

DISPATCHES TO THE post-capitalist GENERATION

A Common Place book

Ronald G Young

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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

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

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2010s	Migration financial capitalism austerity Inequality populism	Everyone J Stiglitz M Blyth D Dorling, Wilkinson and Pickett, T Pikety ???
present	The commons Post-capitalism Populism	J Rifkin, P2P P Mason Werner-Mueller

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

"Change" is one of these words that has had me salivating for half a century. According to poet Philip Larkin, "*Sexual intercourse began in 1963...*" - at roughly the same time my generation began to chafe under the restrictions of "tradition" - so well described in David Kynaston's Austerity Britain and Modernity Britain 1957-1962. The notion of "modernization" (as set out in a famous series of "What's wrong with Britain" books published by the Penguin Press) became highly seductive for some of us - Coincidentally 1963 was the year Harold Wilson delivered his famous speech about the "white heat of technology" to an electrified Labour Party Conference, presaging one of the key themes of the 1964-70 Labour Government.

The need for reform of our institutions (and the power structures they sustained) became a dominant theme in my life when, in 1968, I found myself representing the east end of a shipbuilding town. I eagerly absorbed the writing which was coming from American progressive academics (such as Warren Bennis and Amitai Etzioni) about the new possibilities offered by the social sciences; and listened spellbound on the family radio to the 1970 Reith Lectures on "Change and Industrial Society" by Donald Schon - subsequently issued as the book "Beyond the Stable State". In it, he coined the phrase "Dynamic conservatism" and went on to talk about government as a learning system and to ask what can we know about social change.

From that moment I was hooked on the importance of organisations (particularly public) and of institutional reform.....In those days there was little talk of management (!) and only a few Peter Drucker books.....Toffler's Future Shock came the very next year (1971) by which time I had started to proselytize the "need for change" in papers which bore such titles as "*Radical Reform of municipal management*" and "*From corporate planning to community action*".....One of these early papers picked up on the theme of "post-bureaucracy" and anticipated that future systems of public management would look very different from those previously known.....

Since the late-60s, I've been involved in various forms of "development" efforts - first "community development" and "urban/regional" development in Scotland (with a touch of organisational

development) then, since 1990, "institutional" and "capacity" development in various countries of Central Europe and Asia. Now, however with many others, I question the very concept of development....Indeed the title I gave a little (autobiographical) book in 1995 was PUZZLING DEVELOPMENT (A few years later a collection of essays was called [In Transit - notes on good governance](#)

For the first 17 years I tried to straddle the worlds of teaching and politics - lacking the patience and discipline to keep my nose to the intellectual grindstone - choosing rather to be a "reflective doer"and chasing different types of butterfly which would variously take the shape of things such as social injustice, organisational malaise.....As a result I found myself for five years, from 1985, a full-time politician - occupying a strategic reform role but also developing my networking skills in Europe. This paid off when the Berlin Wall fell and I started to work as a consultant in the newly independent countries - basically learning new skills (and fields of knowledge) all during the 90s....

It was in 2000 that I began to feel 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 my energies and resources when I found myself with more time. 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](#) But full-time projects still required my attention in Central Asia and Bulgaria during that period when I was also articulating an increasingly [sharp critique of the assumptions of the sort of development assistance](#) I was seeing

With more time at my disposal from 2009, I started a blog about my various experiences - generally inspired (or angered) by an article or book I had read relating to my disparate interests in what we might call the field of "social endeavour" - and developed the habit of excerpting and including relevant hyperlinks.

In autumn 2014 I was so fed up with the constant emphasis by reformist writers on the "novelty" of their particular interpretation - and their failure even to try to find common ground - that I set up a new website [Mapping the Common Ground - ways of thinking about the crisis](#) Its purpose was to try to archive key books and articles which would help those wanting to get some guidance around the impossibly confusing literature on social and organisational changesee, for example, [this section of the library](#)

The blogposts represent the musings of a well-read "sceptic" who was, in his early years, a prominent Scottish activist pushing an idiosyncratic combination of community action and municipal corporate management - 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 first page is an update of a doodle I did about 20 years ago.

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I have had a good living from words - both spoken and written - although the balance between the two changed significantly after 1990. In the 70s and 80s it was **the spoken word** which earned my modest keep (as a social science teacher) - although the papers, journal articles and even a small book I wrote from my experience as a political manager also helped develop a wider reputation. From the 1990s, the **written report** was the lynchpin of *the project management system* which lay at the heart of my work universe - as a well-paid consultant in the EC programmes of Technical Assistance to ex-communist countries.

My job was to transfer experiences - and perhaps lessons - from government systems and agencies of Western Europe to those in Central and Eastern Europe and central Asia. Fortunately I had a bit of preparation for the role - being a member in the last half of the 80s of various European working groups working on urban issues.

The work in "transition countries" the 90s and noughties was a real eye-opener - giving me a vantage point to identify the various patterns in systems of local government and Civil services. Suddenly I was seeing similarities in the powerful influence of informal processes in Austrian and Dutch systems - let alone Italian and Romanian!

Even so, switching roles and developing new skills wasn't easy - and it took me almost a decade before I was able to produce the coherence of [In Transit - notes on Good Governance](#) (1999) and essays such as - [transfer of government functions](#); civil service systems; [decentralization](#); and [Training that works! How do we build training systems which actually improve the performance of state bodies?](#). This material forms the "Lessons from Experience" section of my website - [Mapping the Common Ground](#)

As I was starting to phase out my project management work in 2010 or so, I [started blogging](#) - using my work experiences and reading since the 60s as the main focus of posts which now number almost 1,200. Some of these I've used to produce E-books - on such topics as "[crafting more effective public management](#)"; and cultural aspects of Bulgaria; Romania; and even Germany;

But for some time I have been trying to produce a little book from the many posts I've done which bemoan global social, economic and political trends....It was actually in 2000 I first wrote an essay expressing concern about global trends and asking where someone of my age and resources should be putting their energies to try to "make a difference"....

Seventeen years later I'm still not sure what the answer to that question is - although it's clearly in the area of mutualitybut rereading and editing the posts (which cover a decade) has made me realize that it's actually quite useful to see the process of one's thinking "longitudinally" - as it were. Tensions between lines of thought can be seen - if not downright contradictions. Far from being a nuisance, these help to clarify and develop...And one post tried to put a lot of the economic books into a typology - allowing me to see gaps in coverage....

As I read and reread the material, it hit me suddenly that my blog is at least partly a tribute to those writers who have kept me company at one time or another on my journey of the past half century or more.

My earliest memory of what I might call "seminal" books are those of [Bertrand Russell](#) - and then the titles of the 1950s - Tony Crosland's revisionist "Future of Socialism" (1956); and two New Left counterblasts - [Conviction](#) (1959) and "[Out of Apathy](#)" (1960). University - particularly the political and economics streams I opted into from 1962 - was the profoundest influence on my mind. The key

influence may have been Karl Popper's [The Open Society](#) - but there were others such as historian [EH Carr](#) and scholar of religion [Reinhold Niebuhr](#)....

A couple of years ago I listed the 50 or so books which have [made an impact on me here](#) - and [here](#). In what I call the "restless search for the new", we would do well to pause every now and then and cast our minds back to such books and try to identify the "perennial wisdom" embodied therein.... This takes us into the field of intellectual history - in which writers such as [Russell Jacoby](#), Mark [Greif](#), [George Scialabba](#), [Peter Watson](#) - even [Clive James](#)..... have made such a contribution..

The other thing which makes this project a gripping one for me is that my writing has been worrying away about this question of where someone with my resources should be putting their energy for almost two decades... I should therefore be able to track influences and changes in my thinking - which might also be of assistance to readers of an open mind????

One book which greatly impressed me in this respect was Robert Chambers' [Ideas for Development](#) (2005) - by virtue of its putting side by side excerpts from his writing on key themes - but separated by decades to allow us to see how his thinking had developed

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

In that respect I remember other books about difficult issues which were written in chatty way eg [Alain Touraine's Letters to a Student](#)
[Ronald Higgins Seventh Enemy](#)

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 been thoroughly exposed in recent years

Those who still choose to venture into this field need, therefore, to be able to demonstrate -

- Breadth of reading - interdisciplinary and international
- awareness of the fragility of the language and concepts they use when trying to summarise the more interesting of the literature

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

- at various times played the roles of teacher, reformist politician and international consultant
- therefore occupied, from an early age, a strange position on the edge of a lot of boundaries (of classes, groups, disciplines, professions and nations) - making me deeply aware of the very different ways people look at the world
- for the past 60 years been a great reader
- surfed the net for the past 20 years for relevant writing
- kept a record of the most important of those readings

- for almost 50 years attempted to articulate my uncertainties in short papers and posts using clear language

The higher people climb in their chosen professions, the more isolated they generally become from alternative ways of seeing the world....

I consider myself very lucky that, 25 years ago, I uprooted myself from my country and started to get good money from travelling around talking and writing about European systems of public management and governance.

Initially the experience on which I drew was largely British - but the requirement to explain it to foreigners made me start to question aspects which, up until then, I had taken for granted.....and took me into wider aspects of European systems

- 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 has been happening in the past few decades
- 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.

Lessem's global management (4 quadrants)

Introduction

This book has been almost 20 years in its making....since I found myself approaching my 60th birthday and 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?

The initial results of that exploration were reflected in a short paper - draft Guide for the Perplexed - produced in 2000 before the global economic crisis began to unravel the post-war world - with additional sections added in the years which have followed.

Basically that 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.....

In 2010 or so I rephrased the questions and included a few more key book references -

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 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 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.

A few years later I try to identify the narrative that I had been using to make sense of the world in the following way -

- 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)

But recently I realised that one possible reason for the failure to make any progress with my 2000 essay is because a tension (if not contradiction) exists between the "rationality" model with which I was imbued by my education and 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).

When I use the word "prism" I am referring to the very specific "world views" of liberals, conservatives and socialists operate from which it is almost impossible for them to be dislodged - 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 leads 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.

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.

But it was, as the first part of this book explains. Mike Hulme's book - Why We Disagree about Climate Change - understanding controversy, inaction and opportunity - which finally released me from my two-dimensional view of reality and which made me aware of the poverty of so much thinking and writing about the global crisis.....

Most analysts and 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 managements 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 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.....

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.....

Let me therefore state as clearly as I can the distinctive nature of this book -

Books on this subject are written by "specialists" - people who have immersed themselves in academia in one of the many sub-disciplines of the social sciences. It is an interesting fact about the social sciences (and, more recently, also the humanities) that its practitioners tend to belong to particular "schools" who rarely speak to one another.....let alone anyone from other disciplines..... And writers are under pressure to prove that they have something distinctive and persuasive to say - a coherent and persuasive narrative will therefore dismiss and exclude a lot.....

This book comes from a (well-read) non-specialist who has been under no such pressures. It's based on the thinking and reading of a lifetime - but particularly of the last decade when I have had more time to read and reflect

It's structured not on chapters but on the posts on the blog I've been writing since late 2009 - from which I've selected those which were worrying away at this issue (however defined), shuffled them around and reread them more closely
As a result, I'm aware of their tensions and contradictions.....indeed I've constructed some tables to make all this more evident to the reader!

How select the excerpts????????????????

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 -

- An indictment is read
- Some important questions are posed
- Different ways of looking at the world are sketched out
- Some explanations are offered for our discord
- The scale of moral collapse and greed is exposed
- A staircase tale about the devil is recounted
- It is suggested that Management and Economics have become the new religion
- A letter to the Younger Generation is discovered
- History is revenged
- Things rise and fall
- "the people" are summonsed

Commentary

Post Title	Tags	Bottom line?
The Indictment	Seeking the common ground	How I saw the world in 2014
Stories we tell	Frame analysis, tropes, memes,	Different ways we try to make sense of the world
Why we disagree	Wicked problems	Pity no one has yet applied frame analysis to the global economic crisis
The scale of our moral collapse	Corporations, politicians, greed, lying, growth, spying, inequality	Has human nature changed?
A Staircase Tale about the devil	Corruption, accountability	A famous Bulgarian parable
The new religion	Management, economics, faith	Strange how few people are prepared to puncture the belief system of the economists and managerialists
A letter to the younger generation	Hope, mutual support, organisation	Sound dying words
The revenge of history?	Spengler, Toynbee	Explain the significance of the table used as a frontispiece
The rise and fall	History, Cyclical, linear	"This too will pass"
We, the People	Populism, fascism	Beware those who talk of "the people"

The Indictment

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 were kept in check; and
- "government" was an institution for whose efforts and results we had some respect if not pride.

A decade 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!

I believe 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.

When setting up a new website in 2015 – Mapping the Common Ground – I tried to pull together my feelings about what was going on – I came up with some rather pessimistic conclusions –

1. The Virus of "Financialisation" threatens to choke healthy commercial endeavour and any respect for "the market"

– I belong to the generation which talked about "the mixed economy" ie understood and accepted the role of both the private and government sector in our lives. "Modern Capitalism" (in the phrase of Andrew Shonfield) had been tamed – management rather than ownership was seen in the late 50s

as the key (with Tony Crosland's The Future of Socialism (1956) being the key document). How wrong we were!! The Market has been enshrined as the New God and ownership manipulated by financial managers to "extract wealth" ruthlessly from companies, employees and wider social interests. For the phrase "wealth creators" we need to substitute "wealth extractors"

2. 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.

3. 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?

4. The traditional claims of the "Third Estate" to hold power to account are now laughable

-this has been best exposed by writers such as John Keane - eg in "Media Decadence and Democracy" and other papers - and Patrick Chalmers in Fraudcast News

5. 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 interestsNoam 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.

6. 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

7. Most Religions have lost their hold on people

- although Pope Frances has the resources of the Vatican behind him; and is proving a great example in the struggle for dignity and against privilege - particularly the 2015 Encyclical On Care for our Common Home

8. 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 20th 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....

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 Ametai 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. By far and away the best book is 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 CO2 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

In which the Scale of our moral collapse is Exposed

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.

October 2014

in which a Staircase Tale is told – about the devil!

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 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 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

Economics and Management as the new religion

This is a period of my life when I try to sort out the sense and the nonsense from what I have absorbed from the social science literature which I first started to take seriously some 50 years ago. In those days, economics and the study of organisations were the focus of serious intellectual study - but by a tiny minority and in a highly rarified atmosphere. The 1960s was, however, when social science teaching started to expand in universities and make claims for itself which have only recently started to be questioned.

A tiny minority of courageous academics did try to blow the whistle earlier - in particular Prof Stanislaw Andreski in his magnificent 1972 book [Social Science as Sorcery](#).

Epiphanies (or "Eureka!" moments) are memorable - and I therefore remember the moment in the flat I had for a couple of years in central Bishkek 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](#)

The Economics trade has been under increasing attack for about a decade - from behavioural economists [and others](#) - but its pretensions blown apart by the ongoing global crisis.

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 (Russell 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,

And management thinking has, arguably, done equal damage to our societies and has escaped proper scrutiny - which is why I want to draw your attention to Chris Grey's [A Very Short, Fairly Interesting and Reasonably Cheap Book about Studying Organisations](#)

• "imagine a world where the thing which dominated it (God; the Party) was written about in one of three ways. One was like a bible, very heavy and orthodox. The second was amusing and readable but didn't tell you anything you couldn't think for yourself. The third seemed to say some things you wouldn't think yourself and suggested flaws in the Bible but you couldn't understand it because it was so obscurely written.

Such is the literature of organisations - in which we live our lives and yet are served by only Textbooks; pop management; and unreadable scholarly books or articles".

- *Writers on organisations belong to one of two schools - those who believe "there exists an observable, objective organisational reality which exists independent of organisation theory. The task of OT is to uncover this reality and discover the laws by which it operates - and perhaps then to predict if not control future events. They tend to favour quantitative research. These are the positivists. Then there is a second camp which denies this scientific view - they might be called constructivists or relativists since, for them, organisational reality is constructed by people in organisations and by organisation theory".*

- *The history of organisation theory you find in textbooks generally starts with the concept of "bureaucracy" as defined by Weber and with that of "scientific management" as set out by FW Taylor - both of whom were active in a 25 year period from the late 1880s to the end of the first world war, one as a (legal) academic in Prussia, the other as an engineer and early consultant in American steel mills in Pennsylvania.*

- *Weber was curious about the various motives there have been over history and societies for obedience. Why exactly have we accepted the authority of those with power? His answer gave us a typology of authority we still use today - "traditional", "charismatic" and what he called "rational-legal" which he saw developing in his time. A system of (fair) rules which made arbitrary (privileging) behaviour difficult. But this was an "ideal type" (ie a model) - not necessarily a precise description or prescription. Indeed studies from the mid 1950s showed just how much informal power there was in bureaucracies.*

- *Taylor worked in an industry where it was normal for workers to organise their own work; and where owners tended to be Presbyterian and workers catholic immigrants. Taylor reckoned there was a lot of slacking going on - and applied a "scientific" approach to devise standards and measures of performance (time and motion) as well as "scientific" selection of workers and a strict separation of workers and managers.*

- *This caused strong reactions not only amongst workers but from many owners and only survived thanks to the production needs of the First World War*

- *The "evacuation of meaning" from work was intensified by Fordism.*

- *the "human resource" approach to management which followed was not the fundamental break which the textbooks portray but rather a cleverer legitimisation of management power - as was the cultural management (and TQM) of the latter part of the 20th century.*

- *Although managers call the shots, their organisational fashions always fail - because of unintended effects*

- *Business schools do not produce better managers - but rather give the breed legitimisation; self-confidence; a shared world-view and a common (mystifying) language*

One quote perhaps captures his argument "For all the talk about new paradigms, contemporary organisation theory and management method remain remarkably unchanged from their classical roots....because the underlying philosophy of instrumental rationality and control remains firmly in the ascendant",

In the 1970s we had people like Ivan Illich and Paolo Freire exposing the emptiness of the doctrines which sustained the power of education and health systems. We now desperately need people like this to help us tear apart the arbitrary assumptions which sustain the legitimacy of the new priests of technocracy. Daniel Dorling's recent book *Injustice - why social inequality persists* is exceptional because he tries to identify and then challenge the belief systems which sustain our present inequities.

There are hundreds of thousands of academics receiving public money to teach and research so-called social "sciences" in universities and public institutions. The vast majority of them, whether they realise it or not, have been part of a large brain-washing exercise.

