freedom
- It is very difficult to see a "countervailing power" which would make these corporate elites pull back from the disasters they are inflicting on us
- Social protest is marginalised
- Not least by the combination of the media and an Orwellian "security state" ready to act against "dissidence"
- But the beliefs which lie at the dark heart of the neo-liberal project do need more detailed exposure
- as well as its continued efforts to undermine what little is left of state power
- We need to be willing to express more vehemently the arguments against privatisation - existing and proposed)
- to feel less ashamed about arguing for "the commons" and for things like cooperatives and social enterprise (inasmuch as such endeavours are allowed)

The two questions I had in 2001 were being reformulated as -

- *How do we go about re-establishing some sort of balance of power?*
- *How can social forces be strengthened; and political and state systems of power reformed - so that the wings of corporate power can be properly clipped??*

But I now realize that people like me need to make a more profound break from the metaphors which have ensnared us into simplistic ways of thinking about the various global crises with which we now seem beset.....

## Stories we tell



Since we were small children, we have all needed stories - to help us understand and come to terms with the strange world we inhabit. In this post-modern world, "narratives" have become a fashionable adult activity for the same reason.

It's significant that, when I was looking for a structure with which to classify the different approaches in the (vast) literature about the global crisis, I [used the classification - micro-meso-macro](#). That shows the grip my university training in political economy still has on me. Political sociology actually had more appeal for

me in those days - but somehow lacked the apparent legitimacy of economics.

In fact, the anthropological ways of looking at the world have much more power than the economic - in particular the grid-group typology of Mary Douglas (and her [Cultural Theory](#)) which first gave us the four schools or lenses ("hierarchical", "individualistic", "egalitarian" and "fatalistic") used to such effect in Chris Hood's great little book "The Art of the State" (1990). It was indeed his book which introduced me to this typology which allows us to tell distinctive "stories" about the same phenomenon. More interestingly, he then shows the typical policy responses, weaknesses and strengths of each school. A sense of his book's argument can be gained from the review of the book which can be accessed [toward the end of the contents sheet of this journal](#).

At University I had been interested in how social systems held together and why people (generally) obeyed - and I had liked [Max Weber's](#) classification of political systems into - "traditional", "charismatic" and "rational-legal".

But it was the sociologist Amitai Etzioni who first impressed me in the 1970s with his suggestion that we behaved the way we did for basically [three different types of motives](#) - "remunerative", "coercive" and "normative" - namely that it was made worth our while; we were forced to; or that we thought it right. He then went on to suggest (in his 1975 Social Problems) that our explanations for social problems could be grouped into equivalent political stances - "individualistic", "hierarchical" or "consensual". These are effectively "stories" about the world. Unfortunately google search will not give me access to the relevant works of Etzioni or Hood - although substantial chunks of a similar sort of book ["Responses to Governance - governing corporations and societies in the world"](#) by John Dixon can be read on google books.

During the 1980s, when I was doing my Masters in Policy Analysis, I was (briefly) interested in the potential of "Frame Analysis" which showed how we could tell different "stories" to make sense of complex social events.

The last decade has seen a revival of interest in such typologies - [The case for clumsiness](#) which, again, sets out the various stories which sustain the different positions people take us on various key policy issues - such as the global economic crisis and the ecological disaster staring us in the face. There is a [good interview with the author here](#) and [a short summary here](#)

Three recent reports give an excellent summary of all this literature -

- [Common Cause](#);
- [Finding Frames](#); and
- Keith Grint's [Wicked Problems and Clumsy Solutions](#)

## Why we disagree about "wicked problems"

For years I've been searching for a book which did justice - in a clear and generous way - to the complexity of the world we inhabit; and which helped us place our own "confused take" on "[wicked problems](#)" into a wider schema. Hood's 1990 book "The Art of the State" (mentioned in the last post) is one of a handful in these.

But by far and away the best book is one I've just finished reading this week- [Why We Disagree about Climate Change - understanding controversy, inaction and opportunity](#) by geographer Mike Hulme.

Hulme's book clarifies the climate debate by using seven different lenses (or perspectives) to make sense of climate change: science, economics, religion, psychology, media, development, and governance. His argument is basically that -

- We understand science and scientific knowledge in different ways
- We value things differently
- We believe different things about ourselves, the universe and our place in the universe
- We fear different things
- We receive multiple and conflicting messages about climate change - and interpret them differently
- We understand "development" differently
- We seek to govern in different ways (eg top-down "green governmentality"; market environmentalism; or "civic environmentalism")

Climate science is an instance of "post-normal science" (p. 78). In today's contentious political context, scientists must more than ever "*recognize and reflect upon their own values and upon the collective values of their colleagues. These values and world views continually seep into their activities as scientists and inflect the knowledge that is formed*" (p. 79).

Post-normal science also challenges how expertise is understood. People with varying backgrounds want and need to weigh in on important issues of the day, including climate change. Hence, natural science must cede some governance to wider society and some ground to "other ways of knowing" (p. 81). In post-normal science, moreover, people acknowledge that there is much that we cannot predict; uncertainty is intrinsic to climate change issues. The public and their political representatives may want certainty, but it is not available in regard to the behaviour of a chaotic system such as climate (pp. 83-84).

In chapter four, "The Endowment of Value," Hulme offers an exceptionally well-informed review of debates carried on by people with very different evaluations of what ought to be done about climate change. He remarks:

*"We disagree about climate change because we view our responsibilities to future generations differently, because we value humans and Nature in different ways, and because we have different attitudes to climate risks" (p. 139).*

Similarly, in chapter five, he maintains that: *"One of the reasons we disagree about climate change is because we believe different things about our duty to others, to Nature, and to our deities" (p. 144).* Hulme describes a host of competing but important views about such duties, including monotheistic stewardship of Creation, the responsibility to care for life, environmentalism as a religious discourse, the moral imperative to care for Gaia, and romantic views of nature. Theologies of blame arise, one of which accuses individuals of responsibility for climate change, another of which accuses socio-economic systems

Hulme maps the cultural categorization scheme of individualists, egalitarians, hierarchalists, and fatalists onto ecologist C.S. ("Buzz") Hollings' notion of the four "myths" about nature (p. 188). Hollings' myths, which describe the degree to which people think of nature as stable or unstable, are represented by four pictures depicting different arrangements of a ball in a landscape. The degree of natural stability is indicated by whether the ball is situated so as to resist change of location (nature as stable) or whether the ball is situated so as to be easily moved (nature as unstable).

- *The first picture, nature as "benign," depicts a ball sitting at the bottom of a U-shaped landscape. According to this view, favoured by individualists, nature is capable of maintaining or reestablishing its current organization despite human influence, such as introducing large amounts of CO<sub>2</sub> into the atmosphere. Human-friendly nature will continue to operate within boundaries favourable to human life, so the risk posed by climate change is low. In other words, we do not have to "turn back the clock of technological change" (p. 190).*
- *The second picture, nature as "ephemeral," shows the ball as unstably perched atop a steep hill, thus easily thrown out of kilter by human interference. This view of nature, favoured by egalitarians, indicates that the risks posed by climate change are high, such that excessive fossil fuel use will likely lead to climate chaos and the collapse of civilization.*
- *The third picture, nature as "perverse/tolerant," shows the ball at the bottom of a deep valley formed by two hills. According to this view of nature, favoured by hierarchalists, nature is somewhat unpredictable, but also relatively resilient, if managed appropriately. Guided by scientific knowledge, we can develop predictive abilities that will allow us to formulate policies needed to limit climate change.*
- *Finally, the fourth picture, nature as "capricious," shows a ball sitting on a line. According to this view, favoured by fatalists, nature is basically unpredictable, given that its behaviour is influenced not only by human behaviour, but also by countless other factors, including many unknown to us. Climate will continue, as ever, to pose change and thus risk to humans, some of whom will cope, while others will not. For the fatalist, climate change of one sort or another will continue even if industrial civilization immediately grinds to a halt (pp.188-190).*

After entertaining the possibility of viewing climate change as either a "clumsy" problem or even as a "wicked" problem (one so complex that some proposed solutions end up undermining other



solutions), Hulme concludes that climate is not a "problem" to be solved at all. Instead, it is an opportunity to transform how we understand ourselves and relate to one another.

The opportunity favoured by Hulme becomes clear in his discussion of what he calls the four leading "myths" of climate change: Lamenting Eden, Presaging Apocalypse, Constructing Babel, and Celebrating Jubilee.

All four myths are taken from the Judeo-Christian tradition, which retains some of its original animating force, even though it has become marginalized in secular Euro-American cultures. They are

- *Lamenting Eden is the myth adhered to by postmodern greens who bemoan the loss of pristine nature and simpler ways of life.*
- *Presaging Apocalypse is the myth adhered to by traditional conservatives who depict climate change in terms of calamities that exact cosmic retribution for human depravity, notions with a long and often critically unscrutinized lineage.*
- *Constructing Babel is the myth adhered to by rational moderns who, as in the Genesis myth of Babel, seek to become like God by developing technological power. Whereas the peoples at Babylon sought to build a tower reaching to heaven, contemporary geoengineers propose technical means to gain control over climate.*
- *The fourth and final myth, Celebrating Jubilee, is consistent with Hulme's vision of what climate change can do for us. Jubilee takes its name from the Jewish Torah, according to which every 50 years "soil, slaves and debtors should be liberated from their oppression." Metaphorically, then, Celebrating Jubilee encourages us think about climate change in terms of morals and ethics, and "offers hope as an antidote to the presaging of Apocalypse" (pp. 353, 354)*

An excellent comparative review of Hulme's book [can be read here](#).

The challenge for me now is to find someone capable of doing the same for the global economic crisis!

July 2014

## Have the Kleptomaniacs and Liars really won?

[Dave Pollard](#) is a Canadian of my generation who writes wisely about our epoch – and caught our social ills well recently with this post about [thirteen trends in social behaviour](#) which, he suggests, epitomise our times and a slow collapse in our "civilisation"

*Here are the shifts I am seeing that would seem to epitomize early collapse:*

1. ***Corporations have given up the pretence of being ethical.** At first, a decade or two ago, many corporations tried to convince the public they were really concerned about social and environmental issues. Then they discovered that whitewashing, greenwashing, and lies in their advertising and PR were more effective and cheaper. Now they don't even bother to lie. They just say they are forced to do what they do because their mandate is to maximize profits. Now they settle their malfeasance out of court because it's cheaper than obeying the law, and hush it up with gag orders, whistle-blower prosecutions and threats of costly and protracted litigation against anyone who dares challenge their illegal activities. Now they buy their politicians openly. Instead of them serving us, as they were designed to do, it is now us against them. Now it is illegal for citizens to film animal cruelty atrocities in factory farms and slaughterhouses, but not illegal for corporations to commit those atrocities.*

2. **Politicians have given up the pretence of being representative.** Speeches no longer talk about "the people" or a better society or collective interest, but solely about response to intangible, invented or inflated dangers like "terrorism" and "illegal" immigration (but not the real dangers, since that would offend their owners). Gerrymandering, bribes, voter disenfranchisement and vote-buying are now accepted as just how the system inevitably works. Political influence and political decision-making are now totally and overtly a function of the amount of paid lobbying and money spent. The term "democracy" is now conflated with "freedom" and Orwellian use of language is openly employed to suppress public opposition, dissent and outrage.

3. **Lying has becoming rampant, overt and even socially acceptable.** The biggest and easiest lies are the lies of omission: burying corporatist and ideological legislation and pork in "omnibus" bills and "riders", gross distortions of measures like unemployment and inflation, burying junk investments in opaque repackaged and overpriced offerings to the public, activities couched to offer perpetrators "plausible deniability", and unlisted ingredients and unlisted dangers on product packaging. Another example is lawmakers passing "popular" laws but telling regulatory staff not to enforce them or "look the other way", or starving the regulators of resources. But more egregious is the overt lying, led by the outrageous (and again Orwellian) untruths of almost all modern advertising and PR (including political campaign advertising), which we are now forced by every means possible to watch/listen to/read. And of course, just about everything done by the legal "profession" who are paid to obfuscate, threaten and lie, and the mainstream media, who are paid to report only distracting news that does not offend corporate sponsors, and to oversimplify and distort to pander to their dumbed-down audience.

4. **Widespread use and acceptance of "ends justify the means" rationalizations.** This is the hallmark behaviour of the Dick Cheneys and other severely psychologically damaged people who prevail disproportionately in position of power. Consequentialists rationalize that, immoral as their actions might be (or might have been), the outcome will be (or was) a desirable one. This argument allows them to decide to wage wars and commit other acts of violence (and almost all major recent wars and major acts of violence have been rationalized on this basis). What's worse, when the desired "ends" are not achieved (liberation of women in Afghanistan), the shifting of blame to others for the failure to achieve the ends is used to excuse both the failure to achieve the ends and for the abhorrence of the means. Probe just about any act of violence, any lie, or any illegal or immoral behaviour that someone is justifying or excusing these days, and you'll find an "ends (would have) justified the means" rationalization. It's endemic, and not only among right-wingers. And few of us have the critical thinking skills to see its dangers.

5. **Human activity (litigation, security, financial "products" etc.) is focused on defending the status quo rather than producing anything of value.** The reason most of us could not survive today in the radically decentralized, low-complexity societies that will take hold after civilization's collapse, is that most of us don't produce anything that peers in our community value, or ever will value. We are "managers" of useless hierarchies, paper pushers, systems people, guards, number crunchers, packagers, transporters and vendors of goods we do not know how to make, with parts we don't know the origin or makeup of. Because we intuitively "know" that this is so, we are desperate to keep civilization's crumbling systems operating. What else could we do?

6. **The illusion of growth has become totally dependent on increases in oil and in debt.** In a presentation here the other day, economist Nate Hagens revealed that since 2000 96% of all US GDP growth has come from more consumption of primary energy, not from increases in production or efficiency or "innovation", and that it now takes creation of \$14 of new debt (i.e. printing of currency) to produce \$1 of GDP. So when economists and politicians say they want a return to growth (to avoid a collapse of the Ponzi scheme stock and housing markets, among other reasons), what they are really saying is that they want us to burn more fossil fuels and print more money.



7. **Acceptance of obscene inequality.** People just shrug when they learn that the entire increase in global income and wealth since the 1970s has accrued to just 1% of the population — everyone else's real income (purchasing power) and wealth has declined (i.e. they're further into debt), in many cases precipitously. This is despite the fact that this increase in income and wealth has come at a ghastly and accelerating social, political and ecological cost. The Occupy movement tried to challenge this, but the movement is dormant.

8. **Denial of reality, across the political spectrum.** Most of us (except in the US and a few other backward countries) now appreciate that climate change is caused by burning fossil fuels and is dangerously accelerating. But most of us still believe, in the face of overwhelming evidence to the contrary, that it is somehow possible to change global behaviour so radically that we reverse emissions and prevent runaway climate change, or that we're going to somehow replace most emissions with renewable energy or other "innovations". Most deny the reality that our education and health care systems are dysfunctional and unsustainable, that the Internet is a huge consumer of energy dependent on the industrial growth economy for its existence, that species extinction has already accelerated to a point unprecedented in the planet's history and threatens the stability of every ecosystem, that our political, economic and legal systems are so dysfunctional they cannot be salvaged, that industrial agriculture has already destroyed most of the soils crucial for our survival, that choosing short-term jobs over long-term economic and ecological health is disastrous, and that "sustainable growth" is an oxymoron. For those who aren't in denial, the ever-growing cognitive dissonance in the media and in public discourse is staggering.

9. **Widespread cynicism and acceptance of conspiracy theories.** Stephen Colbert wrote "Cynicism masquerades as wisdom, but it is the farthest thing from it. Because cynics don't learn anything. Because cynicism is a self-imposed blindness, a rejection of the world because we are afraid it will hurt us or disappoint us." Cynics are, as George Carlin said, disappointed idealists. The rampant growth of cynicism reveals a similar increase in fear and disappointment. Conspiracy theories are popular because they give us someone else to blame (someone huge, mysterious and unstoppable, hence relieving us of the obligation to do anything or even to understand what is really happening), and because they feed our cynicism, and because we all want something simple to believe instead of the impossible complexity of the truth. And that desire for something simple to believe also inspires...

10. **Search for and willingness to believe in charismatic people and magical solutions.** Hardly a day goes by when I don't see another promise of a technology that will provide infinite, cheap, climate-saving energy. Judging from the number of views these articles/videos receive, they are magnets for public attention. And when we're constantly disappointed by "leaders" to promise us "hope" and change, it is not surprising that so many fall under the influence of zealous charismatic people with absurd (and discredited) but miraculous (and simple) political and economic and technological "solutions" to every problem. The world's last powerful charismatic leader, the despotic Mao, killed 80 million of his country's citizens while keeping ten times that number in thrall. Notice the charismatic tilt of many of the new leaders of the fearful Randian/Thatcherian/Reaganite right, and the leaders of many popular new age cults.

11. **Ubiquitous spying and corporatist surveillance.** I don't think I need elaborate on this, except to note that the corporate sector's use of collected intelligence and surveillance in its many forms dwarfs that of the more obvious government and military sector. The military-industrial complex is back. So far it's too incompetent to figure out how to use the data it's collecting, but they're spending an awful lot of our money working on that. Their level of anxiety is rising too — they're tuned into the general dissatisfaction and are afraid of civil insurrection upsetting their lucrative and high-maintenance apple-cart. (If only.)

12. **Self-colonization and the emergence of "apologism" and mandatory optimism.** We've seen the emergence of mandatory optimism in the corporate world, and more overtly in the prerequisite for being a TED talker and other "positive thinking" movements. But now the vilification of criticism and pessimism (as distinct from cynicism) is becoming more ubiquitous. Critical thinking and doubt are dismissed out-of-hand as negativity

and a "bad attitude" even in peer conversation. When internalized to the point we feel bad about feeling bad, it's an essential tool of self-colonization — the co-opting and self-censoring of our own anger, skepticism, fear, sadness, grief, and 'unpopular' beliefs in order to be socially accepted by others, and in some cases to brainwash ourselves into denial of our own feelings and beliefs that we are struggling to cope with — and reconcile with what others are saying they feel and believe (there's that cognitive dissonance again: "If I'm the only one thinking this, I must be crazy, so I'd better not talk about it"). What all this produces is something now called "apologism" — a propensity to make excuses and minimize an event or belief or feeling because you don't want to seem "always" critical or out of step with the mainstream or peers. In its worst form it emerges as a victim-blaming defence for atrocities like assault, harassment or abuse. But in its milder form it can lead to dangerous group-think, the suppression of new and important ideas, and destructive self-blaming.

13. **Widespread anomie and the trivialization and co-opting of dissent by professional activists.** The term anomie means a disconnection between one's personal values and one's community's values. It refers to a state of 'rudderlessness' where it is difficult to find one's authentic place or engage in meaningful social interaction with most others, especially those in different demographics. In a major international study, pollster Michael Adams found it increasingly prevalent in young people, and on the rise in all age groups. Adams remarked on how Americans in particular were becoming increasingly "suspicious of and indifferent to the plight of their fellow citizens". The disengagement of the young explains why so many activist groups are dominated by older people (a new phenomenon in the last half-century). Unfortunately, the activist vacuum has allowed professional environmental groups (Greenpeace, 350 etc.) to co-opt much of the activist movement's activities, creating a constant manageable "trivial theatre of dissent" that is comfortable for many older people opposed to violence and confrontation, and comfortable for the corporations and politicians because it's controlled and unthreatening. Mainstream media like it because it's simplified, dichotomous and often specifically orchestrated for their cameras. And it creates easy, stable, well-paying jobs for mainstream environmental group spokespeople, while changing absolutely nothing.

While I believe most of these trends and emergences are complex collective responses to changing realities, and either well-intentioned or unconscious (i.e. without malicious intent), taken together they would seem to evince a broad, intuitive shift in our collective gestalt, our way of coping with the world. They reveal more than anything, I think, a giving up of the belief in fairness, justice, controllability, understandability and consensus as means of "making sense" or taking action reliably to achieve desired objectives in the current reality of how things work. They reveal both the incapacity of our now massively-overgrown, fragile and unwieldy systems to function sustainably or effectively, and the incapacity of ourselves and our broken communities to function effectively within their purview.

10 Nov 2014

## A Letter to the Young Generation

At the start of the new millennium, I started to express my own personal anxieties about the direction globalisation was taking us all – and to muse about [where a guy with my age and experience should be putting his energy and resources](#) (not least time)

The global crisis of the past 6 years confirmed my worst fears – but I still haven't found an answer to my simple question. In the meantime I've continued to try to identify the people who are writing seriously about the various issues involved.....

Several years ago I was very impressed with the work of people such as [Richard Douthwaite](#) and, in the past couple of years, with the (rather more apocalyptic) books and blogs of JM [Greer](#) and [Dmitry Orlov](#) – see also [here](#).

The latters' recent blogposts have been reassessing the scale of the global crisis (in its various forms – fuel, economic and environmental) [here](#) – and [here](#), suggesting that things have now gone beyond the point of no return. Before I give you a flavour of these posts, let me share with you the [eloquent final thoughts of a seasoned campaigner which were found on his laptop](#) after his death

*As I survey my life, which is coming near its end, I want to set down a few thoughts that might be useful to those coming after. It will soon be time for me to give back to Gaia the nutrients that I have used during a long, busy, and happy life. I am not bitter or resentful at the approaching end; I have been one of the extraordinarily lucky ones. So it behoves me here to gather together some thoughts and attitudes that may prove useful in the dark times we are facing: a century or more of exceedingly difficult times. How will those who survive manage it? What can we teach our friends, our children, our communities? Although we may not be capable of changing history, how can we equip ourselves to survive it?*

*I contemplate these questions in the full consciousness of my own mortality. Being offered an actual number of likely months to live, even though the estimate is uncertain, mightily focuses the mind. On personal things, of course, on loved ones and even loved things, but also on the Big Picture. But let us begin with last things first, for a change. The analysis will come later, for those who wish it.*



**Hope.** *Children exude hope, even under the most terrible conditions, and that must inspire us as our conditions get worse. Hopeful patients recover better. Hopeful test candidates score better. Hopeful builders construct better buildings. Hopeful parents produce secure and resilient children. In groups, an atmosphere of hope is essential to shared successful effort: "Yes, we can!" is not an empty slogan, but a mantra for people who intend to do something together — whether it is rescuing victims of hurricanes, rebuilding flood-damaged buildings on higher ground, helping wounded people through first aid, or inventing new social structures (perhaps one in which only people are "persons," not corporations). We cannot know what threats we will face. But ingenuity against adversity is one of our species' built-in resources. We cope, and faith in our coping capacity is perhaps our biggest resource of all.*

**Mutual support.** *The people who do best at basic survival tasks (we know this experimentally, as well as intuitively) are cooperative, good at teamwork, often altruistic, mindful of the common good. In drastic emergencies like hurricanes or earthquakes, people surprise us by their sacrifices — of food, of shelter, even sometimes of life itself. Those who survive social or economic collapse, or wars, or pandemics, or starvation, will be those who manage scarce resources fairly; hoarders and dominators win only in the short run, and end up dead, exiled, or friendless. So, in every way we can we need to help each other, and our children, learn to be cooperative rather than competitive; to be helpful rather than hurtful; to look out for the communities of which we are a part, and on which we ultimately depend.*

**Practical skills.** *With the movement into cities of the U.S. population, and much of the rest of the world's people, we have had a massive de-skilling in how to do practical tasks. When I was a boy in the country, all of us knew how to build a tree house, or construct a small hut, or raise chickens, or grow beans, or screw pipes together to deliver water. It was a sexist world, of course, so when some of my chums in eighth grade said we wanted to learn girls' "home ec" skills like making bread or boiling eggs, the teachers were shocked, but we got to do it. There was widespread competence in fixing things — impossible with most modern contrivances, of course, but still reasonable for the basic tools of survival: pots and pans, bicycles, quilts, tents, storage boxes.*

*We all need to learn, or relearn, how we would keep the rudiments of life going if there were no paid specialists around, or means to pay them. Every child should learn elementary carpentry, from layout and sawing to driving nails. Everybody should know how to chop wood safely, and build a fire. Everybody should know what to do if dangers appear from fire, flood, electric wires down, and the like. Taking care of each other is one practical step at a time, most of them requiring help from at least one other person; survival is a team sport.*

**Organize.** *Much of the American ideology, our shared and usually unspoken assumptions, is hyper-individualistic. We like to imagine that heroes are solitary, have super powers, and glory in violence, and that if our work lives and business lives seem tamer, underneath they are still struggles red in blood and claw. We have sought solitude on the prairies, as cowboys on the range, in our dependence on media (rather than real people), and even in our cars, armored cabins of solitude. We have an uneasy and doubting attitude about government, as if we all reserve the right to be outlaws. But of course human society, like ecological webs, is a complex dance of mutual support and restraint, and if we are lucky it operates by laws openly arrived at and approved by the populace.*

*If the teetering structure of corporate domination, with its monetary control of Congress and our other institutions, should collapse of its own greed, and the government be unable to rescue it, we will have to reorganize a government that suits the people. We will have to know how to organize groups, how to compromise with other groups, how to argue in public for our positions. It turns out that "brainstorming," a totally noncritical process in which people just throw out ideas wildly, doesn't produce workable ideas. In particular, it doesn't work as well as groups in which ideas are proposed, critiqued, improved, debated. But like any group process, this must be protected from domination by powerful people and also over-talkative people. When the group recognizes its group power, it can limit these distortions. Thinking together is enormously creative; it has huge survival value.*

**Learn to live with contradictions.** *These are dark times, these are bright times. We are implacably making the planet less habitable. Every time a new oil field is discovered, the press cheers: "Hooray, there is more fuel for the self-destroying machines!" We are turning more land into deserts and parking lots. We are wiping out innumerable species that are not only wondrous and beautiful, but might be useful to us. We are multiplying to the point where our needs and our wastes outweigh the capacities of the biosphere to produce and absorb them. And yet, despite the bloody headlines and the rocketing military budgets, we are also, unbelievably, killing fewer of each other proportionately than in earlier centuries. We have mobilized enormous global intelligence and mutual curiosity, through the Internet and outside it.*

*We have even evolved, spottily, a global understanding that democracy is better than tyranny, that love and tolerance are better than hate, that hope is better than rage and despair, that we are prone, especially in catastrophes, to be astonishingly helpful and cooperative. We may even have begun to share an understanding that while the dark times may continue for generations, in time new growth and regeneration will begin. In the biological process called "succession," a desolate, disturbed area is gradually, by a predictable sequence of returning plants, restored to ecological continuity and durability.*

*When old institutions and habits break down or consume themselves, new experimental shoots begin to appear, and people explore and test and share new and better ways to survive together. It is never easy or simple. But already we see, under the crumbling surface of the conventional world, promising developments: new ways of organizing economic activity (cooperatives, worker-owned companies, nonprofits, trusts), new ways of using low-impact technology to capture solar energy, to sequester carbon dioxide, new ways of building compact, congenial cities that are low (or even self-sufficient) in energy use, low in waste production, high in recycling of almost everything.*

*A vision of sustainability that sometimes shockingly resembles Ecotopia is tremulously coming into existence at the hands of people who never heard of the book. Now in principle, the Big Picture seems simple enough, though devilishly complex in the details.*

*We live in the declining years of what is still the biggest economy in the world, where a looter elite has fastened itself upon the decaying carcass of the empire. It is intent on speedily and relentlessly extracting the maximum wealth from that carcass, impoverishing our former working middle class.*

*But this maggot class does not invest its profits here. By law and by stock-market pressures, corporations must seek their highest possible profits, no matter the social or national consequences — which means moving capital and resources abroad, wherever profit potential is larger. As Karl Marx darkly remarked, "Capital has no country," and in the conditions of globalization his meaning has come clear. The looter elite systematically exports jobs, skills, knowledge, technology, retaining at home chiefly financial manipulation expertise: highly profitable, but not of actual productive value. Through "productivity gains" and speedups, it extracts maximum profit from domestic employees; then, firing the surplus, it claims surprise that the great mass of people lack purchasing power to buy up what the economy can still produce (or import).*

The first sketch at the top is one I found in several drawerfuls of Ilia Petrov rough sketches. I suppose it's from the 1944 period here.....The aquarelle is one of several (from the 1970s) I have from Vassil Vulev (when I met him a couple of years ago) who's still going at 79/80 -

**February 2014**

# How Did We Allow it to Happen?

Who's to Blame?

Privatisation

Tax Evasion

The Long Descent

The best writing on the global crisis

Economics forgets history

Breaking out from an insane world

Against Technocracy

Ideas and institutions

Fightback

The Centre cannot Hold

Round up the Usual Suspects

The Dog that Didn't Bark

Are we going to Hell?

The C Word

How Governments have Bought (and wasted) Time



2008 was supposed to bring us to our senses – to give us the sort of focus we last saw in the immediate post-war years when social, political and commercial energies were building a better world; greed and flashiness kept then in check; and “government” was an institution for whose efforts we had some respect if not pride.

Six years on from the most recent global crisis, such hopes and expectations are in tatters... the façade of democracy has been ruthlessly exposed by the latest debt crisis in Europe... and governments seem hell-bent on creating a dystopia of privatized public facilities, repression and gross inequalities which put JK Galbraith's indictment 60 years ago of “private affluence and public squalour” in the shade. A world of gated communities exists cheek by jowl with those inhabited by crushed spirits of millions evicted from the formal economy or in fear of that fate; politicians, politics and the media are despised as lapdogs of what an American President in 1960 presciently labelled the “military-industrial complex”. Welcome to post-modernity!



**This little book (and the website) examine this condition, explore how it has developed and how it might be tamed...** The website believes in the importance of what the academics have taken to calling “agency” – that is, of people coming together to try to improve socio-economic conditions. Such efforts used to be national but now tend to be a combination of local, continental and global. Some of the effort is driven by anger; some by more creative urges – but hundreds of thousands if not millions of people are involved in activities which have been charted by writers such as Paul Kingsnorth and Paul Hawkin. They include a lot of social enterprise and cooperatives of which the oldest and most inspiring is Mondragon whose various ventures now employ more than 25,000 people in a mountain area of Spain.

**But all this does not seem able to inspire a common vision – let alone a coherent agenda and popular support – for a better world.** Of course the knowledge base I draw on is limited to Europe of an anglo-saxon variety – so I cannot (sadly) speak much about, for example, the Latin American experience of development which, patently, has a lot to teach us.

Last year, when setting up the new website, I tried to pull together my feelings about what was going on – I came up with some rather pessimistic conclusions –

*Political parties are a bust flush* – All mainstream political parties in Europe have been affected by the neo-liberal virus and can no longer represent the concerns of ordinary people. And those “alternative parties” which survive the various hurdles placed in their way by the electoral process rarely survive.

The German Greens were an inspiration until they too eventually fell prey to the weaknesses of political parties identified a hundred years ago by Robert Michels.

More recently, "Pirate" parties in Scandinavia and Bepe Grillo's Italian Five Star Movement have managed, briefly, to capture public attention, occupy parliamentary benches but then sink to oblivion or fringe if not freak interest.

What the media call "populist" parties of various sorts attract bursts of electoral support in most countries but are led by labile individuals preying on public fears and prejudices and incapable of the sort of cooperative effort which serious change requires.

*NGOs are no match for corporate power* - The annual World Social Forum has had more staying power than the various "Occupy movements" but its very diversity means that nothing coherent emerges to challenge the power elite whose "scriptures" are delivered from the pulpits of The World Bank and the OECD. There doesn't even seem a common word to describe our condition and a vision for a better future - "social change"? What's that when it's at home?

*Academics are careerists*

- the groves of academia are still sanctuary for a few brave voices who speak out against the careless transfer by governments of hundreds of billions of dollars to corporate interests .....Noam Chomsky and David Harvey prominent examples.

- Henry Mintzberg, one of the great management gurus, has in the last decade broken ranks and now writes about the need for a profound "rebalancing" of the power structure - Rebalancing Society - radical renewal beyond left, right and centre
- Economists who challenge the conventional wisdom of that discipline are now able to use the Real-World Economics blog.
- Daniel Dorling is a geographer who focuses on inequalities eg his powerful Injustice - why social inequality persists.

*Think Tanks play safe - and....think*

- Most Think-Tanks play it safe (for funding reasons) - although there are honourable exceptions. Such as -

- Susan George, a European activist and writer, who operates from the Trans National Institute and, amongst her many books, has produced two marvellous satires - Lugano I and Lugano II
- David Korton's books and Yes Magazine keep up a steady critique.
- Joseph Stiglitz, once part of the World Bank elite, writes scathingly about economic conventional wisdom
- The new Pope has the resources of the Vatican behind him; and is proving a great example in the struggle for dignity and against privilege.

*There are simply too many different diagnoses and prescriptions. Too many prophets and peacocks preening themselves....allocating blame....and announcing favourite recipes....all within a power structure which never really seems to change.....*

This is where, perhaps, things have now changed dramatically.

In the first part of the 20<sup>th</sup> century educated people had religion, movements and ideologies to put their faith in.



In the second part of the century we had things like managerialism and privatisation (in the US still religion) to give us continued faith that things could and would get better.

But the tectonic plates seem to have moved in the past decade -

- we have become aware that the "Western world" is only a small (and declining) part of the world
- we no longer trust the institutions of democracy and the market (let alone faiths) which were the core of our being.
- Corporate and bureaucratic power is evil and the very notion of political power laughable. All that seems left are disaggregated, atomistic and alienated individuals
- with most people no longer believing that the future has anything better to offer
- We cannot therefore agree any more on diagnoses - let alone on prescriptions.
- We are completely at sea...have no engines ...nor bearings....

## Eight Horsemen of the Apocalypse



In recent years, bankers have become a hated group. However, before the politicians could do any damage to their privileges and excesses, the British right-wing media was able to make an issue of some excessive financial claims made by numerous member of parliament (average 20k) and neuter what remaining power politicians had in that country.

The ongoing media scandal in Britain has now (finally) exposed the moral bankruptcy of the "tabloid" newspapers who had politicians fearful of taking actions which would offend newspaper moguls. A joke which beautifully illustrates the perversion of these papers has the Pope in a rowing boat with the leader of the miners' union of the 1980s then in deep

conflict with the government. The oars are lost and Scargill (the miners' leader) gets out of the boat and walks across the water to retrieve the oars. The next day's newspapers headlines are "Arthur Scargill can't swim!"!!

The ongoing scandal has now also brought police corruption into the frame in England. So, in the course of 3-4 years, 4 core professions of the British Establishment (or Power Elite) have been demonised - bankers, politicians, media and police. Perhaps the most powerful professional group, however, has managed to stay out of the spotlight - but needs now to be "outed" and ousted from its privileged and corrupting position. And which group is that? They began to come into the frame at the recent exchanges between the Murdoch mogul and his son and members of the UK Parliament's Select Committee on Culture and media. Of course the questions (ranging from dum to clever) were interesting - and also the answers (clearly carefully prepared).

But, for me, most interesting were the faces and body language. I was particularly struck by the faces of those who sat in the row immediately behind the 2 Murdochs - not just that of his (beautiful, young Chinese) wife but those of two elegantly dressed and elderly consiglione whose impassive features recalled nothing less than those in mafia films.

These were his lawyers - and it was (corporate) lawyers whose advice had been sought by the Murdochs we heard about time and time again during the exchanges. Britain and America have more lawyers than most of the countries of the globe put together - and they basically protect the amorality of corporations. And it is these people who then go to become judges - [Craig Murray has a short post today on the amorality of our judges](#). And those with any optimism remaining for the future of the planet will be disappointed to learn that the majority of graduates these days still want to go into either the finance or legal sectors. If our churches had any morality left they would be focussing on this - and discouraging our youngsters from such decisions.

I think it was Harold MacMillan who suggested at a meeting of ex-Prime Ministers that the collective noun for a group of political leaders was a "lack of principles" (He also, interestingly, said that "we did not give up the divine right of kings to succumb to the divine right of experts"! ). So I offer you the 5 groups who are destroying our civilisation - investment bankers, politicians, corporate lawyers, tabloid journalists and corrupt policemen. But what about the accountants/economists, academics and preachers??? Damn! There seem to be 8 horses of the apocalypse! Let me in conclusion, offer this quotation from mediaeval times -

*Strange is our situation here on earth. Each of us comes for a short visit, not knowing why, yet sometimes seeming to divine a purpose. From the standpoint of daily life, however, there is one thing we do know: that man is here for the sake of other human beings - above all for those upon whose smiles and well-being our own happiness depends*

I have never heard of the painter [John Atkinson Grimshaw](#) - but would recommend [these videos](#) one of which has the music of Thomas Newman whose soundtrack helped make the film [Road to Perdition](#) such a fascinating one for me  
I have chosen Durer's version of the Four Horsemen genre.

## Who's to Blame?

What would you make of a zoo which kept its more harmless animals under strong guard but which allowed its man-eaters to roam free? I am beginning to feel this is a good way to look at Western systems of social control and regulation.

Some 15 years or so ago, [transparency and accountability became a big issue](#) in my professional field (of governance). I have only recently begun to question the motives which have been at work. Reassuring, at one level, in the story it told of how various public organisations were held to account by citizens, it demonstrated one of many apparently superior elements of the capitalist model of governance over the communist one which had been the default system of the countries in which many of us were working post 1989. For example, in 2001 I myself wrote [this briefing note on the](#)

[issue](#) for my beneficiaries in a Central Asian State.

But, at another level, the emphasis (in the UK at any rate) on the need for more and more scrutiny of government business has perhaps had a hidden agenda – part of the wider drive there has been for several decades to convince people that government activities were inherently inefficient and malevolent. *After all, while we were devoting more and more energy to **scrutiny, for example, of local government activities**, regulations and controls were being lifted from banks and financial agencies.*

Bank profits these days – as most people have noticed – are pocketed by members of the 1% but their losses are nationalised. And only in Iceland, it appears, are attempts being made to prosecute a few (including a Prime Minister) who are deemed culpable for the banking crisis.

It was only Shaxon's book [Treasure Islands](#) which made me realise that bank bosses and owners had managed only a decade or so ago to wriggle out of their legal responsibilities – by having their legal status altered to that of "limited liability". Until then, bank bosses stood to lose everything if their banks went down. No more!

And I noticed yesterday that no less a figure than Nassim Taleb (of Black Swan fame) has suggested that [we return to this simple model of accountability for financial institutions](#) –

*Instead of relying on thousands of meandering pages of regulation, we should enforce a basic principle when it comes to financial oversight:*

***The captain goes down with the ship;***

***Every captain and every ship.***

*In other words, nobody should be in a position to have the upside without sharing the downside, particularly when others may be harmed. While this principle seems simple, we have moved away from it in the finance world, particularly when it comes to financial organizations that have been deemed "too big to fail."*

*The best risk-management rule was formulated nearly 4,000 years ago. Hammurabi's code specifies: **If a builder builds a house for a man and does not make its construction firm, and the house which he has built collapses and causes the death of the owner of the house, that builder shall be put to death.***

*Clearly, the Babylonians understood that the builder will always know more about the risks than the client, and can hide fragilities and improve his profitability by cutting corners—in, say, the foundation. The builder can also fool the inspector (or the regulator). The person hiding risk has a large informational advantage over the one looking for it.*

Of course, despite the public condemnation of bankers (a word which appropriately rhymes with wankers) there is by no means an intellectual consensus on the precise role which various groups have played in this global crisis.

Robert Skidelsky looks briefly in his book [Return of The Master](#) at 6 possible groups to blame (bankers, hedge funds, credit-rating agencies, central bankers, regulators and governments) before turning his fire on economists. And, in a very-well written 2009 book [The Financial Crisis - who is to blame](#), the ex-Chair of the British Financial Services Agency (Howard Davies) explores 39 different explanations of its possible cause. You can see [some overheads](#) and videos from his various presentations [here](#), [here](#) and [here](#)

A wikipedia entry also gives [a useful summary of the various](#) explanations. Those looking for more complex treatment should [have a look at this paper](#) which

*reviews current explanations of crisis whose differences are classified according to whether the causes are located in structure or agency or in neither as part of a kind of third way explanation. In this section we argue that these explanations of the crisis (as accident, conspiracy or calculative failure) share common assumptions about how crisis is generated within socio-technical systems amenable to technical, mainly technocratic, fixes.*

*The second section shifts the problem into a much more political frame, initially by introducing the politics literatures on policy fiascos which are more commonly associated with foreign policy humiliations than with economic crisis. Within this frame, the section focuses on the massive failure of regulation before the crisis and argues that the crisis was then permitted by the inaction of political and technocratic elites whose hubristic detachment was such that they made no serious attempt to control the finance sector.*

*The third section explains how the process of financial innovation produced a fragile latticework of connections that was inherently ungovernable. A brief conclusion draws out some implications.*

My basic point, however, remains - that we should be responsible for our actions. That is the system in which 99% of us work - the systems created in the past few decades have lifted that basic rule from the 1% and encouraged total irresponsibility.

2 April 2012

## **Privatisation of public facilities stinks!**

I've already confessed on the blog that I was too open-minded in my attitude during the opening stages of Thatcher's privatisation agenda. Who knows, I mused in the 1980s, perhaps private management skills and more competition can shake up these systems and make them more customer-friendly. Where there was indeed the possibility of competition (telecommunications and energy) the results have been defensible.

Elsewhere (railways, water, health, [education](#) etc) the results have been utterly disastrous and we all need to shout this from the treetops. Private ownership or management of public assets stinks!! Cities worldwide are experiencing the failures of water privatisation. Unequal access, inflated prices, environmental hazards and scandalous profit margins are prompting municipalities to take back control of this essential service.

A new book [Remunicipalisation - putting water back into public hands](#) from Corporate Europe Observatory, Transnational Institute and the Municipal Services Project examines this growing trend for water 'remunicipalisation'. Case studies analyse the transition from private to public water provision in Paris, Dar es Salaam, Buenos Aires and Hamilton, and look at a national-level experiment in Malaysia.

The journey toward better public water illustrates the benefits and challenges of municipal ownership, but the book also highlights the stranglehold of international financial institutions and

the legacies of corporate control, putting water in the context of the larger debate about 'alternatives to privatisation' and drawing lessons from these experiences for future action in favour of public services.

*Most of us thought that the global crisis would loosen the grip of corporate power, neo-liberalism and deregulation and make voters more sympathetic to the traditional social democratic agenda.*

The opposite seems to have happened. We need a better understanding of the reasons for this. In my view there are at least three -

- the crassness of the new breed of social democrats (New Labour and others who chose to make Faustian deals)
- the power of the corporate media
- the sheer scale of the neo-liberal lobbying tentacles

Radical reform is blocked because the crisis has strengthened elite power over governing structures and highlighted the importance of what an important recent paper called "[democratic disconnects](#)".

*First, the crisis has discredited banking and finance but it has not disempowered financial elites because crisis has strengthened the power of conservative financial, bureaucratic and political elites within our governing structures. Second, a series of democratic disconnects have disempowered the critics of finance in the technocracy and civil society who have been unable to turn popular hostility into effective reform of finance. The disconnects are such that, after the decline of the mass parties, it is now structurally difficult to convert the radical technocratic agenda or civil society activism into effective policy reform. Our story is of a stifled revolution and the reassertion of power by traditional elites.*

For this reason, it is all the more important that successes in driving back corporate power are properly reported. These examples of remunicipalisation are inspiring.

April 4 2012

## **Tax evasion**

I wrote a few days back about the impact of Nicholas Shaxson's book *Treasure Islands* - and the revelations it contains about unregulated financial institutions and tax havens being much more extensive than we realised. Today there is a story about [how Amazon UK changed its ownership a few years back](#) (now owned by a Luxemburg company) and has paid no Corporation tax on its 7.5 billion euros annual sales

Ironical (to put it mildly!) that I bought Shaxson's book from Amazon UK; that Shaxson is apparently domiciled in Switzerland; and that his book was published by Bodley Head - once a proud and independent company but now part of the multinational Random House which itself engages in the tax gymnastics the book attacks.

Actually it's not ironic! It is a powerful demonstration of how extensive the coils of the octopus of the new gene of capitalism has become!

For new readers, these are not the rantings of a leftist - but of someone who in the 1980s strongly



fought the hard left (and would still justify my role) but from whose eyes the scales have now fallen about the parasitical greed of the commercial elite.

## The Long Descent



I've been reading a book which exposes the fragility of the world around us; and the theories and images so many people use to sustain their belief that, ultimately, the world is a benign place which can be controlled to ensure the continuation of the way of life portrayed in advertisements.

[The Long Descent - a user's guide to the end of the industrial world](#) which appeared in 2008.

The book positions itself in the tradition of the 1972 Club of Rome's "Limits to Growth" and argues that the window of opportunity we had then to take action is closed; that, as

fossil fuel production dwindles, the Industrial Age will gradually unravel, leaving humanity where it was about 200 years ago. The "gradual" part is one of the author's distinctive arguments. As supplies contract, he argues, we'll scale back. Prices then go down, and we begin to use more...resources run low and prices spike...so we scale back again, over and over until we are finally, hundreds of years from now, de-Industrialized. We will then rebuild society in a sustainable fashion. As he rightly observes

*Most people in the developed world have never had to feed, clothe, house, or protect themselves with their own hands, and have only the vaguest notions about how to do so. They rely for every necessity of life on the industrial economy. Even the most basic requirements of life are tied to the industrial system; how many people nowadays can light a fire without matches or a butane lighter from some distant factory? The skills necessary to get by in a non-industrial society, skills that were still common knowledge a century ago, have been all but lost throughout the developed world. This disastrous situation results from the modern obsession with progress. When a new technology is introduced, the older technology it replaces ends up in the trash heap. Since new technologies almost always demand more resources, use more energy, and include more complexity than their older equivalents, each step on the path of progress has made people more dependent on the industrial system and more vulnerable to its collapse.*

You can see him [presenting his ideas here](#) (don't be put off by his appearance - his arguments are more sound than any in the mainstream) and read his [weekly essays on his blog](#). One of his posts has an interesting [reading list](#). The book complements Orlov's which I wrote about last September [here](#) and [here](#).

I remember, forty years ago, being impressed with EJ Mishan's powerful attack on the worship of "growth" which seemed to have become Europe's new religion - [The Costs of Economic growth](#) (1967). The book's emphasis was on the social costs of wealth.

Then came the environmental critique - the damage we were doing to ecological balance - with a lot of talk about (but little support for) "renewables".

Latterly have come the peak-oil arguments which, at last, are recognised and clearly speak more loudly than the first two sets of arguments.

The new wave of books such as Greer and Orlov basically argue that it is now too late for political action (as well as being unrealistic to expect it); that "renewables" have been over-hyped; and that we need to prepare individually and at a local level for a new type of living.

13 May 2012

### The best writing on the global crisis

The intuition of the older generations beats hands-down the arrogance of the post-war generations. They shunned debt - and knew that the products of manufacturing industry were the real thing. My generation thought that it knew better. At any rate it wanted better and made a Faustian deal. It's payback time now - and few writers are able to explain what has happened, let alone how we cope with the new world.

Some of my previous posts have referred to the accounts of people such as Howard Davies and Robert Skidelsky - the first of whom looked briefly at 39 possible explanations (!! ) for the recent global collapse. I've also given space to the more radical accounts of Paul Mason and Yanis Varoufakis who put the events in a deeper context; and covered the more apocalyptic writers such as William Greer and Dmitry Orlov who not only give their own explanations but also spell out the scale and details of the changes we need to make in our own personal lives if we are to survive.

It should be noted that only 2 of these writers could be designated an academic (Skidelsky and Varoufakis)



But this week I came across perhaps the most impressive bit of analysis and writing - from Tim Morgan who writes strategic papers for a consultancy. They are all clear, challenging and well worth reading. The latest is called Perfect Storm and basically attributes the global crisis of the past 4 years to four factors -

- The madness of crowds
- The "globalisation disaster"
- Self-delusion (eg statistical lying)
- Seriously diminishing returns from the exploitation of fuels on which our growth has depended for the past two centuries

I'm only half way through the paper but let me share some excerpts from his gripping introduction-

*With 24-hour news coverage, the media focus has shifted inexorably from the analytical to the immediate. The basis of politicians' calculations has shortened to the point where it can seem that all that matters is the next sound-bite, the next headline and the next snapshot of public opinion. The corporate focus has moved all too often from strategic planning to immediate profitability as represented by the next quarter's earnings.*

*This report explains that this acceleration towards ever-greater immediacy has blinded society to a series of fundamental economic trends which, if not anticipated have devastating effects.*

*The relentless shortening of media, social and political horizons has resulted in the establishment of self-destructive economic patterns which now threaten to undermine economic viability.*

*We date the acceleration in short-termism to the early 1980s. Since then, there has been a relentless shift to immediate consumption as part of something that has been called a "cult of self-worship".*

*The pursuit of instant gratification has resulted in the accumulation of debt on an unprecedented scale. The financial crisis, which began in 2008 and has since segued into the deepest and most protracted economic slump for at least eighty years, did not result entirely from a short period of malfeasance by a tiny minority, comforting though this illusion may be.*

*Rather, what began in 2008 was the denouement of a broadly-based process which had lasted for thirty years, and is described here as "the great credit super-cycle".*

*The credit super-cycle process is exemplified by the relationship between GDP and aggregate credit market debt in the United States (see fig. 1.1 of the report). In 1945, and despite the huge costs involved in winning the Second World War, the aggregate indebtedness of American businesses, individuals and government equated to 159% of GDP. More than three decades later, in 1981, this ratio was little changed, at 168%. In real terms, total debt had increased by 214% since 1945, but the economy had grown by 197%, keeping the debt ratio remarkably static over an extended period which, incidentally, was far from shock-free (since it included two major oil crises).*

*As figure 1.1 shows, this changed dramatically in the 2 decades following - with the percentage of debt hitting almost 400% in 2008.*

29 January 2013

## **Breaking out from an insane world**

It's highly appropriate that, at the end of the week during which I have been thinking and about blogging the difficulties what, for lack of a better phrase I have to call "social reform", a blistering article appears. I won't spoil the effect by revealing, for the moment, the identity of the writer. What is important for me is that the author gives central place to the notion of a "re-balancing" of power and systems. Have patience - the excerpt is a long one! So I've taken the liberty of adding some headings.....

*The notion that capital is the metric, that profit is the metric by which we're going to measure the health of our society is one of the fundamental mistakes of the last 30 years. I would date it in my country to about 1980 exactly, and it has triumphed.*

*The great irony of it is that the only thing that actually works is not ideological, it is impure, has elements of both arguments and never actually achieves any kind of partisan or philosophical perfection. It's pragmatic, it includes the best aspects of socialistic thought and of free-market capitalism and it works*



*because we don't let it work entirely. And that's a hard idea to think - that there isn't one single silver bullet that gets us out of the mess we've dug for ourselves. But man, we've dug a mess....*

### **Some history**

*A working class that had no discretionary income at the beginning of the century, which was working on subsistence wages was turned it into a consumer class that not only had money to buy all the stuff that they needed to live but enough to buy a bunch of shit that they wanted but didn't need, and that was the engine that drove us.*

*It wasn't just that we could supply stuff, or that we had the factories or know-how or capital, it was that we created our own demand and started exporting that demand throughout the west. And the standard of living made it possible to manufacture stuff at an incredible rate and sell it.*

*And how did we do that? We did that by not giving in to either side. That was the new deal. That was the great society. That was all of that argument about collective bargaining and union wages and it was an argument that meant neither side gets to win.*

*The unions actually mattered. The unions were part of the equation. It didn't matter that they won all the time, it didn't matter that they lost all the time, it just mattered that they had to win some of the time and they had to put up a fight and they had to argue for the demand and the equation and for the idea that workers were not worth less, they were worth more.*

### **The big mistake**

*Ultimately we abandoned that and believed in the idea of trickle-down and the idea of the market economy and the market knows best, to the point where now libertarianism in my country is actually being taken seriously as an intelligent mode of political thought. It's astonishing to me. But it is. People are saying I don't need anything but my own ability to earn a profit. I'm not connected to society. I don't care how the road got built, I don't care where the firefighter comes from, I don't care who educates the kids other than my kids. I am me. It's the triumph of the self. I am me, hear me roar.*

*And so in my country (the US) you're seeing a horror show. You're seeing a retrenchment in terms of family income, you're seeing the abandonment of basic services, such as public education, functional public education. You're seeing the underclass hunted through an alleged war on dangerous drugs that is in fact merely a war on the poor and has turned us into the most incarcerative state in the history of mankind, in terms of the sheer numbers of people we've put in American prisons and the percentage of Americans we put into prisons. No other country on the face of the Earth jails people at the number and rate that we are.*

### **I'm no pansy!**

*I'm utterly committed to the idea that capitalism has to be the way we generate mass wealth in the coming century. That argument's over. But the idea that it's not going to be married to a social compact, that how you distribute the benefits of capitalism isn't going to include everyone in the society to a reasonable extent, that's astonishing to me.*

*And so capitalism is about to seize defeat from the jaws of victory all by its own hand. That's the astonishing end of this story, unless we reverse course. Unless we take into consideration, if not the remedies of Marx then the diagnosis, because he saw what would happen if capital triumphed unequivocally, if it got everything it wanted.*

### **But things can't go on like this!**

*Unless we take stock of the fact that maybe socialism and the socialist impulse has to be addressed again; it has to be married as it was married in the 1930s, the 1940s and even into the 1950s, to the engine that is capitalism.*

*The idea that the market will solve such things as environmental concerns, as our racial divides, as our class distinctions, our problems with educating and incorporating one generation of workers into the economy after the other when that economy is changing; the idea that the market is going to heed all of*

*the human concerns and still maximise profit is juvenile. It's a juvenile notion and it's still being argued in my country passionately and we're going down the tubes.*

OK at this stage I have to tell you that the author is the guy who created and wrote one of television's best series - "[The Wire](#)" - one [David Simon who has delivered this amazing blistering address](#) He goes on the say -

*And that's what The Wire was about basically, it was about people who were worth less and who were no longer necessary, as maybe 10 or 15% of my country is no longer necessary to the operation of the economy. It was about them trying to solve, for lack of a better term, an existential crisis. In their irrelevance, their economic irrelevance, they were nonetheless still on the ground occupying this place called Baltimore and they were going to have to endure somehow.*

#### **The great horror show**

*That's the great horror show. What are we going to do with all these people that we've managed to marginalise? It was kind of interesting when it was only race, when you could do this on the basis of people's racial fears and it was just the black and brown people in American cities who had the higher rates of unemployment and the higher rates of addiction and were marginalised and had the shitty school systems and the lack of opportunity.*

*And kind of interesting in this last recession to see the economy shrug and start to throw white middle-class people into the same boat, so that they became vulnerable to the drug war, say from methamphetamine, or they became unable to qualify for college loans. And all of a sudden a certain faith in the economic engine and the economic authority of Wall Street and market logic started to fall away from people. And they realised it's not just about race, it's about something even more terrifying. It's about class. Are you at the top of the wave or are you at the bottom?*

#### **So?**

*So how does it get better? In 1932, it got better because they dealt the cards again and there was a communal logic that said nobody's going to get left behind. We're going to figure this out. We're going to get the banks open. From the depths of that depression a social compact was made between worker, between labour and capital that actually allowed people to have some hope.*

*.....Or we're going to keep going the way we're going, at which point there's going to be enough people standing on the outside of this mess that somebody's going to pick up a brick, because you know when people get to the end there's always the brick. I hope we go for the first option but I'm losing faith.*

#### **Looks like we have to throw bricks**

*The other thing that was there in 1932 that isn't there now is that some element of the popular will could be expressed through the electoral process in my country.*

*The last job of capitalism - having won all the battles against labour, having acquired the ultimate authority, almost the ultimate moral authority over what's a good idea or what's not, or what's valued and what's not - the last journey for capital in my country has been to buy the electoral process, the one venue for reform that remained to Americans.*

*Right now capital has effectively purchased the government, and you witnessed it again with the healthcare debacle in terms of the \$450m that was heaved into Congress, the most broken part of my government, in order that the popular will never actually emerged in any of that legislative process. So I don't know what we do if we can't actually control the representative government that we claim will manifest the popular will. Even if we all start having the same sentiments that I'm arguing for now,*

*I'm not sure we can affect them any more in the same way that we could at the rise of the Great Depression, so maybe it will be the brick. But I hope not.*

This emphasis on the importance of balance was the focus of a very good (but neglected) paper which Henry Mintzberg published in 2000 about [the Management of Government](#) which starts with the assertion that it was not capitalism which won in 1989 but "the balanced model" ie a system in which there was some sort of balance between the power of commerce, the state and the citizen. Patently the balance has swung too far in the intervening 20 years! Mintzberg is a very sane (Canadian) voice in a mad world - as is obvious from this article on [managing quietly](#) and his [ten musings on management](#).

I mentioned his paper on the blog [a couple of years ago](#) when he seemed to be writing a book about the need for re-balance but his website contains now [only a promise of a pamphlet](#). Mintzberg is one of the few people familiar with the relevant literature who could develop an appropriate typology to help us move forward from the desperate shouting.....

8 December 2013

## **Against technocracy**

We talk loosely about the moral emptiness of the modern world - perhaps particularly at this time of year when consumerism is so much in our faces. "Me-me" has become the central driving force and egocentricity the name of the only game in town. An increasing question for many of my generation is how to develop a coherent set of stories and messages capable of persuading our societies of the need to change track - and in what way? To some of us it seems that a rediscovery of the ethic of social responsibility is an important part of the answer. But our educational institutions seem unable to deal with values

We are by nature, says de Botton in [Religion for Atheists](#), "fragile and capricious - beset by fantasies of omnipotence, worlds away from being able to command even a modicum of the good sense and calm that secular education takes as the starting point for its own pedagogy". However, he continues -

*...ideas need not just to be presented, but also repeated. The Christian calendar does this, as does the set daily liturgy.*

*Secular society, on the other hand, leaves us free - presenting us with a constant stream of new information, and prompting us to forget the lot. It expects us to spontaneously find our way to the ideas that matter to us, and gives us weekends off for consumption and recreation. It's the 'news' which occupies the position of authority in the secular sphere which the liturgical calendar has in the religious one. Matins become the breakfast bulletin, vespers the evening report. Its prestige is founded on the assumptions that our lives are poised on the verge of transformation due to the 2 driving forces of modern history: politics and technology. Religious texts, by contrast, are written on stone, books are few and thoroughly absorbed.*

*We are familiar enough with the major categories of the humanities as they are taught in secular universities - history and anthropology, literature and philosophy - as well as with the sorts of examination questions they produce: Who were the Carolingians? Where did phenomenology originate? What did Emerson want? We know too that this scheme leaves the emotional aspects of our characters to*

*develop spontaneously, or at the very least in private, perhaps when we are with our families or out on solitary walks in the countryside.*

*In contrast, Christianity concerns itself from the outset with the inner confused side of us, declaring that we are none of us born knowing how to live; Christianity is focused on helping a part of us that secular language struggles even to name, which is not precisely intelligence or emotion, not character or personality, but another, even more abstract entity loosely connected with all of those and yet differentiated from them by an additional ethical and transcendent dimension - and to which we may as well refer, following Christian terminology, as the soul. It has been the essential task of the Christian pedagogic machine to nurture, reassure, comfort and guide our souls. p112-13*

I rarely miss an opportunity to castigate the modern university for its ever-increasing compartmentalisation of knowledge and marginalisation, indeed stigmatisation, of inter-disciplinary work. If ever an occupation deserved the accusation of insidious conduct of the "trahison des clercs" it is the modern academic - in their ivory towers and, with a few honourable exceptions, being indifferent to the fate of humanity. As de Botton puts it -

*The modern university appears to have little interest in teaching emotional or ethical life skills, much less how to love their neighbours and leave the world happier than they found it. Scripture used to do this; and since the C19th the hope has been that culture could replace scripture in helping people find meaning, understand themselves, behave morally, forgive others and confront their own mortality. So we could turn to Marcus Aurelius, Boccaccio, Wagner and Turner instead. It's an odd proposition - but maybe not so much absurd as unfamiliar. Novels do impart moral instruction; paintings do make suggestions about happiness; literature can change our lives, philosophy can offer consolations. **But while universities have achieved unparalleled expertise in imparting factual info about culture, they remain uninterested in training students to use it as a repertoire of wisdom.** 'So opposed have many atheists been to the content of religious belief that they have omitted to appreciate its inspiring and still valid overall object: to provide us with well-structured advice on how to lead our lives.' (page 111).*

*Christianity meanwhile looks at the purpose of education from another angle, because it has an entirely different concept of human nature. It has no patience with theories that dwell on our independence or our maturity. It instead believes us to be at heart desperate, fragile, vulnerable, sinful creatures, a good deal less wise than we are knowledgeable, always on the verge of anxiety, tortured by our relationships, terrified of death - and most of all in need of God.*

John Wesley used to preach on being kind, staying obedient to parents, visiting the sick, caution against bigotry. He said 'I design plain truth for plain people: therefore... I abstain from all nice and philosophical speculations; from all perplexed and intricate reasonings; and as far as possible, from even the show of learning. My design is... to forget all that ever I have read in my life.' (page 120).