A few of them only have broken ranks - not just the economists I have mentioned but those (generally American) sociologists who, for a few years, have been advocating what they call "[public sociologies](#)". [Michael Burroway](#) has been one of the main protagonists.

Noone, however, should be under any illusions about the difficulties of making an intellectual challenge on this field of management and organisation studies in which so many brains, reputations and careers are now entrenched. 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

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

In which A Letter to the Young Generation is discovered

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

Three years passed - Brexit - Trump

The Revenge of History?

We have become fat, lazy and careless.....taking the levels of financial and institutional security enjoyed from the 1950s through to the 1990s too much for granted ("we" being the citizens of the core European states and the US)

And whatever lessons the post-war generation learned about the killing fields of Europe in the first half of the 20th century have clearly not been properly absorbed by their descendants....Nuclear war was a real and evident threat until the late 70s and seemed to have disappeared with the demise of the Soviet Union.

For many, therefore, the last 6 months have been a rude awakening - as the final vestiges of public trust in (government) leadership came crashing down and we found our attention being directed to the last time we confronted such uncertainty - the 1930s.

But at last a sense of history is beginning to develop again. A couple of articles crystallised this for me - first [one by Tobias Stone](#) which actually appeared last summer -

Themes of intellectual discussion	
The managerial revolution	fear
End of capitalism	
Keynesianism	
Meritocracy	End of ideology
New world order	
Revisionism	Private affluence/public squalour
Corporate planning	critique of professionals
Modernisation of society	
Participation	
Costs of economic growth	Change
Public choice theory	
Small is beautiful	
Change	

During the Centenary of the [Battle of the Somme](#) I was struck that it was a direct outcome of the [assassination of an Austrian Arch Duke in Bosnia](#). I very much doubt anyone at the time thought the killing of a minor European royal would lead to the death of 17 million people. My point is that this is a cycle. It happens again and again, but as most people only have a 50-100 year historical perspective (from parents and school) they don't see that it's happening again.

As the events that led to the First World War unfolded, there were a few brilliant minds who started to warn that something big was wrong, that the web of treaties across Europe could lead to a war, but they were dismissed as hysterical, mad, or fools, as is always the way, and as people who worry about Putin, Brexit and Trump are dismissed now.

The other article [Why Elites always Rule](#) took me back to my university days in the early 1960s when I first encountered (and was impressed by) the work of the [elite theorists](#) Robert Michels, Mosca and Pareto; and of other

central Europeans such as Schumpeter (of "circulation of the elites" fame) who had been writing a few decades earlier - on the central issue of how the masses might be controlled in an age of democracy.....

I also remember Elias Canetti's [Crowds and Power](#) making a big impact on me when its English translation was published in 1962.

By the 1960s, however, far from fearing the masses a lot of us in Europe and America were celebrating them - whether through the fashion for "[participation](#)" let alone [community action](#), direct action or [community development](#)

Major political and economic events in the 1970s punctured that optimism and ushered in a celebration not of mutuality but of egocentricity, greed and commodification. Adam Curtis' [The Century of the Self](#) captures the process superbly.....

Each section in the 2 tables here represents a decade - starting with the 1930s - with what I take to have been the key themes eg "deindustrialisation" is the first of the themes of the 1980s...

I don't like conspiracy theories but it does seem fairly clear now that a lot of very big money started in the late 1940s to fund a large number of new think-tanks devoted to pushing this new neo-liberal agenda. I remember when I first encountered in the 1970s the pamphlets from the British [Institute for Economic Affairs](#). Their ideas (such as road pricing) were presented with quite ruthless elegance and were quite shocking - but had a coherent logic which allowed me to present them to my surveyor students as examples of the usefulness of economic thinking and principles...

Philip Morkowski's 2009 study [The Road from Mont Pelerin](#) is a details (in its 480 pages!) how exactly the think tanks managed to achieve this ideological turnaround and to capture most powerful international bodies such as The World Bank, The International Monetary Fund, OECD and the EC.

The Financial crash of 2008 should have been the catalyst to a rethink but, despite the valiant efforts of people such as Joseph Stiglitz and Mark Blyth, it has taken Brexit and Trump to challenge the assumptions of the neo-liberal machine.....

I don't think it helps to throw labels around - whether "populist", "racist" or "fascist". (I try not to use any word which ends in "ist" since [objecting a few years ago to being called a leftist](#))

Populist parties started to worry some people around the year 2000 - as you will see from [this academic article](#) but intellectual, political and business elites were so trapped in their bubbles that they didn't spot it coming. Jan Werner-Mueller's recent little [What is Populism?](#) is one of the few books which have so far been written about it and builds [on this earlier pamphlet](#)

We do not necessarily have to accept that "what goes around, comes around" ie that history is cyclical. But I suspect that it is a more fruitful approach than the one which has been prevailing in recent decades - namely that it's linear and takes us through innovative change to a better world.....

I was impressed that some academics have tried to remedy our myopia and have put together a Trump Syllabus with a fairly extensive reading list -

<http://www.chronicle.com/article/Trump-Syllabus/236824>

<http://www.publicbooks.org/trump-syllabus-2-0/>

<http://www.publicbooks.org/trump-syllabus-3-0/>

In that same spirit I offer these hyperlinks -

Key reading

corporatism	
Deindustrialisation	
Privatisation	
Pursuit of excellence	
ecology	
decentralisation	
globalisation	
End of history	
Flexibility and reengineering	
Reinvention of government; NPM	
Climate change	
The learning organisation	
Washington consensus	
Good governance	
Neo-liberalism and its limits	
Environmental collapse	
Migration and social integration	
Migration	
financial capitalism	
austerity	
Inequality	

[How to Build an Autocracy](#)

[Age of Kakistocracy](#),

<http://www.nybooks.com/articles/1995/06/22/ur-fascism/>

<https://gerryco23.wordpress.com/2017/01/25/drifting-towards-great-catastrophes-premonitions-from-the-1930s/>

Others

<https://almostrational.wordpress.com/2015/12/08/read-canetti-stop-trump/>

<http://www.newstatesman.com/ideas/2011/08/crowds-power-canetti-book-eyes>

<http://www.dailykos.com/story/2016/11/14/1598974/-Listen-to-Trump-voters-Listen-to-Gessen-Eco-and-Canetti-first-learning-the-lessons-of-history>

http://www.realclearpolitics.com/articles/2017/01/31/populistauthoritarian_strains_worry_koch_network_132949.html

<http://washingtonmonthly.com/2017/01/31/the-12-early-warning-signs-of-fascism/>

<https://www.onfocus.com/2016/11/6845/anti-authoritarian-immune-system>

<https://www.opendemocracy.net/robert-borosage/trumps-perverse-populism>

https://en.wikipedia.org/wiki/The_Revolt_of_the_Masses

<http://pinkmonkey.com/dl/library1/revolt.pdf>

<https://freedomhouse.org/report/freedom-world/freedom-world-2017>

<http://nymag.com/daily/intelligencer/2016/04/america-tyranny-donald-trump.html>

The title of this post I now see is one quite frequently used - eg 2 contemporary books by leftists ([Seamus Milne](#) and Alex Callicos) and also of this [useful article](#)

February 6, 2017

[The Rise and Fall.....](#)



Several writers might reasonably claim to have anticipated Trump's rise to power. First [Richard Rorty](#) - in a long-forgotten book published in 1998. Then the son of Neil Postman, who had written in 1985 a powerful critique of the effect of modern television - [Amusing Ourselves to Death](#) - popped up to claim that [his dad had seen it all coming](#). The son's article referred us back to [Brave New World](#) - issued in 1935....

But the boldest (and perhaps most credible) claim was made last week by one of my favourite bloggers (John [Michael Greer](#)) for an

[amazing book](#) written a century ago by Oswald Spengler - [Decline of the West](#)

The conventional wisdom of our era insists that modern industrial society can't possibly undergo the same life cycle of rise and fall as every other civilization in history; no, no, there's got to be some unique future

awaiting us—uniquely splendid or uniquely horrible, it doesn't even seem to matter that much, so long as it's unique.

The theory, first proposed in the early 18th century by the Italian historian Giambattista Vico and later refined and developed by such scholars as Oswald Spengler and Arnold Toynbee, that civilizations rise and fall in a predictable life cycle, regardless of scale or technological level. That theory's not just a vague generalization, either; each of the major writers on the subject set out specific stages that appear in order, showed that these have occurred in all past civilizations, and made detailed, falsifiable predictions about how those stages can be expected to occur in our civilization.

Have those panned out? So far, a good deal more often than not. In the final chapters of his second volume, for example, Spengler noted that civilizations in the stage ours was about to reach always end up racked by conflicts that pit established hierarchies against upstart demagogues who rally the disaffected and transform them into a power base. Looking at the trends visible in his own time, he sketched out the most likely form those conflicts would take in the Winter phase of our civilization.....

Those left out in the cold by these transformations, in turn, end up backing what Spengler called Caesarism—the rise of charismatic demagogues who challenge and eventually overturn the corporate-bureaucratic order. These demagogues needn't come from within the excluded classes, by the way. Julius Caesar, the obvious example, came from an old upper-class Roman family and parlayed his family connections into a successful political career.

Watchers of the current political scene may be interested to know that Caesar during his lifetime wasn't the imposing figure he became in retrospect; he had a high shrill voice, his morals were remarkably flexible even by Roman standards—the scurrilous gossip of his time called him "every man's wife and every woman's husband"—and he spent much of his career piling up huge debts and then wriggling out from under them. Yet he became the political standardbearer for the plebeian classes, and his assassination by a conspiracy of rich Senators launched the era of civil wars that ended the rule of the old elite once and for all.

Arguments about "rise and fall" have never gone down all that well with opinion-makers who tend to have a vested interest in "progress" and Greer's long post gives a detailed rebuttal of the sort of logic used by those who would counter the argument of "declinists"

Thus those people watching the political scene last year who knew their way around Spengler, and noticed that a rich guy had suddenly broken with the corporate-bureaucratic consensus and called for changes that would benefit the excluded classes at the expense of the affluent, wouldn't have had to wonder what was happening, or what the likely outcome would be.

It was those who insisted on linear models of history—for example, the claim that the recent ascendancy of modern liberalism counted as the onward march of progress, and therefore was by definition irreversible—who found themselves flailing wildly as history took a turn they considered unthinkable..... And, as Spengler sketches out the process, it also represents the exhaustion of ideology and its replacement by personality.

A good [sustained analysis of Decline of the West](#) which appeared in 1983 argued that Spengler

..... knew that men are generally disdainful of experience and that, driven by limitless and uncontrolled hope, they like to conceptualize the future in terms of what they consider the desirable rather than the likely course of events.

In counterpoint to these, in his view, irrational trends, he remarked that optimism is naive and in some

respects even vulgar, and that it surely stands for cowardice when one is afraid to face the fact that life is fleeting and transient in all its aspects.

You can dip for yourself into the 1000 plus pages of [the original 1918 book here](#)

February 9, 2017

We, the people?

I almost threw a book at the television screen at the start of Trump's inaugural address last month when he said that this "was the day power transfers to you, the people". How could that be? He didn't talk during the campaign about strengthening democracy; and, in any event, any serious programme would involve things like citizen juries, participatory budgets etc and would take time to implement properly....

On Inauguration Day power passed only to..... Trump - and we are therefore left with the clear conclusion that he elides "the people" with himself - as did a certain French monarch when he was famously reported as saying "L'Etat, c'est moi!!"

Or was it perhaps more of a promise that the "real" America he addresses (and assured in that same speech "never to let down") could be confident that theirs were the only voices/votes he would bother about?? The rest - particularly journalists, judges, civil servants, politicians, experts, academics, protestors - he would simply ignore and bypass. [One article this week](#) put it thus -

Trump's inaugural address carried the stamp of hot ambition even in its (opening) salutation: 'Chief Justice Roberts, President Carter, President Clinton, President Bush, President Obama, fellow Americans and people of the world, thank you.'

What were the people of the world doing here? It has been conjectured that Trump was greeting a blood-brotherhood ..that encompassed the followers of Farage, Le Pen, Orban, Wilders and others. Just as likely, given the grandiosity of the man, he meant to suggest that the fate of the world was so implicated in his ascension that it was only polite to say hello.

The next section, however, seemed to see the American people as deciders for the world: 'We, the citizens of America, are now joined in a great national effort to rebuild our country and restore its promise for all of our people. Together, we will determine the course of America and the world for many, many years to come.' This was immediately followed by an attempt to divide friend from enemy within the US.

"Against me, the establishment ('Washington'); with me, the people - or rather the people who matter. In the new era of globalisation, 'politicians prospered but the jobs left and the factories closed. The establishment protected itself, but not the citizens of our country. Their victories have not been your victories. Their triumphs have not been your triumphs.' For the people, for once, this inauguration day would be a day of celebration, and Trump would rejoice with them: 'January 20th 2017 will be remembered as the day the people became the rulers of this nation again. The forgotten men and women of our country will be forgotten no longer.'

"People power" a la Suisse is all very well - if a bit tiring. But the Swiss have an active citizenry - who can afford to give their time to debate and referenda. Letting a "demagogic kleptocrat" loose

who has declared war on many of the key elements of "the public space" which is the crucial link between the people and rulers is something else.....

I have never been a fan of the word "populism".- on the grounds that it is clearly a derogatory term which is used to cut off discussion.....In [a post before the Trump victory](#) I offered some of the elements which I think might reasonably be attributed to the term. Jan Werner-Mueller's recent little [What is Populism?](#) is one of the few books which have so far been written about it and builds [on this earlier pamphlet](#).

But this [short video \(from last summer\)](#) manages to punch home the key elements and, in so doing, to persuade me that almost all the conditions are now in place in the USA for a significant breach in the democratic process.....

Umberto Eco's list

And the LRB article I quoted from above then goes on to spell out very dramatically how the [much-vaunted Obama legacy could so easily be used to muzzle dissidence and protest](#) -

PART II How Did We Allow it to Happen?

Commentary

Seb Haffner on Hitler's rise

Post Title	Tags	The Bottom Line
Eight Horsemen of the Apocalypse	Bankers, politicians, media, lawyers, police, academics, accountants/economists, preachers	We all have our favourite scapegoat - pity we don't use the five whys more often!!
Abuses of Power	Cultural despair	Hate as the canary in the mine
How do we know what to think?	Corporate media	
The Cancer eating us	Capitalism, markets, commodification	More words of wisdom from The Real World Economics Review people
Is the Left Right?		Good pun! How the hard-left, libertarians and anarchists make common ground
Ways we see the world	Leftist writing	Nominations for the most insightful social democratic thinker
Our catastrophic elites	Christopher Lasch, Robert Reich, Harold Perkins	No wonder we're all populists now
Visions for the future	Red Tory, Blue Labour; stakeholder capitalism, the German model	Fewer visions and more fieldwork please
Identifying the real culprits		
Capitalism's DNA	James Burnham, Will Hutton	Can there be a "softer", Better system?
The Long Descent	Peak oil, John Michael Greer	This school think we're doomed
The best writing on the global crisis	Tim Morgan's Perfect Storm	Annex???
Breaking out of an insane	The Wire, David Simon	

world		
Who's to Blame?	Accountability, Taleb	
Privatisation Stinks	Neo-liberalism	
The C Word	Jerry Mander	
How Governments have Bought (and wasted) Time	Wolfgang Streeck	
The Dog that Didn't Bark	Neoliberalism, Philip Morowski	
Are we going to Hell?	John Grey	

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 which struck fear into politicians and therefore reluctant to take 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

.....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 your 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

7 June 2011

Abuse of Power



What a dangerous stage The United States has reached when its main broadcaster on [Fox TV is conducting an ideological campaign of hatred against a 78 year-old academic](#) (for something she wrote in 1966) allowing death threats against her to appear on its official website. This is not just a reflection of the violent ant-liberal mood in the States - since Fox TV is one of the main engines of this hatred.

A [very thoughtful blog](#) reminds us how anti-liberalism poisoned the politics of Weimar Germany and paved the way for Nazism. The post summarises something else written in the 1960s - The Politics of Cultural Despair - which looked closely at the ideas of three writers whose [critique of modernity](#) in the late 19th century, the author (Fritz Stern) argued, prepared the mental ground for the acceptance of Nazism.

The central focus of this cultural criticism was the fact of modernity - liberalism, secularism, Manchesterism, consumptionism, and individualism. These were conservative critics; they favored an earlier time that was more traditional, moral, hierarchical, and religious. They preferred villages and towns to cities; they preferred cultivated thinkers to merchants and professionals, and they feared the rise of the proletariat.

By liberalism they meant to encompass several ideas: individualism, self-interest, parliamentary government, and glorification of commerce and the market. And their criticisms were unswerving: they hoped to turn back all of the liberal democratic and industrial transformations that modern Europe was undergoing.

The movement did embody a paradox: its followers sought to destroy the despised present in order to recapture an idealized past in an imaginary future. They were disinherited conservatives, who had nothing to conserve, because the spiritual values of the past had largely been buried and the material remnants of conservative power did not interest them. They sought a breakthrough to the past, and they longed for a new community in which old ideas and institutions would once again command universal allegiance.

The conservative revolutionaries denounced every aspect of the capitalistic society and its putative materialism. They railed against the spiritual emptiness of life in an urban, commercial civilization, and lamented the decline of intellect and virtue in a mass society. They attacked the press as corrupt, the political parties as the agents of national dissension, and the new rulers as ineffectual mediocrities. The bleaker their picture of the present, the more attractive seemed the past, and they indulged in nostalgic recollections of the uncorrupted life of earlier rural communities, when men were peasants and kings true rulers.

America's First Amendment is a sacred thing - but, in allowing hatred to continue spew from Fox TV and the airways when its citizens are looking for scapegoats for their troubles, is storing up trouble for American society.

Anyway, the woman gives as good as she gets - see [here](#)

Fritz Stern, the author, is a marvellous historian born in Breslau/Wroclaw in 1926 who escaped to America in 1938 and wrote a powerful autobiography essay which I read a few years back with great pleasure and benefit - [Five Germanies I have known](#). He is a highly engaging character - as you can see both from his book and [this video of him introducing it](#)

31 January 2011

How do we know what we think?



I notice that I have recently started to use the phrase „corporate interests“ - as in "politics in deep thrawl to corporate interests". I generally don't like politically-loaded words since, as Orwell memorably expressed it, they so quickly lead to the death of thinking and the tyranny of words and slogans. It also means that we alienate others and end up talking only to those who agree with us. So why have I started to use the phrase - and what exactly do I mean by it?

It started, I suppose, when I first realised the extent to which both the media and

political parties have been penetrated by multi-national business money and its perspectives. It was obvious from the beginning that New Labour policies were shaped to keep the party safe from the attacks of the Rupert Murdoch media empire - but the infamous Bernie Ecclestone scandal at the very start of New Labour rule in 1997/8 was a shock to many (demonstrating so

vividly how business people could purchase policy and access to legislative power - on the American model). But I suppose I thought this was just a bit of anglo-saxon distinctiveness.

As, however, other governments followed the path of neo-liberalism - and money and greed became more respectable, scandal after scandal followed (eg Enron). The global financial meltdown opened everyone's eyes - not only to the immorality of the big players but their utter shamelessness. And the growing centralisation of the media - and its unreliability - has also hit me hard recently. When I developed my type of gentle socialism (under the influence of Tony Crosland's writings of the late 1950s and 1960s) we really did have a "mixed economy". Power was reasonably balanced then in the UK (and the rest of Western Europe) between the various forces of labour and capital - and capital was not so monolithic. The word "„corporate" is another word for multinational (or big) business - and my use of the phrase "corporate interests" was shorthand for my disgust for the extent to which such corporate power is now, literally, out of control.

And its grip of the media means that the onus is on those of us object to the imbalance to demonstrate how little competition actually exists now in huge swathes of the "market" at whose alter we are all supposed to worship. I've mentioned already on the blog a couple of recent publications which have exposed the extent of big business influence on the EU - [Bursting the Bubble](#) (Alter EU 2010); and [Backstage Europe: comitology, accountability and democracy](#) (2010) by Gijs Jan Brandsma.

Today I came across a summary of an academic treatment of the subject - [Quiet Politics and Business Power - corporate power in Europe and Japan](#).

This is on Daniel Little's excellent blog - and the article led me on to [a previous post of his which is very important](#) in answering the basic question of „how we actually know that things work the way in society that we think?"

The Guardian has an interesting piece about a [new European left initiative](#). But I'm not holding my breath!

And, at last, we have one of the female Bulgarian painters represented! This is one of my favourites - Alexandra Mechkuevska who painted mainly in the 1930s and 1940s(I have two of hers). Not one of her best - but too few of the paintings I show have figures!

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 effect 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

Ways we see the world



I don't know whether the generations which have grown up with television and the internet experience have experienced the power of seminal texts which many in my generation did.

I was driven this past week to think about the key authors who had a profound influence (during my spell at University) on my way of looking at the world ([see Annex](#)).

For probably the first time, I saw the common theme in their message - celebration of pluralism and of scepticism at a time when the influence of ideology was still strong. I should also have mentioned the writing of Bernard

Crick whose book "In Defence of Politics" (1962) celebrated the practice of politics as a necessary and honourable one and may have been one of the factors leading me a few years later to go into local politics. (We are in need of such a text these days!)

Two difficult recent questions have made me think about "figures of influence" - a question about which contemporary figure (s) I admired (I could come up only with that of Riccardo Petrella); and, today, with an invitation from Social Europe to nominate the (living) "thinkers" (my inverted commas)

with the biggest influence on the European left-of-centre agenda in 2010/2011.

When I read the names of [those nominated last year](#), my immediate reaction was that the left thoroughly deserved its present pathetic electoral position if the poll was correct in its judgement. The first three names were Paul Krugman, Juergen Habermas and Slavoj Zizek (who??). Even worse was that Anthony Giddens, Daniel Cohn-Bendit and Umberto Eco came next. Then Zygmund Bauman, Poul Nyrup Rasmussen, Oskar Lafontaine, Ulrich Beck, Manuel Castells and (wait for it!)...Ed Miliband! When, 10 years ago, I wrote my own list of inspiring "standard bearers" it did include Lafontaine (and George Monbiot).

But I'm not sure how sensible the poll is - each country is so different - and how does one actually measure the influence which any thinker has had? And what exactly is a "thinker"? Do we not all think? And if by "thinker" we mean an academic such as Etzioni, is there not a certain contradiction between being a "thinker" and having an influence on party agendas? Of course, you will say, neo-liberals such as Hayek have had a profound influence on the agendas of all parties in the past couple of decades - but he is dead. Keynes put it so well in 1935

The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas

There are so many voices today that we often require an intermediary (journalists like Will Hutton, Paul Mason and George Monbiot) to act as mediators and popularisers.

In any event, I would prefer to explore which "writers" have the most to offer the social democrats - regardless of the likelihood of their message being bought. In the article I wrote a couple of weeks back for the Romanian journal, I found myself using two quotations from the world of a green Irish economist - [Richard Douthwaite](#) - and would therefore certainly nominate him. I will now look around my (extensive) bookshelves and see who else should be nominated. And you, gentle reader? Who would you nominate?

I'm glad to be able to show a Romanian painting for once - by late 19th century painter Theodor Pallady

14 Sept 2011

Our catastrophic elites

In 1987 a book and a film appeared in America which seemed to signal a questioning of the greed culture which had received the imprint of approval from Ronald Reagan and Margaret Thatcher. The book was Tom Wolfe's *Bonfire of the Vanities* which ended with the come-uppance of one of Wall Street's "Masters of the universe". The film was *Wall Street; Money never sleeps* - starring Michael Douglas as Gordon Gekko whose signature line was "Greed, for lack of a better word, is good".

Alas, the reflective mood was momentary - indeed the broader effect seemed to have been to persuade other professions to get into the act. A decade later, a distinguished historian, Harold Perkin, published [The Third Revolution - Professional Elites in the Modern World](#) (1996). In previous books Perkin had studied the rise of professional society. In this one he looked at Twentieth Century elites in the USA, England, France, Germany, Russia and Japan - and finds their behaviour equally deficient and morally irresponsible -



What all six countries, except Germany, are found to have in common are greed and corruption, from the wholesale fraud, embezzlement, and bribery practised by Soviet apparatchiks, through the systematic bribery of Japanese politicians by the big corporations, and the apparently general corruption in French local government contracts, to the more 'legitimate' but dubiously ethical machinations of junk bond merchants in the U. S. or take-over conmen in Britain. This is attributed to the professional elites who are 'good servants but bad masters', and when they have power are liable to abuse it, exploit the masses, and line their own pockets. At this point one cannot help concluding that there is nothing new under the sun, that ruling elites or cliques have always been tempted to enrich themselves, and that corruption, even blatant and very large- scale corruption, is not an invention of professional society.

It is a book which should be given to each individual when (s)he makes it into their country's "Who's Who" and becomes part of the "system".

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. I would therefore have to nominate them for the Social Europe award mentioned recently - although I personally think that Danny Dorling's 2010 [Injustice - why social inequality persists](#) is a more powerful book since it doesn't just itemise the inequalities but [identifies and explodes the various rationalisations which sustain them](#).

Sunday, September 18, 2011

Visions of the Future,



I've been playing catch-up recently with some of the debate currently going on in European left circles. I have to confess I have mixed feelings about a lot of the stuff which comes from think-tanks written by the curious new breed of scribblers who seem to inhabit the airwaves and ante-chambers of power. God knows, I respect ideas but these rootless characters have developed a language which doesn't seem to relate to the real world - and certainly doesn't deal with the HOW of reform. One example is [this short publication by a Norwegian](#) (who should know better!!).

A year ago I bought and started to read an intriguing book [Red Tory](#) written by an ex-priest which seemed to be yet another attempt to give us [a third way](#) between greed capitalism and centralised socialism. And the coalition government has roped in quite a few big names from the social enterprise sector to explore [how mutualism might be applied to public services](#).

Not to be outdone, a figure duly appeared on the left and gave us the idea of Blue Labour - and Prospect [magazine gave us a debate last year between the 2 proponents](#) which has been [updated in their present issue](#). Their ideas also link to those of [Paul Hirst which I blogged about last week](#), when I expressed surprise that people did not seem to be talking about the German social market model or, indeed, of [Will Hutton's notion of stakeholder capitalism](#) - which had been the "in-idea" in the mid 1990s and to which Tony Blair and Gordon Brown had turned deaf ears - Brown in particular being sold on the American rather than the social market model. And lo! [People are indeed now referring to the German model](#) - with some good points as always being made in the subsequent Guardian discussion thread (not least that one the key elements are regional banks).

Trying to get the best of both worlds (a rather Manichean view of the world!) can be difficult. I speak from personal experience - generally finding myself operating as a bridge between groups distinguished by class, party, profession, nation etc). There is a (central european) saying about bridges - "in peacetime, horses shit on them and in wartime they are blown up"!! Brits play a great game of analysis - its the doing where they seem to come unstuck. That's why I liked this [blog about a local food initiative](#) - a great example of what can be done when people get off their backsides. The same blog had [a post about New Public Management](#) written by one of its architects in the UK but announcing its demise (which has been announced for the past decade) and wondering what the next big idea would be to take its place. Obvious he hadn't seen Paul Kingsnorth's article I blogged about yesterday. Any way Colin Talbot replied and argued that it was not helpful to use such phrases - which concealed a variety of practices some of which were not disasters. One of them which was certainly a disaster and which Gordon Brown forced through despite many warnings was the [Private Financial Initiative](#) (PFI) which Craig Murray writes about from his Ambassadorial experience.

September 2011

Identifying the real culprits

I haven't said anything in the blog yet about the [Occupy Wall St protest movement](#) - which is most remiss of me. [An article in what is a new magazine for me - Orion Magazine - expresses the issues very well](#)

What is needed is a new paradigm of disrespect for the banker, the financier, the One Percenter, a new civic space in which he is openly reviled, in which spoiled eggs and rotten vegetables are tossed at his every turning. What is needed is a revival of the language of vigorous old (US) "progressivism", wherein the parasite class was denounced as such. What is needed is a new Resistance. We face a system of social control "that offers nothing but mass consumption as a prospect for our youth," that trumpets "contempt for the least powerful in society," that offers only "outrageous competition of all against all.



There's also [a good post \(and discussion\) on the Real Economics blogsite](#) And [Jonathan Scheel has an eloquent piece](#) in The Nation on the subject. And yesterday I came across [the website of the marvellously-entitled Centre for the Study of Capital Dysfunctionality](#) - set up before the global crisis at the London School of Economics by a financier who simply became disgusted with his experiences and now writes and talks eloquently about alternative systems. He and others produced a book about the Future of Finance last year which (like a lot of others I suspect) I missed. [It can be quickly downloaded here](#) and should be read in conjunction with [the report which came from the Vickers banking commission](#) which was set up by the UK Government in 2010

The Occupy Wall St movement is overdue (see my blog [the Dog which didn't bark](#)) and is explained by two simple emotions - anger and impotence. Anger at the greed and wealth of a tiny group of financiers who provide no service but simply use invented money to sustain a sick way of life for themselves which impoverishes the majority. And impotence at a political system which not only gave them this opportunity in the first place - but shows no sign of wishing or being able to rein them in.

A recent, mainstream American book [Winner Take All - how Washington made the rich richer and turned its back on the middle class](#) explores these questions. How did the incredible inequalities arise? And why is the American political system acting so perversely - with voters apparently supporting the parties whose governments dismantled the regulatory systems and created the mess? The book shows quite clearly that American government is in bed with corporate power.

No surprise there for many of us in Europe - but a bit of an eye opener for the average American reader whose access to such books is fairly limited. An [excellent review \(and discussion thread\) summarises thus -](#)

The book downplays the importance of electoral politics, without dismissing it, in favor of a focus on policy-setting, institutions, and organization. First and most important - policy-setting. Hacker and Pierson argue that too many books on US politics focus on the electoral circus. Instead, they should be focusing on the politics of policy-setting. Government is important, after all, because it makes policy decisions which affect people's lives.

While elections clearly play an important role in determining who can set policy, they are not the only moment of policy choice, nor necessarily the most important. The actual processes through which policy gets made are poorly understood by the public, in part because the media is not interested in them (in Hacker and Pierson's words, "[f]or the media, governing often seems like something that happens in the off-season").

And to understand the actual processes of policy-making, we need to understand institutions. Institutions make it more or less easy to get policy through the system, by shaping veto points. If one wants to explain why inequality happens, one needs to look not only at the decisions which are made, but the decisions which are not made, because they are successfully opposed by parties or interest groups. Institutional rules provide actors with opportunities both to try and get policies that they want through the system and to stymie policies that they do not want to see enacted.

What is particularly interesting about the review is that it sets the book in the wider context of the malaise of American academic social science -

There is no field of American political economy. Economists have typically treated the economy as non-political. Political scientists have typically not concerned themselves with the American economy. There are recent efforts to change this, coming from economists like Paul Krugman and political scientists like Larry Bartels, but they are still in their infancy. We do not have the kinds of detailed and systematic accounts of the relationship between political institutions and economic order for the US that we have e.g. for most mainland European countries. We will need a decade or more of research to build the foundations of one.

Hence, while Hacker and Pierson show that political science can get us a large part of the way, it cannot get us as far as they would like us to go, for the simple reason that political science is not well developed enough yet. We can identify the causal mechanisms intervening between some specific political decisions and non-decisions and observed outcomes in the economy. We cannot yet provide a really satisfactory account of how these particular mechanisms work across a wider variety of settings and hence produce the general forms of inequality that they point to. Nor do we yet have a really good account of the precise interactions between these mechanisms and other mechanisms.

One of the discussants in the discussion thread on the book review asked what the European literature said on the matter. The only response was a reference to Wolfgang Streeck's new book on Germany - [Re-forming Capitalism; institutional change in the German political economy](#). Earlier this year I mentioned a couple of recent publications which have exposed the extent of big business influence on the EU - [Bursting the Bubble](#) (Alter EU 2010); and [Backstage Europe; comitology, accountability and democracy](#) by Gijs Jan Brandsma.

The painting is (of course) by Georg Grosz - Eclipse of the sun - about the military-industry complex

October 2011

Breaking out from an insane world

This blistering article 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..... And I won't spoil the effect by revealing, for the moment, the identity of the writer

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 disparate shouting....

8 December 2013

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 rooftops. 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

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

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 wonder.ed 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.

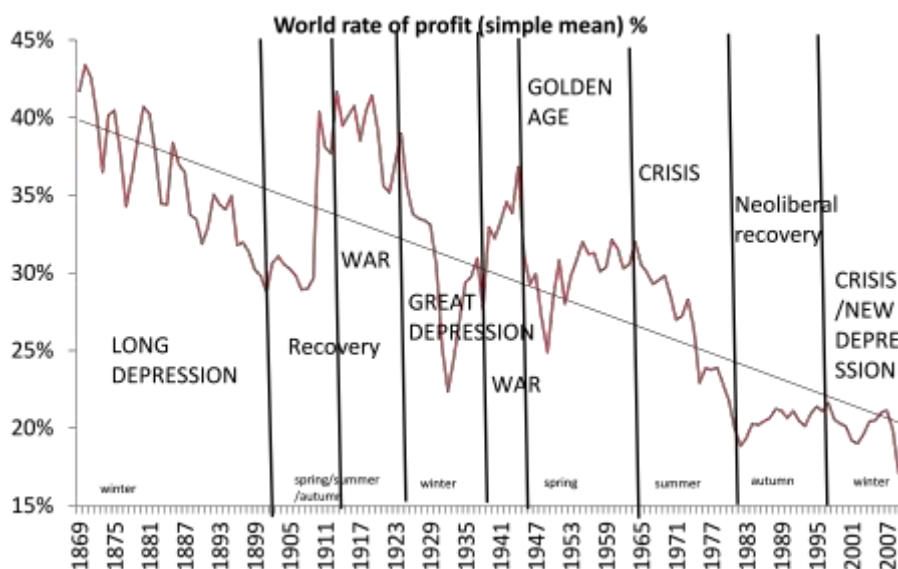
1999 also apparently saw the first appearance of what looks to be a blockbuster of a book - The cancer stages of capitalism by John Mc Murtry reviewed here whose author gave us, more recently, both a second edition and a summary of his argument (warning - written in short-hand - not easy to follow!!)

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 - andhuman 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 Boiadjiev 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 -

Staatsvolk	Marktvolk
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

The crisis in context - democratic capitalism and its contradictions (2011)

<https://newleftreview.org/II/87/wolfgang-streeck-how-will-capitalism-end>

<https://thenextrecession.wordpress.com/2016/11/08/will-capitalism-end-or-can-it-be-reformed/>

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

Saturday, March 14, 2015

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 clichés. 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

PART III THE dog that didn't bark

It is ironic that I have spent much of the past 25 years based in Central Europe since it was Austrian, Italian and German figures of the early part of the 20th Century who exerted a powerful influence on my political education in the early 1960s about "bureaucracy" and political elites.

Robert Michels's "Political Parties" (1913); Max Weber's writings about political legitimacy; Mosca and Pareto's work on political elites; and Schumpeter's notion of democracy as competition amongst elites shaped my understanding of democracy much more than the complacent celebration of British pluralism then masquerading as the "Westminster model"

Since mid-century, political parties have been the lynchpin of democratic theory. What political legitimacy the West has had it owes to the public belief that their hopes and aspirations would be heard and responded to by its political elites.

But the last decade has seen those hopes and expectations badly betrayed - the replacement of Greek and Italian elected governments by technocratic appointments from Europe was the last straw. And the British public have also noticed that significant recent privatisation measures were never mentioned in election manifestoes.....

Why therefore has the political party become a lapdog - and what can be done to give it back its bite?