*'We on the other hand have constructed an intellectual world whose most celebrated institutions rarely consent to ask, let alone answer, the most serious questions of the soul.' (p 121) Maybe we need a new kind of university, one which had a dept for relationships, an institute of dying and a centre for self knowledge. Then there's the method - impassioned preaching makes a difference to the engagement and impact. 'Secular education will never succeed in reaching its potential until humanities lecturers are sent to be trained by African-American Pentecostal preachers.' (p131). Summary: Religions teach wisdom; secular societies offer information.*

17 December 2013

## Ideas and Institutions

De Botton is one of these writers the intelligentsia sneer about - but I enjoy his stuff. The last section of [de Botton's book](#) about religion deals with institutions and has a few simple but effective graphs comparing the scale of annual spending eg (a) of the Catholic Church with that of Proctor and Gambles; and (b) of Pringle crisps in UK with that for all books and poetry published in that country!

These graphs really make the point very powerfully about the impossibility of individual writers making any impact on national affairs. The text then offers the following sentence -

*The challenge we face is how to ally the very many good ideas which currently slumber in the recesses of intellectual life with organisational tools (many religious in nature) which stand the best chance of giving these ideas due impact in the world (p299)*

De Botton's book is one of those rare ones which emerge from my reading with a mass of underlining, pencilled strokes, ticks and just a few question marks. It helped remind me of various issues which have cropped up from time to time in the blogs over the past few years but to which I have not devoted enough consideration, such as -

- How we can reinvent the ethic of social responsibility
- The need to honour those individuals who embody the "good life"
- How the discontent if not rage so many people have about the commercial, political and financial elites can be translated into effective social action.
- The importance (but marginalisation) of cross-boundary (inter-disciplinary) work and writing
- the neglect (and importance of) literature and history in [giving insights to contemporary issues](#)

18 December 2013

## Round up the Usual Suspects!



One of the questions which nags away at me is why "progressives" don't spend more time trying to seek a consensus agenda which can halt the downward spiral into which our societies have plunged since the 1970s. Since the global crisis, it has been obvious (to most) that the economy (if not society) was broken - trouble is that people could not agree what the causes were. Energies (and time) were wasted in parading "the usual scapegoats". But there was too ready an assumption that

those responsible would be contrite and change their behaviour; and/or that governments would enact strong measures (in the style of the Roosevelt New Deal of the 30s). Only slowly did it seem to dawn on people that, far from slamming the brakes on, corporate power and the political class were driving relentlessly on - imbued, it appears, with an ideological fervour for what, rightly or

wrongly, we call neo-liberalism. Colin Crouch dealt with this question in 2011 in his [The Strange Non-Death of Neo-Liberalism](#) - although the book is a bit theoretical.

Philip Morowski gives a more trenchant (and political) explanation for the survival of the neo-liberal dogma in his [Never Let a Serious Crisis Go to Waste](#) (2013) - arguing that progressives have failed to understand that the neo-liberal rhetoric about the market cloaks a continued build-up of state power (bolstering corporate interests).

The economists have had at least six years to publish their analyses of the process of collapse; to identify the reasons and to suggest measures - both rectifying and preventive. Most serious accounts look at least 15 causes....and the guy was chairman of the British Financial Regulatory body [actually produced 39!](#)

But, as Morowski argues, the vast bulk of economists adhere to a fallacious doctrine and are incapable of producing relevant prescriptions.

Immediately someone puts his or head above the parapet and suggests concrete actions, they are labelled and dismissed. - whether by those in power or, more discouragingly, by other progressives. This presumably is one reason why such voices are rare.

But there must be other reasons which discourage the mass of discontented people from uniting under a common banner.

Most people are confused; some are just skeptical if not fatalistic; but a significant number of highly educated people are infected, I suspect, by the social disease of individualism which lies, I feel, at the heart of our malaise.

We simply no longer believe in the possibility of effective collective action. And too many of the big names who write the tracts about the global crisis present their analyses and prescriptions with insufficient reference to the efforts of others. They have to market their books - and themselves - and, by that very act, alienate others who could be their comrades in arms. For example, I'm just beginning to look at David Harvey's latest book - [Seventeen Contradictions and the End of Capitalism](#) - and can see no mention of alternative ways of dealing with the crisis.

That's why I suggested that Henry Mintzberg was one of the few people who seemed able to help create such a consensus - a set of minimum requirements. He is a management guru from whom one does not readily expect to hear the message that the world has gone mad. More usually management theorists celebrate the bosses. But Mintzberg (like the discipline's founder, Peter Drucker) knows enough about the real world of business to know when things have got out of hand.

I am not a fan of Malcolm Gladwell but his popularisations have included the important notion of [the Tipping Point](#)

Gladwell suggested (in 2010) that there were three key factors which determine whether an idea or fashion will "tip" into wide-scale popularity - the Law of the Few, the Stickiness Factor, and the Power of Context.

The "Law of the Few" proposes that a few key types of people must champion an idea, concept, or product before it can reach the tipping point. Gladwell describes these key types as -

- Connectors,
- Mavens, and
- Salesmen.



(And a maven – in case you didn't know – is a trusted expert in a particular field, who seeks to pass knowledge on to others. The word maven comes from the Hebrew, via Yiddish, and means one who understands, based on an accumulation of knowledge).

If individuals representing all three of these groups endorse and advocate a new idea, it is much more likely that it will tip into exponential success. The other 2 concepts are, frankly, not so well dealt with – and need to go the wider literature of [change management and social marketing](#) to get the whole picture.

My point is simply that most writers on the global crisis seem to focus their thoughts and text on the WHAT rather than on the HOW. – the ideas about the causes of and remedies for the crisis rather than the process by which "change for the better" might be managed.

Of course we are still missing the "shared agenda" – the identification of which requires a "maven-like" character. And then the networkers and the organisers.

June 27, 2014

## The Dog that didn't Bark

In 2011 I was asked to contribute to a special issue of Revista 22 (a Romanian journal) which was looking at how the world had changed since 09/11. My response was [The Dog that Didn't Bark](#) which looked at how corporate interests had seized the opportunity to strengthen their grip on states; and the failure of the left and citizens to produce an effective response to that.

At that time, Colin Crouch was one of the few people who had devoted a book to the question (in his "The Strange Non-Death of Neo-Liberalism")

Three years on, a lot more people have written about it – not least Philip Mirowski with [Never Let a Serious Crisis go to Waste – how neoliberalism survived the financial meltdown](#) and author of [this review](#)

The book's opening pages annoyed me no end. Most (of the considerable number of) reviews have been very positive but one caught my feelings exactly – *Mirowski's aggressive yet obtuse writing style seems designed to alienate casual readers, cuts off discussions of potential alternatives out of the current morass, and ironically paints too positive a picture of where orthodoxy stands at the current moment.*

But I will have to persevere since, like most people, I have been too casual in my use of the term "neo-liberal" and do need to understand why social democrats are so powerless in face of this phenomenon.

Mirowski has helpfully put online one of the key sections of his book – [the thirteen commandments of neo-liberalism](#) – which allows you, reader, to see for yourself what I mean about the convoluted style. He can also be heard on some ipod interviews [here](#), [here](#) and [here](#)

And Colin Crouch himself has returned to the charge in a (free) article [Putting Neoliberalism in its place](#) in the current issue of Political Quarterly.

13 August 2014

## Are we going to Hell?

How far we have fallen since the heady days of November 1989 when so many intellectuals and politicians were celebrating not only the defeat of communism but "[the end of history](#)"!

There was always a significant minority of people who dissented from this Panglossian view and tried to remind us of the cyclical nature of things; and to warn of the arrogance, indeed hubris, involved in our assumptions about "progress" - what [John Gray](#) called recently "[melioristic liberalism](#)"

*Whatever their position on the political spectrum, almost all of those who govern us hold to some version of the melioristic liberalism that is the west's default creed, which teaches that human civilisation is advancing - however falteringly - to a point at which the worst forms of human destructiveness can be left behind. According to this view, evil, if any such thing exists, is not an inbuilt human flaw, but a product of defective social institutions, which can over time be permanently improved.....*

Gray's is one of four recent articles from different parts of the world (and standpoints) which argue that western civilisation is doomed. An Indian - [Pankaj Mishra](#) - gives [the most measured analysis](#) - summoning names such as [Alexander Herzen](#), [Reinhold Niebuhr](#), and Raymond Aron to the discussion

*The most violent century in human history, it was hardly the best advertisement for the "bland fanatics of western civilisation", as Niebuhr called them at the height of the cold war, "who regard the highly contingent achievements of our culture as the final form and norm of human existence". Niebuhr was critiquing a fundamentalist creed that has coloured our view of the world for more than a century: that western institutions of the nation-state and liberal democracy will be gradually generalised around the world, and that the aspiring middle classes created by industrial capitalism will bring about accountable, representative and stable governments - that every society, in short, is destined to evolve just as the west did.*

*Critics of this teleological view, which defines "progress" exclusively as development along western lines, have long perceived its absolutist nature. Secular liberalism, the Russian thinker Alexander Herzen cautioned as early as 1862, "is the final religion, though its church is not of the other world but of this". But it has had many presumptive popes and encyclicals: from the 19th-century dream of a westernised world long championed by the Economist, in which capital, goods, jobs and people freely circulate, to Henry Luce's proclamation of an "American century" of free trade, and "modernisation theory" - the attempt by American cold warriors to seduce the postcolonial world away from communist-style revolution and into the gradualist alternative of consumer capitalism and democracy.*

*The collapse of communist regimes in 1989 further emboldened Niebuhr's bland fanatics. The old Marxist teleology was retrofitted rather than discarded in [Francis Fukuyama's](#) influential end-of-history thesis, and cruder theories about the inevitable march to worldwide prosperity and stability were vended by such Panglosses of globalisation as [Thomas Friedman](#). Arguing that people privileged enough to consume McDonald's burgers don't go to war with each other, the New York Times columnist was not alone in mixing old-fangled Eurocentrism with American can-doism, a doctrine that grew from America's uninterrupted good fortune and unchallenged power in the century before September 2001.*

*The terrorist attacks of 9/11 briefly disrupted celebrations of a world globalised by capital and consumption. But the shock to naive minds only further entrenched in them the intellectual habits of the cold war - thinking through binary oppositions of "free" and "unfree" worlds - and redoubled an old delusion: liberal democracy, conceived by modernisation theorists as the inevitable preference of the beneficiaries of capitalism, could now be implanted by force in recalcitrant societies. Invocations of a new "long struggle" against "Islamofascism" aroused many superannuated cold warriors who missed the ideological certainties of battling communism. Intellectual narcissism survived, and was often deepened by, the realisation that economic power had begun to shift from the west. The Chinese, who had "got capitalism", were, after all, now "downloading western apps", according to [Niall Ferguson](#). As late as 2008, Fareed Zakaria declared in his much-cited book, [The Post-American World](#), that "the rise of the rest is a consequence of American ideas and actions" and that "the world is going America's way", with countries "becoming more open, market-friendly and democratic".*



*One event after another in recent months has cruelly exposed such facile narratives. China, though market-friendly, looks further from democracy than before. The experiment with free-market capitalism in Russia has entrenched a kleptocratic regime with a messianic belief in Russian supremacism. Authoritarian leaders, anti-democratic backlashes and rightwing extremism define the politics of even such ostensibly democratic countries as India, Israel, Sri Lanka, Thailand and Turkey. The atrocities of this summer in particular have plunged political and media elites in the west into stunned bewilderment and some truly desperate cliches. The extraordinary hegemonic power of their ideas had helped them escape radical examination when the world could still be presented as going America's way. But their preferred image of the west - the idealised one in which they sought to remake the rest of the world - has been consistently challenged by many critics, left or right, in the west as well as the east.*

John Gray's article picks up the argument -

*It's in the Middle East, however, that the prevailing liberal worldview has proved most consistently misguided. At bottom, it may be western leaders' inability to think outside this melioristic creed that accounts for their failure to learn from experience. After more than a decade of intensive bombing, backed up by massive ground force, the Taliban continue to control much of Afghanistan and appear to be regaining ground as the American-led mission is run down. Libya - through which a beaming David Cameron processed in triumph only three years ago, after the use of western air power to help topple Gaddafi - is now an anarchic hell-hole that no western leader could safely visit.*

*One might think such experiences would be enough to deter governments from further exercises in regime change. But our leaders cannot admit the narrow limits of their power. They cannot accept that by removing one kind of evil they may succeed only in bringing about another - anarchy instead of tyranny, Islamist popular theocracy instead of secular dictatorship. They need a narrative of continuing advance if they are to preserve their sense of being able to act meaningfully in the world, so they are driven again and again to re-enact their past failures.....*

Der Spiegel then weighs in with a long piece about [the economic aspects of the crisis](#). But it is John Michael Greer's weekly blogpost which really puts the boot in on the intellectual naivety which has been assaulting our ears and eyes since the middle of the last century. Greer has been too easily cast as an "apocalypsisit" but has written some profound books for which [his latest post is a good taster](#).

To many, the scenarios he paints about the next century may seem far-fetched - but few people would have predicted from the optimism which greeted the dawn of the 20th century that it would have gone so badly. Why do we think we are any different?

October 24, 2014

## The C word

We don't need anyone these days to tell us that we're in a mess. Nor to explain why. The libraries are groaning with books on globalization..... deregulation.....privatization.... debt.....neo-liberalism.... greed.....inequality.... corruption..... pollution..... austerity..... migration.

I've just finished a book by Jerry Mander - [The Capitalism Papers - Fatal Flaws of an Obsolete System](#) (2012) (the link gives the entire text) which is as good a moral critique of the system which few dare to name as you're likely to read - "Jerry!", one of his friends, says - "I hope you're not going to use the "C" word"!!



I wondered about this reluctance to talk about capitalism - and duly googled the word, unearthing quite a few treasures I have so far missed, two of them produced in 1999 and clearly major works. [The New Spirit of Capitalism](#) is a French contribution by L Boltanski and E Chiapello whose main focus is -

*management literature, and the ways in which it shifted between the 1960s and the 1990s in tone, content, and the general set of assumptions about capitalism and the role of management. Boltanski and Chiapello, as their title suggests, draw directly on Weber's classic analysis of "The Protestant Ethic and the Spirit of Capitalism". Put simply, Weber's account maintains that the emergence of a full-scale capitalist economy depended in part on a change in the habits of commercially-successful merchants, master craftsmen and entrepreneurial farmers, whose forebears might have spent their profits on luxurious lifestyles and, if sufficient, on the land, titles and symbolic goods necessary to gain admittance to the aristocracy.*

***The pursuit of such worldly glories might always have diverted resources away from investment in further productive capital if the ideology of Puritanism had not motivated the proto-capitalist actively to avoid them in favour of dedication to the singular vocation of his 'calling'.***

*Boltanski and Chiapello derive from this account the axiom that capitalism requires from its key agents a degree of dedication, hard work and self-sacrifice which does not come naturally or easily. As such, capitalism must always be animated by a 'spirit', an ideology which inspires and motivates not the entire population, but the key sections who must be committed quite explicitly to the project of capital accumulation if it is to carry on successfully.*

*Boltanski and Chiapello identify three such 'spirits', the first being Weber's; the second being the bureaucratic 'spirit' of the era of high Fordist industrialism (the ideology of the 'company man'), and the third being the 'new spirit' of the highly flexible, network-intensive knowledge economy*

The Cultural Studies journal gives [a well-referenced review](#) of the book which was only translated into English in 2006 and was in 2013 paid the tribute of a book-length analysis - [New Spirits of capitalism? Crises, justifications and dynamics](#) (2013) by Paul du Gay, Glenn Morgan. The language of

both books is, however, a bit off-putting and presumably explains their lack of impact on the general public.

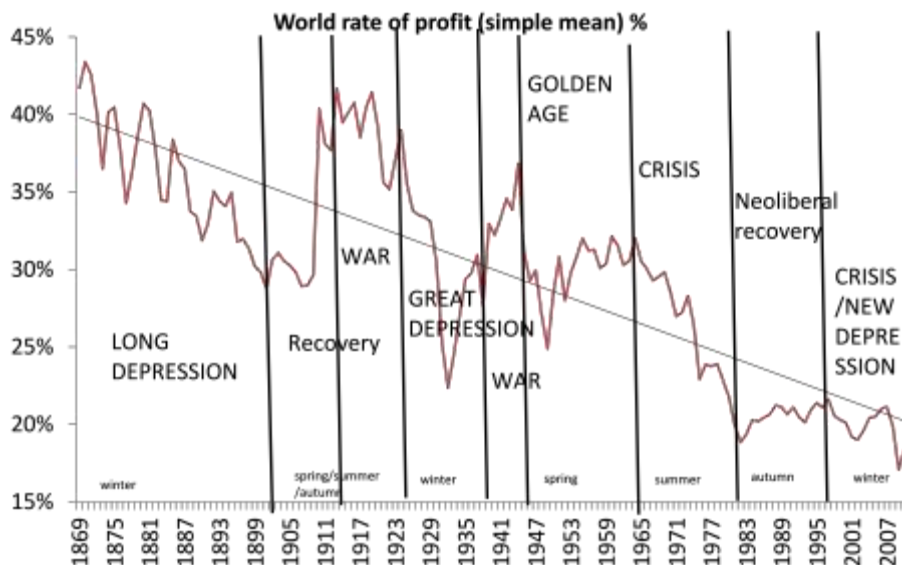
1999 also apparently saw the first appearance of what looks to be a blockbuster of a book - [The cancer stages of capitalism](#) by John Mc Murtry [reviewed here](#) whose author gave us, more recently, both [a second edition](#) and a [summary of his argument \(warning - written in short-hand - not easy to follow!!\)](#)

My failure to register his book makes one wonder about the motives behind the high profile of writers such as Naomi Klein.....is it just her beauty that impacts I have to wonder.....

Richard Sennett is a better known writer - although hardly a rabble-rouser.....I was disappointed by his book about cooperation but his [The Culture of the new capitalism](#) (2006) looks much more interesting and seems to link up with The New Spirit of Capitalism- see [this review](#)

[The Great Recession](#) is a Marxist treatment of profits and this particular post from the blog behind it gives the sort of [longitudinal treatment of the subject](#) which is so often missing from discussions

The graph below (the simple mean average world rate of profit from the work of Esteban Maito ([Maito, Esteban - The historical transience of capital. The downward trend in the rate of profit since XIX century](#))) shows the golden age of the 1950s and 1960s in profit terms.



But the Golden Age was unprecedented and relatively short. It was not as long as a 'lucky half century' as Andy Haldane, chief economist at the BoE, has claimed in a recent paper ([Haldane on growth](#)). This lucky period was over by the late 1970s as capitalism entered a crisis of falling profitability.

But we were the lucky generation. When I graduated from university in the late 1960s I did not have worry about getting a decent job on the whole and I had no student debt. And during my 'prime' working years of 35-54, I was able to maintain a stable and even rising income, able to get a mortgage that

allowed me to build up some property wealth as the housing bubble exploded from the 1990s in many countries. Now many of us aged over 55 years are relatively better off.

Those preferring more journalistic approaches could do a lot worse than read [this Spiegel article](#) about the world view of the new billionaires.

I'm reminded of a wave of books in the 1970s which were early harbingers of this sense of crisis - James Robertson's [The Sane Alternative](#) (1978) and Ronald Higgins' "The Seventh Enemy" (1978) were typical examples. The second described the 7 main threats to human survival as the population explosion, food shortage, scarcity of natural resources, pollution, nuclear energy, uncontrolled technology - and .....human nature. The author's experience of government and international institutions convinces him that the most dangerous was the moral blindness of people and the inertia of political institutions.

A lot has happened in the subsequent 47 years - new pressing issues have been identified - but who would gainsay Higgins' identification of the "seventh" enemy? These days, there would probably be a majority in favour of stringing up a few bankers, politicians and economists - "pour encourager le autres" - were it not illegal...

Over the years, I've read and collected books and articles to help me identify the sort of agenda and actions which might unite a fair-minded majority.

Like many people, I've clicked, skimmed and saved - but rarely gone back to read thoroughly.

The folders in which they have collected have had various names - such as "urgent reading" or "what is to be done" - but rarely accessed - for example this [post of last September which listed books about "the crisis"](#) which were waiting for me in a special pile few of which I have yet got round to.....

Occasionally I remember one and blog about it.

I need to be more disciplined.....

*I lead with a Zlatyu Boiadjev painting from 1945 - one of the highlights of the great exhibition on Industrial Landscapes at the National Gallery these days....*

Wednesday, March 11, 2015

## How governments have bought - and used up - time

It's significant that the best expositions of the global economic crisis and its causes do not come from economists.....somehow the framework within which the modern economist operates precludes him/her from even the vaguest of glimmerings of understanding of the complexity of socio-economic events. Their tools are no better than adequate for short-term work.....

For real insights into the puzzles of the modern world, think rather David Harvey (a geographer); John Lanchester and James Meek (novellists and writers); Susan Strange and Susan George (political science); or Wolfgang Streeck - a Koeln Professor of Sociology. All have extensive and eclectic reading; a focus on the long-term; and the ability to provoke and write clearly.



Streeck is also Director there of the Max Planck Institute and an unlikely scourge of capitalism - but his texts are becoming ever more apocalyptic.

For my money, his analysis offers much more than everyone's current favourite Thomas Pikety - whose 700 page magnum opus I suspect few have actually read.

The New Left Review is the favoured outlet for Streeck's long, clear and incisive articles eg [one in 2011 on "The Crisis of Democratic Socialism"](#)

You can get a sense of Wolfgang Streeck's writing from [this article from New Left Review](#).

His "[How Will Capitalism End?](#)" introduced an English audience to the arguments of the short book [Buying Time - the delayed crisis of democratic capitalism](#) which had appeared in Germany in 2013.

European Tribune offered the following useful summary -

*Capitalism and democracy were a powerful couple during the "trente glorieuses" post-WWII years. Expectations of economic growth, full employment and increasing prosperity became so entrenched that the fundamental antagonisms between the two were overlooked, or even deemed to have been definitively relegated to the dustbin of history. This, indeed, was the dominant view of the Frankfurt School during Streeck's formative years.*

*The book's introduction, "Crisis theory : then and now" deals with this historically embarrassing mis-analysis. Jürgen Habermas, in particular, developed the notion of the "legitimation crisis", postulating that people expect governments to intervene successfully in the economy to try and ensure economic prosperity, and that failure would cause the validity of the capitalist system to be questioned, thus undermining its legitimacy.*

*Streeck presents his book as an attempt to rehabilitate crisis theory, explaining that the postulated legitimation crisis is now upon us... forty years later, having been pushed back by our governments' successive, and moderately successful, attempts at buying time. In fact, the end of the post-war boom indeed led to a legitimation crisis - but it was not the workers/ consumers / electors who revolted. It was capital.*



The notion of "[Late Capitalism](#)" has been around since the beginning of the 20th Century. But the predicted demise of capitalism is late, and keeps getting later. The error committed by the neo-Marxian Frankfurt thinkers, in Streeck's analysis, was to have considered capital as a resource, more or less biddable and accountable to democracy. Of course, as they should have known, capital is an actor, particularly in class struggle.

Streeck outlines several phases in the attempts by governments to buy time for their socio-economic model subsequent to the boom years :

**Inflation** In the 70s, productive investment started to fall short of what was required for full employment. Inflationary monetary policy was the first ploy to buy time, accommodating wage rises in excess of productivity growth. But the replacement of real growth with nominal growth lost its charm with stagflation in the late 70s, which put a squeeze on profits and threatened to lead to a capital strike.

**Public debt** The monetarist revolution of Reagan, Thatcher and imitators put capital back in the driver's seat. The recession they provoked, with its mass unemployment, did however require additional revenue to keep the wheels turning, and governments resorted massively to borrowing.

**Private debt** In the 1990s and 2000s, slashing of public services and reduction of public debt was accompanied by an explosion of private debt.

Each of these phases is seen by Streeck as a means of conjuring money out of nowhere, in order to enjoy the benefits of growth in excess of growth itself.

The financial crisis of 2008 is seen as the final reckoning, the democracy/capital nexus being confronted with its contradictions. According to Streeck, democracy and capital were forced by circumstances into an arranged marriage after WWII.

But each successive crisis entailed the progressive emancipation of capital from democratic constraints. Self-regulated markets were alleged to function efficiently, and government intervention in economic matters was de-legitimised. This ideology is now so dominant that it is hardly even questioned after the massive nationalization of private losses which was imposed on the citizen/taxpayer as the price to prevent economic collapse in the recent crisis.

The expansion of the financial sector, and the ever-increasing mobility of capital, have made the capital markets a harsh and fickle mistress for democracy. In fact, Streeck identifies the fact that governments are now accountable to two distinct constituencies : their citizen electors, or people of the nation (*Staatsvolk*), and their creditors, or people of the market (*Marktvolk*). The characteristics of these two constituencies of what he calls the "debt state" can be portrayed thus -

<b>Staatsvolk</b>	<b>Marktvolk</b>
National	international
Citizens	investors
civil rights	claims
Voters	creditors
elections (periodic)	auctions (continuous)
public opinion	interest rates
Loyalty	"confidence"
public services	debt service

A book [review here](#) has this to say -

Previous crisis resolution instruments are not available anymore. The traditional toolbox containing inflation, increasing sovereign debt levels or making cheap credit available to private households and corporates has exhausted itself. At different junctures of post-World War II development these policy instruments served as short-term fixes – or capital injections – to support redistributive objectives. The original twist in Streeck's line of argument is that such objectives and the means to achieve them chiefly served to benefit those market actors who needed them the least.

When focusing on Greece Streeck's ire is not only reserved to the troika's activities and misjudgements. He has a keen eye for the domestic origins of the fiscal crisis in Athens. Streeck emphasises that this crisis is primarily the result of a state that is forced to turn to sovereign indebtedness as a mechanism to replace taxes, which the authorities fail to collect from its better off citizens. Streeck highlights the extensive capital flight beginning in 2009 and the privileged tax status that shipowners, farmers, various liberal professions and the Orthodox Church continue to enjoy in Greece.

But the flight crew sitting in the ECB tower in Frankfurt fundamentally lacks the key ingredient of democratic legitimacy for their costly and risk-prone interventions. While these operations allow decision makers to again buy some time, Streeck does not consider this arrangement to be more than a short-term form of financial doping. And the cost for the ECB's reputation is considerable as evidenced by various resignations of German members from its governing council during the past three years and the challenges it faces from the Federal Constitutional Court in Germany.

Therefore, it does not come as a surprise that Streeck's book has unleashed a fierce debate, predominantly so far in Germany. His domestic critics, including the philosopher Jürgen Habermas, the former SPD Chancellor Helmut Schmidt and Joschka Fischer from the Greens, have either accused him of nostalgia for national currencies, being naïve about the merits of currency devaluations or lacking a workable alternative scenario outside the cornerstones of EU integration and euro area membership. The polemical reactions of many of his critics only serve to confirm that Streeck appears to have hit a raw nerve among many in Germany. He emphatically rejects the national consensus demanded by the political and economic establishment in Germany and its prominent academics, who equate Europe with the EU and consider the single currency as a fait accompli of TINA politics, i.e. 'There Is No Alternative'.

Indeed, the policy alternatives that Streeck offers are controversial. That is their purpose and they merit a thoughtful debate. He wants the euro to become an anchor currency parallel to the reintroduction of national denominations. Streeck is in favour of giving back to national governments the option to devalue their currency and thus creating leverage for discretionary policy intervention. A return to an orderly and flexible currency exchange system is equally part of his recommendations as are capital controls to stem recurring capital flight and tax dodging in the euro area. But his underlying argument about policy alternatives is that contemporary capitalist societies in Europe urgently need an infusion of democratic oxygen, citizens' involvement and a public willing to articulate different options. How this can be voiced is anybody's guess, not least Streeck's. Given that numerous democratic institutions have been reduced to mere bystanders in the course of the past crisis management years, Streeck formulates a rather pessimistic, but entirely reasonable alternative.

He pointedly asks why should only markets be allowed to panic and follow herd instincts? What happens when civil society threatens to do the same? Streeck argues that democratic mobilization and civic engagement should be the orders of the day. The protests may be desperate, loud, display a makeshift air and be highly disorganized but they are absolutely necessary. The "αγανακτισμένοι" in Greece or the "indignados" in Spain are examples of a growing constituency across Europe who feel they are being treated with contempt and that their dignity has been hurt.

Other useful resources on the book are -



<https://vimeo.com/113376601>  
<http://marxandphilosophy.org.uk/reviewofbooks/reviews/2015/1488>  
<http://www.lse.ac.uk/newsAndMedia/videoAndAudio/channels/publicLecturesAndEvents/player.aspx?id=2642>  
<http://www.lse.ac.uk/publicEvents/pdf/2014-MT/20141020-Streeck-PPT.pdf>  
<http://www.renewal.org.uk/articles/interview-capitalism-neo-liberalism-and-democracy>  
<http://www.lrb.co.uk/v35/n16/susan-watkins/vanity-and-venality>  
<http://www.eurotrib.com/story/2014/8/17/152951/315>  
<http://www.resetdoc.org/issue/01/05/2014>  
[http://www.mpi-fg-koeln.mpg.de/downloads/14-10-00\\_Streeck\\_Renewal.pdf](http://www.mpi-fg-koeln.mpg.de/downloads/14-10-00_Streeck_Renewal.pdf)  
[The crisis in context - democratic capitalism and its contradictions](#) (2011)

*The painting is a Petar Dochev from the National Gallery exhibition on Industrial Landscapes*

Saturday, March 14, 2015

# LEARNING TO RELY ON OURSELVES

In which consideration is given to.....

## Political Parties

It was in Bulgaria where I first encountered the phenomenon of proportional voting which has become such a dominant feature of Europe's political system. Two colleagues on my project were at the same time local councillors - but not elected. They had simply been put on the party list.

Grounded as I have been in both the political theory and practice of accountability, they were not, for me, real politicians. They owed their position entirely to their party bosses (whose favour they could as quickly lose).

More to the point, they had not campaigned and sought the votes of local constituents; nor held "surgeries" to hear people's complaints and problems and thereby get a sense of public feelings. I do realise that there are [a variety of PR systems available](#), including the mixed -member system - but my basic point stands.