Post	Tags	The bottom line
The Political Party	Robert Michels, functions of political parties	Are political parties past their "sell-by-date"??
Collapse of an honourable profession	Bernard Crick, Dennis Healey, George Monbiot, neoliberalism, populism	Big business penetration
The Role of Professionals	Scottish Review, Harold Perkins	"conspiracies against the laity"
How the political class has changed	Anthony Jay, rules for stifling democracy	"Democracy, Bernard....it must be stopped!"
The hollowing out of democracy	Peter Mair, the triumph of the political class	Ten golden rules for undermining politicians
Democracy Incorporated	Sheldon Wolin	Capitalism and democracy can't coexist
The Emperor has no clothes	Reinvention of government, international consultants, capacity development	Consultants have made a mess of government
Enough is enough	development	Let's ban externally-imposed organisational change efforts
The Tyranny of experts	Ivan Illich, development, power, intellectual tribalism	We need to challenge the insularity of specialists
Our Carbon Democracy	Power, extractive industries	And their tribalism
When will they ever learn?	Change,	How do we begin to question the arrogance of the bosses who glorify change?
How Change Happens	Robert Quinn	Time for some humility
Losing the Plot	Hubris, rebalancing society	No longer cause for celebration
Post-Trump	The Democrat's tradition of Populism	Can what's lost be rediscovered?
Cooperation	P2P	The new mood music

Are we any better than the Chinese one party state?

2011 marked the centenary of the publication by Robert Michels of his great book *Political Parties* - which set out "the iron law of oligarchy" ie that all forms of organisation, regardless of how democratic they may be at the start, will eventually and inevitably develop into oligarchies (ie rule of the few). The reasons behind the oligarchization process are: the indispensability of leadership; natural self-interest and survival instincts (it's a good life); and the passivity of the led individuals, more often than not taking the form of actual gratitude towards the leaders. These days we would add the media need for a hierarchical figure to focus on. I haven't seen any recognition of the centenary yet. But I mentioned in my last post a paper written by a Frans Becker and Rene Cuperus a Dutch political scientist in 2004 - [Party Paradox](#) - which is the best analysis of the failings of the modern European political parties (and also the possible reasons for the various deficiencies; and possible ways for dealing with the crisis) which I've ever read. It might, with a bit of updating and some more international examples, make a suitable new version of the Michels classic - one hundred years on.



There have been innumerable articles and books bemoaning the state of democracy - but few to my knowledge which have identified the role of the political party in creating this parlous state. I had a long post in November [bemoaning this lack of analysis](#). So it's great at last to find a good, solid paper - which I can recommend to others. Here are some excerpts -

Social-democratic politicians - even the local ones - come from a limited circle. Most are well-educated and are professionals in the collective sector. They closely resemble their counterparts in other parties as far as their education is concerned but differ from them in terms of their professional backgrounds.²⁵ They are often well-suited for civil service and the policy-based, bureaucratically-oriented decisionmaking process and are at ease in the small inner circle of politics. The sociologist Van Doorn has described the contrast between the old and new politicians as follows. The old political elites were selected "because they had social standing, and they derived their standing from their leadership of certain social groups and core institutions: employers' federations and employee organizations, leagues of farmers and small businessmen, dailies, broadcasting associations, and universities. In the 1960s these double offices became suspect and gradually disappeared. The "regents" were replaced by political professionals, who often had more ambition than experience. They became significant thanks to their election. A self-perpetuating cycle began: the inflow of professional politicians eroded the standing of being a member of parliament, and this diminished standing compromised the quality of the MP's. They were selected from the crowd and lacked any competence beyond that of a low-prestige board. They almost exclusively represented their party and consequently became isolated from a society that is rapidly becoming disaffected with party politics." Admittedly, some exceptions occur, and the good ones among them deserve their due.

Parties and politicians have come to focus increasingly on policy making. Politicians are like mechanics, tinkering at the engine of society by means of policy, without ever getting away from under the hood, as Anton Hemerijck put it at a conference of the Institute for Public Policy Research in London in 2000. Parties, having

lost their social footing, do not appear to have replaced it with new alliances with civil society organizations.³³ The isolation of the political parties is the predominant theme in the analysis of the Dutch Labour Party's defeat in the 2002 elections. In the successful election campaign in 2003, Wouter Bos overcame this isolation and restored the electoral position of the Dutch Labour Party. Both a drastic change of the party culture and more structural ties with social organizations have been suggested as remedies to achieve sustained reinforcement of the party's position.

The paper finished by suggesting that

three strategies are available to these parties in their quest to retain or reclaim their role in democracy. First, to focus far more on their procedural functions. As political parties become less adept at their representative function, they will need to take on a new role as keepers of transparent and democratic public administration, where access to political and administrative decision-making remains open; private and public interests are clearly distinct, the foundations of the constitutional state are taken into account, and diversity and freedom of expression and information provision are guaranteed. Entrepreneur-politician Berlusconi's skill in using politics and state to further his interest demonstrates that his party fails as the countervailing power required for democracy

The other two strategies were: (a) a shift toward more direct democracy; and (b) party innovation with a capital P, which means improving professional quality and fostering a more open party style. In the case of the Netherlands a reallocation of the party landscape into a loose two-party system would be desirable

In effect citizens are no longer presented with real options by political parties at the national levels - neither in the USA nor Europe where parties have, to one degree or another, succumbed to what some people call the pressures of globalisation and others call „corporate interests“. What it boils down to is a quasi one-party State.

In China ([from which I recently returned](#)), the Party has recognised that the recruitment of elected politicians has to be strictly conducted - with party members receiving strict training as well as their elected cadres. Of course any electoral system has to give scope for (if not encourage) mavericks (populists) to keep the representative part of the system operating. If necessary the Party makes the suitable policy adjustment to keep the public happy.

But I would dare to suggest that the role of political parties at a local government might be reduced - and I say this as someone who for 25 years operated as the Secretary of ruling Labour groups at both municipal and Regional levels. Frankly I saw too much of my colleagues representing either party interests or the interests of professional departments (like Education and Police) - and not enough of their representing public concerns. And local elections contests when parties are dominant means that there is no serious debate - and that voters vote on national political grounds.

This is probably one of the strongest arguments for the principle of elected mayors to which the Establishment seems at last to have come round to in England (since it brings in the issue of personality) - but I don't see the argument for it being conducted in these terms. And elected mayors are not enough - a system needs to exist which allows the ordinary citizen to believe that it is possible for her that (s)he could if she wished have a reasonable chance of getting on to the council and being listened to.

1 May 2011

Political Parties and Politicians – functions and roles

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, Professor 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.

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

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

The Emperor has no clothes! - Questioning reform

I spent the first half of my working life encouraging structures which gave voice to people who had previously been ignored in and by local government - and the next half working as an external consultant trying to get central government systems in various parts of central Europe and central Asia to operate more in the interests of "the citizen".

In all cases, the issue was the complacent self-serving nature of those in power - be they professionals or political leaders. Not that the private sector escaped censure since the shortcomings of the large private bureaucracies were well exposed in the 70s and 80s by writers such as JK Galbraith and Rosabeth Kantor.....Untrammelled power was the issue.....



In all my cases, I wrote the experiences up - aware that I was venturing into unknown territory with "shabby and untested equipment" (as TS Eliot might have put it). As a young but senior politician in a Scottish Region in the 70s and 80s with a commitment to community development and action (and a writing bent), I was then almost unique in Britain; and was subsequently one of the

first consultants let loose by the European Commission into "transition land" in the 90s in an effort to have a different type of public agency, with different accountabilities....

Of course Africa and Asia were well-frequented haunts of "development consultants" (and had been for some decades) but they were a different breed - with a different language as well as funding. Certainly I was one of a small minority in the decades until the new millennium - but there *must now be several millions of such "experts" these days* who are paid (good wages) to do (short-term) contract work to get public organisations to operate "more effectively".

And academic institutions throughout the world churn out thousands of papers and books every year about the "development work" which is going on.....critical, well-intentioned and often well-writtentake, for example, this impressive list from the Effective States and Inclusive Development Research Centre at the University of Manchester.

Curiously, however, only a tiny number of people seem to have tried to make sense of the efforts at "good governance" in central and east Europe and Asia - Tony Verheijen's Administrative Capacity in the new EU Member States - the Limits of Innovation (2006) and Nick Manning's International Public Administration Reform - implications for the Russian Federation (2006) were two - and in 2009 a collection of papers was published about Democracy's Plight in the European Neighbourhood: Struggling Transitions and Proliferating Dynasties

In 2011 I presented a detailed overview of these various efforts to a network of Schools of Public Administration in Central and Eastern Europe (NISPAcee) but have been disappointed by the way the members of the network have simply aped "best practice" nonsense from the west....

Every now and again the size of the programme budgets of government consultancy work makes the headlines - particularly in the UK - but no one feels able to challenge the notion of squeezing increased productivity from what has been seen for the past few decades to have been bloated bureaucracies.....

I sense that these perceptions - both about "reform" and "bureaucracy" - are in for a rude shock shortly.....we are, after all, approaching almost 50 years of reform efforts and some voices are being raised to question what has been achieved...

This weekend, for example, I hit on a couple of videos of academic addresses by 2 big UK names - Chris Pollitt on 40 years of Public Sector Reform - and Rod Rhodes on political anthropology and political science whose text can be scanned more quickly here (the papers on which the two addresses are based can be read in Rethinking policy and politics - reflections on contemporary debates in policy studies)

Allowing for the simplicities such deliveries require, the basic message they have about the British experience of reform is quite savage.....

At the same time I was trying to make sense of a new (and rare) book on "institutional reform - Limits of Institutional Reform in Development - changing rules for realistic solutions - whose early part is devoted to a single and obvious point; that almost all institutional reforms have failed in "developing countries" because they don't fit local circumstances.... Outside experts have been parachuted in with "ready-made solutions" and made little attempt to prepare the locals for the

real problems of implementation. The literature on "capacity development" has been strong on how cultural factors impact on organizational performance and, although Andrews doesn't refer to that literature, the first half of his book emphasizes the counter-productivity of the consultancy industry's preaching of "best practice"

A rather dry summary of the book's scope and contents can be found in [this LRB review](#)

His discussion (in chapter 3) of the "multiple logics" present in organisations is useful - as is his recognition of the importance of "building change off some of the alternative logics" always present..... and the second half of the book is more promising in its focus on "problem-solving" and "flexibility" (iterative learning).

He still sees a role for external experts - but mainly as a catalyst to help locals (a) explore what sort of "issues" can be reframed as the sort of "Problem" which will receive political attention and (b) develop feasible "solutions" which will attract consensus and support at the implementation stage...It's not often that the Japanese "5 whys" technique is recognized in this sorts of books - and this was good to see on pages 142-160

But, otherwise, the book reads like something written by a well-read post-graduate in Economics and political science who has been granted open access to all the World Bank files on "developing countries" - ie by someone with limited knowledge both of the real world and of the literature outside his chosen disciplines. And indeed Andrews is an Associate Professor at the Centre for International Development (part of Harvard's JF Kennedy School of Government) who worked briefly at the World Bank and graduated from a South African University...The book can be [partially read here on google](#)

But the book needs a total rewrite - for two reasons. First he needs to identify the lessons from the [huge literature on Managing Change](#) of the 1990s - let alone the more recent "political economy" approach of (say the UK's ODI) and indeed of the World Bank itself in such recent and major works as its 2008 [Governance Reform under Real-World Conditions - citizens, stakeholders and Voice](#) which, amazingly, is not even referenced (although he contributed a chapter).

And then he needs to do something about the way he uses words and phrases (if not logic). This is a very repetitive and badly-written book full of technocratic jargon and implicit and highly questionable assumptions. He would benefit from reading George Orwell's "Politics and the English Language" (1944) and Michael Billig's recent [Learn to Write Badly](#) which savages the way social scientists these days have taken to using opaque invented nouns (rather than simple verbs) leaving the reader utterly confused about who is doing what to whom

4 May 2015

Enough is Enough

I've been "**doing development**" for so long that I've just begun to realise how odd if not questionable an activity it is.....preying on people's dissatisfactions and hopes.....and yet more and more consultants, academics and development workers get paid good money to keep churning out reports and books which identify organisational failure....and to work on programmes which order people what they should be doing - rather than helping the organisation's staff to flourish.....

It doesn't seem to matter whether the change programmes are those inside the private or public sector - they are all controlled by the same type of person in the Corporate Consultancy or national/international Funding Body..... they make the same sorts of assumptions....use the same sort of models.....and generally fail...

I'm at last beginning to pick up a sense that something is wrong....although there are huge political and financial interests in keeping a state of amnesia; a sense of bafflement amongst so called experts about the health of our organisations....The Emperor has no clothes post referred to some recent critical assessments in both the field of public management and development. And this book on Reinventing Organisations also seems to be making waves - taking us back to management books of the 1980s and echoing the work of maverick Richard Semmler....

Is it too much to suggest that there is a link here with the "slow food" and the "limits to growth" movements? All signalling a wider revolt against the way advertising, marketing and the corporate media has so insidiously, in the post-war period, developed a collective sense of dissatisfaction??

For the first part of my working life I was an "insider" working to improve a very large (public) organisation - with a strategy and structures which tried to use the energies of a range of people which the organisation's "logic" had trained it to ignore....These were its lower-level officials, its more junior politicians and, above all, citizen activists we brought into new structures we established in the early 80s. I'm glad to say that this sort of work was so strongly accepted and "embedded" (to use an important concept in the change literature) that it has continued to this day in the structures and strategies of the Scottish Government....

But my role fundamentally changed after 1990 to that of an "Outsider" - the European Commission (and the small private "consultancies" it sub-contracts) funded me to appear in capitals and to "effect change"... using increasingly detailed prescriptions and tools which I wrote about with increasing frustration.....What I enjoyed was identifying and working flexibly with people who wanted to change their institutions for the better - but the rigidity with which EC programmes are designed made that increasingly impossible....

It was a decade ago I first came across the notion of "good enough governance" which challenged the push global bodies such as The World Bank were making (at the start of the new millennium) for "good governance" - including the development of indices to measure the extent of progress "developing countries" were making in reaching the standards of public management apparently possessed by "developed" countries.

We need to explore this "good enough" concept in all our thinking but, above all, we need to have an outright ban on externally-imposed organisational change.....and a requirement that anybody proposing change should have to justify it to a panel of self-professed sceptics....

The Tyranny of experts

I have been reading a provocative book about "development" which came out recently and whose very title gives a flavour of its thesis - The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor (the link gives the full text!). From its many reviews, it has already created quite a furore in the extensive community which has been earning its (considerable) living from advising poorer countries for the past 50-60 years.

I found myself engaged in a bit of a confessional when I tried to put down my initial thoughts about the book's thesis. This post explains why - the next post will try to summarise the book's

content and the arguments it has produced.



"Development consultancy" is a term used for people funded by international agencies who fly into countries which have been designated as "underdeveloped" and write reports and implement programmes designed to increase their social and economic wellbeing.... Sadly the reality has generally proved disappointing and had, by the 80s attracted a considerable backlash led by the likes of PD Bauer.

The collapse of communism in 1989 gave development (and other sorts of) economists the kiss-of-life.....in central and Eastern Europe where, I found myself occasionally rubbing shoulders with some of them. By then I had morphed from a specialist in "urban and community development" (with both academic and political

roles) in the West of Scotland (1970-1990) to a role as a technical consultant in "institutional development" - working on programmes in central Europe (and central Asia) designed to develop the capacity of state bodies to serve the interests of citizens in democratic societies.....if the reader will forgive me for the jargon.....I offered some thoughts about this experience in a recent post (more fully developed in one of my E-books Crafting Effective Public Management)

Some 20 years ago I penned a small autobiographical book entitled "Puzzling Development" marking that change of role - a book whose cover carried the famous 1871 painting "The Geographer" by Henri de Braekeleer and whose subtitle was "Odyssey of a Modern Candide" - a theme which has run through quite a few of my scribbles since the 70s. The introduction promises to cover issues relating to bureaucratic, urban and policy change; public involvement; privatisation; and technical assistance and covered experience of four countries

In 1977 I had produced my first little book - "The Search for Democracy" whose cover showed community activists poring over a map and, I noticed yesterday for the first time in 25 or so years, a puzzled little boy cut out from the main group and standing alone at the side.....my alter ego and hero no less - Hans Christian Anderson's creation who dared utter the magic words "but the



Emperor has no clothes!!). Its sub-title had been "a guide to and polemic about Scottish local government" and it tried to answer 43 questions which people I worked with would ask me

Was it significant that the cover of my later and most rigorous book - "*In Transit - notes on good governance*" (1999) - written as a calling card for the younger generation I was by then working with in ex-communist countries - showed simply a rock on an Atlantic beach with the geological strata starkly revealed by the ocean's pounding.....???? Had I even then become fatalistic about human endeavour??? Chapter headings of that book were -

- The Journey of Reform
- The Triple Challenge - market, state and society
- Advice for coalition government
- The bureaucratic-political dynamic
- Improving the performance of government
- Some conditions for inclusive government
- Managing change
- Training for effective state bodies



But "revenons aux moutons" as the French say.....the author of *The Tyranny of Experts* is an American guy called William Easterly who published an earlier book in 2006 with the equally provocative title - *The White Man's Burden - why the west's efforts to aid the rest of the world have done so much ill and so little good*. Easterly, clearly, is a sceptic - but scepticism is a feature I value - have a look at my Sceptic's Glossary if you don't believe me. It's actually called "Just Words" - a glossary and bibliography for the fight against the pretensions and perversities of power"

Sceptics challenge what JK Galbraith wonderfully called "the conventional wisdom" and, providing they actually embody the spirit of sceptical inquiry, are a necessary and critical element in any intellectual journey....I add the qualification simply because quite a few contrarians do have an agenda (generally a libertarian one).

We have an ambivalent attitude to "experts" - even medical ones - conceding that engineers and surgeons deserve our respect but rightly questioning the "expertise" of many experts in the field of social sciences....particularly those employed by powerful international bureaucracies which certainly have agendas of their own.....

But it is the development economists that Easterly has it in for.....who seduce the powerful with talk of the wealth and progress which will come if only they follow their advice....

I found the opening section of the book very worthwhile because -

- it gives a rare insight into the start of the discipline of development economics; some of its key figures and arguments; and its "divorce" from mainstream economics
- it questions the focus on the nation, reminding us that the infrastructure of economics is based (questionably for many of us) on the "rationality" of the individual consumer and (small) company
- it reminds us of how important to the development of capitalism was the challenge to power of the spirit of liberty

As it happens, my University course developed an interest for me in the space between the nation and the individual company - and how its operations might be improved ie regional, urban and, latterly, community development.