In various countries I have used a diagram with a quadrant - to show the 4 very different pressures (audiences) which good politicians needed to have regard to - the local community; the party; the officials (and laws) of the particular government agency they had entered; and their conscience.

Politicians differed according to the extent of the notice they took of each of the pressures coming from each of these quadrants.

And I gave names to the 4 types which could be distinguished - eg populist; ideologue; statesman; maverick. I tried to suggest that the effective politician was the one who resisted the temptation to be drawn into any one of these roles.

- The "**populist**" (or Tribune of the people) simply purports to give the people what (s)he thinks they want - regardless of logic, coherence or consequences.
- The "**ideologue**" (or party spokesman) simply reflects what the party activist (or bosses) say - regardless of logic etc.
- The "**statesman**" (or manager) does what the professional experts in the appropriate bit of the bureaucracy tell him/her - regardless of its partiality etc
- the "**maverick**" (or conviction politician) does what they think right (in the quiet of their conscience or mind - no matter how perverted)

Each has its element of truth - and it is when someone blends the various partialities into a workable and acceptable proposition that we see real leadership

All this came back to me as I read a paper (from 1995) which, looking at [the relationship of the political party to both society and the state](#), nicely tracks the historical trajectory of the politician.

First "*grandees*" (above it all); then later "*delegates*" (of particular social interests), then later again, in the heyday of the catch-all party, "*entrepreneurs*", parties, the authors argued, have now become "semi-state agencies". The article has some simple but useful diagrams showing how the three entities of political party, society and state have altered their interactions and roles in the

last century. We are told that proportional representation gives citizens a much stronger chance of their preferences being expressed in the final makeup of a Parliament.

But that fails to deal with the reality of the party boss.

Politicians elected for geographical constituencies (as distinct from party lists) have (some at least) voters breathing down their necks all year round.

Not so those from the party lists who only have to bother about the party bosses who, in the past few decades, have got their snouts increasingly stuck in the state (and corporate) coffers.

*The classic mass party is a party of civil society, emanating from sectors of the electorate, with the intention of breaking into the state and modifying public policy in the long-term interests of the constituency to which it is accountable. The "catch-all" party, while not emerging as a party of civil society, but as one that stands between civil society and the state, also seeks to influence the state from outside, seeking temporary custody of public policy in order to satisfy the short-term demands of its pragmatic consumers. In short, despite their obviously contrasting relations with civil society, both types of party lie outside the state, which remains, in principle, a neutral, party-free arena.....In the third model, parties are less the agents of civil society acting on, and penetrating, the state, and are rather more like brokers between civil society and the state, with the party in government (i.e. the political ministry) leading an essentially Janus-like existence.*

*On one hand, parties aggregate and present demands from civil society to the state bureaucracy, while on the other they are the agents of that bureaucracy in defending policies to the public.....*

*Looking at the three models as a dynamic rather than as three isolated snapshots, suggests the possibility that the movement of parties from civil society towards the state could continue to such an extent that parties become part of the state apparatus itself. It is our contention that this is precisely the direction in which the political parties in modern democracies have been heading over the past three decades.*

*(We have seen a massive) decline in the levels of participation and involvement in party activity, with citizens preferring to invest their efforts elsewhere, particularly in groups where they can play a more active role and where they are more likely to be in full agreement with a narrower range of concerns, and where they feel they can make a difference. The more immediate local arena thus becomes more attractive than the remote and inertial national arena, while open, single-issue groups become more appealing than traditional, hierarchic party organizations.*

*Parties have therefore been obliged to look elsewhere for their resources, and in this case their role as governors and law-makers made it easy for them to turn to the state. Principal among the strategies they could pursue was the provision and regulation of state subventions to political parties, which, while varying from country to country, now often constitute one of the major financial and material resources with which the parties can conduct their activities both in parliament and in the wider society.*

*The growth in state subvention over the past two decades, and the promise of further growth in the coming years, has come to represent one of the most significant changes to the environment within which parties act.....subventions which are generally tied to prior party performance or position - whether defined in terms of electoral success or parliamentary representation - and therefore help to ensure the maintenance of existing parties while at the same time posing barriers to the emergence of new groups.*

*In a similar vein, the rules regarding access to the electronic media, which, unlike the earlier printed media, are subject to substantial state control and/or regulation, offer a means by which those in power can acquire privileged access, whereas those on the margins may be neglected. Again, the rules vary from*

*one country to another, and in some cases are clearly less restrictive, and less important, than others; nevertheless, the combination of the importance of the electronic media as a means of political communication, on the one hand, and the fact that these media are regulated by the state, and hence by the parties in the state, on the other, offers the parties a resource which was previously inconceivable. This is one of several posts I intend to produce to deal with the widespread public unease with and distaste for democratic politics as currently being practised globally.*

12 February 2014

## Collapse of an honourable profession



Politicians are - and have long been - a good scapegoat for a society's problems. Spineless and avaricious... So what's new?

Well, quite a lot actually. Fifty years ago, politics was important in Europe at any rate - ideas and choices mattered.

It was actually almost an honourable profession - people like Bernard Crick argued thus in 1962 in a classic and highly eloquent "In Defence of Politics" which probably played some part in my own decision to go into (local, then regional) politics in 1968. (Daumier clearly had a different view of politicians in the early 19th century - which is why I've been using his caricatures to head this series of posts)

After a couple of years of community initiatives and three years of chairing an innovative social work committee, I found myself playing for 16 years a rather fascinating but unusual role - nominally the Secretary of a ruling group of politicians (responsible for some 100,000 local government professionals), I was actually trying to [create a system of countervailing power](#) - of advisory groups of councillors and junior officials challenging various conventional policy wisdoms; and of community groups in the huge swathe of poor neighbourhoods of the West of Scotland - trying to demonstrate what "community enterprise" had to offer.

Political studies had been one of the key parts of my Master's Degree - so I was aware of the literature about democracy (such as it was then) - and, more particularly, elites (Mosca; Pareto; Schumpeter; Lipset; Dahrendorf; Michels - interestingly none of it British!).

But it was the experience of representing a low-income neighbourhood in a shipbuilding town which showed me the deficiencies of actual democracy and the reality of bureaucratic power. The local, working-class politicians who were my colleagues were pawns in the hands of the educated, middle class professionals who ran the local services. As a young middle class graduate, I saw an opportunity to challenge things - using my social science words and concepts - if not knowledge! I had been inspired by the community activism of people like Saul Alinsky (and also by the early

years of the American War on Poverty) and indeed wrote in 1978 two 5,000 word articles for Social Work Today (on multiple deprivation; and [community development](#)). The latter critiqued the operation of democracy and appeared in a major book on community development.

Straddling power systems was not easy (part of the important balancing process I have spoken about) - but, because I was seen as honest (if eccentric), no one could unseat me from the post (for which I competed every two years - from 1974-1990) as Secretary of the ruling Cabinet and Group of 78 Regional Councillors.

I was also lucky also to have access in the 1980s to various European working groups - and get a sense of how politicians and officials interacted there. And, most of the time, still an academic. I was in the middle of a complex of diverse groups - political, professional, local, national and European. It was the best education I ever had!

But by the late 1980s I was beginning to see the writing on the wall - Thatcher was privatising and contracting out local government functions - and abolishing any elected agency which tried to stand up to her. Greed was beginning to be evident. Thereafter I have watched events from a distance. I left British shores in late 1990 and became a bit of a political exile!

Despite my unease with Blair and the New Labour thing, I was still excited by their arrival in government in 1997. And able to draft, even in the early 2000s, [papers which extolled the apparent openness and creativity of British policy systems](#).

But most of it, I now realise, was sheer verbiage and spin. Yesterday's post summarised the key points of the 1995 paper which superbly analysed the various phases political parties have gone through to reach their present impasse.

[George Monbiot's](#) 2001 book "The Corporate State - the corporate takeover of Britain" - exposing the extent of new Labour's involvement with big business - was my first real warning that things were falling apart; that the neo-liberal agenda of market rather than state power was in total control. And a wave of urbane, smooth-suited and well-connected young wannabe technocrats powering through the selection procedures.

The scale and nature of political spin - not least that surrounding the Iraq war - destroyed government credibility like a slow poison.

The global debt crisis and bank bail-outs shattered the myth of progress.

And then the media made sure to rub politicians' noses in the petty excesses of expenditure claims. Both political parties hemorrhaged members - and then electoral support.

There are still some [lone voices prepared to defend the political class](#) - but it is a pointless task. The political party as we know it has exhausted its capital - but still controls the rules of the game. They decide the laws; who is allowed to run; what qualifies as a party - with how many nominees or voter threshold; with what sort of budget; and with sort of (if any) television and radio coverage... Parties should be abolished - but it is almost impossible to do so because they will always come back in a different form.....

I'm just looking at a book which focuses on the fringes of the European party system - [the populist parties](#) - and which does a good job of setting them in the wider context.

*We have governments that no longer know how to govern; regulators who no longer know how to regulate; leaders who no longer lead; and an international press in thrall to all those hapless powers. Political parties no longer represent, banks no longer lend.....Current political and social conditions are paradoxical: as citizens and individuals we live lives that reflect the fact that we have more information and more access to information than ever before - while at the same time we have a great deal less certainty about our futures, both individual and collective. We are, some would argue, increasingly living in conditions of 'radical uncertainty'. ....*

*Uncertainty returns and proliferates everywhere.' As a result, one of the key variables that needs to be factored into how we understand both demands and mobilisation on the one hand and policies and institutions on the other is anxiety. Not the niggles and worries of everyday life, but rather the surfacing of deep turmoil in the face of an uncertain future whose contours are barely perceptible and thus increasingly frightening.*

*And, though the condition of radical uncertainty might have existed, objectively, in the past, it existed at times when there had been no experience or expectation of the predictability of the future beyond that imagined in the context of religious or magical beliefs. No experience of the desirability and possibility of controlling our fate. Radical uncertainty in a world in which everyone has come to prize autonomy and control is a different proposition all together*

*The digital revolution provides an impetus for the transformation of populism from a set of disparate movements with some shared themes and characteristics into something that has the force of a political ideology. The accelerated quality of political time and social media's capacity to broadcast failure and dissent mean that the digital revolution gives populist movements a steady supply of political opportunity that reinforces its coherence. ...*

*And in the face of the rather colossal set of forces and transformations that fuel populism's growth, curbing its destructive potential is about more than fiddling with an electoral manifesto here and changing an electoral strategy there. Those things need to be done, but they are minimum survival tactics rather solutions. The problem is the manner in which populism as an ideology is capable of marshalling the uncertainties and anxieties that characterise our era and responding in ways that provide the illusion of reassurance. Illusory though it may be, it fills that gap between the expectations of redemptive democracy on the one hand and the lacklustre manoeuvring of panicked policy-makers on the other. A gap otherwise filled with uncertainty and anxiety becomes filled with populist reassurance.*

## The Role of Professionals

"Cui bono" is the basic question all of us should ask of the stances taken by those who have (somehow) achieved the status of "opinion makers" - whether as academic, journalist, economist, think-tanker, politician, senior professional (civil servant, police, medic) or "quangoist" - all paid by the public (in one form or another) but choosing to lick the arses of one or other of the elite which actually pays their salary. No place for the unwashed public - except perhaps those who have made it to retirement and can afford to shoot from the hip!

And it is indeed a retired academic which lets loose in the latest issue of Scottish Review - in a [piece about corporatism](#)

*One of the striking features of social change in recent decades has been the way in which diverse institutions, ostensibly serving very different purposes, have come to operate in much the same way. In*



*the past, differences in the aims and practices of the public and private sectors, and in the management styles of employers and organisations representing workers, were clearly visible.*

*However, since the ascendancy of the 'third way' championed under New Labour, western democracies have embraced a form of market 'progressivism' that has blurred the old ideological divide between capitalism and socialism. This has had some interesting consequences - for the operation of trade unions, the public sector and of NGOs, for example. Many union leaders continue to employ the socialist rhetoric of the past but their actions often fall well short of the principles which motivated the pioneers of the labour movement. In this sense it is no exaggeration to suggest that they have been assimilated into the ideology which they claim to oppose. They have become part of the corporate class, whose tentacles are now evident in places well beyond the boardrooms of multinational companies.*

*What is the evidence for this? Leaders of trade unions now have much in common with senior executives in major companies: both groups enjoy large salaries and various benefits in kind (cars, travel, expenses, etc.) and are well insulated from ordinary members, or customers, through the protection of personal assistants, departmental managers and procedural barriers. The corporate class rewards itself disproportionately compared with ordinary employees. This is seen clearly in the private sector where share options and bonuses are used to boost already generous salaries. But it is now evident in the public sector as well. Last week two Scottish examples of this were reported. Assistant chief constables were awarded a £10,000 a year pay rise at a time when some civilian staff in Police Scotland were being made redundant. This was described by Graeme Pearson, a Labour MSP and himself a former deputy chief constable, as 'lacking in sensitivity'. The rises followed substantial hikes to the salaries of the chief constable, Sir Stephen House, and his four deputies when the new single force was set up last year.*

*Even stronger criticism was attached to the news that university principals had been awarded an average increase of 4% at a time when staff are taking industrial action over a pay offer of 1%. Many university principals now earn over £200,000, substantially more than the UK prime minister and Scotland's first minister.*

*The manoeuvres of the corporate class within the public sector can be seen in many other areas: in the salaries and leaving packages of senior officials in local government and the health service; in the way in which complainants find themselves obstructed by bureaucratic rules and procedures, whose main function seems to be to protect the 'integrity' of the institution rather than lead to a just outcome; by the way in which organisations that are supposedly designed to facilitate proper scrutiny of public bodies (such as the Scottish Public Services Ombudsman) limit the scope of their inquiries.*

*In his book, '[The Corporation](#)', Joel Bakan states that '**the corporation is a pathological institution, a dangerous possessor of the great power it wields over people and societies**'. Its mandate is to pursue its own self-interest, regardless of the harm it may cause to others. Those at the top of such institutions construct the rules to ensure that they are the prime beneficiaries (whether seen in terms of money, power or reputation). Bakan goes as far as suggesting that corporations are reshaping human nature so that self-interested materialism is not just a part of who we are, but the ultimate goal to which we should be striving. It's a scary prospect.*

I'm reminded of the book - [The Third Revolution - Professional Elites in the Modern World](#) (Routledge 1996) by [Harold Perkin, Professsor of History](#) at Lancaster and North-Western Universities (until 1999) who, in previous books, studied the rise of professional society and looks in this one at Twentieth Century elites in the USA, England, France, Germany, Russia and Japan - finding their behaviour equally deficient and morally irresponsible.

It's a book which should be given to each individual when (s)he makes it into their country's "Who's Who" and is clearly part of the "system". It's a story of greed - of the "haves", those who have access to the resources and prestige and how they try to retain it - with catastrophic results for the stability of their countries.

A few years earlier, a powerful but different critique of our elites had been launched by Christopher Lasch - [The Revolt of the Elites and the Betrayal of Democracy](#). The book's title is a take-off on Jose Ortega y Gasset's *The Revolt of the Masses*, a reactionary work published in 1930 that ascribed the crisis of Western culture to the "political domination of the masses." Ortega believed that the rise of the masses threatened democracy by undermining the ideals of civic virtue that characterized the old ruling elites.

But in late twentieth-century America it is not the masses so much as an emerging elite of professional and managerial types who constitute the greatest threat to democracy, according to Lasch.

*The new cognitive elite is made up of what Robert Reich called "symbolic analysts" — lawyers, academics, journalists, systems analysts, brokers, bankers, etc. These professionals traffic in information and manipulate words and numbers for a living. They live in an abstract world in which information and expertise are the most valuable commodities. Since the market for these assets is international, the privileged class is more concerned with the global system than with regional, national, or local communities. In fact, members of the new elite tend to be estranged from their communities and their fellow citizens. "They send their children to private schools, insure themselves against medical emergencies ... and hire private security guards to protect themselves against the mounting violence against them," Lasch writes. "In effect, they have removed themselves from the common life."*

*The privileged classes, which, according to Lasch's "expansive" definition, now make up roughly a fifth of the population, are heavily invested in the notion of social mobility. The new meritocracy has made professional advancement and the freedom to make money "the overriding goal of social policy." "The reign of specialized expertise," he writes, "is the antithesis of democracy as it was understood by those who saw this country as the 'last, best hope of earth'". Citizenship is grounded not in equal access to economic competition but in shared participation in a common life and a common political dialogue. The aim is not to hold out the promise of escape from the "labouring classes," Lasch contends, but to ground the values and institutions of democracy in the inventiveness, industry, self-reliance, and self-respect of working people.*

*The decline of democratic discourse has come about largely at the hands of the elites, or "talking classes," as Lasch refers to them. Intelligent debate about common concerns has been almost entirely supplanted by ideological quarrels, sour dogma, and name-calling. The growing insularity of what passes for public discourse today has been exacerbated, he says, by the loss of "third places" — beyond the home and workplace — which foster the sort of free-wheeling and spontaneous conversation among citizens on which democracy thrives. Without the civic institutions — ranging from political parties to public parks and informal meeting places — that "promote general conversation across class lines," social classes increasingly "speak to themselves in a dialect of their own, inaccessible to outsiders."*

*Lasch proposes something else: a recovery of what he calls the "populist tradition," and a fresh understanding of democracy, not as a set of procedural or institutional arrangements but as an ethos, one that the new elites have been doing their best to undermine.*

It has to be said that neither book made much impact - perhaps they were just seen as "moralizing". Contrast that with the impact made in 1958 by JK Galbraith's *The Affluent Society*. Has any recent book, I wonder, made the same impact? Perhaps [The Spirit Level - why equality is better for everyone](#) by Richard Wilkinson and Kate Pickett (2009) comes closest. So no more talk of the "filthy rich" corporate class! It's the smooth talking of the "chattering classes" siding with [the "power elite"](#) which we should have been concerned about during all these decades... (Those interested can read a [full version of the classic 1956 book](#) by C Wright Mills here)

January 30, 2014

## [How the British political class has Changed](#)

Just how much Government has changed since 1945 comes through very vividly in the memoirs of one of Britain's best politicians - Denis Healey's [Time of My Life](#), published in 1989. It has changed dramatically in what it does and how it does it. And it has changed also in the nature of its political governance.

Healey reminds us of the phrase used by the Labour party in the run-up to the 1964 General Election when they talked of "the thirteen wasted years" - meaning those under Conservative rule from 1951. "But", Healey notes wryly, "eleven of these years were wasted by the Labour Party" as it engaged in mammoth ideological struggles relating to nuclear weapons and public ownership. The 6 subsequent years of Labour rule from 1964-1970 were disappointing - with British membership of Europe becoming an increasingly contentious issue. Although that was finally resolved in 1975, just after Labour regained power in 1974, difficult economic issues dominated the late 1970s and paved the way for 18 years of highly ideological Conservative rule from 1979.

During that period, a new generation of Labour politicians vowed to bring a new discipline to the party - thereby creating "New Labour" which totally altered the way politics was done. The party leader became imperious; Labour politicians passive; image everything; and corporate power the name of the game. The rest of Europe's social democrats sat up and took notice - Tony Blair became the man to copy. Any pretence at democracy disappeared (see Peter Mair's [Ruling the Void - the hollowing of western democracy](#)

Perhaps the best critique of what has happened is a short satirical essay by Anthony Jay (the highly successful scriptwriter of the ["Yes Minister" television series](#) of 35 years ago) - [Democracy, Bernard, it must be stopped](#) which I've taken the liberty of reproducing on my website. It takes the form of the advice given by Sir Humphrey (the retiring Head of the Civil Service) to his replacement. It beautifully captures the mechanisms which have been used over the past 50 years to corrupt the political class. Here is the first section (the final section will follow)

The first two rules for neutralising democracy are:

1. **Centralise revenue.** The governing class cannot fulfil its responsibilities without money. We, therefore, have to collect as much money as we can in the centre. In fact, we have done this with increasing effect over the years, with three happy results. The first is that we can ensure that money is not spent irresponsibly by local communities. By taking 80 or 90 per cent of the money they need in central taxes, we can then return it

to them for purposes of which we approve. If they kept it for themselves, heaven knows what they might spend it on.

The second happy result is that the larger the sum, the harder it is to scrutinise. The £6,000 or so spent by a rural parish council is transparent and intelligible, and subjected to analysis in distressing detail. By contrast, the three or four hundred billion of central government revenue is pleasantly incomprehensible, and leaves agreeably large sums for purposes which the common people would not approve if it were left to them. It also means that a saving of £1 million can be dismissed as 0.0000003 of annual expenditure and not worth bothering with, whereas it can make a lot of difference to the budget of Fidelio at Covent Garden.

The third result is that the more the government spends, the more people and organisations are dependent on its bounty, and the less likely they are to make trouble.

**2. Centralise authority.** It goes without saying that if Britain is to remain a country of civilised values, the masses cannot be trusted with many decisions of importance. Local government must be allowed to take decisions, but we have to ensure that they are trivial. Meanwhile, we must increase the volume of laws made centrally. We have an enviable record of legislation growth, with hardly any laws being repealed, which it is now your duty to extend. If you are under pressure to provide statistics showing your zeal in deregulation, you will find many laws concerning jute processing and similar extinct industries which can be repealed without too much harm. We also ensure that, where local government has authority to act independently, there is an appropriate structure of scrutiny, review and appeal to control its excesses. I am sure you will want to protect this. You will also want to ensure that every Bill contains wide enabling powers, so that unpopular provisions can be brought in later as statutory instruments which MPs rarely read and virtually never debate. You should be able to achieve three or four thousand of these in a good year.

The rest of the rules flow from the first two

- capture the Prime Minister
- Insulate the Cabinet
- Enlarge constituencies
- Overpay MPs
- Appoint rather than elect
- Permanent officials - rotating Ministers
- Appoint more staff
- secrecy

**3. Harness the Prime Minister.** *this is the most important of them. Happily, it presents no problem. Governments today are even more hostile to democracy than we are, though for a different reason. They come to power on a tide of promises and expectations which are never capable of realisation, but which have secured for them the exquisite luxuries of office, fame and power which they are desperate to retain. It is not hard to convince the Prime Minister that, to fulfil the expectations, he needs to acquire more revenues and more powers.*

**4. Insulate the Cabinet.** *This involves more than just our standard technique of keeping ministers too busy to make a nuisance of themselves. They must be kept, as far as possible, well away from any contact with the sweaty multitude. This means avoiding public transport by use of private cars, avoiding the National Health Service by private health care, avoiding sink schools by living in affluent suburbs or by private education, travelling business class or in private planes, staying in first class hotels, and always having security staff to usher them through crowded concourses. Of course, they will affect to resist this at first, but when we point out the security risk, the tragic loss that their departure would entail, the enormous value of the time of people so important, and the possible political embarrassment of being caught on camera in confrontation with protesters, they acquiesce with gratifying rapidity.*

## The hollowing out of Democracy

Re-reading Denis Healey's memoirs brought home to me how puny and spineless ("hollowed out" is perhaps the appropriate phrase) our current politicians now seem - compared with the generation of Healey and his friend [Helmut Schmidt](#) (who celebrated his 95th birthday just before Christmas). How has such degeneration happened? It was that question which prompted me to look again at Anthony Jay's essay "Democracy, Bernard? It must be stopped!" and to reproduce parts of it yesterday.

I was also prompted (by Healey's mention of "politics as a vocation") to look again at Max Weber's classic talk on "[Politics as Vocation](#)" delivered in the heat of revolutionary Germany of 1919 - and to discover that [a major talk on this subject](#) was given just a week or so by the Head of a British Think Tank. For the moment, however, let me finish with the excerpts from [the satirical piece from the Head of the Civil Service about the tactics for castrating the political process](#)

**5. Enlarge constituencies.** *Our present electoral system derives from the 1832 Reform Act. It was a very dangerous system. The average number of voters in a constituency was only about 1,200, which meant that an MP could personally know virtually all of them. This meant that, if he was liked and respected locally, he would be re-elected, even if he disobeyed the whips and voted in accordance with the demands of his constituents and his conscience rather than the instructions of his party. This severely weakened the Prime Minister's control on which the system depends. But, since then, we have contrived, in the name of democracy, to increase constituency sizes to 50,000 or 60,000, so that no MP can be elected on voters' personal knowledge of him. They vote for the party, and if the party does not endorse him, he will not be elected. His job, therefore, depends on the Prime Minister's approval and not on the respect of his constituents; a splendid aid to discipline. Equally, we have increased the typical urban constituency ward to about 25,000, with some four councillors. Since one councillor to 6,000 people might have led to an undesirable independence of thought and action, we have arranged matters so that a group of four councillors jointly represent the whole ward, so that householders are unlikely even to know the name of their democratic representative. They, therefore, vote (the few who take the trouble) according to their party preferences, thus reinforcing the hold of the national parties on local government.*

**6. Overpay MPs.** *Even when MPs depend on the party machine for re-selection and re-election, some are occasionally tempted to step out of line. This risk can be significantly reduced if rebellion means not only loss of party support but also significant loss of income. Few will risk forfeiting the now generous emoluments and allowances of an MP and reverting to the humble salary of a school teacher, social worker or minor trade union official simply on a point of democratic principle. It is, therefore, our duty to encourage all increases in MPs' pay*

**7. Appointments, not elections.** *Parliament, of course, has to be elected, but, as we have seen, this causes little problem so long as the government maintains its firm central control of the MPs. The system, however, is deeply flawed: it can substitute craven capitulation to the ignorant and irresponsible mob for sensible control by a cultivated and experienced elite. It is our duty to resist this with all our strength. The preservation of civilised values in a country of some 60 million people cannot be entirely discharged by a few of us in Whitehall: much of the task has to be delegated to people such as BBC governors, the ITC, the Arts Council, the Commission for Ancient Monuments, National Heritage, the Fine Arts Commission, magistrates, the Bank of England and a host of authorities, commissions, councils, tribunals, regulatory bodies, agencies, working parties, advisory committees and quangos of every description. The only sensible way to fill all these posts is by government appointment, so that proper care can be exercised in their selection and so that the incumbents, when chosen, will know to whom they owe their new eminence, while those hoping for such posts (as with honours and peerages) can be trusted to behave responsibly in the hope of favours to come.*



**8. Permanent officials, rotating ministers.** *The task of preserving a cultured and enlightened nation requires continuity. That continuity must rest with those of us who know what we are fighting for and fighting against. It cannot possibly be entrusted to politicians. We have, therefore, built an excellent system of a few transient amateur ministers who are coached, informed, guided and supported by a large department of permanent, experienced officials who enable them to take the correct decisions. You have now served our department for 30 years; your present minister has held his job for 10 weeks and cannot, on average, expect to be there for more than another 12 or 18 months if he has any ability. If not, there is no problem. You will, therefore, I am sure, be able to prevent him making any foolish popular decisions before the music stops and he scrambles desperately for an empty chair. Furthermore, our electoral system ensures that when the populace becomes dissatisfied with the system, they can be deluded into thinking they are changing it by replacing one lot of inexperienced amateurs with another, leaving the professionals to continue uninterrupted, and relieved of the burden of the few ministers who were starting to understand their job. The new arrivals can quickly be helped to realise that the purpose of government is not to carry out the will of the electorate, but simply to secure its consent to the measures proposed by its betters.*

**9. Increase the number of public employees.** *"Public ignorance is our ally". Any government must employ staff, if only in the Armed Services, the police, the judiciary, the Diplomatic Service and the Exchequer. But those basic functions on their own cannot justify the level of taxation and degree of control that we need to fulfil our historic function. We, therefore, need to increase the number of public employees whenever the opportunity presents itself.*

*There are three reasons for this: it increases the volume of government revenue, it extends the area of government control, and it enlarges the pool of voters who have an interest in preserving the system that employs them.*

**10. Secrecy.** *One of our greatest allies is public ignorance. It is, therefore, imperative that the minimum amount of information be disclosed to the press, parliament and the public. Our success is based on the principle that no information should be disclosed unless there is a good reason why it should be. From time to time, opposition parties press for a freedom of information Act, but oppositions become governments and it does not take long for a government to discover that real freedom of information would make their job impossible. It is, however, a good idea to pass the odd freedom of information Act, so long as its provisions do not actually free up any important sensitive information. It is significant that the only party that has consistently argued for real freedom of information has not held office since 1915.*

*Beyond this, I can only point you towards the breathtaking achievements of our colleagues in Brussels. To be frank, I do not see any prospect of our rivalling them. Their commissioners, like our permanent secretaries, do not have to endure the ignominy of grubbing votes from the plebs, and, unlike us, do not have to pretend to be subservient to a political master.*

*Being answerable to 15 ministers from different countries, most of whom are hostile to each other, and would be even more hostile if they could understand each other's languages, gives them almost complete independence of action. They have also ensured that only the Commission can bring forward legislation, thus avoiding the tedious, irritating and ill-informed ministerial scrutiny we have to endure drafting Bills.*

*And since the European electorate speaks so many different languages, it is impossible for genuine European political parties to form, thereby making any serious danger of democracy quite inconceivable.*

*Obviously, success on that scale is out of our reach, but we can look on Brussels as a guiding star which we must follow, even if we know we cannot land on it.*

Peter Osborne is a British journalist who wrote a critical book on this subject in 2008 called [The Triumph of the Political Class](#). A month ago he enthused about a new academic book about the ["hollowing of democracy"](#) -

*Every so often one comes across a book, a poem or a work of art that is so original, perfectly crafted, accurate and true that you can't get it out of your head. You have to read or look at it many times to place it in context and understand what it means. In the course of two decades as a political reporter my most powerful experience of this kind came when a friend drew my attention to a 20-page article in an obscure academic journal. Written by the political scientists Richard Katz and Peter Mair, and called "The Emergence of a Cartel Party", it immediately explained almost everything that had perplexed me as a lobby correspondent: the unhealthy similarity between supposedly rival parties; the corruption and graft that has become endemic in modern politics; the emergence of a political elite filled with scorn and hostility towards ordinary voters. My book, *The Triumph of the Political Class* was in certain respects an attempt to popularise that Katz and Mair essay.*

*Several months ago I was shocked and saddened to learn that Peter Mair (whom I never met) had died suddenly, while on holiday with his family in his native Ireland, aged just 60. However, his friend Francis Mulhern has skilfully piloted into print the book he was working on at the time of his death. It is called [Ruling the Void: The Hollowing of Western Democracy](#), and published by Verso. In my view it is every bit as brilliant as the earlier essay. The opening paragraph is bold, powerful, and sets out the thesis beautifully: "The age of party democracy has passed. Although the parties themselves remain, they have become so disconnected from the wider society, and pursue a form of competition that is so lacking in meaning, that they no longer seem capable of sustaining democracy in its present form."*

*The first half of Mair's new book concentrates on this crisis in party democracy. He tracks the sharp fall in turn-out at elections, the collapse of party membership (the Tories down from three million in the Fifties to scarcely 100,000 today, a drop of 97 per cent) and the decay of civic participation. Mair shows that this is a European trend. All over the continent parties have turned against their members. Political leaders no longer represent ordinary people, but are becoming, in effect, emissaries from central government. All of this is of exceptional importance, and central to the urgent contemporary debate about voter disenchantment.*

*However, I want to concentrate on the second half of Mair's book, because here the professor turns to the role played by the European Union in undermining and bypassing national democracy. He starts with a historical paradox. The collapse of the Soviet Union in 1990 was in theory the finest moment for Western democracy. But it was also the moment when it started to fail. Mair argues that political elites have turned Europe into "a protected sphere, safe from the demands of voters and their representatives". This European political directorate has taken decision-making away from national parliaments. On virtually everything that matters, from the economy to immigration, decisions are made elsewhere. Professor Mair argues that many politicians encouraged this tendency because they wanted to "divest themselves of responsibility for potentially unpopular policy decisions and so cushion themselves against possible voter discontent". This means that decisions which viscerally affect the lives of voters are now taken by anonymous, unaccountable bureaucrats rather than politicians responsible to their voters.*

*Though the motive has been understandable, the effect has been malign, making politicians look impotent or cowardly, and bringing politics itself into contempt. The prime ministers of Greece, Portugal and Spain are now effectively branch managers for the European Central Bank and Goldman Sachs. By a hideous paradox the European Union, set up as a way of avoiding a return to fascism in the post-war epoch, has since mutated into a way of avoiding democracy itself. In a devastating analogy, Mair conjures up Alexis de Tocqueville, the 19th-century French thinker who is often regarded as the greatest modern theorist about democracy. Tocqueville noted that the pre-revolutionary French aristocracy fell into contempt because they claimed privileges on the basis of functions that they could no longer fulfil. The 21st-century European political class, says Mair, is in the identical position. To sum up, the European elites have come very close to the abolition of what we have been brought up to regard as politics, and have replaced it with rule by bureaucrats, bankers, and various kinds of unelected expert. So far they have got away with this.*



*This May's elections for the European Parliament will provide a fascinating test of whether they can continue to do so. The European Union claims to be untroubled by these elections. A report last month from two members of the Jacques Delors Institute concluded that "the numerical increase of populist forces will not notably affect the functioning of the [European Parliament], which will remain largely based on the compromises built between the dominant political groups. This reflects the position of the overwhelming majority of EU citizens". I wonder.*

*In France, polls suggest that the anti-semitic Front National, which equates illegal immigrants with "organised gangs of criminals", will gain more votes than the mainstream parties. The Front National has joined forces with the virulently anti-Islamic Geert Wilders in Holland, who promises to claim back "how we control our borders, our money, our economy, our currency".*

*Anti-European parties are on the rise in Denmark, Austria, Greece and Poland. These anti-EU parties tend to be on the Right, and often the far-Right. For reasons that are hard to understand, the Left continues enthusiastically to back the EU, even though it is pursuing policies that drive down living standards and destroy employment, businesses and indeed (in the case of Greece and Spain) entire economies. In Britain, for example, Ed Miliband is an ardent supporter of the European project and refuses even to countenance the idea of a referendum.*

*Like Miliband, Peter Mair comes from the Left. He was an Irishman who spent the majority of his professional life working in European universities in Italy, the Netherlands or Ireland. And yet he has written what is by far and away the most powerful, learned and persuasive anti-EU treatise I have come across. It proves that it is impossible to be a democrat and support the continued existence of the European Union.*

*His posthumous masterpiece deserves to become a foundation text for Eurosceptics not just in Britain, but right across the continent. It is important that it should do so. The battle to reclaim parliamentary democracy should not just belong to the Right-wing (and sometimes fascist) political parties. The Left and Right can disagree - honourably so - on many great issues. But surely both sides of the ideological divide can accept that democracy is still worth fighting for, and that the common enemy has become the European Union.*

4 Feb 2014

## A Plague on all your Houses!

It's a very serious stage in one's life (particularly that of a political activist) when one feels it necessary to advise friends to have nothing to do with politicians and political parties. What is the alternative? A life of quietism and religious commitment?

I am indebted to my friend Ivan Daraktchiev for the short story 'Tale of The Staircase' by Hristo Smirnenski (1898-1923) which has apparently been much quoted in the Bulgarian Parliament over the past 2 decades. A man of the people who goes to represent his people to the king is stopped at a staircase by a devil. At each step the devil asks him for a gift to move ahead. The devil asks first for his ears; then for his eyes; and finally for his heart and memory. So in the end when he meets the King he speaks the language of the King as he cannot hear the cry of his people, cannot see the naked bleeding bodies of his people and also has no memory about their suffering. Thus the man of the people becomes the man of the state. The key part of the story goes as follows -



*"I have no gold. I have nothing with which to bribe you... I am poor, a youth in rags... But I am willing to give up my life..." The Devil smiled: "O no, I do not ask as much as that. Just give me your hearing."  
"My hearing? Gladly... May I never hear anything any more, may I..." "You still shall hear," the Devil assured him, and made way for him. "Pass!"*

*The young man set off at a run and had taken three steps in one stride when the hairy hand of the Devil caught him. "That's enough! Now pause and listen to your brothers groaning below." The young man paused and listened - "How strange! Why have they suddenly begun to sing happy songs and to laugh light-heartedly?..."*

*Again he sets off at a run. Again the Devil stopped him. "For you to go three more steps I must have your eyes." The young man made a gesture of despair. "But then I shall be unable to see my brothers or those I go to punish." "You still shall see them..." The Devil said. "I will give you different, much better eyes."*

*The young man rose three more steps and looked back. "See your brothers' naked bleeding bodies," the Devil prompted him. "My God, how very strange! When did they manage to don such beautiful clothes? And not bleeding wounds but splendid red roses deck their bodies..." The young man proceeded, willingly giving everything he had in order to reach his goal and to punish the well-fed nobles and princes.*

*Now one step, just one last step remained and he would be at the top. Then indeed he would avenge his brothers. "Young man, one last step still remains. Just one more step and you shall have your revenge. But for this last step I always exact a double toll: give me your heart and give me your memory."*

*The young man protested. "My heart? No, that is too cruel!" The Devil gave a deep and masterful laugh: "I am not so cruel as you imagine. In exchange I will give you a heart of gold and a brand-new memory. But if*

*you refuse me, then you shall never avenge your brothers whose faces are the colour of sand and who groan more bitterly than December blizzards." The young man saw irony in the Devil's green eyes.*

*"But there will be nobody then more wretched than I. You are taking away all my human nature."*

*"On the contrary, nobody shall be happier than you. Well, do you agree: just your heart and memory?"*

*The young man pondered, his face clouded over, beads of sweat ran from the furrowed brow, in anger he tightened his fists and through clenched teeth said: "Very well, then. Take them!" ...*

*And like a swift summer storm of rage and wrath, his dark locks flying in the wind, he crossed the final step. He was now at the very top.*

*And a broad a smile suddenly in his face, his eyes now shone with tranquil joy and his fists relaxed. He looked at the nobles revelling there and looked down to the roaring, cursing, grey ragged crowds below. He gazed, but not a muscle of his face quivered: his face was radiant, happy and content. The crowds he saw below were in holiday attire and their groans were now hymns.*

Only the Greens (and particularly the Germans) have properly recognised and tried to deal with the problem of the corruption of leadership (the iron law of oligarchy)

The pessimism I feel about the performance capacity of governments relates to my experience and understanding of (a) the UK system since 1968 and (b) the so-called transition countries of Europe, Caucasus and Central Asia in which I have worked and lived for the past 20 years. I have a more open mind about the situation of the Scandinavian countries (in one of which I have briefly worked and lived); of Federal Germany and of the consensual Netherlands (although consensual Belgium and Austria have been disasters). But the UK system has become ever more centralised and adversarial in my lifetime - and these two characteristics seem to me to affect the chances of policy success in that country -

- Policies are imposed - rather than negotiated or thought through
- They are often very poorly designed (eg the poll-tax; rail privatisation; the whole Stalinist target system - with all the counter-productivities that involves)
- Ministers have a high turnover rate (Ministers of Finance excepted)
- Implementation is very poor (see agency theory)
- Morale of public servants is low (political hostility; targets; frequency and number of new initiatives; crude management)
- Changes in government lead to cancellation of programmes

Such governance arrangements as a whole do not excite much interest in Britain - but issues relating to the operation of the political system (and of what is felt to be the disenfranchisement of the citizen) do. Concerns about the British political system were so great that a completely [independent inquiry was established in 2004](#) (funded by the Rowntree Trust) reporting in 2006 and leading to the establishment of a campaign in late 2009 to try to extract commitments from parties and candidates to electoral reform and greater citizen influence in government. Here is one [important comment and discussion thread](#) about the process - which has disappeared without a trace

A [highly ironic report on the operation of the British system](#) was published by Stuart Weir and Democratic Audit to coincide with the launch of the campaign

## Management and economics as the new Religion

Epiphanies (or "Eureka!" moments) are memorable - and I therefore remember some ten years ago being in the flat I had for a couple of years in central Bishkek. I was flicking through a book I had picked from my kitchen shelf - [Reformation -Europe's House Divided](#) - and suddenly realising that the intense disputations about religious doctrine in this period were remarkably similar to contemporary economic disputes. Other people, of course, have developed this theme of the religious role taken by modern management and economics - for example Susan George in her 1994 book [Faith and Credit](#) - a tough critique of the World Bank which was the subject of a [brilliant satire here](#)

And a recent book was entitled [The New Holy Wars - economic religion versus environmental religion](#)

In the early 90s, a book actually bore the title [Economics as Religion](#) - and its [Introduction can be read here](#)

You would think that "Management" offers an easier target since it patently has less reason to claim scientific status - not that this has prevented such claims being made! Charles Handy's [Gods of Management](#) is actually about "cultures" of management and resists the temptation to explode the pretensions of management gurus.

It is not easy to find a book on "management as religion" - although there are several classics which have a go at the management gurus and one of them (Russel Ackoff) actually (and famously) wrote [A Little Book of F-Laws](#)

Eventually my search produced a 1997 book [The Faith of the Managers - when management becomes religion](#)

So much damage has been done to the arbitrary drive for "Efficiency" that one would have thought the time is overdue for a savage critique of the religion of management,

There is, of course, an academic discipline called "Critical Management Studies" one of whose foremost proponents is Chris Grey whose small [book about studying organisations](#) is a clear and powerful read. But the discipline as a whole is a let-down and rarely offers good insights - "[Against Management](#)" is a good example

## Democracy Incorporated - in Praise of Older (Wo)Men



Sheldon Wolin is a name to conjure with – in the early 1960s his book “[Politics and Vision](#)” was the core text for my course on political philosophy. He was born in 1922 and taught at Princeton University.

I thought he was long dead....but was delighted to discover yesterday that not only is he still going strong but that he has become almost a revolutionary in his old age....

In one very recent video series he deals with the question of whether [Capitalism and democracy can Co-exist](#) – allowing me to stumble on his explosive 2008 book

[Democracy Incorporated](#) which can be [read in its entirety here](#); reviewed [here](#) and summarised [here](#)

*If this analysis of a 'democracy without citizens' – in which popular sovereignty is reduced to 'consumer sovereignty' – sounds too Cassandra-like, Wolin backs it up with detailed history. (This history is, admittedly, heavily US-centric, but since the US is perhaps the limiting case of a managed democracy, this focus is instructive.)*

*Wolin rides roughshod over the standard American self-image of being the world's most robust democracy. In chapters 11-12, he traces the evolution of American democracy back to the Putney debates of the 1650s, in which Ireton upheld the interests of 'independent' property-owners against Rainsborough, who championed the rights of the non-landed, and therefore non-voting classes .*

*It was Ireton's anti-egalitarian position which, Wolin maintains, effectively triumphed in post-revolutionary America. Hamilton and Madison (unlike Jefferson) were deeply sceptical of democracy, precisely because it threatened the extant distribution of property and wealth: portraying the popular will as infected by 'passion', they confined 'reason' to a class of 'guardians', which was purportedly blessed with the insights of 'cool and sedate reflection'. They hence went about constructing a political system in which elaborate checks and balances stymied the wishes of the democratic majority, thereby ensuring a politics of 'deadlock', which could be resolved only by the intervention of the powerful. According to Wolin, then, though the 'political coming-of-age of corporate power' (xxi) took centuries, the conditions for managed democracy were instituted early on. The one real exception on this road to inverted totalitarianism was Roosevelt's New Deal 'experiment' of the 1930s, which Wolin discusses in chapter 2. This 'counterimaginary of a state-regulated capitalism' was a valiant attempt to control corporate activity for the common good, but it did not survive World War II.*

*This 'constitutional imaginary' succumbed, steadily, to a Cold War 'power imaginary' which was prepared by the US's wartime taste of global power. This power imaginary replaced a preoccupation with welfare, participation and equality, with what Wolin terms a 'dematerialised' ideology of patriotism, anticommunism and fear*

*This new, Manichean ideology, although not explicitly in the service of corporate wealth and inequality, certainly had these as its corollaries. And this because,*



- *first, the Soviet Union was (nominally) committed to anti-capitalism and a thorough-going egalitarianism, thereby lending capitalist individualism a patriotic aura, and impugning its detractors.*
- *Secondly, the Cold War generated a massive increase in defence spending, which in turn made the American economy highly dependent on the corporate defence industries.*
- *And thirdly, since all enmity was now directed at Communism, any suggestion that there might be economic enemies at home became seen as artificially and invidiously divisive, or even (as in McCarthyism) tantamount to Communism itself.*

There is also an interview with both Wolin and another iconoclast - J Ralston Saul - at an [interesting website called Common Dreams](#)

The emphasis on age and experience reminded me of a charming blog which carries the (sexist) title [Britain is no country for Old men](#) which celebrates the lives and achievements of various characters. It gives a good sense of the Britain that was.....My posts sometimes feature older, inspiring activists such as [Stephane Hessel](#) (95) and [Grace Lee Boggs](#) (99)

With all the emphasis these days on innovation, it's good , however occasionally, to have the perspective of experience .....

13 April 2015

# PART IV

## WHAT IS TO BE DONE?

Where is the Shared Understanding and Vision?

The Common Sense of Visionaries

Enough is Enough

Fightback

The Centre cannot hold

There is Another Way

Cooperation

No Excuse for Apathy

Beacons of Hope

The World is Waking Up



## Where is the shared Understanding and Vision?

There must be tens of thousands of books (in the English language) about the global financial crisis and the deeper malaise it revealed but most writers focus on diagnosis and are reluctant to put their name to detailed prescriptions. With the exception, perhaps, of the banking crisis where the many and divergent diagnoses (Howard Davies counted 39) did generally lead to detailed prescriptions - few of which, however, have been implemented.



One further lack, for me, is any serious effort to create a typology which might help create a shared agenda for change. Rather, various kinds of expert give us their particular view - matching their prejudices or those of their putative readers. For example -

- In the UK, Will Hutton has been giving us a powerful systemic critique of the coherence of neo-liberal thinking and policies since *The State We're In* (1995) although his latest - [Them and Us](#) (2010) - was weaker on alternatives and fails to mention a lot of relevant work.
- Since [When Corporations Rule the World](#) (1995) David Korten has, in the US, been critiquing the operation of companies and setting out alternatives - using both books and [a website](#). One of his latest books is *Agenda for a new economy* - much of which can be accessed at Google Scholar.
- And Paul Kingsnorth's [One No - many Yeses; a journey to the heart of the global resistance movement](#) gives a marvellous sense of the energy a lot of people are spending fighting global capitalism in a variety of very different ways.

The [Guide for the Perplexed](#) which I drafted a couple of years ago did offer (from para 9 onwards) a rather crude initial typology modelled on that of the approach of the capacity development literature which is interested in how to make organisations more "effective" and recognises three levels of work - the individual (micro); the organisation (meso); and the wider system (macro). Decisions about organisational improvement are taken by those with power in organisations who are reluctant to identify those at the top as the cause of poor performance - so it's generally the foot-soldiers at the micro level who are to blame and "skill development" and "better training" which is identified as the solution.

But more systemic change for organisations (the meso level) as part of the cut and thrust of competition did become the norm in anglo-saxon countries in the last 50 years, bolstered by the theories of management gurus.

As someone who has spent the last 20 years in contracts to improve the performance of state organisations (local and national) in ex-communist countries, I slowly realised that the key lever for change (at least in such countries) was at the macro level and governed not only by the legal framework establishing the various institutions but by to the informal processes in (and interactions between) political, commercial and legal systems. I've [written quite a bit about this eg here](#)

The challenge of the global crisis is to mobilise civic power with a coherent agenda which forces appropriate changes in the (national and global) legal frameworks. Political, financial and leaders will, of course, resist such changes. The question is how to put the various pieces together.

What is the sequencing? A unifying agenda? Mobilisation?

What I want to do in this post is to use the framework of the Draft Guide for the Perplexed paper to -

- remind us of the sort of texts which have been urging change over the past 15-20 years
- see if and how such writers have changed their diagnosis, prescriptions and tactics in the light of the crisis of the past five years.

### 1. Meso Change - the commercial world

Paul Hawken published in 2000 an important book [Natural Capitalism](#) which showed the economic benefits which could flow from a variety of ecological products. Ernst von Weizsaecker has long been an eloquent spokesman for this approach see the 2009 Factor Five report for the Club of Rome. Peter Barnes published in 2006 a thoughtful critique and alternative vision - [Capitalism 3.0](#) - based on his entrepreneurial experience. All 200 pages can be downloaded from this internet link.

William Davies published a useful booklet Reinventing the Firm (Demos 2009) which suggests some adjustments to corporate legislation on similar lines to Hutton.

### 2. Meso-change; community enterprise

Perhaps the most coherent and readable text, however, comes from an Irish economist Richard Douthwaite whose 2003 book [Short Circuit - strengthening local economies for security in an unstable world](#) is a marvellous combination of analysis and case-studies of successful community initiatives. The opening pages give a particularly powerful vision.

Bill McKibben's writings are also inspirational- eg [Deep Economy: Economics as if the World Mattered](#)

### 3. The system changers

The indefatigable writers on the left are stronger on description than prescription -

- David Harvey's The Enigma of Capital does try to sketch out a few alternatives.
- Olin Wright's [Envisioning Real Utopias](#) which instances the amazing Mondragon cooperatives but is otherwise an incestuous academic scribble.

But the people at the [Centre for the advancement of the steady state economy](#) have a well-thought through position - see their report [Enough is enough](#) (CASSE 2010).

### Comment

I'll keep the "micro" school of thinking (best represented by Robert Quinn) for another post.

The pity is that there is not enough cross-referencing by the various authors to allow us to extract the commonalities and identify the gaps. Each writer, it seems, has to forge a distinctive slant. Douthwaite is one exception.

One of David Korten's most recent books suggests that - Leadership for transformation must come, as it always does, from outside the institutions of power. This requires building a powerful social movement based on a shared understanding of the roots of the problem and a shared vision of the path to its resolution.

This definition contains three of the crucial ingredients for the social change on the scale we need-

- External pressure

- Shared understanding of causes of problem
- Shared vision

June 29, 2014

## The Common Sense of Visionaries

We are all inspired by [Stephane Hessel](#) who, in his nineties, produced the short book ("Indignez-vous!") about the global crisis and inequality which touched millions. But I hadn't heard of [Grace Lee Boggs](#) who is apparently still campaigning in America at the age of 99. A journal devoted to art and politics called Guernica has a [fascinating interview](#) with this Chinese-American philosopher who has been refusing to stand still for nearly a century, mobilizing alongside various freedom struggles from civil rights to climate change campaigns. The opening chapter of her book - [The next American Revolution: sustainable activism for the 21st Century](#) - has echoes, for me, of Robert Quinn's hugely underrated [Change the World](#)

Most of us operate with an "instrumental" or "agency" view of social change. We assume that "a" causes "z" and that socio-economic ills can therefore be dealt with by specific measures. But a couple of decades ago, an approach - variously called "chaos" or "complexity" theory - started to undermine such assumptions. Writers such as Margaret Wheatley and Quinn have shown the implications for management practice - but few activists have.

Lee Boggs puts it as follows

*I think it's really important that we get rid of the idea that protest will create change. The idea of protest organizing, as summarized by [community organizer] Saul Alinsky, is that if we put enough pressure on the government, it will do things to help people. We don't realize that that kind of organizing worked only when the government was very strong, when the West ruled the world, relatively speaking. But with globalization and the weakening of the nation-state, that kind of organizing doesn't work. We need to do what I call visionary organizing. Recognize that in every crisis, people do not respond like a school of fish. Some people become immobilized. Some people become very angry, some commit suicide, and other people begin to find solutions. And visionary organizers look at those people, recognize them and encourage them, and they become leaders of the future.*

[Quinn's book](#) was produced in 1996 and is an excellent antidote for those who are still fixated on the expert model of change - those who imagine it can be achieved by "telling", "forcing" or by participation. Quinn exposes the last for what it normally is (despite the best intentions of those in power) - a form of manipulation - and effectively encourages us, through examples, to have more faith in people. As the blurb says - "*the idea that inner change makes outer change possible has always been part of spiritual and psychological teachings. But not an idea that's generally addressed in leadership and management training*".

Quinn looks at how leaders such as Gandhi and Luther King mobilised people for major change and derives certain principles for "change agents" to enable them to help ordinary people achieve transformative change. These principles include recognizing our own hypocrisy and fears; "going with the flow" and "enticing through moral power"

July 16, 2014

Since the mid 20th century, various maverick voices such as; JK Galbraith ( *The Affluent Society* 1958); EJ Mishan ( *The Costs of Economic growth* 1967); Ernst Schumacher ( *Small is Beautiful* 1973); Leopold Kohr ( *The Breakup of nations* Leopold Kohr ( *The Breakup of nations* 1975) and Marlyn Fergusson ( *The Aquarian Conspiracy* 1980) have warned us against the blandishments of consumerism. In the 1980s some of us got hooked on community enterprise and business (as we called it then); the social economy (as we discovered the French called it); or social enterprise (New Labour's phrase) - which got some support from the EU and other governments.

Somehow, however, the political point got lost. The ventures were seen mainly as a way of helping marginalised people back into the economy. Only the Greens (and writers such as [Richard Douthwaite](#)) kept the more fundamental critique alive - but the energy the Greens have had to devote to the Energy and ecological questions has also diverted them from the larger issues of our economic system.

The literature became more personalised - how to reduce one's ecological footprint and live simply. Very commendable - but basically being a modern version of Voltaire's retreat to cultivation of one's garden (Candide). In the last few years, the critique has come back - with books such as Oliver James' *Affluenza* (2007) - arriving just in time for the latest global crisis. The publication in July 2009 of [The Spirit Level - why equality is better for everyone](#) seems to have crystallised the contemporary discussion in Britain - and Daniel Dorling's [Injustice - why social inequality persists](#) is a rather tougher ride which gives historical perspective whereas *The Spirit Level* gives the comparative view. Dorling's book has the same caustic humour and philosophy as JK Galbraith's *The Affluent Society* which introduced to the phrase about private wealth and public squalour. Tragic that - after such warnings - we have reached this same point of having to persuade so many people of the declining returns from private consumption and the benefits of collective consumption ie state spending on public goods such as railways!

Thanks to Tudor banus for "Inondation"

20 November 2010

## [Enough is enough](#)



I think I have at last come across the convincing narrative for these times - in a very accessible paper which documents the discussion last June in Leeds of the first Steady State Conference. The foreward indeed echoes the questions about the Why and How of social change to which I promised to return.

*I have a running dialogue with my steady state friends and colleagues. The subject is best described with the metaphor of a horse and cart. I*



*say, if we want to succeed in replacing the outdated goal of economic growth with a steady state economy, we have to put the horse before the cart. The horse is the public opinion and political will needed for this change. Without this horse, I say, we have little hope of pulling a cart of steady state policies into the economic policy arena.*

*Many of my friends and colleagues, however, say otherwise.*

*They say I have it backwards. Citizens won't be ready, they say, to support steady state policies unless it is clear in advance just what those policies are. Sometimes I think my friends and colleagues are right. Certainly one of the most common questions I get, after pontificating on the perils of growth and the need for steady state economics, is "Yes, but how do we do it?" When I describe the horse and cart, emphasising the horse, some of the audience don't buy it. They want to know more about the cart before offering their horsepower.*

*I suppose we are all onto something. The horse and the cart may have to materialise more or less in tandem. Otherwise the horse may say "that's enough of this" and walk away, as the grass may seem greener in more conventional "sustainability" pastures. On the other hand, even the sturdiest cart of steady state policies would mire down and rust without the horse of public opinion and political will to lead it into action.*

*The report, aptly titled [Enough is Enough](#), provides more than just a cart of public policies for achieving a steady state economy.*

*Part One is mostly about the horse, describing why economic growth has become uneconomic — dangerously so — and describing the alternative: economic degrowth toward a steady state economy. However, the bulk of *Enough is Enough* is found in Part Two, which is all about the cart of policies. This constitutes the single most complete collection of steady state policy initiatives, tools, and reforms in the literature. That alone makes the report worth its weight in steady state gold. As if that were not enough, Part Three puts it all together into a plan to get the horse and cart moving together to begin the economic transition.*

*Enough is Enough is an extremely interesting and unique document. It puts the reader into the venue of a wonderfully orchestrated, interactive, and productive conference. One can almost hear the plenary talks from the podium in Part One, walk the halls to the diverse workshop sessions in Part Two, and reconvene with the conferees in Part Three.*

*Most conference proceedings, book-like or not, go quickly onto a dusty shelf.*

*I doubt this is the fate of *Enough is Enough*. Some of the graphics will be familiar to students and practitioners of ecological economics; others were developed at the conference or in the aftermath of this creative burst of energy. Beyond its academic uses, *Enough is Enough* has the potential to become a manifesto in the hands of policy reformers working on issues of environmental protection, economic sustainability, and social justice.*

*But most importantly, in my opinion, is that steady statesmen and ambassadors, present and future, won't miss a beat when confronted with the challenging question of "Yes, but how do we do it?" With a sturdy cart of policies hitched to a horse of public opinion that grows stronger by the day, we are ready to set out towards the steady state economy*

Brian Czech, President  
Center for the Advancement of the Steady State Economy  
Arlington, Virginia, USA

I owe the find to [- a personal website which is worth keeping an eye on](#). And, if *Enough is Enough* gives the strategic arguments, let me strongly recommend Richard Douthwaite's most recent book [Short Circuit](#) as one of the most definitive sourcebooks on the practicalities of change at a

**grassroots level** - or, as Ed Mayo puts it "Douthwaite has undertaken the most extensive survey yet of community economics in the industrialized world".

I mentioned Douthwaite recently. His name came to my mind when I was thinking about the intellectual provenance relating to the criticism of consumerism. I remembered a couple of books he had written in the 1980s and 1990s - and a google search indicated he was still growing strong - now at the [Feasta Irish foundation](#). You can actually download the entire book (section by section) from the website! To encourage you to do that, let Ed Mayo complete his introduction -

*To fully appreciate the significance of this book, we need to ask ourselves why everything we hold dear seems to be threatened. As individuals, we face increasing insecurity in our working lives, on our streets and even within our homes. As societies, we face a ruthlessly competitive global economy, the threat of armed conflict, and a biosphere stressed to the point of collapse. In the face of all this, governments and businesses offer us, at best, a tattered, decaying safety net.*

*Short Circuit's encouraging message is that the security we need can be found in our own communities by developing our local economies.*

*But why are communities and families fragmenting?*

*Why are thousands of species disappearing and the world's climate becoming ever more unstable?*

*Why is democracy slipping away, and ethnic conflict, poverty, crime and unemployment growing day by day?*

*The root cause of all these problems often evades even the most intelligent and well-intentioned examination. The world economic system has become so complex, and the attitudes that it has given rise to so all-pervasive, that we now find it is extremely difficult to gain a clear perspective.*

*However, there is a common thread running through these seemingly disparate crises: namely, a system of production and distribution that depends for its survival on endless expansion.*

*This continuous growth has led to economic globalization, which essentially means the amalgamation of every local, regional and national economy into a single world system.*

*Economic globalization is not the result of superior economic efficiency. It is coming about because governments have been subsidizing international and long-distance trade for nearly two hundred years without stopping to assess the impact on society and nature. It is only through tax breaks, cheap fuel, and massive investments in the underlying transport and information infrastructure that apples from New Zealand displace French apples in the markets of Paris, European dairy products destroy local production in milk-rich Mongolia, and Dutch butter costs less than Kenyan butter in the shops of Nairobi. Even a child might ask, 'Why must food be transported thousands of miles, when it can be produced right here?' This is not efficiency but economics gone mad.*

*Globalization has also led to the growth of huge multinational corporations that have replaced the hundreds of thousands of small businesses, shopkeepers and farmers that traditionally generated most economic activity and employment. And since big firms, unlike small ones, can threaten to move their operations to countries where the fiscal environment is easier, almost every government's ability to raise an adequate amount in tax has been reduced. Consequently, by blindly subsidizing the process of globalization, the nation-state has promoted its own demise.*

*Moreover, by inducing people everywhere to rely on the same narrow range of industrial resources, the global economic system has greatly increased competition at every level. As a result, unemployment in the industrialized world has soared while, in the cities of the South, populations are exploding because millions of rural families are being drawn away from local self-reliance by the promises of the consumer society - only to be plunged into urban squalor and hunger. Meanwhile, wilderness areas and biodiversity*

*are under increasing pressure as the demand for industrial resources grows.*

*The system that has emerged suits nobody: in the long run, there are no winners. Even at the highest levels of society, the quality of life is declining. The threat of mergers leaves even senior managers in permanent fear of losing their jobs. As for the burgeoning list of billionaires, try though they might to fence themselves off from the collapsing social order, they cannot hide from the collapsing biosphere.*

*It is therefore in everyone's interest that the process of globalization be reversed. The most effective way of doing this would be for governments to get together to curb the powers of the multinationals by negotiating new trade and investment treaties that would remove the subsidies powering globalization and give local production a chance. For example, if the hidden subsidies for fossil fuel use were removed, local and national economies would become much stronger. But such international measures would not in themselves restore health to economics and communities: long-term solutions require a range of small local initiatives that are as diverse as the cultures and the environments in which they take place.*

*Unfortunately, many people are opposed to the creation of stronger local economics for all manner of reasons. Some, for example, imagine that the aim of economic localization is complete self-sufficiency at the village level. In fact, localization does not mean everything being produced locally, nor does it mean an end to trade. It simply means creating a better balance between local, regional, national and international markets. It also means that large corporations should have less control, and communities more, over what is produced, where, when and how, and that trading should be fair and to the benefit of both parties.*

*It is also sometimes feared that localization will lead to repression and intolerance. On closer examination, however, it is clear that the opposite is true: the global economy is itself nothing less than a system of structural exploitation that creates hidden slaves on the other side of the world and forces people to give up their rights to their own resources. Localization is not about isolating communities from other cultures, but about creating a new, sustainable and equitable basis on which they can interact. In the North, being responsible for our own needs means allowing the South to produce for itself, rather than for us.*

*All over the world, campaigns against globalization are growing in strength as people see how it affects their lives, their high streets, and their neighbourhoods - and as they become more aware that there are alternatives. The significance of Richard Douthwaite's book is that he shows that globalization can be contained by using these alternatives in a coherent way. He also shows we can start to build alternative systems today without waiting for politicians to give us their blessing or for the world to burn.*

*When community initiatives work (and Short Circuit describes both successes and failures) they release the imagination of those involved and enable them to take further steps towards economic revitalization, stronger communities, and a healthier environment. But so far, as Richard Douthwaite points out, no community anywhere has implemented more than a few of the many techniques described in this book, so the potential for revitalization is dramatic.*

24 November 2010



.....When you actually look, it's amazing what is actually available on the theme of alternatives to the monstrous economic path we stumbled down some decades back. And during the night I actually discovered an example of what my previous post had been asking for – someone who has retired and is now using his experience, time and other resources to try to develop a [more appropriate system](#).