And one of the people whose writings made a big impression on me (some ten years later) was Ivan Illich whose challenge to the power of health and educational professionals was a breath of fresh air for me and profoundly influenced the community power element of Strathclyde Region's Social Strategy for the Eighties which I helped shape.

Illich was, of course, your quintessential anarchist - distrusting the sort of well-intentioned power held by those of us who managed a social strategy which went on to shape the strategies of the system of the Scottish governments which have held power in the past 15 years.....But governments have to select priorities for both their attention and funding. With some hesitation we did designate what we called in the late 1970s "areas of priority treatment" - initially 45 of them whose inhabitants' lives we tried to improve with the help of community structures led by community activists assisted by development workers....

I doubt whether we got the balance right between community, professional and political power - and subsequent events demonstrated how easily economic power caps everything.....But at least we tried
The question for readers of Easterly's book is how well he deals with those different faces of power.....

Normal people get hooked on detective novels....eccentrics like me get their fixes from books about things like development.. The habit started 20 years ago when I found myself (as we performance artists put it) "resting" between projects and, as a result, haunting the book-stacks of the (then well-endowed) British Council library in Bucharest. The books I read then are still listed in my annotated bibliography for change agents (section 7) - all 24 of them! And there have been more since.



I'm not a development economist - although my mother (then heading for her 100th birthday) had difficulty understanding exactly what sort of craft I was plying in exotic places such as Tashkent, Baku and Bishkek. That reflects better on her time and values than ours - which have invented such crazy and questionable occupations.....it was Robert Reich, I think, who talked about "symbolic analysts".....

So what draws me to books with titles like The World's Banker (2005); Ideas for Development (2005); "Aid on the Edge of Chaos" (2013); The Limits of Institutional Reform in Development (2014) and Easterly's "Tyranny of Experts"??

One reason may be that such books are remarkably like detective novels - there is a mystery (why do countries fail/not grow?); a plot; victims, suspects; goodies and baddies. What, however, they generally lack are character studies and, often, even a feel for place

I may not be a development economist but, as several posts this past year have emphasised, I have been in the development business all my life. Except that (a) the approach I have been drawn to has been political and institutional rather than economic; and (b) the focus has more often been local than national.

But I feel strongly that there is an underlying commonality to "development endeavours" which virtually all writers on the subject (tragically) miss - since almost everyone is corralled inside the barbed-wire fences which mark off the territories of intellectual disciplines and sub-disciplines (such as rural development, urban development, institutional development, economic development.....)

I remember first being aware of this in the late 70s - working then as I was in the field of community development and urban politics - and seeing planners, social workers and educationalists all trying to adopt a more inclusive approach to the newly-discovered problems of the marginalised urban poor but using slightly different terms....."community planning"; "community work"; "community education"

I had a curious position then on the edge of a variety of well-patrolled borders - Secretary of the majority party's Cabinet on Europe's largest local authority (SRC) but also a Lecturer at a nearby Polytechnic which was developing a new Degree structure. I had been appointed an economist but was more of a policy planner with an obvious interest in the political and organisational side of public administration - a subject rapidly going out of fashion.

After 4 years of freedom heading up a Local Government Centre, I was needed for academic work; forced to choose; opted for the Politics department; despaired of the narrowness of the curriculum I was expected to teach and hankered after the wider, inter-disciplinary focus I had been accustomed to.....and was reduced to hiding in the toilet before scurrying to the classroom to read notes to the increasingly disaffected students.....Little wonder, therefore, that I was soon pushed out.

It's not easy to reinvent oneself at age 45 but I was lucky in having what was then the modest income of a full-time Regional politician and experience which proved thoroughly marketable as a consultant when the Wall fell down in 1989. I have always been my own man - able to follow my passion - and am now so grateful that I was rescued from a miserable academic existence and able to continue to prowl forbidden borders.....

Yesterday we visited the superb Campulung-Muscel yet again - Romania's first capital with an amazing location and replete with old houses, some of which we visited.... the photograph is one of the externally-painted murals on an unknown church in what seemed the town's nicest area.....

August 2015

Our Carbon Democracy

Those of us who try to keep up with things have piles of books on the key subjects of the day - global warming, end of oil, neoliberalism or Islamic extremism. The books in each of these categories all have their particular cast of characters; storyline; prescriptions; and prejudices. But, like ships that pass in the night, they steer clear of (and rarely reference) one another.

I've just finished a rare book which aims to connect the dots between these categories - it's Carbon Democracy - political power in the age of oil (2013) and a stunning bit of work whose provocative historical insights turn upside down many of our preconceptions

The use of coal and oil in the context of industrialization has always been about who has the power to profit from the surplus these energy forms produce, but until now, no one has pulled the various historical details together into a historical narrative laying bare the fascinating power dynamics behind the rise of Western political systems and their relationship with energy. Carbon Democracy is an examination of our civilization's 400 hundred year use of carbon-based energy fueling sources, and the political systems that grew up intertwined with them. Rather than presenting energy and democracy as separate things, like a battery and a device, Mitchell discusses the political architecture of the Western world and the developing world as inherently tied to fuelling sources.

The thesis is that elites have always sought to maximize not the amount of energy they could extract and use, but the profit stream from those energy sources. They struggled to ensure they would be able to burn carbon and profit, without having to rely on the people who extract and burned it for them. Carbon-based fuels thus cannot be understood except in the context of labour, imperialism and democracy.

This book is a response to David Yergen's The Prize: The Epic Question for Oil, Money, and Power, a classic story of hardy entrepreneurs taking huge risks to find oil in the most remote places. Yergen's narrative centers on oil scarcity, and its contributions to economic growth in a capitalist framework. Oil is, to Yergen, the prize, solving the key problem of how to supply enough energy for a modern consumer society with a flexible and inexpensive fuel source.

In Carbon Democracy, Mitchell has a counterintuitive take on oil, one that after a while, makes much more sense than Yergen's. Mitchell points out that the problem of oil has never, until recently, been that it is a scarce commodity, but that it is a surplus commodity. We had too much of it. And the central problem that this created was now how to find more of it, but how to ensure that oil cartels profiting from high oil prices could make sure that very few new oil finds, especially from the massive fields in the Middle East, came online. Far from a hardy band of entrepreneurs searching for more oil, the story of oil is one of parasitic cartels manipulating governments and inventing concepts like mandates, self-determination, and national security to ensure they could retain high profits selling a widely available commodity. But Mitchell takes the story much deeper than Yergen did, because Yergen's book is fundamentally a fairy tale that skirts over questions of labor and colonialism.

Mitchell goes back before the widespread use of oil, to the industrialization of England and England's use of carbon-based fuels, like forests, peat, and coal. Industrialization demanded two seemingly contradictory factors - huge new tracts of land to grow industrial raw materials like cotton and high energy food crops like sugar, and far more centralized urban centres for manufacturing. What happened, of course, is that England simply acquired colonies with large land tracts overseas, using slave labour to harvest necessary commodities, while becoming an urban society in its core areas. Eventually, England began using coal to fuel its economy, leading to substantial economic growth and imperial strength. Coal, though, presented a challenge to the governing elites, since the characteristics of coal, with its labour intensive extraction methods, were quite vulnerable to strikes. Coal was hard to transport, and miners operated underground in a collaborative manner. Once on the surface, coal had to be moved by

fixed networks of trains. There were multiple bottlenecks here, and in the late 19th century, for the first time, the energy system of the industrialized world was reliant on workers who could withhold their labour and block a key resource. This translated directly into political power.

As Mitchell put it, "Coal miners played a leading role in contesting work regimes and the private powers of employers in the labour activism and political mobilisation of the 1880s and onward. Between 1881 and 1905, coal miners in the United States went on strike at a rate of about three times the average for workers in all major industries, and at double the rate of the next-highest industry, tobacco manufacturing." The coal industry was the key radicalizing force in bringing democracy to the Western world.....

Mitchell is a British born political scientist and student of the Arab world. He is a professor of Middle Eastern Studies at Columbia University having previously been Professor of Politics at New York University. When he arrived in the United States in 1977 to start a Ph.D. in Politics at Princeton, he was

"surprised to discover that the Politics Department at Princeton was teaching the same old positivism. I was interested in the politics of the Arab world, having traveled there several times, so I evaded political science by taking courses in Middle Eastern history and Arabic language and spent three of the next six years studying and researching in Cairo".

He's also the author of Rule of Experts - Egypt, technopolitics, modernity (2002) and it's this background which helps give his study of "Carbon Democracy" such great originality...The book has an amazing historical sweep but gives us chapter and verse on aspects of the various turning points of the developments of coal and oil in Britain and America which tend to remain hidden from view in most accounts..... And what a wonderful title - "carbon democracy" with all the connotations of institutional leger-de-main.....The excerpts are from the long review the blogsite "Naked Capitalism" gave the book in 2012

*Flowing through the narrative is the question of imperialism and neo-imperialism. A variety of ideological mechanisms, such as the **self-determination ostensibly preached by Woodrow Wilson**, were in fact ways for Western oil consuming states to control and slow the flow of oil from poorer but oil rich countries. Mitchell shows how Palestinian strikes at oil installations in the late 1930s led Britain to support a Jewish state in the area, and how American mining engineers helped craft the apartheid regime in South Africa.*

At the same time, aggressive left-wing parties in the British parliament sought to combat imperialism, because they understood that imperialism abroad was meant to break the power of British labor - in particular coal mining - at home. Mitchell pays particular attention to the negotiations of the Treaty of Versailles and the period of negotiations after World War II to set up an international management framework. The League of Nations, he writes, "was to be an economic mechanism to replace, not war between states, but its taproot - the conflict over material resources."

In addition to what would become the World Bank and IMF, Keynes wanted to establish an international body to manage commodities, including and especially oil. While no institution was ever set up to do this, a framework of national security and "the Cold War" managed to keep Middle Eastern and Russian offline for a long period of time. In addition, the oil companies used public relations to encourage a high oil consumption lifestyle in the United States, so as to keep the price of oil as high as possible. In Europe, Mitchell encourages a revised view of the Marshall plan, as a joint European and American elite plan to break European labor power. It's a particularly interesting way to interpret the rise of the European Union, one deeply at odds with thinkers like George Soros who see the EU as a success of

far sighted visionaries who sought to to build an "open society". Mitchell cites American intervention in post-WWII European economic and political arrangements as evidence.

*Three years later, after rapid inflation caused real wages to collapse, coal miners joined a series of strikes demanding that the government increase pay levels or extend food rations... Rather than yield to these claims, France and other European governments turned to the United States. **Keen to promote their new corporate management model abroad (and to have Washington subsidise their exports), American industrialists used a fear of the popularity of Communist parties in Western Europe to win support for postwar aid to Europe. 'The Communists are rendering us a great service', commented the future French prime minister Pierre Mendès-France. 'Because we have a "Communist danger" the Americans are making a tremendous effort to help us....***

The European Coal and Steel Community, established as a first step towards the political union of Europe, reduced competition in the coal industry and supported the mechanisation of production, with funds provided to alleviate the effects of the resulting pit closures and unemployment. The United States helped finance the programme, which reduced the ability of coal miners to carry out effective strikes by rapidly reducing their numbers and facilitating the supply of coal across national borders. The third element was the most extensive. The US funded initiatives to convert Europe's energy system from one based largely on coal to one increasingly dependent on oil.

The curious thing, however, for a book with "democracy" in its title, written by a political scientist and with a sub-title which includes the phrase "political power" is how little exploration we get of the implications of the end of oil for our so-called democracy. The book is very strong on the methods used to "manufacture" the "consensus" of the ruled (curiously without mentioning Chomsky!!)

3 September 2015

.....In 1975 I got the chance to shape the key strategy of Europe's largest regional authority and to manage that change strategy for the next 15 years..... From 1990 I took my "mission" of institutional change to first central Europe and then (for 7 years) to Central Asia..... In 1999 I reflected on the lessons of my work (and reading) in a 200 page book In Transit - notes on good governance which contains from page 145 my (fairly rough) notes on the literature on "management of change" I had been reading in the 90s... Then followed a decade of intensive experience and critical reflection set out in the long 2011 paper The Long Game - not the log-frame - which reflects the stage I had reached in my thinking about how to achieve institutional change "against the odds".....

These were the memories stirred by a draft book entitled How Change Happens by Duncan Green - well known development adviser and blogger - which I downloaded yesterday and read, along with a shorter 2007 paper with the same title by R Kzarnic (which is actually a very concise and comprehensive review of the relevant literature)

It has raised yet again the question which has been nagging me recently - "when will we ever learn?" Or rather "what" has been learned from all this exhortation to "change" or "develop capacities"? For 50 years the rhetoric has been "improvement", "reform".... "change for the better".....we have ridiculed those who wanted to "conserve".....

God knows I have so much sympathy for those fighting for "change" and a "better world" and the stories told in Green's book are indeed inspiring **but is it perhaps not time to pause and ask some questions about the agenda of those who have preached change - at least in the public sector???**

My own speciality has been the *process* of change - but it is the *substance* of most of the changes which is now being so seriously and widely questioned in Britain and Europe. Particularly the increased role of management and of private companies.....

We used to think it was advertising that made us such a dissatisfied people - constantly wanting "better" and "newer"....but it is also our political class which has helped create this dissatisfaction with public services and the demand for "better"....

I've always believed in what I called the "pincer" movement of change - that improving people's lives required both "bottom-up" social movement and "top-down" support from "caring dissidents" within the system....Sadly the programmes which funded me after 1990 rarely gave me the opportunity to work this strategy.....

The photo is of the famous folksinger Pete Seeger who made "When will they ever learn?" so famous

Sunday 1 November

How Change Happens

Kzarnic's paper was written in 2007 and is simply the best introduction to the topic I have come across - identifying what for him are the core approaches which the various intellectual disciplines offer to explain change - whether that change is described as "technical", "economic", "political" or "organizational". And adding some multi-disciplinary approaches for good measure....

Green's book focuses on one very small part of the picture - "people power" in poor "developing" countries, emphasizing right from the start that

Activists seeking social and political change usually focus their efforts on those who wield visible power, presidents, prime ministers and CEOs, since they hold apparent authority over the matter at hand. Yet the hierarchy of visible power is underpinned by subtle interactions among a more diverse set of players. Hidden power' describes what goes on behind the scenes: the lobbyists, the corporate chequebooks, the Old Boys Network. Hidden power also comprises the shared view of what those in power consider sensible or reasonable in public debate. Any environmentalist who has sat across the table from government officials or mainstream economists and dared to question the advisability of unlimited economic growth in a resource-constrained world will have met the blank faces that confront anyone breaching those boundaries.



I'm long enough in the tooth to have seen many times the "conventional wisdom" of everyday conversation become a forgotten tale and am constantly amazed by how easily people move from one discredited world view to another without beginning to develop some scepticism about that conventional wisdom.....

Yesterday's post tracked my own journey of discovery about "change" and power - first as a Scottish politician working **with** community groups, political colleagues, official advisers, academics and journalists; and, since 1990, as a consultant working **to** European bureaucracy and **with** Central European and Central Asian technocrats and politicians - local and national - all the time trying to keep up with the burgeoning relevant literature in fields such as "managing change", "institutional reform" and "developing capacities"

From this experience, it seems to me that there are actually four **very different bodies of thinking and writing** about "*change - and how it happens*" - each using different language and each with different audiences and loyalties.....

- **Managing Change** - the "management of change" literature was written by management consultants looking for markets and hit a peak about 15 years ago (yesterday's post gave a link to some of its insights and injunctions). The ultimate business guru book is an excellent introduction to the people and ideas on which that genre drew. Critical management studies (CMS) was an interesting (if badly written) radical academic response to the overfocus of those writings on senior business executives with power and authority.
- **People Power** - the literature of what we might call "Social change" is diverse and developing fast as the sense of crisis develops. It includes such fields as self-help, community enterprise and social movements and, for me, offers the best written and least self-serving material. Ronald Douthwaite's Short Circuit - strengthening local economies for security in an unstable world (2003) is still one of the best arguments for social enterprise. Tarrow's Power in Movement: Social Movements and Contentious Politics is a good summary of the last group. International Charities (such as Oxfam) also make an important contribution to thinking....
- **State Reform** - it's amazing to realise that Public Sector Reform (PSR) is only about 25 years old....the writings come almost exclusively from academics and consultants and either ape that of change management; or of the deconstructionists of CMS. Increasingly the literature on "change" has been coming from state bodies (national and international) such as The World Bank, OECD, Asian Development Bank, ODI etc and is addressed to senior officials, academics (and journalists?)...Its injunctions for the developed world generally boil down to the need for a smarter and leaner state;for developing countries the need for (foreign) expert input to help train "develop institutional and personal capacities".....
- **The White Heat of Technology** - everyone's great hope in the face of the environmental and financial disasters (which people have eventually understood) now face the world....We are overwhelmed by the books which all sorts of people have been pouring out in the past decade giving us the stories of the technological, economic and social forces which produced (and change) the world in which we now live.

Coincidentally, the first thing I found in this morning's surfing was a presentation by Chris Martenson's about his Crash course - a full version of which can be accessed here. That single

hour's viewing told me more than I had learned in the several hours it took me last week to read Naomi Klein's This Changes Everything.

The presentation nicely complemented last week's reading of Frederic Laloux's Reinventing Organisations - a book which has apparently been making waves in Europe. His basic argument is that the wave of the future is **joint-ownership** and his book celebrates those companies (some quite large) which have adopted that principle and identifies some of the preconditions, systems and procedures which seem to account for its success.

Another Frans Masereel woodcut
Monday 2 November

Losing the Plot

The *plebs are stirring* - and nationalist banners are flying high everywhere. Not just in Scotland, Sweden and Hungary - but now France and Turkey...

The *barbarians* didn't need to clamour at the gate - they were smuggled in to the fortress via the Trojan Horse of the Human Rights industry.....Little wonder that "The Man in the High Fortress" is playing so well - with its crude imagery of jackboot Japanese and German Fascists in the US of A

The political, professional, commercial and financial class - with all their underlings - are utterly adrift in a sea of *moral decay* with only a few outsiders able to record - in Spenglerian tones - the sad decline of the West.



Just 25 years ago politicians and intellectuals were celebrating not only the defeat of communism but "the end of history". A few dissented from this Panglossian view, reminding us of the cyclical nature of things and warned 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.....