*I'm a businessman. I believe society should reward successful initiative with profit. At the same time, I know that profit-seeking activities have unhealthy side effects. They cause pollution, waste, inequality, anxiety, and no small amount of confusion about the purpose of life.*

*I'm also a liberal, in the sense that I'm not averse to a role for government in society. Yet history has convinced me that representative government can't adequately protect the interests of ordinary citizens. Even less can it protect the interests of future generations, ecosystems, and nonhuman species. The reason is that most—though not all—of the time, government puts the interests of private corporations first. This is a systemic problem of a capitalist democracy, not just a matter of electing new leaders.*

*If you identify with the preceding sentiments, then you might be confused and demoralized, as I have been lately. If capitalism as we know it is deeply flawed, and government is no savior, where lies hope? This strikes me as one of the great dilemmas of our time.*

*For years the Right has been saying—nay, shouting—that government is flawed and that only privatization, deregulation, and tax cuts can save us.*

*For just as long, the Left has been insisting that markets are flawed and that only government can save us.*

*The trouble is that both sides are half-right and half-wrong. They're both right that markets and state are flawed, and both wrong that salvation lies in either sphere.*

*But if that's the case, what are we to do? Is there, perhaps, a missing set of institutions that can help us? I began pondering this dilemma about ten years ago after retiring from Working Assets, a business I cofounded in 1982. (Working Assets offers telephone and credit card services which automatically donate to nonprofit groups working for a better world.)*

*My initial ruminations focused on climate change caused by human emissions of heat-trapping gases. Some analysts saw this as a "tragedy of the commons," a concept popularized forty years ago by biologist Garrett Hardin. According to Hardin, people will always overuse a commons because it's in their self-interest to do so.*

*I saw the problem instead as a pair of tragedies: first a tragedy of the market, which has no way of curbing its own excesses, and second a tragedy of government, which fails to protect the atmosphere because polluting corporations are powerful and future generations don't vote.*

26 Nov 2010

## Fightback

I admit to being at the moment, quite literally, an armchair critic - sitting comfortably in my armchair and critiquing the world.

Focusing on the inanities and criminalities of our various elites requires little effort - there is so much of it and copiously (if not lovingly) described. I came across two recent British examples yesterday - a small book about [the neo-liberal crisis](#) produced in 2012 and an update bearing the name [The Kilburn Manifesto](#). Both promised

a lot but quickly, for me, got lost in their own rhetoric. Much more interesting was the renowned Trans National Institute's [State of Power 2014](#) released, rather courageously, a few weeks back in the stronghold of corporatism - Davos. It does look a worthwhile read - and, generously, contained a reference to the website of another avid student of corporate evil - [Occupy](#) which put me on to yet another - [SourceWatch](#)



But finding a coherent statement about "What is to be done" seems to require a lot of effort - and almost impossible to find one which cross-references other work. Too many prophets going their own way - and jealous of others. The [World Social Forum](#) (still attracting thousands of visitors to its annual get together) and [OccupyWall St](#) are both very broad-based; whereas the [Zeitgeist movement](#) seems to be a quasi-religious movement.

I was encouraged by the [summary of](#) and [papers from this recent Conference](#) on the Restructuring of the Corporation. The papers are certainly fascinating - but suggest (with the exception of Henry Mintzberg) that change will come from within the system. Most people involved in these arguments about social and economic change focus on one or other of the three parts - political, legal or commercial ie stronger, more focused protest or different voting systems; stronger legislation against lobbying for example; or more social enterprise.

Few so far seem to see Mintzberg's point that we need a mixed cocktail!

But where are the handbooks - let alone the annotated bibliographies - to give us a real sense of what can be done? The only one I can think of is Paul Hawken's 2007 [Blessed Unrest](#) which someone has very helpfully [summarised here](#) and [reviewed here](#).

And I liked the look of [Occupy Wall St - a global roadmap for radical economic and political reform](#) by Ross Jackson (2012) but it does not seem easy to track down

A website simply called [Corporations](#) did give a useful post on [How to Overthrow Corporate Rule - in 5 Steps](#) which reminded me of a very useful four pages of tactical advice given in a 1990s book on the [New Zealand experience with neo-liberal programmes](#)

For more individual efforts we have the inspiring example of 93 year-old [Stephane Hessel](#) who died just one year ago still articulating his vision of a better world. Or the Dutch activist [Joost van Steenis](#). Both give clear analysis and clarion calls (I particularly liked van Steenis' 21 statements) - but are light on bookish references or recognition of other relevant movements. And neither can give any real answers to those who struggle in the political and commercial mire that is contemporary Bulgaria - or the other ex-communist states who don't have the same values or traditions to draw on - only a numbing alienation.

### The Centre Cannot Hold.....

I'm delighted to report - however belatedly - that management guru Henry Mintzberg has duly published his long-awaited pamphlet [Rebalancing Society - radical renewal beyond left, right and centre](#) which mounts a strong critique of the direction the Western world has taken in the last 25 years and suggests (but all too briefly) an agenda for change. It is the key part of what is to be a series of pamphlets which he has been encouraged to embark by people like me talking to him as one of the knowledgeable and sane voices in a mad world.

I had contacted him last year after re-reading his 2000 "Management in Government" paper which started with the assertion that it was not capitalism which won in 1989 but "the balanced model" ie a system in which there was some sort of balance between the power of commerce, the state and the citizen. Patently things have got badly out of balance in the intervening 15 years!

The push to privatise everything will, he asserted, lead to the same disease of communist societies.

His discussion is particularly helpful for the distinctions he draws - first the 4 different roles of customer, client, citizen and subject.

Secondly the 4 types of organisations - privately owned, state-owned, "non-owned" (?) and cooperative.

Then four models/metaphors of state management - government as machine, network, performance control and normative.

In between he explodes 3 basic management myths. I had the full paper on my website but was forced to remove it when someone from Harvard complained...Oddly, however, some of my blogposts still [have a link to the paper](#) which must be buried somewhere inside the hidden intestines of the website. My E-mail to him said simply that

This concept of re-balance is crucial and you are one of the few people in a position to try to pull together all the disparate voices which have been searching over the past 5 years for a coherent programme which will attract a strong and active consensus. Few of those who write on this issue bother to deal with the other writing on the matter in the required detail. We need a proper typology; and critique of the literature to justify the specific steps in any 'better way'

I was amazed to get a positive response and a request to allow him to include the comment in his pamphlet. For a sense of his writings see his article on [managing quietly](#) and his [ten musings on management](#).

Mintzberg's analysis is one of the best reads on the global crisis - and will get pride of place in the update of the paper I was writing about earlier in the day whose title I am still disposed to make "Draft Guide for the Perplexed" .

He also has [an interview about the pamphlet here](#)

The heading is, of course, taken from the famous Yeats's poem which also contains these lines -

*The best lack all conviction,  
while the worst  
Are full of passionate intensity.*

June 24, 2014

## There is another way

I am grateful to a Balkans historian, an Irish economist and an anonymous Canadian for this post. [Tom Gallagher](#) pointed me to [a post on the website of David McWilliams](#) one of whose discussants gave the following info -

*Recently, the workers in the Fagor Appliance Factory in Mondragón, Spain, received an 8% cut in pay. This is not unusual in such hard economic times. What is unusual is that the workers voted themselves this pay cut. They could do this because the workers are also the owners of the firm. Fagor is part of the Mondragón Cooperative Corporation, a collection of cooperatives in Spain founded over 50 years ago.*

*The story of this remarkable company begins with a rather remarkable man, Fr. José Maria Arizmendiarieta, who was assigned in 1941 to the village of Mondragón in the Basque region of Spain. The Basque region had been devastated by the Spanish Civil War (1936-1938); they had supported the losing side and had been singled out by Franco for reprisals. Large numbers of Basque were executed or imprisoned, and poverty and unemployment remained endemic until the 1950's. In Fr. José's words, "We lost the Civil War, and we became an occupied region." However, the independent spirit of the Basques proved to be fertile ground for the ideas of Fr. José. He took on the project of alleviating the poverty of the region. For him, the solution lay in the pages of Rerum Novarum, Quadragesimo Anno, and the thinkers who had pondered the principles these encyclicals contained. Property, and its proper use, was central to his thought, as it was to Pope Leo and to Belloc and Chesterton. "Property," Fr. José wrote, "is valued in so far as it serves as an efficient resource for building responsibility and efficiency in any vision of community life in a decentralized form." José's first step was the education of the people into the Distributist ideal. He became the counselor for the Church's lay social and cultural arm, known as "Catholic Action," and formed the Hezibide Elkarte, The League for Education and Culture, which established a training school for apprentices. He helped a group of these students become engineers, and later encouraged them to form a company of their own on cooperative lines. In 1955, when a nearby stove factory went bankrupt, the students raised \$360,000 from the community to buy it. This first of the co-operatives was named Ulgor, which was an acronym from the names of the founders.*

*From such humble beginnings, the cooperative movement has grown to an organization that employs over 100,000 people in Spain, has extensive international holdings, has, as of 2007, €33 billion in assets (approximately US\$43 billion), and revenues of €17 billion. 80% of their Spanish workers are also owners, and the [Cooperative is working to extend the cooperative ideal to their foreign subsidiaries](#). 53% of the profits are placed in employee-owner accounts. The cooperatives engage in*



*manufacturing of consumer and capital goods, construction, engineering, finance, and retailing. But aside from being a vast business and industrial enterprise, the corporation is also a social enterprise. It operates social insurance programs, training institutes, research centres, its own school system, and a university, and it does it all without government support.*

*Mondragón has a unique form of industrial organization. Each worker is a member of two organizations, the General Assembly and the Social Council. The first is the supreme governing body of the corporation, while the second functions in a manner analogous to a labor union. The General Assembly represents the workers as owners, while the Social Council represents the owners as workers. Voting in the General Assembly is on the basis of "one worker, one vote," and since the corporation operates entirely from internal funds, there are no outside shareholders to outvote the workers in their own cooperatives. Moreover, it is impossible for the managers to form a separate class which lords it over both shareholders and workers and appropriates to itself the rewards that belong to both; the salaries of the highest-paid employee is limited to 8 times that of the lowest paid.*

*Mondragón has a 50 year history of growth that no capitalist organization can match. [They have survived and grown in good times and bad.](#) Their success proves that the capitalist model of production, which involves a separation between capital and labor, is not the only model and certainly not the most successful model. The great irony is that Mondragón exemplifies the libertarian ideal in a way that no libertarian system ever does. While the Austrian libertarians can never point to a working model of their system, the Distributists can point to a system that embodies all the objectives of a libertarian economy, but only by abandoning the radical individualism of the Austrians in favor of the principles of solidarity and subsidiarity.*

***The Cooperative Economy of Emilia-Romagna.*** *Another large-scale example of Distributism in action occurs in the Emilia-Romagna, the area around Bologna, which is one of 20 administrative districts in Italy. This region has a 100 year history of cooperativism, but the coops were suppressed in the 1930's by the Fascists. After the war, with the region in ruins, the cooperative spirit was revived and has grown ever since, until now there are about 8,000 coops in the region of every conceivable size and variety. The majority are small and medium size enterprises, and they work in every area of the economy: manufacturing, agriculture, finance, retailing, and social services.*

*The "Emilian Model" is quite different from that used in Mondragón. While the MCC uses a hierarchical model that resembles a multi-divisional corporation (presuming the divisions of a corporation were free to leave at any time) the Emilian model is one of networking among a large variety of independent firms. These networks are quite flexible, and may change from job to job, combining a high degree of integration for specific orders with a high degree of independence. The cooperation among the firms is institutionalized many in two organizations, ERVET (The Emilia-Romagna Development Agency) and the CNA (The National Confederation of Artisans).*

*ERVET provides a series of "real" service centers (as opposed to the "government" service centers) to businesses which provide business plan analysis, marketing, technology transfer, and other services. The centers are organized around various industries; CITER, for example, serves the fashion and textile industries, QUASCO serves construction, CEMOTOR serves earth-moving equipment, etc. CNA serves the small artigiani, the artisanal firms with fewer than 18 employees, and where the owner works within the firm, and adds financing, payroll, and similar services to the mix.*

*The Emilian Model is based on the concept of reciprocity. Reciprocity revolves around the notion of bi-directional transfers; it is not so much a defined exchange relationship with a set price as it is an expectation that what one gets will be proportional to what one gives. The element of trust is very important, which lowers the transaction costs of contracts, lawyers, and the like, unlike modern*

*corporations, where such expenses are a high proportion of the cost of doing business. But more than that, since reciprocity is the principle that normally obtains in healthy families and communities, the economic system reinforces both the family and civil society, rather than works against them.*

*Space does not permit me to explore the richness of the Emilian Model. I will simply note here some of its economic results. The cooperatives supply 35% of the GDP of the region, and wages are 50% higher than in the rest of Italy. The region's productivity and standard of living are among the highest in Europe. The entrepreneurial spirit is high, with over 8% of the workforce either self-employed or owning their own business. There are 90,000 manufacturing enterprises in the region, certainly one of the densest concentrations per capita in the world. Some have called the Emilian Model "molecular capitalism"; but whatever you call it, it is certainly competitive, if not outright superior, to corporate capitalism.*

*Other Examples. There are many other functioning examples of Distributism in action: micro-banking, Employee stock option plans, mutual banks and insurance companies, buyers and producers cooperatives of every sort. This sample should be enough how distributism works in practice. Distributists are often accused of being "back to the land" romantics. The truth is otherwise. There are no functioning examples of a capitalism which operates anywhere near its own principles; there couldn't be, because the mortality rates are simply too high. Hence, capitalism always relies on government power and money to rescue it from its own excesses. Distributism goes from success to success; capitalism goes from bailout to bailout*

.I visited Mondragon in the late 1980s in my capacity as Chairman of a trust which funded community enterprise in the West of Scotland and was deeply impressed - not least by the area's remoteness as I ascended a steep mountain in a hired car to reach the place. We need more celebration of its achievements.

21 October 2011

## Cooperation

But a different sort of book distracted me this last couple of days - [Together - the rituals, pleasures and politics of cooperation](#) produced a couple of years ago by the famous sociologist Richard Sennett. For a good sense of both the man and the work, this interview in [Brick Magazine](#) is quite excellent.

Much as I appreciated the freshness and elegance of the discourse - and the references to Tonnies, Robert Owen, Saul Alinsky et al - I could have done with some recognition in the book of the role of cooperatives.

I wrote [some years ago](#) about the [Mondragon Cooperative in the Basque country](#) - which rarely gets proper credit for its [amazing employment record](#) (employing more than 80,000 people in that mountain area). I was sad to see that it [hit a bad patch last year](#) and had to [close one of its affiliates](#).

In Bucharest I got back into Leonard Woolf's spell-binding 5-volume auto-biography - following this time his discovery and mapping of the British cooperative movement 100 years ago - and the powerful role played in its educational system by working class women.

It brought back memories of the Cooperative Society in my home town of Greenock in the 1960s - basically the complex of shops, funeral parlour and insurance which was the staple of working class life for so many decades in the West of Scotland; and the great community spirit evident particularly amongst the women in the housing schemes I represented in the late 60s through to 1990. Women were the backbone of the tenant associations and various self-help schemes - including a famous adult education one which is described in this big study - [The Making of an Empowering Profession](#)

That, in turn, got us talking about the absence of such a spirit in 20<sup>th</sup> century Romania; its decline in the UK; but its continued strength elsewhere.

I remember the Head of the European Delegation in Romania in 1993 handing out to those of us who were working here as consultants summaries of Robert Putman's new book which traced the differences in the performance of Italian Regional authorities to the habits of centuries. This was a warning that Western "best practice" might have some problems in this part of the world. Putnam's work spawned an incredible academic literature which is summarised in papers such as "[Social Capital in CEEC - a critical assessment and literature review](#)" (CEU 2009) and "[The deficit of cooperative attitudes and trust in post-communism](#)" (2013)

Catherine Murray's 2006 paper "[Social capital and cooperation in CEEC - toward an analytical framework](#)" is, with its various diagrams, probably the most helpful introduction to the issue

There was a (very) brief moment in the early 90s when cooperatives were talked about - at least in some places - as one of the models which might be relevant for the central European economies but market "triumphalism" swept all away....killing an opportunity which has been taken in other countries as well set out in this short paper "[Cooperative Enterprise Development after 30 years of destructive neo-liberalism](#)"

[The Resilience of the Cooperative Model](#) is well described in the paper in the link; in "[Coops - pathways to development](#)" and also on the website of the [European Research Institute for cooperative and social enterprise](#) - for example [in this paper](#)

31 October 2014

## [No Excuse for Apathy](#)

One of my unfinished projects has been a mapping of "alternative" ways of using our energies than that of the mad economic system which has had the globe in thrall (and peril) for at least the post-war period.....

The project started with a short essay in 2001 (updated in [Notes for the Perplexed](#)) and moved into higher gear with the opening last autumn of a website [Mapping the Common Ground](#) which acts as a library of useful material for those keen to effect social change. [Ways of Seeing.....the Global Crisis](#) was my round-up of the reading I had been doing in recent years - with my common complaint being the failure of writers to give credit to others and indeed to make any attempt to do what [Google Scholar](#) exhorts us to do - "stand on the shoulders of giants".

So I was delighted, this morning, to come across an encouraging American initiative [The Next System](#) whose opening video may be a bit crass but which makes amends with its initial report - [The](#)



Next System Report - political possibilities for the 21<sup>st</sup> Century which contains extensive references to writing I had not so far encountered and to good community practice in various parts of the world. This led me to new writers such as Pat Devine and Andrew Cumbers (celebrating public ownership); and such gems as -

- the manual Take Back the Economy;
- the book Capitalism 3.0 by Peter Barnes
- We are Everywhere - a celebration of community enterprise
- An article on Democratising Finance by Fred Block
- The full bibliography of Danny Dorling's glorious Injustice book

And that was just a couple of days after I had downloaded a lot of material relating to "the commons" which delicately tiptoes round the topic of "common ownership" - see this excellent overview The Commons as a new/old paradigm for governance - with a second section here. I was alerted to that by a fascinating article in Open Democracy Planning a Commons-based Future for Ecuador which is part of a wider effort that country has been making - set out in a document National Plan for Good Living which must be one of the first efforts this century to have a National Plan!

Other finds are -

- Celebrating the Commons - from On the Commons website
- The evolution of social enterprise - a very friendly overview of various landmarks in the important history of this "movement" (rather US-centric)
- Commons Transition - the book from a site "of practical experiences and policy proposals aimed toward achieving a more humane and environmentally grounded mode of societal organization. Basing a civil society on the Commons (including the collaborative stewardship of our shared resources) would enable a more egalitarian, just, and environmentally stable society.
- Bibliography for the Social Knowledge Economy
- Humanising the Economy
- Beyond the Corporation
- Owning our Future
- Cooperative enterprise building in a better world

So no excuse! Let's get off our backsides and do something to build a more sensible world!!

16 April 2015

## Beacons of Hope

Employee-ownership is not the most obvious of subjects to set one's spirits soaring - but two books I've just been reading on this subject are positively inspirational and probably the best guides available for those of us who have been searching for a plausible challenge to the amoral corporate power tearing our societies and planet apart. The books are -

[Beyond the Corporation: Humanity Working](#) by David Erdal (2011); and

[Owning Our Future: The Emerging Ownership Revolution](#) by Marjorie Kelly (2012)

Each complements the other beautifully - Erdal's book uses the story of the employee buy-out he led in the 1980s of his family's Fife-based paper business (Tullis Russell) as an introduction to employee-owned businesses the world over (amongst many others, the John Lewis Partnership in the UK, the Mondragón group in Spain and the US supermarket chain, Publix) - and then examines the history of the legal structures that underpin modern capitalism and convincingly exposes the gross errors in the conventional models economists use to describe people and businesses (which he labels 'just-so stories') - showing how and why employee-owned businesses are superior to publicly listed companies in every way.

Marjorie Kelly's book helps us understand the "financialisation" which has overtaken companies in the last thirty years - I was able to download the first draft of the book (minus a couple of the chapters) by simply tapping the title and author's name and the preface and first chapter [can be read here](#)

The first section of Erdal's book demolishes the predictions made by traditional economists about the supposed efficiency of the Market (a word that Erdal capitalises) and the supposed flaws of employee-owned concerns:

*Very little of the money raised by public shares is invested in strategically building businesses - most of it is used for (often destructive) acquisitions and lining the pockets of shareholders and top management. For companies to flourish in the long term, employees must have a real sense of ownership. No management techniques can substitute for the rights and benefits of genuine ownership, but even the managers of employee-owned concerns need to work hard to ensure workers feel involved.*

*Communication is key: managers must make information fully and openly available, must listen, and must allow employees to make contributions to improving how things are done. Although employee-owners need leaders, given the same quality of leadership employee-owned businesses always outperform those owned by outsiders. The former are more productive, they survive better in bad times, they have lower employee turnover and absenteeism and they give better service (the top-rated companies for service in both the UK and the USA are employee-owned).*

*Employees in employee-owned companies learn more participation skills, they are better trained, they contribute more innovative ideas, they implement change quicker, and they are wealthier, with communities in which they live benefiting from both money and skills. Many economists are blind to all the above, repeatedly citing old papers based on nothing but theory, and falsely claiming that such organisations will be overwhelmed by free-riders, that decision-making will be impracticably slow, and that employee-owners will forever be falling out with each other. These unevidenced views of economists place significant obstacles in the way of those hoping to set up employee-owned concerns.*

As he puts it -

*'Ironically, capitalism itself is built on the idea that owners will work more energetically and creatively, and with greater commitment, than people who are employed by others. Instead of following through [this] logic [...], the owners of capital [...] have built company structures in which employees have none of the participation of ownership: they have no right to influence the choice of leader or the policies set, and no right to participate in the wealth that they create together. The vast majority of people are systematically deprived of any ownership stake. It is as if they are seen as coming from a different species, insensitive to the galvanising effect of ownership.'*

The second section describes the horror of working for publicly traded companies subject to so-called 'market discipline' and contrasts this with the experience of employee-owners, and shows why 'market discipline' is powerless to curb excessive executive pay and does nothing to promote stability and innovation. It also relates the jaw-dropping history of the employee contract (which Erdal contends violates what should be inalienable rights) and of the present economic system - rigged from the outset in the favour of the rich and powerful.

The impact of asset-stripping by private equity investors on the employees and customers of Debenhams, as well as its suppliers, is powerfully conveyed. After all but destroying staff morale, delaying payment for suppliers, decreasing investment in new stores and the refurbishment of old ones, and making various cut-backs and redundancies, investors left the company nearly £1 billion in debt.

*.....Crucial to the success of all employee-owned businesses are consultation and keeping employees informed: 'If it feels to the managers like overkill - as if they are giving out too much information - then they may be close to giving out enough'. People must also be allowed to make a difference, and increased efficiency should not result in people being sacked - they can be redeployed or given further training. Although hierarchies do exist in employee-owned concerns, their purpose is simply 'to enable the front-line workers to be wholly effective'.*

*Sustaining employee ownership requires some thought: 'The structuring of the ownership is of crucial importance in ensuring longevity. When all the shares are held by the individual employees a substantial 'repurchase liability' - the need eventually to find the cash to buy back the shares - builds up.' Erdal discusses this topic in some depth, suggesting various alternatives and criticising US ESOPs (Employee Stock Ownership Plans, where shareholding trusts take the form of pension funds) as being 'vulnerable to Wall Street types'. He champions the capital account system used by Spain's Mondragón group, and urges tax concessions to support this.*

*However employee-owned businesses are structured, Erdal believes that in the end they can 'be made effective only through the courage, energy and personal ethics of those involved'. Nonetheless, he maintains that they are certainly less vulnerable to abuse of power by CEOs than public corporations where 'CEOs are running away with the loot'.....*

*.....Contrary to economists' predictions, reinvestment is not a problem for employee-owned concerns as people generally 'want to keep the company strong for their own sakes and they want to pass it on strong to the next generation'. As Erdal says, 'They are much more than the money-grubbing automata of economists' models'.*

*If by this stage you are still not persuaded of the virtues of employee-ownership, perhaps you will find Erdal's measurement of the wider effects of employee ownership on communities in Italy convincing. Erdal compared three similar towns, differing only with regard to the proportion of their residents working for employee-owned concerns. He found that where many people worked for such businesses, residents lived a lot longer, they enjoyed larger and more supportive social networks, they perceived*

*political authorities as being more on their side, more voted, they believed that domestic violence was less prevalent, they donated more blood, their children stayed at school longer and did better, and, 'to a radically greater extent', they continued being trained and educated throughout their lives. Most intriguingly, they apparently didn't bother buying big cars to show off their wealth, despite having higher disposable incomes! Employee-ownership kills conspicuous consumption?*

Friday, June 26, 2015

## The World is Waking Up

A couple of months ago, in a post headed [No Excuse for Apathy](#) I reminded readers (and myself!) that one of my unfinished projects has been a mapping of the different paths which various authors have suggested in recent years we need to take in order to improve (if not replace) the mad economic system which has had the globe in thrall (and peril) for at least the last thirty years.

The project started with a short essay in 2001 (updated in [Notes for the Perplexed](#)) and moved into higher gear with the opening last autumn of a website [Mapping the Common Ground](#) which acts as a library of useful material for those keen to effect social change.

[Ways of Seeing.....the Global Crisis](#) was my round-up of the reading I had been doing in recent years - with my common complaint being the failure of writers to give credit to others and indeed to make any attempt to do what Google Scholar exhorts us to do - "stand on the shoulders of giants".

Most books about the "global crisis" focus on the easy part of the story - "diagnosis" and "blame" - and skate over the really challenging (later) stages of the process of social change - such as prescription ("what is to be done?"); and, most of all, "coalition-building" (with what sources of power?).

Indeed I now have three tests for any book about the global crisis I look at -

- What proportion of space they devote to the later, prescriptive, stage
- What awareness they show of the "problems of agency" ie of the tenuous nature of the "toolkit of change" which the change management literature introduced us to in the 1980s
- How generous their references to other literature are

Most writing demonstrates a naïve belief in the power of persuasion - the belief that argument can mobilise change. Many people can indeed be persuaded of the "need" for change - but fewer about its precise "direction" and shape..... Robert Quinn is one of the few people who has powerfully pointed out how mechanistic is the discourse of reformist "persuasion" - with its assumption that an intellectual elite has the capacity to "mobilise" people to its way of thinking.....His books talk rather of the power of example.....and the growing literature on systems theory of the "emergence" of new methods and models...

The post I referred to in the opening paragraph linked to a fascinating American project - [The Next System](#) whose short, initial publication promised to

*launch a national debate on the nature of "the next system" using the best research, understanding, and strategic thinking, on the one hand, and on-the-ground organizing and development experience, on the other, to refine and publicize comprehensive alternative political-economic system models that are different in fundamental ways from the failed systems of the past and capable of delivering superior social, economic, and ecological outcomes.*

*By defining issues systemically, we believe we can begin to move the political conversation beyond current limits with the aim of catalyzing a substantive debate about the need for a radically different system and how we might go about its construction. Despite the scale of the difficulties, a cautious and paradoxical optimism is warranted. There are real alternatives. Arising from the unforgiving logic of dead ends, the steadily building array of promising new proposals and alternative institutions and experiments, together with an explosion of ideas and new activism, offer a powerful basis for hope.*

And the last week has seen several more straws in the wind -

- [Democratic Wealth](#) - being a little E-book of Cambridge and Oxford University bloggers' takes on the crisis
- [Civic Capitalism](#) - ditto from some Sheffield University academics
- [Laudato-Si](#) - the latest Papal Encyclical. A summary is [available here](#). Its entire 184 pages [can be read here](#)
- [We All Want the Change the World](#) is a book which represents the mature thoughts of one (American) lefty and, for me, is a superb illustration of why the left is in such deeptrouble. The book starts brilliantly but quickly degenerates into cultural tripe

Sunday, June 28, 2015

## PART V INCONCLUSION



## Will this too pass?

But I've not so far mentioned the table at the very start - which identifies the various "debates" which gripped English-speaking countries at least, decade by decade, from the 1930s...through to the present.

It's impressionistic - so doesn't try to bring google analytics to aid - and people may quibble with some of the references. But many who look at it will perhaps feel a shiver down their spine as they recognise how transitory many of our discussions have been. The issues don't necessarily go away - some are simply repackaged



It may cover an 80 year period but all the themes still echo in my mind since it was 1960 when I embarked on my political economy education at Glasgow University - and the key books of the 40s were still influential. Indeed the writings which had the biggest impact on me were Europeans from the start of the century - such as Max Weber, Emile Durkheim, Robert Michels and Karl Popper. Outside the university, it was the writings of RHTawney and Tony Crosland which shaped me - and had me joining the Labour Party in 1959; becoming first an activist; then a councillor; and someone who quickly developed a rather contradictory mix of corporate management and community power principles.