I don't know exactly when the mood music began to change but I sense 2000 as the year - that's when the Harvard Business Review ran an article from Canadian business guru Henry Mintzberg which warned that people were mistaken to believe that it was capitalism which won in 1989 -

What triumphed in 1989 was balance. While the countries of Eastern Europe were utterly out of balance, with so much power concentrated in their public sectors, the successful countries of the West maintained a sufficient balance across their public, private, and plural sectors (usually referred to as "civil society" or the "third sector"). But a failure to understand this has been carrying many countries—east and west, north and south—out of balance ever since, as power has concentrated increasingly in their private sectors.

Most notably in the United States, likewise in the realm of globalization, many large corporations have attained positions of entitlement, justified by the prevailing dogma of our day, from economics: that greed is good, property is sacrosanct, markets are sufficient, and governments are suspect.

We have to understand that a balanced society, like a stable stool, has to rest on three solid legs: a public sector of political forces rooted in respected governments, a private sector of economic forces based on responsible businesses, and a plural sector of social forces manifested in robust communities.

A year ago Pankaj Mishra – summoning names such as Alexander Herzen, Reinhold Niebuhr, and Raymond Aron – told us that The Western Model was broken

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.

The start of 2015 saw me in reflective mood - with a post "Will this too pass?" which referred to a paper about the global crisis I had just put online which opened with a table capturing the intellectual debates of each decade since the 1930s. The first few entries give the flavour - "the end of capitalism", "the managerial revolution", "meritocracy", "the end of ideology", "revisionism" I suggested that "many who look at the table 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"

1990 was, as Mintzberg argues, a turning point when all restraints on greed and amorality were removed and my January post reflected the new pessimism -

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
- people have grown tired and cynical
- those in work have little time or energy to help them identify and act on an appropriate programme of change
- 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 "apocalyptists" (such as William Greer and Dmitry Orlov) who have confronted the collapse of industrial civilisation counsel a Candide-like "garden cultivation"

That was hardly online than the world was stunned with the cold-blooded killings in the Hebdo offices in Paris. With images of bodies of African migrants in the waters of the Western Mediterranean giving way first to those of flotillas of small boats in the Aegean and the onward treks through the Balkans and Hungary and then to the massacres on November 13 on the streets of Paris (and the lockdown of the city of Brussels), the full consequences of the "Great Game" being played in Syria by so many powers has at last brought home to many of us.....

10 December

Stand and Deliver - a new design for successful government ??

I have been reading these past 2 days an important tract which appeared last year and which pillories the state of British government - Stand and Deliver. It suggests that the performance of the British government system is so poor as to require a total overhaul and indeed formal "Treaty". The BBC gives good coverage to the author in this piece

His more radical ideas are based around bringing in new feedback systems into the working of governments. He likens government at present to a gardener planting seeds, telling people what the garden will look like but then never actually checking whether or not they have grown as planned (instead spending lots of time checking on the sharpness of a spade or the water efficiency of a hose). That is in contrast to the private sector, which checks on the outcomes of spending continually.



A similar discipline needs to come into government, he says. There has been progress with the National Audit Office, the Office for National Statistics and select committees, he says, but he wants them all brought under the umbrella of the second chamber (the House of Lords at the moment) becoming a "Resulture" able to score policies and kill off those ones which are not working.

I call this a "tract" since it is not the normal "run of the mill" academic, political or technocratic treatise. Its author is thoroughly familiar with the political and technocratic worlds (less so the academic) and is very angry with what he has experienced.....

So it is a very individual take on the British system of government - despite his consultancy experience in other countries and his emphasis on the need for "benchmarking", only the Swiss system really seems to rate for him (and the Canadian experience of health reform).

My first reaction as I read the opening pages was to try to remember when I had last read such a diatribe.....

- Simon Jenkins' "Accountable to None - the Tory Nationalisation of Britain" (1996) and Thatcher and Sons (2006) were both powerful exposes of the excesses of the 1979-2006 governments;
- Christopher Foster's British Government in Crisis (2005) was more measured and brought his particular rich blend of academia and consultancy.
- It took a search of the latter's book to remind me of the title and author of the famous expose of civil service waste which had first attracted Margaret Thatcher's attention - Leslie Chapman's Your Disobedient Servant (1979).
- And 2005 saw the launching of the Power Inquiry into the discontents about British government.....

Oddly, however, none of these books appear in Straw's three page and rather idiosyncratic bibliography (nor a clutch of recent books on government "failure").

The book itself promises to give an "organisational" rather than political take on the subject - which suited me perfectly as this has been my perspective since I first went into "government" (local) in 1968 - absorbing the more radical challenge to hierarchies and power.....

Faced in turn with the challenge in 1975 of becoming one of the senior figures on the new Strathclyde Region, I used my position to develop more open and inclusive policy-making processes - extending to junior officials and councillors, community activists.

With a huge Labour majority we could afford to be generous to any opposition! And, even under Thatcher, the Scottish Office Ministers were conciliatory - "partnership" was the name of the game we helped develop and was most evident in the success of the "Glasgow" revival.

Straddling the worlds of academia and politics, I was able to initiate some important networks to try to effect social change

It was this experience of cooperating with a variety of actors in different agencies I took with me when I opted in 1990 to go into consultancy work in central Europe - to help develop the different sort of government capacity they needed there.....then, for 8 years in Central Asia. I was lucky in being allowed to operate there to take advantage of "windows of opportunity" and not be hogbound with the stupid procurement rules...but I became highly critical of the EC development programme as you will see in this 2011 paper The Long Game - not the Logframe

Throughout this entire 45 year-period, I have been keeping up with the literature on change and public management - so am intrigued by this book of Ed Straw's which promises to bring an organisational perspective to the frustrations we all have with government systems.....

It was published more than a year ago; has a dedicated website but, from my google search, seems to have gone down like a lead balloon.

I have chosen the following questions to use in my assessment of the book -

- "resonating" with the times?
- a "convincing" argument?
- demonstrated "feasibility"?
- opposition identified?
- sources of support?

"Stand and Deliver" is an angry book - which reflects the public's loss of trust in the political system.....

It has attracted surprisingly few reviews so let me start with the BBC coverage which, as you would expect, is simply a summary of the book's blurb they were given -

The thrust of Ed Straw's book is that the current system of government is too adversarial, fails to include any feedback on whether policies have succeeded, gives little choice to voters and suffers from a civil service which hampers politicians' attempts to get things done. "Between elections, the places where power resides are the news media running their various agendas, good and bad, political and business - large companies and industries with expert preferential lobbyists and party funders, dealing with a political and civil service class mostly ignorant of their business," he says.



He says governments "limp on with a mixture of muddle, error, howlers and the occasional success" and politicians "rarely work out before getting power that it's bust". He says he has come to the conclusion that the civil service cannot be reformed on its own, because reform would involve transferring more power to the government, which would "make it worse because they have too much power already".

So his solution is a revamp of the whole system of government.

The better-known reforms that he wants to see include proportional representation and state funding of political parties - with a ban on large donations - to promote competition among parties and make sure that individuals or interests cannot buy influence.

Swiss-style referendums would be held on a more regular basis, while governments would be limited to four-year terms and prime ministers not allowed to serve more than eight years (to stop the "autocracy cap" where a leader with pretty much unchecked power becomes autocratic and "wants to stay for ever because you can't imagine life without that power").

His more radical ideas are based around bringing in new feedback systems into the working of governments. He likens government at present to a gardener planting seeds, telling people what the garden will look like but then never actually checking whether or not they have grown as planned (instead spending lots of time checking on the sharpness of a spade or the water efficiency of a hose). That is in contrast to the private sector, which checks on the outcomes of spending continually.

A similar discipline needs to come into government, he says. There has been progress with the National Audit Office, the Office for National Statistics and select committees, he says, but he wants them all brought under the umbrella of the second chamber (the House of Lords at the moment) becoming a "Resulture" able to score policies and kill off those ones which are not working.

The civil service would be radically revamped with it retaining a smaller administrative role, but in other areas there would no longer be a permanent civil service. Instead specialists with knowledge of, say, the railways, would be brought in to contract, manage and regulate that industry.

Ed Straw says that his application of organisational theory onto how the UK government works is unique. He has also strong views on the Labour Party's structure. He says a lot of Labour's problems could have been avoided if they had a better process for challenging or replacing a leader, saying the Conservative system is

much more efficient. It would have allowed Mr Blair to be removed before the 2005 election, for Gordon Brown to have gone within a year of taking office and John Smith to have led Labour in 1992 rather than Neil Kinnock, he says. But whatever the changes within parties, he says that successive governments have shown that nothing much will change without the wider reforms he is suggesting.

Most Brits will find all of this very acceptable....although I personally am a bit disappointed that his book doesn't make any reference to the voluminous "What's Wrong with British Government" literature.

- Chris Foster (academic, government adviser and fellow PWC consultant) wrote in 2005 an important paper Why we are so badly governed - an enlarged version of which can be found in his book of the same year British Government in Crisis
- Kate Jenkins was an active participant in the changes of the 1990s and wrote an important book in 2007 about her work Politicians and Public Services which is admittedly more descriptive.
- But others - such as John Seddon - have offered a more systemic approach - and
- most British Think Tanks at one time or another have written critiques containing fairly radical proposals for change in the government system.

So it would have been useful to get from Straw an indication of exactly how his approach differs from others. But all we get is a short sentence saying his approach is "unique"!

Apparently this is because his is an "an organizational perspective" (page 10) But what exactly does he mean by this?

He seems to mean the "contestability" brought by competition between commercial companies (when it is allowed to exist) thereby **raising a couple of critical questions** - the first being the hoary question which occupied some of us in the 1980s - the extent to which it was possible to apply the same management principles in public and commercial organisations. One the Professors on my MSc programme wrote one of the classic articles on this - with a strong warning about the scale of the difference between the two contexts and their measures ("profit" and "public interest")

The second question is - Has the contestability factor not been at the heart of New Public Management (NPM) which the UK has had for the past 20-odd years?

Ed Straw has been a senior partner in the Price Waterhouse Cooper (PWC) Management Consultancy for many years - and gave evidence to the British Parliament's Select Committee on Public Administration in 2005 which included strong support, for example, for the privatization of the Prison Service...and talked loosely about the need for further "politicization" of the Civil Service. In the name of "accountability".....

His Demos pamphlet of the same year - The Dead Generalist (2005) - spelled out in more detail what he meant. Apparently he wants more contestability....but his book is not happy with NPM - on page 36 he says simply that "the developers of NPM omitted some essential components of the original conception".

On the same page he refers to the

"countless diagrams attempting to represent the unified field theory of public sector reform developed in central units like the Prime Minister's Strategy Unit and Delivery Unit from international management consultancies.....some are worth reading and some so limited as to be aberrant".

And that's it! He divulges no more - except to tell us to read Norman Dixon's "On the Psychology of Military Incompetence" (1976), Peter Drucker, Charles Handy, Michael Porter, Peter Senge and 3 others I have only vaguely heard of....So what are the essential components of the NPM model which the British designers missed? We're not told....

After at least ten years musing and writing on such matters, I would have expected more.....

footnote; the subtlety of the book's main title may be lost on some of my foreign readers - it is the demand that came from the highway robbers of the past when stopping stage-coaches - "deliver your valuables....." But "delivery" (implementation) is also the bit of policy-making which governments (let alone consultants) have been identifying for decades as the key weakness of the government process

May 2015

You have nothing to lose but your Chain.....-link Fences

The last few posts may have appeared to have had different themes but, I realise, were linked to the basic difficulty we seem these days in establishing common ground about the state of our societies/systems - or agreeing actionable programmes of change.

I mentioned the failure of Ed Straw's book to mention - let alone begin to analyse - the important contributions which have come from other consultants/academics about the sad state of the machinery of British government. Everyone - left/right; Ministers/civil servants; Think Tanks/consultants/ economists/ sociologists/ political scientists - has their own narrative - and all talk past one another.....and the citizen...

Almost no one tries to establish a common denominator about this - let alone alliances.

I appreciate that this is perhaps more of an Anglo-American thing than European - where there is broader acceptance of the need for negotiation and coalition.

But the academic specialisation which Scialabba was talking about - plus the niche marketing which the various experts (their institutions and publishers) are compelled to take part in in order to make any impact in the modern Tower of Babel we all now inhabit - has also affected the "consensual" aspect of European society....We are confused and cynical.....

A couple of books which were delivered just a few hours ago make the point - Governing Britain: Power, Politics and the Prime Minister was published in 2013 by a well-known British academic (Patrick Diamond) and is the detailed story of how New Labour tried to modernise the machinery of government over its 13 years. Who Governs Britain? is a short book published this year by one of the doyens of British political science (Anthony King) and explores the question whether "our system of government is fit for purpose".

Both books have copious indexes and bibliographies which I immediately checked for mention of the books of practical men such as Ed Straw or John Seddon. What do I find?

- No mention of these two - although Chris Foster (with an academic background) does rate 2 entries in Diamond's book.

- Michael Barber (Tony Blair's Education guru and the inventor of "deliverology") is the only significant change-agent to get real space in Diamond's book.
- The important Power Inquiry of 2005-2010 oddly gets no mention in King's book and only 2 references in Diamond's index.
- Democratic Audit's satirical The Unspoken Constitution (2009) which gives us a very pointed critique of the concentration of irresponsible power of the British system is, of course, totally ignored.

What conclusion do I draw from this? Simply that academics reference only one another (within their own narrow discipline) - and disdain to mention the outputs of mere practitioners (if they even bother to read them).

And practitioners (civil servants/politicians) don't have the temperament or patience to read and distill what the academics write.

Consultants, journalists and Think-Tankers, however, are the sort of intermediaries who should be capable of selection and summary - but have their own interests, disdain most writing (Think-Tankers being an exception) and bring instead their particular brand of snake oil.....

One of the (few) heartening sections of Naughton's book about the Internet is his chapter on the "media eco-system" in which he produces several case-studies of the upstaging of the mainstream media by bloggers who had more specialized knowledge than the journalists.

There are an increasing number of (older) bloggers who have the time and inclination to challenge what the power elites are doing - but they have to network more - and sharpen their message.

Perhaps my contribution is to try to identify those who are working in my field(s)....and try to get more of them working together and developing a higher profile???

Coincidentally, another book in the packet which arrived this afternoon offers an approach which might help pull ourselves out of our confusion - Ben Ramalingham's Aid on the Edge of Chaos which applies systems theory to a range of complex problems faced in most parts of the world.

Saturday, May 30, 2015

Last Sunday's blogpost - before the Trump victory which was so obvious for those with eyes to see - focussed on populism and on the rage which one finds in Europe and northern Europe. Bernie Sanders was a self-confessed socialist but such was the people's rage and need for a champion that they were somehow able (even with America's visceral hatred for the word) to take that in their stride.....

The same was true of Trump - the precariat and the left-behind whites forgave him his offensiveness (even relishing his political un-correctness) since he shared and championed their revulsion of free trade and movement of labour

Scales are beginning to fall from some eyes as the bubble in which the media lives (in their own company and that of the elites) is exposed - with few journalists having bothered to survey life in small-town America. John Harris, with Gary Younge, one of the few who bothered, used a wonderful phrase about "[a fatal detachment from the place where politics is actually played out](#)"

We know about the trivialisation of politics but have not quite fathomed perhaps the extent to which even the "higher" journalism indulges in it, with its fixation on personalities rather than issues. Citizens may not be policy geeks but they are experts in the problems/issues they see and feel around them.....

There are two articles I would urge people to read who wish to have a depth understanding of what is currently going on - first [Glenn Greenwald's piece of 9 November](#) -

The parallels between the U.K.'s shocking approval of the Brexit referendum in June and the U.S.'s even more shocking election of Donald Trump as president Tuesday night are overwhelming. Elites (outside of populist right-wing circles) aggressively unified across ideological lines in opposition to both. Supporters of Brexit and Trump were continually maligned by the dominant media narrative (validly or otherwise) as primitive, stupid, racist, xenophobic, and irrational.

In each case, journalists who spend all day chatting with one another on Twitter and congregating in exclusive social circles in national capitals — constantly re-affirming their own wisdom in an endless feedback loop — were certain of victory.

Afterward, the elites whose entitlement to prevail was crushed devoted their energies to blaming everyone they could find except for themselves, while doubling down on their unbridled contempt for those who defied them, steadfastly refusing to examine what drove their insubordination.

But the article which really helped connect the dots for me was this long one a few weeks ago in The Atlantic titled [How Democrats killed their Populist soul](#). I've read a lot about the "neo-liberal capture" of our political and government institutions but this is the single article that helped me understand (a) how crucial in the post-war period was the continuing commitment to anti-monopoly policies; (b) how the "Watergate babies" broke that in 1975 in the post-Vietnam and Nixon eras; and (c) the role played in that break by such writers as Lester Thurow and even the great JK Galbraith...

Basically that's when the pass was sold on globalisation and equality; that's when my generation lost the commitment to small-town civilisation....

In a future post, I hope to expand on that.....

1979 is the year people point to as the critical date when the certainties of the immediate post-war period ended - with the election of Margaret Thatcher (and her ally Ronald Reagan a year later); and the overthrow of the Iranian Shah and arrival of theocracy...But it was, arguably, a few years earlier that the tectonic plates moved when [Nixon \(in 1971\) renounced dollar convertibility](#); and when (in 1973) the [oil crisis shook the developed world](#)

The significance of my last post is that the story it tells of a world collapsing in the mid 1970s and the arrival in Washington in 1975 of a new generation of politicians - "[the Watergate Babies](#)"....who considered those who had borne the Democrat's flag for the previous decades as "old-fogies" who no longer deserved a place in power.....

I was part of that same generation - my first taste of power was indeed 1968 (as a town councillor and quickly a committee chairman) - although I was also holding down a position as an academic (until 1985) which gave me the opportunity to absorb the new thinking about political economy and public economics which was then being articulated in the States. Social science was still new then - and economists still few in number. We had, sadly, a certain arrogance about the new tools at our disposal and toward our elders.....Tony Crosland had been my hero - "The Future of Socialism" which followed James Burnham in arguing that management rather than ownership was the issue had been published in 1956.....

I vividly remember the words which came from my mouth at my inaugural meeting as Chairman in 1968 with an experienced Director - suggesting I could bring to our partnership a managerial experience which was at that stage entirely theoretical!!!