I didn't know it at the time but I was at the start of an ideological upheaval of tectonic proportions as the Keynesian certainties began to crumble in the face of the Hayekian onslaught.

For some reason, however, I chose to focus on regional development although the ideas of the strangely named "[public choice](#)" [theorists](#) did get to me in the early 1970s - through the pamphlets of the [Institute of Economic Affairs](#)

But it was the social engineering approach of the managerialists which eventually won the battle for my soul. I vividly remember sitting in front of the radio enthralled as [Donald Schon](#) delivered the Reith lectures in autumn 1970 under the title "Beyond the Stable State". During it he coined the phrase "dynamic conservatism" - a phenomenon which I was to study for several decades in different countries. I read the literature on organisational change avidly - and tried to apply it wherever I went...John Stewart of the University of Birmingham's Institute of Local Government Studies was a particular inspiration...

Policy Analysis - then in its early days - was an obvious attraction and I enrolled on the UK's first (postgraduate) course on the subject at the University of Strathclyde, run by Lewis Gunn which disappointed for its over-rationalistic approach - although it was there that I first came across the notion of "[framing theory](#)". I confess, however, that when I actually had in 2002 to draft a primer on policy analysis for some civil servants in Slovakia, it was the rationalistic approach I adopted

rather than that contained in the [Policy Paradox](#) book by [Deborah Stone](#) which I only encountered later.

What, however, the "This too will pass" table doesn't record is the amazing change that occurred in the late 1980s in HOW we talked about these various "issues"...in short the "discursive" or "narrative turn" which post-modernist thought has given us (see Annex 2 for a short explanation of this).

*Although I've grown to appreciate the rich plurality of interpretations the postmodernists can present on any issue, I'm not quite ready to join their carefree, fatalistic band...*

*"Whatever....." does not strike me as the most helpful response to give to those anguished by the cutthroat actions of those in privileged positions....*

The point I have reached is

- It seems impossible to get a social or moral consensus in our societies for [the sort of rebalancing which Henry Mintzberg](#) has brilliantly argued for
- the voices are too diverse these days - as [explained by Mike Hulme](#)
- people have grown tired and cynical
- those in work have little time or energy to help them identify relevant actions
- those out of work are too depressed
- although the retired generally have the time, resources and experience to be doing more than they are
- but they have lost trust in the capability or good intentions of governments
- let alone the promises of politicians
- and are confronted with too many disparate voices in the reform movement
- Most of the "apocalypticists" (such as [William Greer](#) and [Dmitry Orlov](#)) who have confronted the collapse of industrial civilisation counsel a Candide like "garden cultivation"
- And yet I still persevere in my naïve belief that governments are capable of doing more.....
- Am I wrong?

It's perhaps appropriate that, at this point I reach for TS Eliot -

*..... And what there is to conquer*

*By strength and submission, has already been discovered*

*Once or twice, or several times, by men whom one cannot hope*

*To emulate - but there is no competition -*

*There is only the fight to recover what has been lost*

*And found and lost again and again; and now under conditions*

*That seem unpropitious. But perhaps neither gain nor loss*

*For us, there is only the trying. The rest is not our business.*

(The Four Quartets)

## ANNEX 1 Key Reading

Susan George's [Another world is possible](#) (2004)

- [Austerity - the history of an idea](#); Mark Blyth [lecture](#)
- [European Spring - why our Economies and Politics are in a Mess - and how to put them right](#); Philippe Legrain
- [Crisis without End - the unravelling of western prosperity](#); Andrew Gamble
- [17 Contradictions and the end of capitalism](#); David Harvey
- [Buying Time - the delayed crisis of democratic capitalism](#); Wolfgang Streeck
- Capitalism and its alternatives; Chris Rogers
- [Utopia or Bust - a guide to the present crisis](#); Ben Kunkel
- [The End of the Experiment?](#) by Andrew Bowan which has an accompanying blogsite - [Manchester Capitalism](#) - which helpfully offers explanations of the key parts of the book

But let me again raise the question I posed in my review last month of Phillip Mirowski's [Never Let a Serious Crisis Go to Waste - how neo-liberalism survived the financial meltdown](#);

**Where, please, is there a proper assessment of the global crisis whose effects are now shaping a generation - if not a civilisation??? And can anyone offer a reason for this absence??**

Mirowski's book has a 41 page list of books and posed these questions -

- *What were the key causes of the crisis?*
- *Have economists of any stripe managed to produce a coherent and plausible narrative of the crisis, at least so far? And what role have heterodox economists played in the dispute?*
- *What are the major political weaknesses of the contemporary neoliberal movement?*
- *What lessons should the left learn from the neoliberals, and which should they abjure?*
- *What would a counter-narrative to that of the neoliberals look like?*

But the book only really touches (and briefly) on the second of these questions - the others he suggests "*demand lavishly documented advocacy and lengthy disputations*" and maybe an alternative left project. His book, he concludes with surprising modesty for such a pyrotechnic writer, simply "*dispels some commonplace notions that have gotten in the way of such a project*".

Neoliberals have triumphed in the global economic crisis, he suggests, because -

- Contrary evidence didn't dent their world view
- They "redoubled their efforts to influence and capture the economics profession"

This conclusion, frankly, left me feeling a bit let down - after I had devoted a couple of days to wading through his verbiage.....surely a guy with his experience and reading can do better??? What we need are comparisons and classifications of this reading.....

The titles of the books on my little list are significant - and three of them seem to promise a bit more - Wolfgang Streeck of Koln; David Harvey of New York; and Andrew Gamble of Sheffield - so let me just share some of the reviews before I actually get into them

David Harvey, although a geographer, is the world's best-known exponent of Marx. His *Origins of Neo-Liberalism* can be read online. His latest book is a small one which tries to compress his extensive work into [17 Contradictions and the end of capitalism](#)

Drawing on his previous commentaries on Karl Marx's *Capital*, David Harvey's latest book is a brave attempt to translate that monumental work into the simplified language of the 21st century. It is beautifully written, persuasively argued and – in these dismal times – refreshingly optimistic about the socialist future awaiting us all.

The author begins by drawing “a clear distinction between capitalism and capital”. “This book”, Harvey explains, “focuses on capital and not on capitalism.” More accurately, the topic is the hidden engine that drives capitalism, not the rickety vehicle as it trundles along bumpy roads. Harvey is not only interested in finding out how the engine works and why it sometimes fails. “I also want to show”, he adds, “why this economic engine should be replaced and with what”. No shortage of ambition, then.

Although it might seem force, I can see why this distinction is necessary. To write a short book – or indeed to do any kind of science – you have to simplify, abstracting away from reality in all its complexity. “How does the engine work” is, I suppose, a different question from “Where are we going?” or “Will we ever arrive?”

Focusing simply on the engine, Harvey's 17 contradictions are exclusively internal ones – tensions intrinsic to the hidden mechanisms driving the circulation and accumulation of capital. It's a convenient strategy that allows him to set aside such “external” factors as, say, changing gender relations, epidemics or warfare. But I couldn't quite understand the basis on which some topics were excluded and others discussed at length.

Harvey's 16th contradiction – entitled “Capital's Relation to Nature” – includes the looming prospect of catastrophic climate change. It's an excellent, scientifically well-informed chapter and one of the highlights of the book. Harvey claims it as an “internal” contradiction on the basis that capital is a working and evolving ecological system embracing both nature and capital. I agree with that. But in accepting that point, aren't we including the bumpy road as part of the engine? If climate change counts as “internal”, what justification is there for excluding race and gender? Harvey explains: “I exclude them because although they are omnipresent within capitalism they are not specific to...capitalism”. Well, no, but then neither is environmental degradation. The consequences might be more terrifying today, but humans have been triggering extinctions since the beginning of farming and probably before. Mammoths once roamed across Europe...

My other criticism is that while Marx wrote quite a lot about revolution, Harvey goes strangely silent on the topic. As a result, the book's final pages remind me of going to the wishing well and asking for 17 nice things that ought to happen – solidarity everywhere, no alienating work, everyone creative and fulfilled. It's an inspiring list. But it does little to help us think about how to get there or if it would really work. Marxists need to do more if we are to sound convincing.

But the book I am most looking forward to is Andrew Gamble's [Crisis without End – the unravelling of western prosperity](#)

This is not a book on the financial crisis per se, but one that uses the crisis as a point of departure to consider how our world has been ordered over the past century, along the way displaying in-depth understanding of the events leading up to the crash and the actions taken to respond to it.

Before analysing the consequences of the crisis for neoliberalism, Gamble lays out his notion of a neoliberal economic order and details how the current international economic system was set in place after the Second World War. This section is extremely valuable, as most scholars connected to post-

structuralist or post-Marxist schools of thought are content to use neoliberalism as a kind of bogeyman-placeholder for all that is wrong with the predominant political and economic system in the West without ever defining the notion.

While one does not have to agree with the anti-neoliberalism rhetoric, Gamble's introduction ably sets the pace for what follows by showing that while the crisis wounded the neoliberal order, five years on it seems remarkably unscathed. He then embarks on answering his main question: Why has the neoliberal order proved so resilient, and can it renew itself in the face of the challenges to its effectiveness, sustainability and legitimacy that the crisis revealed?

Gamble lays out three hypotheses – thesis, antithesis and synthesis – about why we haven't seen much change in the aftermath of the recent global financial crisis.

1) The crisis was just a blip. Although it seemed serious, it has no long-term significance for the functioning of the present economic system because it is not structural.

2) The 2008 crash revealed not just a serious malfunctioning of the financial system but deeper underlying problems that need fixing before recovery is possible.

3) And most plausibly, in Gamble's view: the crisis has revealed an impasse. The fundamentals governing the international economic order have changed, but since the immediate crisis was contained, incumbent policymakers could stave off radical change. However, the neoliberal order has become highly unstable and postponing change will lead to further breakdown or deadlock. Hence the "crisis without end".

A compelling line of argument appears in Gamble's second step, where he discusses the three fundamental conflicts underlying the functioning of the neoliberal economic order that the crisis has not only revealed but intensified. He compares the current crisis' characteristics to those of the two major crises in the 20th century in light of the dilemmas that he sees as inherent in the international neoliberal order: governance, growth and fiscal trade-offs.

- The governance dilemma lies in the tension between a unified international market order and a fragmented state system, between international connectedness and national sovereignty, in which the emergence of new powers poses severe challenges to the existing order.
- The growth trade-off manifests itself in the tension between the incentives needed for maximising private gains and the social conditions necessary to facilitate private accumulation. The question of how sustainable growth can be achieved in the face of prolonged stagflation and environmental risks is at the heart of this dilemma.
- Finally, the fiscal dilemma concerns the legitimacy of markets, as uncontrolled competition undermines social cohesion and solidarity, especially with increasing debt and falling living standards.

Gamble paints his picture in broad strokes, and in arguably overly gloomy shades. The welfare state may be more resilient than he might admit, especially its continental and Scandinavian versions, because different primary mechanisms of redistribution were originally put into place. While the Anglo-Saxon variety relies mainly on redistribution through taxation, the continental version is contribution-based. Since the fiscal dilemma implies difficulties of raising revenues from taxes, inequality is more of a problem in the tax-based redistributive systems prevalent in liberal market economies.

The fundamental dilemmas underlying neoliberalism raise the question of what has to change before a new era of prosperity in the West can be established, and Gamble considers four scenarios.

The first is the default, where nothing much changes and rising internationalisation leads to further shocks and a perpetual crisis.

The other three scenarios move away from a unipolar economic order; in scenario 2, to a bipolar situation in which US-Chinese competition over resources and markets spurs protectionism and a decline in trade with renewed fiscal and monetary problems.

Scenarios 3 and 4 involve multipolar situations, with either multilateral cooperation including emerging powers leading to a more diversified new market order (scenario 3), or with conflictive and bloc-building tendencies bringing more fragmentation and decline in international flows (scenario 4). Evidently, scenario 3 is most likely to restore confidence and build conditions for sustainable growth.

Alas, Gamble leaves the question of how to achieve scenario 3 unanswered, and concludes that the future is likely to include aspects of all four. Like me, the reader may be left wishing he had taken a few more risks in identifying conditions that make different outcomes more likely.

This is clearly not a book that crunches numbers and draws conclusions based on well-identified empirical evidence, but Gamble gives his own account of the general feeling that there is something wrong and lethargic about the way the West is dealing with the aftermath of the financial crash, and that only more radical change can lead us back to sustainable growth and prosperity.

Like Thomas Piketty in [Capital in the Twenty-First Century](#), Gamble shows that the global financial crash and its effects are not just manifestations of the normal capitalist cycle, but extraordinary, and will affect the world and the international economy for decades to come. Although he analyses the crisis through the lens of a critique of neoliberalism, this does not distract from his insights into the challenges for economic and political systems at both transnational and domestic levels.

Where Piketty's book convinces with myriad historical data and empirically derived evidence, Gamble's gripping narrative persuades via insight and anecdotal evidence.

My personal quibble with Gamble's approach is that we must have faith in his analytical brilliance and persuasive argumentation, because none of us knows the counterfactual - what type of social and/or economic system would generate better societal outcomes, and better from what perspective? Arguably, more rigorous empirical identification and quantitative evidence would have helped the momentum and credibility of some of his arguments.

September 2014

Lessem

The Romantic Economist



## Is there an alternative?

In March, I drew attention to a [new sub-site on Europe](#) established by the Guardian newspaper - and reproduced my response to its invitation for comments and suggestions on possible people who might contribute to the site

Thereafter I forgot about it - but went into the site today and found a useful piece from the historian Mark Mazower about [a possible Marshall to deal with the economies of the European periphery](#). It has set off an interesting discussion thread - with many useful points being made - eg

- The role of the rating agencies (ineffective (they didn't pick up the practices which led to the global crisis) unaccountable; corrupt (their resources come from the companies they are rating!)
- The different contexts of post-war Europe and now
- The incentive banks still have for buying dud Greek bonds (they make more than the minimal rates available elsewhere)
- The basic issue about **Greece** being not their life-style but 2 other things - *its political system* (its conflicts being so great that it was felt necessary as early as the 1930s to give civil servants constitutional protection for their jobs - with the result that the system has swollen to 800,000); and the *immorality of its richer middle class* (who simply don't pay taxes)



One particular post caught my eye -

*The private sector caused the crash. The private sector created the conditions for the crash by ceaselessly chest-thumping for ever-greater deregulation and lower taxes (with threats to depart the country if its wishes aren't granted, an undemocratic influence which often outweighed the voices of voters). The private sector also causes the deficit (both here and in Greece) due to its persistent failure to pay the correct amount of tax.*

*And by relying on unreliable, undemocratic, random, greed-led and potentially catastrophic "market forces", they have created a national and international economy that makes no sense whatsoever - not for people, not for the environment, not for society.*

*It's time we stopped letting the private sector - in other words, the rich and powerful - hold us, our society and our children, as hostages to the fortunes of capitalism.*

*Anything useful that the private sector makes or does, ought to be done in the public sector. It can be done there without the inefficiencies of competition or stuffing the pockets of the wealthy with profit margins and dividends. And anything useless that the private sector makes or does - and there's a lot of it, from advertising junk food to poodle-grooming parlours and conservatory-salesmen - would not be missed if it were shut down. That might reduce notional GDP, but if those figures place profit above people, then they were useless to start with. The opportunity cost of having a private sector are simply unsustainable in the 21st century: every pound or professional wasted in the private sector is one not being used to shore up the NHS, to build our green energy resources, rebuild our*

*infrastructure, or research the cure for cancer. It's time to cut the parasitic private sector loose, and focus on our society's really valuable economy instead.*

Perhaps a bit over the top. But a lot of basic truths. The rich and powerful just don't seem to get it - that most of them are useless parasites who live in a bubble world separated from reality. It's all too easy, however, to vent one's energies on such emotive outbursts - rather than patiently selling an alternative. And the alternatives do exist - as is shown in [The Equality Trust's second Digest](#) which looks at inequality trends and reveals how Sweden's policies cut inequality there between 1960 and 2005 by 12% - whereas it rose by 32% in the UK in the same period. One June 10, I referred to an article in Social Europe about [the Nordic model](#).

It was Thatcher who undermined our belief in political and collective action. Her mantra was TINA - There is no alternative. And the underlying agenda of the triviality which overwhelms us in the press and television is the old "bread and circus" one. Powerful media barons want to keep the world the way it is - for their sort. They define what is feasible - and are drumming still the TINA agenda.

Finally, some useful clues on [how to assess whether the money in your bank is safe](#).

*Today I'm showing an Angela Minkova print I acquired recently. Astry Gallery had an exhibition of this talented artist's work. She also does quirky little sculptures (see May 5 for an example)*

July 2011

### [asking the tobacco companies to draft public health policy](#)

You are all probably as confused about the Greek "bailout" and associated BRIC problems as I am. I have just read the [clearest exposition - in Social Europe](#) of all places. The article suggests that the 200 billion euros net support which the Greek economy has apparently received is equivalent to a "reverse wealth tax" and asks why the alternative policy of "direct bank support through bank recapitalisation" was not considered.

*It is a much more effective and cheaper solution than a full guarantee of sovereign debt. The taxpayers could get bank equity in exchange for their money. If this crisis is like others, there is a chance that share values recover and taxpayers break even in the long run. The 2007-2009 crisis has shown that governments are indeed able to contain a banking crisis by resolute action like forced recapitalisation and temporary nationalisation of banks. The better prepared we are for such an event the smaller will be the impact on the economy. Europe's governments have had plenty of time to prepare over the last year, so why was such a solution not even considered?*

*The reasons are political. Such a solution would have upset powerful vested banker interests, even though it would have imposed the costs on those most responsible for the massive credit misallocation.*

*A strong negotiating position of politicians confronts **two important obstacles**:*

- First, the finance ministry and banking authority typically lack competence and information in order to prepare contingency plans for bank recapitalisation. There is an acute skill shortage in the finance ministry and what talent there is meets a wall of secrecy put up by an uncooperative banking sector.*
- Secondly, the strong lobbying power of the banking sector deters politicians from preparing in advance and*

*taking risks in favour of the taxpayer.*

*Conflicts of interest between the politicians and the bankers are rampant.*

*After the disastrous risk-management performance of many bankers revealed in the 2007-2009 banking crisis, it is surprising that the same people still enjoy great influence in the policy process. The consequences are predictable. If you ask a frog to come up with a plan for draining a swamp, you are like to end up with a proposal for more flooding.*

*The painting is a Nenko Balkanski - a favourite of mine - to be seen at the Kazanluk Gallery*

28 July 2011

.....  
I lash out frequently at *the growing trend of commercialisation of public services*, and was therefore pleased to see that the anguished LibDem Treasury Ministry in the UK Coalition (Vincent Cable) is promising an investigation into the implications for that model of the most recent farce which has arisen in that country - this time on [the scandalous mess which private companies have made of residential homes for the elderly](#).

The Guardian also had an interview on the same subject with [a great writer who now lives in a residential home](#) which is not run for profit and is, in her late 80s, very vociferous about the need to keep the profit motive away from such places.

*Think Tanks* are perhaps one of the most visible signs of modernity. Initially squeaky clean - but, slowly, exposed as the sophisticated propaganda machines most of them are. I was delighted to come across a great initiative of Colorado University which has for some time been conducting [critical assessments of the Reports which come from educational think-tanks in the US](#). The reports can be accessed [here](#).

Next, from [Real Economics](#), one of the pithiest critiques of US policy and systems of the past few decades I have ever come across -

*Most everything the US has done over the last thirty years turns out to have been an error. The after effects of the Cold War left America with no plan B of how to behave. Its politics were ill equipped to deal with the more modern problems of serious economic competition and commodity constraints on its life style - by which I mean higher priced oil. When faced with a challenge, the response was to huff and puff about American "exceptionalism" and to pout. Worse: American style economic doctrine, so deeply flawed as it was to turn out to be, was foisted on others.*

*The error, or course, was to revert to happy face politics. That was what Reagan sold the country on back in 1980. The happy face was plastered everywhere in order to avoid confrontation with fundamental issues. The idea, such as it was, being that free market magic would solve any ills. All we had to do was get government out of the way and things would work out.*

*What actually happened is that we used debt to paper over the fact that real growth was insufficient. We never paid for the wars we engaged in. We never paid to renew our infrastructure. We allowed our factories to decay. We cut taxes, but not costs. We pumped money into fantasy assets in any number of get rich quick schemes - the result being the succession of destructive bubbles we have lived through. Our policy leadership drifted into a zombie like self congratulatory dream world where it genuinely thought it had conquered history. Business cycle history that is. The magic worked we were all told. As recently as 2004 and 2005 top officials were slapping themselves on the back for having solved the*

*problems of infinite growth.*

*Economics became a Disney like cartoon of itself. It became disconnected from the serious goal of solving problems for the benefit of all. It simply served to justify the aggrandizement of a few. It constructed utopias and imaginary worlds to explore. This was because it gave up on the more messy problems encountered here on earth. Prizes were awarded on the basis of magic and sleight of hand.*

*When your intellectuals leave the real world to inhabit a parallel universe and convince themselves that's fine, no one can blame everyday folk for believing in the market magic fairy as well.*

*Someday someone will write a great satirical commentary on just how stupid all our clever people were. Right now all we can do is turn away in disgust. But how do you tell a whole cohort of highly educated and self satisfied people that they wasted their own and our time? Or that they led us into a dead end that will cost a generation of hard work to recover from?*

*Those leaders - should we even dignify them with that name any longer? - fell into a trance. They were beguiled by the great illusion that they could construct something solid on the shifting sands of finance. More importantly they totally ignored the corrosive effect of the debt being piled up in our private sector as households desperately sought to maintain a rising standard of living in the face of very mediocre income growth. These were great times if you were highly educated and well connected. Your income soared. Your wealth accumulated. For the rest? Not so much. The middle class festered in an ever increasingly vain effort to replicate the golden years of the immediate post-war era.*

*The disconnect between productivity and wages has come home to roost. It was severed by corporate incompetence and short sightedness: the pursuit of shareholder value came at the cost of undermining the demand that drives stock prices and real value over the longer term.*

*Now we learn the hard way.*

*Private sector debt is still far too high to allow much long term growth. It will have to be reduced. It is our Great Constraint. We did not cure our banking system. We are still infested with badly mismanaged banks lurching about the landscape capable destroying value and sinking our economy at any moment. We held back from punishing poor investment decisions by creditors. We bailed them out. So the debt remains instead of having been written off.*

*We persist in discussing problems that don't exist - debt and inflation - rather than ones that do - unemployment.*

*The irony is that we lectured the Japanese on exactly these topics when they drifted off course decades ago. Take your medicine, we said. Close those banks. Slash you debt. Rebuild from a realistic, and smaller base. Clean up. Face reality. Did we? Are we?*

*Is there any hope we will?*

*And our leading Republican candidate for the presidency, Mitt Romney, today announces that we are "inches away from abandoning capitalism".*

*Huh?*

*It was unfettered capitalism that drove this illusion. It was deregulation that allowed the banks to upend the economy. It was the unleashing of markets that drove bubble manias. It was capitalists, not workers, who gouged shareholders for enormous and undeserved bonuses. It was market driven finance that misallocated capital into real estate and away from factories. It was a belief in market magic that created the illusion we could borrow and not tax to pay our bills. Indeed it was that part of our leadership - that word again - who most profoundly sought to re-engineer society in the grand tradition of the neo-liberal thinkers like Hayek and his misguided or ill-informed followers, who led us furthest astray.*

*Institutions matter in actual economies. They matter mightily. Like the banks of our great rivers, they bind capitalism into a channel where we can extract value from it without falling prey to its anti-social extremism. We get the work. We get the energy. But we avoid most of the mayhem. When those institutions are kicked away, when the river banks are breached, the system wobbles off course. Strange and very nasty things happen. Ordinary people drown. In particular, democratic society is torn apart. Political cliques dominate over the majority. The agenda narrows to serve a few. Unrest builds. Until ...*

*With our elite now indulging in a self-referential discussion about problems that exist only within its small and exclusive world. With the recovery clearly showing signs of slowing down. With debt burdens forcing household retrenchment. And with unsafe banking ready to undermine everything. I have to ask*

And finally, in the most obvious area [where policy analysis fails utterly to penetrate](#) - drug policy - comes a very important critical report from a Global Commission.

7 June 2011

## Questioning Efficiency

- a great post on the Real Economics blog about efficiency. Read the [full post here](#). Definitely a link to make to that term in [my sceptic's glossary](#)!

*"I hate efficiency. I hate it with a passion. It always seems to drive people into making absurd and dangerous decisions. In a world where the future is unknowable, that is where uncertainty reins supreme, it is a very stupid strategy to attempt to be efficient. Dinosaurs were very efficient. Supremely so. They thus ruled the earth for a length of time that makes us look like tiny and insignificant amateurs. Their problem was that they became too efficient. They stopped thinking. They had no back up plan. They had no redundancy. So they could not withstand a shock in their environment. The unknown eventually popped up and rendered all that efficiency as monumentally inefficient. I realize that this is a gross simplification, but bear with me, it's an analogy.*

*"Or, for the more modern amongst us, think of the Maginot line. A perfect defense system designed to withstand all that could be thrown against it. But not too good if the enemy simply drives around it. Efficiency, it seems, is entirely contextual. What works well today and thus appears to be the height of elegant engineering, with efficiency fairly oozing from every corner, will collapse in an undignified heap tomorrow when the earth shifts, the environment or tastes change, or when new technologies simply make it all seem so quaint.*

*So I hate efficiency because it feels and looks like a fool's game.*

*I say keep something in reserve. Because you never know.*

*The problem is that other people adore efficiency."*

*At the heart of the efficiency error is a dichotomy to do with knowledge and the way we store and use it.*

*When I discuss knowledge in the context of business I like to refer to "primary" and "secondary" kinds of knowledge. Dinosaurs are a good example of relying exclusively on the primary sort. Primary knowledge is compressed into simple routines. It is the kind of knowledge that says "when this happens, respond by doing x". Easy. Cheap to store. Easily encoded. Easily replicated. Very easy to manage. And produces the same result every time.*

*Businesses love this kind of knowledge. It lies at the heart of the dumbing down in every large business. It makes the cost of management lower because you don't need much management overhead to get consistent results.*



*Until, of course something changes. As in the environment shifting. Then all that supremely efficient knowledge is rendered not just useless, but dangerous. Organizations who pride themselves on their efficiency are betting that their environment will justify their knowledge. They have, either explicitly or implicitly, planned that they know the future. Secondary knowledge, by its nature, is high cost to deploy. It involves lugging around all sorts of unused rules that may or may not ever be deployed in action. There is always a tension between primary and secondary knowledge. Business prefers primary at all times since it is cheaper. Adaptation requires secondary since it allows change. Evolution has used both, but the emphasis is on primary knowledge with the result that failed knowledge implies extinction. Dinosaurs being a good example. Perfect for a very long time. Constant evolution along a path that then became, suddenly, a poor one. Highly efficient. And then not at all efficient.*

All of which points us to [Taleb's writings about the Black Swan](#) - the need to think about the unthinkable. Here's an interesting article of the [implications of his argument for management](#). And also a journal from India with an [excellent article about self-development](#). Finally a good piece about [what's happening to our language](#).

18 March 2011

I promised to mention a couple of googlebooks each entry. First David Korten's latest book - [Agenda for a new Economy - from Phantom Wealth to Real Wealth](#) which continues his sterling effort in the last 2 decades to sketch out a better way. He is someone who practised mainstream economic consultancy - and then saw the error of his ways (see Prologue from page 11 of [one of his first books](#)). Such reformed gangsters make better analysts of [the "mafia" system which is modern professionalism](#).

The second book is by the Swede, Erik Ringmar, whom I mentioned recently and is now a Professor at a Taiwan University - [Surviving Capitalism; how we learned to live with the market and remained almost human](#). Apart from the clarity and iconoclastic tone, the book is distinctive in giving us a historical "take" on neo-liberalism.

March 2011

## The UN and the global economic crisis

A post from Real World Economics reminds us of [the strong report on the global financial crisis which came from a UN Commission of Experts](#) (helped by Joseph Stiglitz) in September 2009 which had suggested the establishment of a panel of experts modeled after the Inter-governmental Panel on Climate Change (IPCC).