-The [Atlantic article gives a wonderful sense](#) of the intellectual mood which was around then - it starts with the newly-elected young Democrats targeting in 1975/76 one of the great stalwarts of the Democrat party, Wright Patman, who represented the proud [tradition of American populism](#)-

In 1974, young liberals did not perceive financial power as a threat, having grown up in a world where banks and big business were largely kept under control. It was the government—through Vietnam, Nixon, and executive power—that organized the political spectrum. suspicion of finance as a part of liberalism had vanished. Over the next 40 years, this Democratic generation fundamentally altered American politics.

They [restructured](#) "campaign finance, party nominations, government transparency, and congressional organization." They took on domestic violence, homophobia, discrimination against the disabled, and sexual harassment. They jettisoned many racially and culturally authoritarian traditions. They produced Bill Clinton's presidency directly, and in many ways, they shaped President Barack Obama's.

The result today is a paradox. At the same time that the nation has achieved perhaps the most tolerant culture in U.S. history, the destruction of the anti-monopoly and anti-bank tradition in the Democratic Party has also cleared the way for the greatest concentration of economic power in a century. This is not what the Watergate Babies intended when they dethroned Patman as chairman of the Banking Committee. But it helped lead them down that path. The story of Patman's ousting is part of the larger story of how the Democratic Party helped to create today's shockingly disillusioned and sullen public, a large chunk of whom is now marching for Donald Trump.....

In 1936, Wright Patman authored the Robinson-Patman Act, a pricing and antitrust law that prohibited price discrimination and manipulation, and that finally constrained the A&P chain store—the Walmart of its day—from gobbling up the retail industry. He would go on to write the Bank Secrecy Act, which stops money-laundering; defend Glass-Steagall, which separates banks from securities dealers; write the Employment Act of 1946, which created the Council of Economic Advisors; and initiate the first investigation into the Nixon administration over Watergate.

Far from being the longwinded octogenarian the Watergate Babies saw, Patman's career reads as downright passionate, often marked by a vitality you might see today in an Elizabeth Warren—as when, for example, [he asked](#) Fed Chairman Arthur Burns, "Can you give me any reason why you should not be in the penitentiary?"Patman was also the beneficiary of the acumen of one of the most influential American lawyers of the 20th century, Supreme Court Justice Louis Brandeis. In the 1930s, when Patman first arrived in Washington, he and Brandeis became friends. While on the Court, Brandeis even secretly wrote legislation about chain stores for Patman. Chain stores, like most attempts at monopoly, could concentrate wealth and power, block equality of opportunity, destroy smaller cities and towns, and turn "independent tradesmen into clerks." In 1933, Brandeis wrote that Americans should use their democracy to keep that power in check. Patman was the workers' and farmers' legislative hero; Brandeis, their judicial champion.

....Brandeis did for many New Dealers what he did for Patman, drafting legislation and essentially formalizing the populist social sentiment of the late 19th century into a rigorous set of legally actionable ideas. This philosophy then guided the 20th-century Democratic Party. Brandeis's basic contention, built up over a lifetime of lawyering from the Gilded Age onward, was that big business and democracy were rivals. "We may have democracy, or we may have wealth concentrated in the hands of a few," he said, "but we can't have both." Economics, identity, and politics could not be divorced, because financial power—bankers and monopolists—threatened local communities and self-government. This use of legal tools to constrain big business and protect democracy is known as anti-monopoly or pro-competition policy.

.....J.P. Morgan's and John D. Rockefeller's encroaching industrial monopolies were part of the Gilded Age elite that extorted farmers with sky-high interest rates, crushed workers seeking decent working conditions and good pay, and threatened small-business independence—which sparked a populist uprising of farmers, and, in parallel, sparked protest from miners and workers confronting newfound industrial behemoths.

In the 20th century, Woodrow Wilson authored the Federal Trade Commission Act, the Federal Reserve Act, and the anti-merger Clayton Act, and, just before World War I intervened, he put Brandeis on the Supreme Court. Franklin Delano Roosevelt completed what Wilson could not, restructuring the banking system and launching antitrust [investigations](#) into "housing, construction, tire, newsprint, steel, potash, sulphur, retail, fertilizer, tobacco, shoe, and various agricultural industries." **Modern liberals tend to confuse a broad social-welfare state and redistribution of resources in the form of tax-and-spend policies with the New Deal. In fact, the central tenet of New Deal competition policy was not big or small government; it was distrust of concentrations of power and conflicts of interest in the economy.**

.....Underpinning the political transformation of the New Deal was an intellectual revolution, a new understanding of property rights. In a 1932 campaign speech known as the Commonwealth Club Address, FDR defined private property as the savings of a family, a Jeffersonian yeoman-farmer notion updated for the 20th century. By contrast, the corporation was not property. Concentrated private economic power was "a public trust," with public obligations, and the continued "enjoyment of that power by any individual or group must depend upon the fulfillment of that trust." The titans of the day were not businessmen but "princes of property," and they had to accept responsibility for their power or be restrained by democratic forces. The corporation had to be fit into the constitutional order.

....New Deal fears of bigness and private concentrations of power were given further ideological ammunition later in the 1930s by fascists abroad. As Roosevelt put it to Congress when [announcing](#) a far-reaching assault on monopolies in 1938: "The liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is fascism." In 1947, Patman even commissioned experts to publish a book titled *Fascism in Action*, noting that fascism as a political system was the combination of extreme nationalism and monopoly power, a "dictatorship of big business."

This basic understanding of property formed the industrial structure of mid-20th-century America and then, through its trading arrangements, much of the rest of the world. Using this framework, the Democrats broke the power of bankers over America's great industrial commons. To constrain big business and protect democracy, Democrats used a raft of anti-monopoly, or pro-competition, policy to great effect, leading to vast changes: The Securities and Exchange Commission was created, the stock exchanges were regulated, the big banks were broken up, the giant utility holding companies were broken up, farmers gained government support for stable agricultural prices free from speculation, and the chain stores were restrained by laws that blocked them from using predatory pricing to undermine local competition (including, for instance, competition from a local camera store in San Francisco run by a shopkeeper named Harvey Milk).

The Democrats then extended this globally, through the International Monetary Fund, World Bank, and NATO—even as the United States simultaneously used that decentralization to mobilize local communities around the world against the Soviet threat. For example, when General Douglas MacArthur led the Allied occupation of Japan at the end of World War II, key parts of his economic plan included importing the Glass-Steagall Act and antitrust laws into Japan. Back home, Democrats poured government financing into science, and they [forced AT&T, RCA, and DuPont](#) to license their treasure troves of patents so that small businesses could compete and so that the scientific discoveries of the corporate world couldn't be locked away. Eventually, strong competition policy gained a bipartisan consensus, and the idea that anyone would allow concentrations of private power to dominate U.S. politics seemed utterly foolish.

Amnesia

Most of the material I come across about political economy is pretty abstract – individuals rarely figure (except those such as Thatcher, Reagan and Hayek) – rather forces...(such as neo-liberalism or globalisation). The material lacks what the literature has taken to calling “agency” ie actors who cause things to happen; or a narrative about how exactly these individuals achieved the changes being described.

I am serialising an edited version of the article about the “Watergate Babies” simply because it restores “agency” to the narrative. It shows that things are not pre-determined but come from human choices..... I remember the Johnson Presidency – the literature on the “War on Poverty” (particularly [Dilemmas of Social Reform](#) by Peter Marris and Martin Rein; [Blaming the Victim](#) by W Ryan; [Rules for Radicals](#) by Saul Alinsky) and was duly influenced by such writings of JK Galbraith as [The New Industrial State](#)..

This next part of the edited article reminds us of the context in which the new elements in the Democrat Party changed focus; and the intellectual sources they drew on in a changed narrative....

How the thinking changed

.....After Humphrey's loss to Nixon in 1968, Democrats formed the Commission on Party Structure and Delegate Selection, also known as the McGovern-Fraser Commission, which sought to heal and restructure the party. With the help of strategist Fred Dutton, Democrats forged a new coalition. By quietly cutting back the influence of unions, Dutton [sought to eject](#) the white working class from the Democratic Party, which he saw as “a major redoubt of traditional Americanism and of the antinegro, antiyouth vote.” The future, he argued, lay in a coalition of African Americans, feminists, and affluent, young, college-educated whites. In 1972, George McGovern would win the Democratic nomination with this very coalition, and many of the Watergate Babies entering office just three years later gleaned their first experiences in politics on his campaign.

.....Meanwhile, by 1970, both civil society and large American institutions seemed out of control. The National Guard shot antiwar protesters at Kent State, showing that the fissures over Vietnam were only getting worse. The Penn Central railroad had collapsed in the largest bankruptcy in U.S. history. Corrupt corporate executives mismanaged the nation's train system under an outdated regulatory system. Inflation was spiraling upward, and the ongoing corporate problems of important institutions—such as Pan Am and Chrysler—were becoming more and more evident. Plus, Japanese imports began displacing American jobs.

But the new political class didn't pin the blame for social and economic problems solely on Wall Street or corporate management—as populists like Patman did—but on a broader malaise. In 1974, Charlie Peters, the publisher of the hot new magazine *The Washington Monthly*, wrote: “Yesterday, Penn Central. Today, Pan Am. Tomorrow? The American system is in trouble and we all know it.” Inflation and a wave of corporate problems intermingled, indistinguishable from the claims of the counterculture. “We've grown fat and sloppy,” Peters

continued. "General Motors and the Post Office each have over 700,000 employees. One turns out lemons. The other loses packages ... The old organizations—public or private—simply aren't doing the job."

A key influence

.....And the most important architect of this intellectual counterrevolution, the one who engaged in a direct assault on traditional anti-monopoly policy, was the libertarian legal scholar Robert Bork. His book *The Antitrust Paradox* undermined the idea of competition as the purpose of the antitrust laws. Monopolies, Bork believed, were generally good, as long as they delivered low prices. A monopoly would only persist if it were more efficient than its competitors. If there were a company making super-charged monopoly profits, bankers would naturally invest in a competitor, thus addressing the monopoly problem without government intervention. Government intervention, in fact, could only hurt, damaging efficient monopolies with pointless competition and redundancy. In an era of high prices, a theory focused on price seemed reasonable.....

On the Democratic Party's left, a series of thinkers agreed with key elements of the arguments made by Jensen, Stigler, and Bork. The prominent left-wing economist John Kenneth Galbraith argued that big business—or "the planning system" as he called it—could in fact be a form of virtuous socialism. Their view of political economics was exactly the opposite of Patman's and the other populists. Rather than distribute power, they actively sought to concentrate it. Galbraith for instance cited the A&P chain store, which, rather than the political threat Patman had decried, Galbraith declared should be recognized as a vehicle for consumer rights and lower prices. His theory was called "countervailing power." Big business was balanced by those subject to it: big government and big labor. Inserting democracy into the commercial arena itself through competitive markets was "a charade" and "the last eruption of the exhausted mind." Anti-monopoly measures had never worked; they were a "cul-de-sac" for reformist energy, leading away from the real solution of public ownership of industry.

For younger Democrats, the key vector for these ideas was an economist named Lester Thurow, who organized the ideas of Galbraith, Stigler, Friedman, Bork, and Jensen into one progressive-sounding package. In an influential book, [TheZero-Sum Society](#), Thurow proposed that all government and business activities were simply zero-sum contests over resources and incomes, ignoring the arguments of New Dealers that concentration was a political problem and led to tyranny. In his analysis, anti-monopoly policy, especially in the face of corporate problems was anachronistic and harmful. Thurow essentially reframed Bork's ideas for a Democratic audience.

.....Henceforth, the economic leadership of the two parties would increasingly argue not over whether concentrations of wealth were threats to democracy or to the economy, but over whether concentrations of wealth would be centrally directed through the public sector or managed through the private sector—a big-government redistributionist party versus a small-government libertarian party. Democrats and Republicans disagreed on the purpose of concentrated power, but everyone agreed on its inevitability. By the late 1970s, the populist Brandeisian anti-monopoly tradition—protecting communities by breaking up concentrations of power—had been air-brushed out of the debate. And in doing so, America's fundamental political vision transformed: from protecting citizen sovereignty to maximizing consumer welfare.

Early spotting of neoliberalism in the Democrats' society

.....In 1982, journalist Randall Rothenberg noted the emergence of this new statist viewpoint of economic power within the Democratic Party with an Esquire [cover story](#), "The Neoliberal Club." In that article, which later became a book, Rothenberg profiled up-and-coming Thurow disciples like Gary Hart, Bill Bradley, Bill Clinton, Bruce Babbitt, Richard Gephardt, Michael Dukakis, Al Gore, Paul Tsongas, and Tim Wirth, as well as thinkers like Robert Reich and writers like Michael Kinsley. These were all essentially representatives of the Watergate Baby generation. It was a prescient article: Most Democratic presidential candidates for the next 25 years came from this pool of leaders. Not all Watergate Babies became neoliberals, of course. There were

populists of the generation, like Waxman and Miller, but they operated in an intellectual environment where the libertarian and statist thinkers who rejected Brandeis shaped the political economy.

.....In their first five years, the 1975 class of Democrats categorically realigned American politics, ridding their party of its traditional commitments. They released monopoly power by relaxing antitrust laws, eliminating rules against financial concentration, and lifting price regulations.

The Watergate babies accepted Reagan's demolition of controls

When Reagan came into office, one of his most extreme acts was to eliminate the New Deal anti-monopoly framework. He continued Carter's deregulation of finance, but Reagan also stopped a major antitrust case against IBM and adopted Bork's view of antitrust as policy. The result was a massive merger boom and massive concentration in the private sector. The success of the Watergate Baby worldview over the old populists can be seen in what did not happen in response to this quiet yet extraordinarily radical revolution: There was no fight to block Reagan's antitrust restructuring. He reversed the single most important New Deal policy to constrain concentrations of economic and political power, and... nothing. Antitrust was forgotten, because no one was left to fight for it.

..... And in response to the end of the Cold War, the administration restructured the defense industry, shrinking the number of prime defense contractors from 107 to five. The new defense-industrial base, now concentrated in the hands of a few executives, stopped subsidizing key industries. The electronics industry was soon offshored.....

A West Wing generation learned only Watergate Baby politics, never realizing an earlier progressive economic tradition had even existed.

Next

rigged

By 2008, the ideas that took hold in the 1970s had been Democratic orthodoxy for two generations. "Left-wing" meant opposing war, supporting social tolerance, advocating environmentalism, and accepting corporatism and big finance while also seeking redistribution via taxes. The Obama administration has been ideologically consistent with the Watergate Babies' rejection of populism. Modern liberal political culture epitomizes Dutton's ideas.....

Dealing with a financial collapse in the early years of his administration, Obama's political-economic framework supported concentrated yet regulated financial power. From 2009 to 2010, the administration prioritized the stability of a concentrated financial system over risking an attempt to end the foreclosure wave threatening the American housing market. In the last seven years, another massive merger boom has occurred, with concentrations accruing in the hospital, airline, telecommunications, and technology industries. Progressive corporations like Google are key pillars of a cosmopolitan liberal culture.

This is the world of the Watergate Babies and the libertarian and statist thinkers who shaped their intellectual understanding of it.

But what intellectuals like Thurow, Galbraith, Greenspan, Bork, and so forth didn't foresee was political disillusionment on a vast scale. In 2014, for example, voting rates in some states dropped to levels [unseen since the 1820s](#) (when property-franchise laws were in force). Meanwhile, American soldiers once again find themselves in a quagmire; this time, in the Middle East. Despite their best efforts, U.S. institutions seem as out-of-control and ungovernable as they did when the 1975 class came into office.

For most Americans, the institutions that touch their lives are unreachable. Americans get broadband through Comcast, their internet through Google, their seeds and chemicals through Monsanto. They sell their grain through Cargill and buy everything from books to lawnmowers through Amazon.

Open markets are gone, replaced by a handful of corporate giants. Political groups associated with Koch Industries have a larger budget than either political party, and there is no faith in what was once the most democratically responsive part of government: Congress. Steeped in centralized power and mistrust, Americans must now confront Donald Trump, the loudest and most grotesque symbol of authoritarianism in politics today.

"This," [wrote](#) Robert Kagan in The Washington Post, "is how fascism comes to America." The nation is awash in commentary and fear over the current cultural moment. "America is a breeding ground for tyranny," [wrote](#) Andrew Sullivan in New York magazine.

Yet, Trump's emergence would not be a surprise to someone like Patman, or to most New Dealers. They would note that the real-estate mogul's authoritarianism is not new in American culture; it is ubiquitous. It is consistent with how the commercial sphere has developed since the 1970s. Americans feel a lack of control: They are at the mercy of distant forces, their livelihoods dependent on the arbitrary whims of power. Patman once attacked chain stores as un-American, saying, "We, the American people, want no part of monopolistic dictatorship in ... American business." Having yielded to monopolies in business, the nation must now face the un-American threat to democracy Patman warned they would sow.

Democrats' Amnesia

Americans have forgotten about the centuries-old anti-monopoly tradition that was designed to promote self-governing communities and political independence. The Watergate Babies got rid of Patman's populism for a lot of reasons. But there was wisdom there.

....For decades after World War II, preventing economic concentration was understood as a bulwark against tyranny. But since the 1970s, this rhetoric has seemed ridiculous. Now, the destabilization of political institutions suggests that it may not have been. Financial crises are a regular feature of the U.S. banking system, and prices for essential goods and services reflect monopoly power rather than free citizens buying and selling to each other. Americans, sullen and unmoored from community structures, are turning to rage, apathy, protest, and tribalism, like white supremacy.

Ending the threat of authoritarianism is not a left-wing or right-wing problem, and the solution does not reside in building a bigger or a smaller government. Restoring political stability means structuring society's public and corporate institutions so they can be governed by human beings and communities. It means protecting the property rights of citizens and not confusing property with arbitrary tollbooths erected by tech billionaires. And it means understanding that protecting competitive markets and preventing concentrations of power are essential components of democracy.