*This summer the UN is to decide whether it should implement this. Should there be a panel? And if so what would its function and structure be? The last thing the world needs is yet another glossy report with yet another take on the financial crisis. And why bother if such an effort gets mired in UN bureaucracies and is not fashioned into a voice that would have traction with governments across the world?*

*The UN is the most legitimate and among the most qualified global bodies to weigh in on the global economic system and it would be ridiculous for it to sit on the sidelines. The UN has economists and experts in numerous global agencies such as UNCTAD, DESA, UNDP and beyond, as well as regional*



*efforts such as ECLAC, ESCAP and others. If the UN does not weigh in, the only other options are the G-20 and the IMF. The G-20 as an institution does not include more than 170 countries in the world, and the IMF has a very poor track record on analyzing, preventing, and mitigating financial crisis. The UN is looked to for balance.*

*We very much need a meta-analysis of the global state of understanding on the causes of financial crises and measures to mitigate them, with the goal of making suggestions for reforming global economic governance—as recommended by the Stiglitz Commission. The UN has the track record here. The UN has already created two (while not perfect) efforts on climate change and on agricultural development. The IPCC is a body that analyses the state of climate science and its impacts, and the Intergovernmental Assessment of Agricultural Knowledge in Science, Technology, and Development (IAASTD) analyzed the state of knowledge on agriculture from the perspective of fighting hunger and poverty in a manner that can improve human health and environmental sustainability.*

*What would an inter-governmental panel do? Like the IPCC and the IAASTD, an Intergovernmental Panel on Systemic Economic Risk would perform a meta-analysis of the state of knowledge on the causes, impacts, and implications of financial crises. This would not be just another report; rather, like the IPCC effort it would be the "report on the reports" where eminent persons make sense of the thousands of peer reviewed articles and agency (UN, IMF, etc) assessments that have been done. This would synthesize the similarities and spell out the differences in thinking about these issues to help policy-makers make better decisions about reform. One of the volumes would look at causes and impacts, while another could serve as a clearinghouse for financial regulatory reform efforts. Nations and regions around the world are reforming their financial systems but there is no single place to catalogue and make sense of these new regulations. This is important for investors and policy makers as they seek to maneuver in a post-crisis world. It will also help stimulate policy diffusion whereby innovative regulation from one country can be applied to another.*

*If such an effort gets bogged down in UN processes it will be doomed to fail. Like the IPCC and the IAASTD the effort will need to have relative autonomy from the standard UN process. It should also engage with the International Monetary Fund and World Bank. The IAASTD has a Panel of Participating Governments (governments of all participating agencies) but also has a 60-person "Multi-stakeholder Bureau" that formally advises the plenary. Thirty of the members are governmental officials, 30 are from civil society, the private sector, and academics. Furthermore, IAASTD has seven cosponsoring agencies: the FAO, UNDP, WHO, UNEP, UNESCO and yes even the World Bank. A UN panel on the financial crisis could model itself on IAASTD to some extent, having some of the governmental officials in a stakeholder bureau come from Central Banks and Finance Ministries, and having the sponsoring agencies be among UNCTAD, UNDP, UNDESA, some of the regionals, such as ECLAC, ESCAP, and the IMF, and World Bank.*

*It seems clear that at present the UN is not weighing in with a clear voice on the reform of the global economy. This is a pity. The world's most powerful leaders and the press that follow them have found solace in the G-20 and the IMF, which are not delivering either. The UN is among the most qualified and certainly the most legitimate bodies to deal with the truly global nature of economic crises and their development implications. It started off better than any other body with the establishment of the Stiglitz Commission. Let us hope the UN is up to the task of following through on the Commission's recommendations. The health of the global economy depends on it.*

**May 2011**

## the cancer eating us

In [Just Words a sceptic's guide to administrative vocabulary](#) I sounded off about how words can take over our thinking - and offered some definitions. Here's a great illustration from [the Real World Economics blog](#)-

*I am tired of economists, policy makers, and others mentioning markets. As in "let the market decide" or "we should let the market heal itself." Enough. Markets are us. They are not great mysterious forces. They are not abstractions hovering in mid air. They are not supply and demand. They are not amorphous inanimate systems. They are not mechanisms. They are none of these things.*

*Markets are people. Sometimes lots of people. Sometimes a few people. Without people there are no markets. Sometimes working well. Other times not so well. Sometimes rigged. Sometimes not rigged. Each unique because the people that comprise it are different. Sure we can mimic them. We can model them. We can identify some regular characteristics of transactions that seem to occur whenever people transact. But we cannot get rid of the people in a market.*

*People matter. They can change the properties we see as regularities if they so choose. They can collude. They can organize. They can interfere with each other. They can exclude others. In other words markets are human made. They reflect people. And what people want to do. Markets do not exist to impress upon people. People impress upon markets. Markets do not dictate what we do or how we do it. We dictate what a market is and how it works. We are the market.*

*The allure of the abstraction is that it diverts our attention from the people who animate the market. Thus it is convenient for a policy maker to talk about a market correction instead of having to say someone lost money or their job. It sounds less threatening. It is certainly less humane. And letting "the market heal itself" is simply an obscure and sanitized way of saying that some one of our fellow citizens are about to lose their jobs.*

*Over the past two years, nearly all the countries suffering from the current economic crisis have been busy rescuing with public money the profit-driven financial institutions that were responsible or co-responsible for the crisis in the first place (Stiglitz, 2010). Often created by central-bank fiat, these public resources had been long denied to, and are now not being utilised to fund, life-protecting and life-enhancing institutions, such as ambulance services, public hospitals, old-age pensions, university research, international aid, or primary schools (Halimi, 2008). Quite the opposite, public investments are being reduced across the board in order to secure the money-measured value of existing assets and keep treasury bonds attractive to institutional investors.*

This is an excerpt from [Your Money or Your Life](#) - one of several papers by Giorgio Baruchello which have appeared recently in an Icelandic journal and which have introduced me not only to his clearly written critiques of the new financial capitalism which is attacking us in a cancerous way but to his generous summaries of two other big Philosophy names for me - *John McMurtry* (Canada) and *Martha Nussbaum* (US). [Good and Bad Capitalism](#) was an earlier paper which summarised Nussbaum's 2010 book on the affect of the neo-liberal cancer on the body university - sweeping away as it has all remnants of humanities studies and requiring everything to be justified by its service to the world of commerce and profit-making.

McMurtry himself is an interesting character - who has an interesting and provocative autobiographical essay on his experience in universities [here](#)

June 11 2011

### Is the Left Right?

I was interested to see that a long-established writer (Charles Moore) for The Daily Telegraph (the newspaper of English conservatism) has written a piece suggesting that at least [the left's analysis of present global woes may be correct](#).



I was even more interested, however, to be led on first to [a commentary on that article](#) in something called *The Daily Bell* - and, even more importantly, to The Daily Bell itself. The commentary focussed on what it regarded as sloppy thinking in Moore's use of the word "conservative" -

*English conservatism (Toryism) supports the monarchy, for instance. But the monarchy is a tool of the entrenched Anglo-American power elite, which values rank and file conservatives no more than anyone else. One is left ultimately with an amorphous philosophy that is resistant to change and endorses the status quo without a great deal of calibration as to what that status quo actually represents. Conservatism is essentially backwards looking. One does not have to be financially literate to be a conservative. One need merely be "pro law and order." Thus, conservatives both in the United States and Britain are willing to tolerate far more state involvement in economic affairs than laissez-faire "classical liberals" - libertarians in the States.*

*The world is run by Anglosphere power elites with tactical arms in Israel, Washington. It is abetted by corporate, political and military enablers. Its enemy is classical liberal sociopolitical stances and free-market thinking. Conservatism holds little threat to it, especially as conservatism usually espouses government action to solve perceived problems.*

*Conservatism is often nationalistic and even militaristic. Even those who are profoundly ignorant of free-market principles, history and philosophy, can adopt it. Moore concludes his article by worrying that conservatism cannot be saved. He is worrying about the wrong thing.*

It's the first time I have come across the phrase "*Anglo-American power elite*" - but it seems central to the purpose of The Daily Bell which is not a newspaper but rather a US libertarian think-tank of a different sort (not funded by corporate interests). I don't like conspiracy theorists; nor those who rave against government regulations and use the language of the free market - but, equally, there has always been an anarchistic side to my political thinking (and indeed actions when, as a Regional politician, I encouraged community development processes). I have [talked before here about corporate interests controlling governments](#) - and there is little doubt that the deregulation of international financial controls in the 1970s (the subsequent growth of financial power; and enthronement of greed and credit) are some of the main factors behind the present global crisis.

It is therefore interesting that hard left, libertarians and anarchists seem to share a common assessment of the problem - namely large-scale, unaccountable and interlocking financial, corporate and government bureaucracies. Where they differ is the remedy. The hard left has an optimistic belief in the state. The hard libertarian right has an equally determined programme to take power away from the state and corporate power and to try (for the first time) to create a truly functioning market system - with myriad producers (how that can be done without regulations, I don't know). The „soft anarchists“ are those I suppose who encourage us basically to opt out from it all - to transform the world by our own actions (see the weekly archdruid blog for example)

Anyway, the articles on The Daily Bell are thought-provoking - see, for example, this [long interview about the power elite](#).

July 2011

## All in our Minds?



Good old boffy continues his incredible commentary - with several pages of [original take on the economic crisis](#). The reading which goes into his blog is quite remarkable - his posts are more like mini lecture and replete not only with classic marxist references but also with up-to-date quotations from a range of financial commentators. Was this guy a marxist trader?? Pity Taleb (of [Black Swan](#) fame) doesn't blog. Boffy's recent posts put the crisis in historical perspective; suggest

that the UK housing market has a lot further to fall (60% has been wiped off the value of houses in Ireland and Spain); and argues that the UK Coalition presents a deliberately distorted, populist view of the crisis which runs counter to the needs of big capital.

My own post of yesterday was inspired by the book [Injustice](#) which I had just finished reading. Unlike Will Hutton's book which comes up with a range of policy prescriptions, Dorling's book is what I would suppose we would call post-modern - with the basic argument that it is our minds which we have to sort out! We have allowed ourselves to accept the need for elitism, inequality, greed etc and there is little point in producing policy prescriptions until we have shaken off our prejudices. Hence the moral passion and ridicule he pours into his analysis. The recent economic literature on „happiness“ which demonstrates that increased wealth gives increased happiness only at low income levels was all very interesting but hardly calculated to inspire revolution. The more recent arguments of Wilkinson and Dorling showing the effectiveness of those societies which are more economically and socially equal is far more powerful - since it begins to lay the moral ground for the attack on the immoralities of the wealthy and powerful. And the attack will come not from government or political parties but from ordinary people. I read an example this morning - of some Manchester United fans who got so sick with the way big capital has transformed their club that they [set up their own team and structured it in a cooperative way](#) more similar to that of German

clubs. The article refers to other examples in other walks of life.

The UK government is being very clever in the rhetoric it has suddenly started to use - of [transforming public services into mutual societies](#) - apparently looking to the unlikely Chavez-led Venezuela for encouragement! I know that New Labour did try to put more support systems in place for community enterprise - and should read this up to see whether enough has been done to make a reality of this rhetoric. Boffy had a useful recent post on this as well. But basically all of this is peripheral as long as elitism is honoured in tax and educational policies. Another think tank which has sprung up on the equality issues is [here](#).

The lithograph is Tudor Banus' "Saunabibliotech"

21 November 2010

### [Come back Corporatism - all is forgiven!](#)

The events of the past few years have made millions of people angry with their political leaders and disillusioned with the political and economic systems in which they operate. But for anything to happen, there have to be feasible and legitimate options capable of gaining the support of a significant number of people. That's quite a challenging set of preconditions - feasibility, legitimacy and support! A paper on my website tries to [track the various analyses and reforms which have been offered](#) in the past decade or so (excluding technical tinkering). But nothing will happen without catalysts for that change - individuals who have an understanding of the social process of the transformation process and the skills and credibility to ease change into place. No one buys blueprints (let alone manifestos) any more. And politicians in many countries have lost credibility. Process is all. So where are the catalysts who have that understanding and skill sets; and who cannot be fitted into the conventional political labels?

It was by accident that I pulled a book from my library yesterday which has been lying unread since I bought it years ago. It was Paul Hirst's *From Statism to Pluralism* produced in 1997 from various papers he had written in the previous 5 years and arguing the case for "associational democracy" in both the public and private sectors. It has a powerful beginning -

*The brutalities of actually existing socialism have fatally crippled the power of socialist ideas of any kind to motivate and inspire. The collapse of communism and the decline of wars between the major industrial states have removed the major justifications of social democracy for established elites - that it could prevent the worse evil of communism and that it could harness organized labour in the national war effort. Those elites have not just turned against social democracy, but they almost seem to have convinced significant sections of the population that a regulated economy and comprehensive social welfare are either unattainable or undesirable*

He then goes on to argue that -

- more "associational" forms of democracy and wider decision-making would help re-balance the centralisation of the state and the dominance of big business. In this view 'association' means groups of people who have similar concerns, views, and aims.
- Associationalism (it has many similarities with [mutualism](#)) is the most neglected of the great 19th



century doctrines of social organisation. It lost out to collectivism and individualism. But conditions have now changed dramatically and make it an appropriate principle of reform and renewal of Western societies.

- widely distributed methods of decision-making, (both within and between organisations and groups throughout society and the economy) would better enable effective, informed and appropriate action. It might reduce the need for complex top-down regulation, better distribute wealth and security, and offer a potential solution to mistrust and social disintegration within communities.

Sadly [Hirst died in 2003](#) but I discovered yesterday that other [people in Britain have recently been going back to his papers and books](#). Indeed a [booklet was produced earlier this year on the discussions](#). Clearly the renewed interest stems from the UK Prime Minister's interest in what he calls the "Big Society" - of public services being managed by its workers (part of the mutualist approach) or by community and voluntary organizations (social enterprise). Although Cameron was talking about this before the global crisis, the concept is a bit suspect these days with such large cuts in public expenditure. However, social enterprise has a long and honourable tradition and was one I was proud to work for in the 1980s.

A recent article set out [how the Hirst agenda and social enterprise fit](#). However the elephant in the room is the Big Corporation - and here the limits of (if not the motives for) the Cameron agenda are perhaps most exposed. And Hirst too does not say much about the economic side of things which Will Hutton was so eloquent about at the same time (stakeholder society) - beyond a few comments about the "industrial districts of Italy".

Although Germany gets a brief passing remark or two, I find it astounding that the "corporatist" model of North Europe does not get proper treatment. Is that because "corporatism" got a bad name in Britain in the 1970s (it was blamed for the poor economic performance) - or because the Brits (and Americans) are so myopic about foreign activities? We should not underestimate the power of words and phrases - but I suspect the explanation is more the latter. I find it ironic that the Brits were very interested in the 1960s with what they could learn from France and other European countries about industrial policy - but that they have no such interest when part of the European Union!

Apart from the usual academic books about German politics, I know of only two general books on Germany in the English language - the idiosyncratic *Germania* by Simon Winder and Peter Watson's doorstopper of a book *German Genius* - neither of which says anything about how Germany managed, in the post-war period, to become such a politically and economically resilient country. The [only serious article](#) I know about the country are the 60 pages in Perry Anderson's *The New Old World*. I remember in the 1970s we had a huge book by John Ardagh which took us through all aspects of contemporary Germany. Now the books are shallow (and mocking) travelogues which say more about the Brits than the Germans. However there is a [recent academic paper which explores why a "coordinated market economy" was first chosen](#) as the appropriate model for Germany; and why it might still be the most appropriate for Germany but for other EC countries.

September 2011



## A Strange Omission

I mentioned the 41 page bibliography to be found at the back of Mirowski's book - this is not as impressive as it might seem to the casual reader. Indeed in anyone else's book, I might suspect that such a list is a sign of self-doubt and a need to assert one's status.... It's pretty easy to compile a list - what is much more challenging is to summarise the key argument of each book or article and to make a judgement about how it compares in, for example, coherence with others. Even better if you can classify the various explanations and fit the books into such a classification - Howard Davies, for example, identified 39 different explanations of the financial meltdown

I've googled various phrases to try to find such an annotated bibliography of the global crisis - and cannot really find one - let alone one with a decent structure. By way of comparison, look at the annotated bibliography for "change agents" I put on my website a few years back  
Two frequently referenced articles are Reading about the financial crisis - a 21 book review - a 40 page note produced in 2012 by Andrew Lo which, as he puts it in the introduction, *"underscores the desperate need for the economics profession to establish a single set of facts from which more accurate inferences and narratives can be constructed"*

And "Getting up to speed on the causes of the financial crisis" looks at only 16 docs between 2007-09

A (very short) Financial Crisis reading List is offered by a blog but one which serves a very simple E-book - "Too Big Has Failed". The short annotated list offered by the Pluto Press simply advertises a few books in that particular publisher's stable.

Misrule of Experts (2011) is one of a large number of papers produced by the Centre for Research on Socio-Cultural Change which offers a useful analysis but hardly a bibliography - let alone an annotated one. And the same is true of the minority report produced by the Financial Crisis Inquiry Commission in 2011

Responsibilities, ethics and the Financial Crisis is a useful website.....part of a 3 year Arts and Humanities Research Council-funded project which brings together "philosophers, economists and social policy academics". It too has reading lists - but none of them annotated.

So where, please, is there a real annotated bibliography of the events which are now shaping a generation - if not a civilisation ??? And can anyone offer a reason for this absence??

17 August 2014

.....two websites which are actually devoted to the revitalisation of social democratic thinking at a European indeed global level.

The first is Policy Network which, at first glance, seems too focussed on political leaders for my taste. But their publications are worthwhile - particularly a recent one Priorities for a new political

[economy - Memos to the left](#) which has introductory essays by Will Hutton and Colin Crouch amongst others and then 19 short essays by European (British, Danish, Dutch, Norwegian and Spanish) and North and Latin American writers. Interesting that Germans don't really figure in such books - they are not anguishing the way the rest of us do. They just get on with sustaining a system which is, broadly, working?

Another title which looks interesting is [Social Progress in the 21st Century - social investment, labour market reform and inter-generational inequality](#) which was also funded by the second useful website I came across - the [European progressive political foundation](#) (FEPS). Set up in 2008 and close to the Party of European Socialists (PES), FEPS explores new ways of thinking on the social democratic, socialist and labour scene in Europe. Its publications look interesting and I hope to report on one in particular which I have downloaded - [a tribute to Tony Judt](#) and the challenge he posed us in his penultimate book "Ill Fares the Land".

23 September 2011

I am currently reading Will Hutton's new book [How Good We Can Be](#) (not to be confused with [As Good as it Gets!](#)) - an update of the series of books Hutton has been writing on the DNA of Anglo-American capitalism since "The State We're In" (1995)

Hutton is that rare character - a British journalist who cares about ideas and shares his wide and deep reading in his books; someone who can and does try to build bridges between the worlds of academia and action which I have been blogging about recently. But, as I've [said before here](#), the trouble with bridges is that, in peacetime, horses shit on them and, in wartime, they are blown up!

A lot of people therefore "have it in" for Hutton - Frederic Mounet is a good example. Someone who was at one time Head of Margaret Thatcher's Policy Unit but reengineered himself a few years ago to write [a devastating critique](#) of the new British oligarchy. His [review of Hutton's latest book](#) has a fairly typical tone

*If a book's worth writing once, it's worth writing several times. This homely maxim has often proved a recipe for success. Will Hutton is a case in point. Twenty years ago, he had a runaway hit with The State We're In. He followed that up with "The State to Come" (1997), then came "The World We're In" (2002). As Hutton moved from the editor's chair at the Observer to the Work Foundation and now to the Principal's lodge at Hertford College, Oxford, he has stayed heroically on his own message.*

*The title's tweaked, but the melody lingers on - The continentals are enlightened, the Anglo-Saxons are deluded. Europe is the future and we would be crazy to stay out of the euro. John Maynard Keynes is good, Friedrich Hayek and Milton Friedman are no good. The state is the solution, not the problem. It already showers blessings on us and would shower many more if only we could overcome our misguided suspicions. Government regulation and high taxes are the way to make us happy. For painting in black and white there are few like Hutton.*

*There is no hesitation or deviation, although there is quite a bit of repetition, .....*

*Yet, oddly enough, many of Hutton's proposals will appeal to a wider audience than social liberals and socialists. In fact, they are pretty much the new consensus: the separation between high street banks and the casino banks; a stiffer stewardship code to deter looting in the boardroom; Treasury guarantees for big construction projects; restoring the insurance base of the welfare state; a return to the old sliding scale for capital gains tax, in order to encourage long-term holding of shares; an end to the tax advantages of debt over equity; reforming council tax and giving local authorities back their financial independence.*

*I warm to all this, and I also like Hutton's proposals to reinvent the trade unions as co-partners with business, particularly the idea that they might set up mutually-owned service companies to sell their services to employers.*

*These days we are all in favour of diversifying patterns of ownership beyond the standard plc model, to include more co-operatives and also "public benefit companies," which guarantee under charter to deliver certain public benefits and enjoy tax advantages in return. Free enterprise used to be more diverse and could be so again.*

*The awkward truth is, though, that these alluring alternatives are no more risk-free than the old limited company. It is an awkward thought that the best-known alternative corporations of this sort over the past few years have been the Co-op, Railtrack/Network Rail and the BBC—none of them exactly without problems of governance.*

*But it's Hutton's grand narrative that seems the more rickety. We are constantly told that the past 20 or 30 years have been a disaster for the United Kingdom. Yet at the same time we are also told that "Britain has more world-class universities per head of population than any other country," that "The triangle bounded by the M3 in the south M40 to the north and with Heathrow at its centre boasts the highest concentration of high-tech start-ups outside California and Massachusetts," that the BBC remains the finest broadcasting service in the world, that the National Health Service is "the cheapest system in the world producing the best health results across a range of key indicators" and "on measures of effectiveness, safety, patient-centredness, co-ordination, quality and access, Britain scores number one."*

I must confess that my eyes did begin to glaze over after the fifth or sixth of the series of injunctions Hutton gets started on later in the book. I longed for a lighter touch - and was therefore quite fascinated to discover this issue touched on in this detailed and very serious treatment of the sort calculated to warm the cockles of all writers - it's called [Calling Capitalism to account](#) by Steve New

*Writers who want to engage seriously with economic and political reality face a problem. How to pitch the tone of what they say? Every simple story needs goodies and baddies; more complex stories need some sort of moral trajectory. But how explicitly should you tell the story? The vast bulk of serious academic work avoids offence by talking in the abstract, layering oblique evasion upon tactful qualification. Academics settle for the low temperature, formal modality of the learned journals; passion is excluded. Much is made of broad generalisations; no-one is criticised directly. 'Firms' and 'Markets' feature, as do 'agents', but mostly they don't have names: authors can be pretty sure they're not going to be sued by anyone, even in the rare event that a normative judgement is explicitly made.*

*Even academic work which reflects some kind of moral or political purpose (not all does) tends to be scrupulously anodyne, and keen not to offend. You'd really struggle to find explicit criticisms of particular firms or managers in the Academy of Management Review or the Journal of Finance or the Harvard Business Review<sup>2</sup>.*

*Politicians and activists can be more specific - we don't like Shell, we don't like Nike - but, often deliberately, tend to prioritize effect over accuracy or content<sup>3</sup>.*

*Journalists can be more direct, but mostly without the tedious necessity of consistency or depth. Will Hutton - over a prolific career operating in the relatively unpopulated overlap between journalist, academic and (perhaps) politician - has mastered a kind of middle ground. He writes about general ideas, but he also names names; he treads a line between rounded argument and polemical assertion; he tries to be critical*

*Writing about companies and business people and their ethics is tricky because it is easy to blunder into two equally stupid traps: you can declare them all horrible, beyond sympathy and empathy, or you can end up fawning and cooing in line with corporate propaganda. Nuanced and balanced treatment is hard: that's part of why academics often stick to the abstract or typical case. If you get specific, you risk being a bombastic Spart or a corporate patsy.*

*Hutton navigates this carefully; he talks about particular firms, but from one particular angle at a time. So, in HGWCB, Apple is hailed as an example of innovation, with its 'handsome, well-designed devices' (26). But the working conditions in the supply chain are not discussed.*

*On the other hand, INEOS and Sports Direct are bad because of their employment practices; ARM is good because it's successful and hasn't been bought up by foreigners. Unilever has a declared purpose (of which more, later) and doesn't do quarterly reporting (good).*

*Virgin uses tax havens (bad). News International is beyond the pale because of its 'purpose-free amoral culture' (87). Hutton uses specific examples of firms to point out particular virtues and vices, praising for X, damning for Y.*

## Annex 2 WHAT IS POSTMODERNISM?

God knows I've tried to persevere with books about post-modernism eg PM and Public Administration; PM and organisations (known as Critical Management Theory) - but they just defeat me - my eyes glaze over. I've just downloaded two which look a little more interesting - [Post-modernism and the social sciences](#); and [The Dance on the Feet of Chance](#)

Readers who want to get the basic point without wading through the verbiage might find this summary useful -

Postmodernism abandons modernism, the humanist philosophy of the European Enlightenment. Enlightenment thinking is based on French philosopher Rene Descartes' concept of the autonomous man -- the one who starts from his own thought ("I think, therefore I am") and builds his world view systematically from reason alone. Naively, postmodernists charge, modernists assumed that the mind is a "mirror of nature," meaning that our perceptions of reality actually correspond to the way the world is. From this presumption, modernists built a culture that exalts technological achievement and mastery over nature. As postmodernists see it, expansion-minded capitalism and liberal democracy, outgrowths of modernist autonomous individualism, subjugated the earth to the eurocentric, male dominated paradigm.

Postmodernists say that the idols of humanistic rationalism and technological proliferation have brought the modern age to the brink of disaster. The myth of "modern progress" ends up in a nightmare of violence, both for the people it marginalizes and for the earth. That's why today there is such interest in primal cultures and for a world view that promotes the unity of humanity with nature, rather than man standing over nature.

Blind optimism that technological advancement and essential human goodness will solve all social problems is equally naive.

### Postmodern constructivism

Rather than seeing humanity as an ocean of individual rational selves, as modernists held, postmodernists think of humans as products of culture and deny the individual self all together. Humans are considered "social constructs."

...Rather than conceiving the mind as a mirror of nature, postmodernists argue that we perceive reality through the lens of culture and language. This leads postmodernists to reject the possibility of discovering objective truth since each culture approaches reality differently, depending on its particular needs and historical conditions. To claim knowledge of objective truth presumes the possibility of transcending the social construction of knowledge, which is, on postmodern assumptions, impossible.

In the place of objective truth and what postmodernists call "metanarratives" (comprehensive world views), we find "local narratives," or stories about reality that "work" for particular communities--but have no validity beyond that community. Indeed, postmodernists reject the whole language of truth and reality in favour of literary terms like narrative and story. It's all about interpretation, not about what's real or true.

Postmodernists hold that the pretence of objective truth always does violence by excluding other voices (regarding other world views to be invalid), and marginalizing the vulnerable by scripting them out of the story. Truth claims, we are told, are merely tools to legitimate power. Michel Foucault writes, "We cannot exercise power except through the production of truth." For postmodernists, truth claims reduce to mere propaganda, the pernicious "will to power." That's why in postmodern culture, the person to be feared is the one who believes that we can actually discover ultimate truth. The dogmatist, the totalizer, the absolutist is both naive and dangerous. Consequently, rather than dominating others with our "version of reality," we should accept all beliefs as equally valid. Openness without the restraint of reason, and tolerance without moral appraisal are the new postmodern mandates.

Simply believing is justification enough. Striving together to discover truth through debate and spirited discussion is out, because no real difference exists between what a person chooses to believe and what's "true for them." .....

Ironically, in an age of anti-dogmatism, radical subjectivity leads to the dangerously arrogant inference that no one can ever be wrong about what they believe. If we are free from the constraints of rationality, nothing separates truth from self-delusion.

## ABOUT THE AUTHOR

From 1968 to the early 1980s I had a pretty relaxed life - paid to read and regurgitate to polytechnic students whatever took my fancy in the burgeoning social science literature of the time - variously urban and regional management; and certain aspects of political studies.

At the same time I was a serious "political bureaucrat" ie able to use a position as a Chairman of municipal and Regional social policy systems to give direction to an army of officials.

That gave me the opportunity to draft various papers describing the radical changes some of us were trying to make to our public management systems - influenced by a critique of "legalistic professionalism" which was beginning to come from the left, right and centre. Key names in these diverse "schools" were Saul Alinsky, Ivan Illich, Paulo Freire and those associated with the [British CDP work of the early 1970s](#); but also James Buchanan and Gordon Tullock of the [Public Choice school](#); and a raft of management gurus who started (with Russell Ackoff) by celebrating corporate management and ending (with Tom Peters) by celebrating chaos.

A long paper with the (long) title [From Multiple Deprivation to Social Exclusion; a Case Study of Organisational Development and Political Amnesia](#) is a fairly rare attempt of an "insider" to record the 15-year journey by a group of determined politicians and officials in a Regional Council which covered half of Scotland and employed 100,000 staff.

What we were trying to do attracted the interest of a few researchers - in particular the famous Tavistock Institute (its Institute for Operation Research with John Friend); the Institute of Local Government Studies (Birmingham) and a handful of individual scholars such as Harry Smart who produced in 1991 a book with the rather convoluted title [Criticism and public rationality - professional rigidity and the search for caring government](#) which includes a "Coda" written by me.

One of my assistants at the time was someone who later occupied some prominent positions, culminating in the Directorship of the renowned Schumacher College and who edited a large volume in which I make a contribution - [The Making of an Empowering Profession](#)

And he recently produced a brief memoir - [Supporting People Power](#) in which, again, I figure

From 1983, however, my (very patient) employers began to expect more serious academic work from me - while I was still holding down several senior political positions. In 1985 I reached breaking point and was forced to give up academic work. For 5 fraught years I operated as a full-time Regional political bureaucrat - searching, at the same time, for a channel for my energies and experience. I was lucky - the Berlin Wall fell and the European networks I had been developing gave me an amazing opportunity to use my understanding and skills in central Europe as a free-lance consultant.

From 1990, therefore, I have been "a gun for hire".....able to use whatever spare time I had to pursue my reading.....to annoy a variety of senior EC officials with critiques of EC programmes and...to draft the occasional, more reflective musings about the various projects I've been lucky enough to run. A few years ago, I tried to pull some of this experience together in an autobiographical piece I called "[The Search for the Holy Grail - some reflections on 40 years of trying to make government and its systems work for people](#)"

I suppose some people would say I'm a dilettante - operating like a gadfly. But my particular skills-set includes promiscuous, inter-disciplinary reading; communications; networking; and a good memory. I am annoyed by the number of high-profile writers operating within narrow intellectual frameworks - who clearly have little sense of what has been going on in related disciplines; and/or fail to reference the work of others ploughing similar critiques.



## LIST OF Author's PUBLICATIONS

[Mapping Romania - notes on an unfinished journey](#)

[Introducing the Bulgarian Realists - how to get to know the Bulgarians through their paintings](#)

[The Search for the Holy Grail - some reflections on 40 years of trying to make government and its systems work for people](#)

[Just Words](#) - a glossary and bibliography for the fight against the pretensions and perversities of power

[A Draft Guide for the Perplexed;](#)

[The Long Game - not the log-frame;](#)

[Administrative Reform with Chinese Characteristics](#)

[Training that works! How do we build training systems which actually improve the performance of state bodies?](#) - this paper extracts some lessons from the work I've done in the last decade - particularly in Kyrgyzstan and Bulgaria. Even altho I say it myself - it is one of the best papers on the subject

[Building Municipal Capacity](#) - an interesting account of an intellectual journey

[Building Local Government in a Hostile Climate](#)

[Roadmap for Local Government in Kyrgyzstan](#) - this is a long doc (117 pages. I enjoyed pulling out this metaphor - and developing and using (in workshops) the diagram at pages 76-77

[Annotated Bibliography for change agents](#) - For quite a few years I had the habit of keeping notes on the books I was reading. Perhaps they will be useful to others?

[Overview of PAR in transition countries](#) - This is the paper I drafted for the European Agency for Reconstruction after the staff retreat the EAR Director invited me to speak at in June 2006 in Skopje, Macedonia. The best papers are always written after the event!

[Learning from Experience - a Bulgarian](#) project

[Case Study in Organisational Development and Political Amnesia](#)

[In Transit - Part One](#) - The first section of the book I wrote a decade ago for young Central European reformers. I find it stands up pretty well to the test of time

[Transfer of Functions - European experiences 1970-2000](#) I learned a lot as I drafted this paper for my Uzbek colleagues. I haven't seen this sort of typology before.