Fortunately, Americans are beginning to remember what was once lost. Senator Elizabeth Warren often sounds like she's channeling Wright Patman. Senator Bernie Sanders stirred enormous enthusiasm in a younger generation more in touch with their populist souls. Republicans even debated putting antitrust back in their

party platform. President Obama has begun talking about the problem of monopolies. Renata Hesse, the head of the government's antitrust division, recently gave a blistering speech repudiating Bork's corporatist ideas. And none other than Hillary Clinton, in an October 3, 2016, speech on renewing antitrust vigor, noted that Trump, while a unique figure, also represents the "[broader trends](#)" of big business picking on the little guy.

Restoring America's anti-monopoly traditions does not mean rejecting what the Watergate Babies accomplished. It means merging their understanding of a multicultural democratic society with Brandeis's vision of an "industrial democracy." The United States must place democracy at the heart of its commercial sphere once again. That means competition policy, in force, all the time, at every level. The prevailing culture must be re-gearred, so that the republic may be born anew.

Summing up

PART IV WHAT IS TO BE DONE?

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, management Modernisation of society Participation critique of professionals	R Ackoff, Peter Drucker 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 populism	Everyone J Stiglitz M Blyth D Dorling, Wilkinson and Pickett, T Pikety ???
present	The commons Post-capitalism Populism	J Rifkin, P2P P Mason Werner-Mueller

Source; RG Young

What is to be Done?

1. Another dog which doesn't bark
2. What does this tell us - about books about the crisis?
3. Round up the usual suspects
4. Get yourself a decent typology!
5. Small is still Beautiful
6. Fightback
7. The Common Sense of Visionaries
8. A typology

1. Another dog which doesn't bark

I find it odd that few of the books about the "global crisis" actually come from the specialists whom one would expect to have the most to say about it - ie political or economic academics - My father's generation 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.

[Howard Davies and Robert Skidelsky](#) have written about the financial crisis - the first of whom looked briefly at 39 possible explanations (!!). 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 to 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. Only 2 of these writers could be designated an academic (Skidelsky and Varoufakis).

In this first section I want to introduce some of what I regard as the key writing of the past 25 years about what was clearly a "global crisis" before the financial collapse of 2007/08 - and in that to prove the point about the irrelevance of academic specialists

Henry Mintzberg is a (Canadian) management guru whose [Rebalancing Society - radical renewal beyond left, right and centre](#) (2014) 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 remember 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 warned then, lead to the same disease of communist societies.

He has [an interview about the pamphlet here](#). His original piece is in this useful collection of thoughts about [The Corporation of the Future](#).

David Harvey - whose [A Brief History of Neoliberalism](#) (2005) and "[The Enigma of Capital](#); and the crises of capitalism" (2010) have long been "must-reads" in this field - is actually a geographer! And the best stuff on the role of pension funds (and how they might be changed) is by a Marxist intellectual not associated with academia - [Robin Blackburn](#).

Peter Barnes published in 2006 a thoughtful critique and alternative vision - [Capitalism 3.0](#) - based on his experience as an entrepreneur. All 200 pages can be downloaded from this internet link.

Paul Kingsnorth, Bill McKibben, George Monbiot, Paul Mason and Naomi Klein are just a few of the many campaigning journalists - Bill McKibben's writings are inspirational- eg [Deep Economy: Economics as if the World Mattered](#)

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.

Will Hutton is also 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. His [How Good We Can Be](#) (not to be confused with [As Good as it Gets!](#)) is the latest of the series of books which Hutton has been writing on the DNA of Anglo-American capitalism since "The State We're In" (1995) and [Them and Us](#) (2010)

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

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.

The only UK academic I know who has written blunt analyses about the nature of our political system is the political development scientist - [Colin Leys](#) - whose time in Africa has clearly given him an important perspective his British academic colleagues lack (with the possible exception of Peter Mair).

Sheldon Wolin is another rare political scientist who, after his retirement in his 80s, stunned us with a powerful blast at the American system - [Democracy Incorporated - managed democracy and the specter of inverted totalitarianism](#) (2008)

Sociologists are the masturbators par excellence - although **Olin Wright** is an honourable exception with his recent ["Envisioning Realistic Utopias"](#) (2009) from the USA.

Other challenging stuff comes in America from **speculators like Nassim Taleb and George Soros** - although Nobel-winning **Joseph Stiglitz** is an enfant terrible of the Economics profession and of World Bank and IMF policies there.

Of course all this reflects the economic structure of the knowledge industry - with rewards going to ever-increasing specialisation (and mystification) - and, more recently, the binding of university funding to industrial needs. When I was in academia in the 1970s, I was shocked at how actively hostile academics were to inter-disciplinary activity. (ref Russell Jacoby....)

And the only Marxists who have managed to make a career in academia have generally been historians - who posed no threat since they offered only analysis or, like Edward Thompson, action against nuclear weapons.

I have therefore a feeling that the first step in bringing any sense to our political systems is a powerful attack on how social sciences are structured in the modern university - using Stanislaw's "Social Sciences as Sorcery" (very sadly long out of print) as the starting point. Instead of ridiculing Macbarger Degrees, we should be honouring them as the logical extension of the contemporary

university system.

I wonder if French and German social scientists are any different. Jacques Attali (ex-Head of the EBRD) is a prolific writer - although his little book "Sept leçons de Vie - survivre aux crises" has absolutely no bibliographical references so it is difficult to know his reading.

What I suppose I am trying to say is that **change requires**

- (a) description of what's wrong (making the case for change);
- (b) explaining how we got to this point (an analytical model);
- (c) a programme which offers a relevant and acceptable way of dealing with the problems; and
- (d) mechanisms for implementing these programmes in a coherent way.

We have a lot of writing in the first three categories - but I find that most authors think the task is finished when they produce at page 300 the outline of their programme.

2. What does this tell us - about books about the crisis?



As an avid reader for more than half a century, I have become increasingly impatient with the shortcomings of material on "the global crisis". Their bibliographies may look impressive and their chapter headings riveting - but the books increasingly suffer, in my view, from the following sorts of deficiencies -

- They are written by academics - who write for students and other academics
- and lack "hands-on" experience of other worlds
- the author's speciality indeed is a sub-discipline - eg financial economics
- the books make claims to originality
- but fail to honour the google scholar adage of "standing on the shoulders of giants" (despite - perhaps even because of - the extensive bibliographies)
- and are written to meet publisher requirements

to fit "market niches"

I now have a litmus test for any book which catches my eye - actually not one but four -

- Does it express in its preface/introduction and bibliography an intention to build on the best of what has been written before on the subject?
- does it then clearly list and comment on what has been identified as the key reading and indicate why, despite such previous efforts, the author feels compelled to add to our reading burden??? And can you, the reader, identify any obvious gaps in that list?
- Can the author clearly demonstrate (eg in the introduction or opening chapter) that the book is the result of long thought and not just an inclination to jump on the latest bandwagon?

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?). This indeed gives another couple of tests for any book about the global crisis -

- What proportion of space they devote to the later, prescriptive, stage
- What awareness they show of the "problems of agency" ie of the fragile nature of the "toolkit of change" which the change management literature introduced us to in the 1980s

Despite my 4 years of economic studies (and some years actually teaching it to others!), I make no claim to understand the nature of the global plague that has befallen us in the past few decades. I start to read the books which promise to clear my confusion but find that my eyes soon glaze over....

Economics was like a snake for me - I was fascinated but scared by it. I toiled in the early 1960s to make sense of its focus on marginal calculations and "indifference curves" and probably took only the following lessons from my four years engrossed in economics books

- the strictness of the various preconditions which governed the idea of (perfect) competition - making it a highly improbable occurrence;
- the questionable nature of the notion of "profit-maximisation";
- the belief (thanks to the writings of James Burnham and Tony Crosland) that management (not ownership) was the all- important factor
- trust (thanks to Keynes whose work was dinned into me) in the ability of government to deal with such things as "exuberant expectations"
- the realization (through the report of the 1959 [Radcliffe Commission](#)) that cash was but a small part of money supply. Financial economics was in its infancy then.

For someone with my education and political motivation and experience, however, my continued self-confessed financial illiteracy is almost criminal but not, I feel, in any way unusual.

Most of us seem to lack the patience to buckle down and take the time and discipline it needs to understand the operation of the system of financial capitalism which now has us all in its thrall. We leave it to the "experts" and have thereby surrendered what is left to us of citizenship and political power.

Over the years, I've read and collected books and articles to try 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. Occasionally I remember one and blog about it.

[The Financial Crisis - who is to blame](#) (2009) by **Howard Davies** the ex-Chair of the British Financial Services Agency [identified 39 different explanations](#) of its possible cause. You can see [some overheads](#) and videos from his various presentations [here](#), [here](#) and [here](#). 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"

"[Getting up to speed on the causes of the financial crisis](#)" looks at only 16 documents 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 of the financial crisis - 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.

3. [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".

Bring back "the seventh enemy"!!!

And 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) know 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](#) - where he 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.

Mirowski's [Never Let a Serious Crisis Go to Waste - how neo-liberalism survived the financial meltdown](#) 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.....

4. Narrowing the field - get yourself a typology!!

How on earth does one select just a few titles from the mass of literature there is on how the perverted systems that exert such control on us could be changed?

One way to deal with this conundrum is to develop a typology which can help us identify books which typify representative ways of looking at and dealing with the crisis.

The best one I have come across so far is the one overleaf - which suggest 6 broad categories and more than two score schools of thinking....I'm probably not alone in being familiar with less than half of the writers identified as typifying these schools.....but it's a start!

I would suggest you look closely at each of the six basic building blocks - and then work out your own typology.....



It's not difficult to itemise what's wrong - it's so much more difficult to identify the path we should be taking to get what [Henry Mintzberg](#) calls a "Rebalanced Society".

David Korten has been critiquing the operation of American companies and setting out alternatives - using both books and [a website](#) - since [When Corporations Rule the World](#) (1995). One of his latest books is [Agenda for a new economy](#) - much of which can be accessed here - [Agenda for a new Economy - from Phantom Wealth to Real Wealth](#) and which continues his sterling effort in the last 2 decades to sketch out a better way. He is someone who practiced 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](#).

If you're looking for one single book to help you make sense of the mad system of globalisation and also to show how, at the most practical level, it can be changed then it must be the Irish economist **Richard Douthwaite's** [Short Circuit - strengthening local economies for security in an unstable world](#) - published in 1996 but as relevant now as it was then.

[Questions of Business Life](#) (2002) by Richard Higginson is a very interesting attempt to summarise the various critiques of capitalism. It's very much in the style of Gareth Morgan's famous [Images of Organisation](#)

[Capitalism 3.0 - reclaiming the commons](#) is a book to which I did not pay enough attention when it first came out in 2006 - it is one of these stimulating books produced by a practical person impatient with the conventional wisdom. **Peter Barnes** has been active in social enterprise and

believes that society should reward successful initiative with profit. At the same time, he knows 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". He would like to believe in the role of government in society - but

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.

"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.

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[Enough is enough](#) (CASSE 2010) is the report of the first [Steady State Economy](#) Conference, held in the UK in 2010. The conference had two main aims. The first was to raise awareness about the substantial volume of scientific evidence that shows that economic growth (i.e. continuously increasing production and consumption of goods and services) is (a) not environmentally sustainable,

and (b) not improving people's lives in wealthy countries like the UK. The second aim was to identify specific,

David Harvey, although a geographer, is the world's best-known exponent of Marx. His latest book is a small one which tries to compress his extensive work into [17 Contradictions and the end of capitalism](#) (2014)

Many people recently were inspired by the work and writings of **Stephane Hessel** who died in his late 90s still campaigning for justice. Not so many have heard of [Joost van Steenis](#) who is one of only a few activists to have taken time and trouble to write (a couple of) detailed manifestos - [From Chaos to Change - entering a new era and Revolution](#)

[Social Injustice](#) (2011) by **David Dorling** is, for me, a modern RH Tawney. His book starts by reminding us of the [Five Giant Evils](#) of Beveridge's famous 1940s Report which led to the laying of the British Welfare State and goes on to argue -

"It's not just that greed and individualism have risen: the nature of injustice appears to have evolved from the former five giant evils to five quite different looking modern evils. I would suggest we call these: elitism, exclusion, prejudice, greed and despair..... My contention is that, in their modern form, social evils suggest that

- *elitism is efficient,*
- *exclusion is necessary,*
- *prejudice is natural,*
- *greed is good*
- *despair is inevitable.*

These tenets are most strongly adhered to by those on the right, but many weaker forms underlie much thinking in the centre and left, among parts of the green movement and are found within other otherwise progressive forces. It is belief in these new tenets that leads those in power to talk of people only being able to achieve up to their 'potential' (resulting in elitism)".

[Change the World](#) (1999) is, for me, a strangely neglected book - perhaps because its brash American sub-title "how ordinary people can accomplish extraordinary results" gives the impression of being an airport takeaway.

Like Henry Mintzberg, **Robert Quinn** is actually a management theorist but looks in this book at how leaders such as Christ, Gandhi and Luther King have mobilised people for major change. 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".

The book 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.

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...

There is a recent 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.

5. Small is still Beautiful!

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) 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!

Richard Douthwaite's [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".

6. [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.

7. [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"

8. Getting a sense of what's available

author	Title of key book	synthesis
Ronald Douthwaite		
Paul Hirst		
Will Hutton		
David Harvey	<u>17 Contradictions and the end of capitalism</u>	
Tim Morgan	Perfect Storm	
Danny Dorling		
CASS		
John Michael Greer		
Andrew Gamble	<u>Crisis without End - the unravelling of western prosperity</u>	
Mondragon		
Worker Coops		
Social enterprise		
Mark Blyth	<u>Austerity - the history of an idea</u>	
Wolfgang Streeck	<u>Buying Time - the delayed crisis of democratic capitalism</u>	
Paul Mason		
The commons		
Platform cooperatives		

Douthwaite

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.

Paul Hirst

Events since 2007 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! This section 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”.

September 2011

What are the limits of representative, deliberative or participative democracy? Is there anything else? How can all forms of democracy respond to the future and the environment? How might the language we use, and our unconscious assumptions, limit, or even disable, our ability to respond to some of the biggest challenges of our day? How do you understand and change systemic and complex situations, without creating catastrophic unintended consequences? And just how should we run, or think about, economic activity?

These are some of the big questions that sit at the end of society's 'to do' list. Like 'Change my life' we never quite get round to them properly. We have lots of ideas but – through habit or the need for survival – we tend to put the action off for later. And we can't do them by ourselves, whatever the self-help gurus or management consultants might say.

In order to break out of habitual ways of thinking, or to promote creativity, sometimes it is worth focusing on ideas or approaches that challenge and provoke you. This was the thinking that brought together a group of people around a particular text and a particular concept. Associative Democracy, a book by Paul Hirst, was written in 1994. The results are summarised in the e-book, [Revisiting Associative Democracy: how to get more co-operation, co-ordination and collaboration into our economy, our democracy, our public services, and our lives](#).

Forms of associative or associational democracy have been discussed for many years. The event, however, focused on Paul Hirst's particular take and what he thought were the practical implications. The idea was not to scrutinise this book in an academic way, or blindly accept its analysis and suggestions, but to use it as a starting point to generate ideas.

There was an overall sense that the concept of associative democracy enabled people to 'join-up' ideas that were being developed or thought about separately. It also provided a new frame, or way of drawing together, existing practices that are currently regarded either as marginal or exceptional.

Competition AND collaboration

As a way of grounding the discussion, Anthony Barnett begins by comparing associative democracy with the Big Society, recognising that the latter, an attempt by the Conservatives to 'create shared ethical values and mobilise citizens', also responds to a vague but pressing and widespread acknowledgement that our society isn't working. But many participants in this event felt that the Big Society responds to only a partial analysis of the problem and is unlikely to reach far enough.

As Ian Christie points out, neither left nor right has come to terms with, and fully understood, what has gone wrong in our society and the economy. The left has yet to recognise the 'ill-effects of the otherwise essential and welcome cultural and social liberalism of the 1960s', develop 'a coherent response to cultural pluralism' or recognise the limits of economic liberalism. And the right has 'an inability to admit fully to the social disasters wrought by neoliberal experiments in the 1980s and 1990s' or to 'recognise "brokenness" at the top of the social pile'. He adds ominously that 'the language and policies of three decades of neoliberalism' have gone so deep within our politicians, our local government, and our own behaviour, that change will not be easy.

Part of the problem is that we have become too constrained by an individualised, abstract and largely economic set of beliefs and practices. So how can we become more collaborative and human, to improve our wellbeing, increase the effectiveness of what we do and manage the processes and tensions of both desired as well as unavoidable change?

Paul Hirst's view was 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. It envisages decision-making and collaboration between different groupings, whether within the economy or society (for example, formal networks of multi-stakeholders, cross-sectoral partnerships etc.)

Paul also wanted to see welfare delivery carried out by competing groups of associations, catering for different interests, which coordinated sectorally and regionally. This response to today's pluralism poses profound challenges for combining a need for collective agreements and solidarity with the recognition of, and appropriate responses to, diversity and difference. The discussions in the e-book reflect these tensions and ongoing debates.

Paul Hirst's subtitle was New forms of economic and social governance. In other words, he believed that 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. He also thought that this approach would increase the flow of information, accountability, trust, inclusion, choice, as well as enable individual empowerment and freedom. 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. These are very strong claims and deserve consideration. They also demand robust scrutiny of how the ideas could work in practice.

Hirst believed that individual freedom was enabled by voluntary involvement in groups. He also argued that our ability to make decisions that are effective, accepted and acted-on, also requires considerable engagement with and understanding of different viewpoints and perspectives. These are not necessarily controversial statements but, for some reason, where they happen in practice, they are either unseen, unexamined, or interpreted as 'one-offs'.

It is as though our simplified and simplifying framework of thought and concepts takes away our ability to understand and realise collaborative ways of working.

Democratic renewal

Collaboration is also about embedding activities in democratic oversight and societal concerns. This is the dimension of associative democracy that Ian Christie singled out as missing in the Coalition's approach – the need to connect citizenship and democratic renewal. His examples include practical innovations such as democratic spaces (or even second chambers) in local government which build on partnerships of different players (third sector, businesses, unions etc), while also linking to direct citizen participation.

Other ideas of this kind came from Robin Murray who suggests social-public partnerships or mini-trusts which could guarantee performance and purpose in public service delivery. Robin also focuses on the need to re-engage democracy with the economy, as does Su Maddock who argues that local governance should recognise what is successful in 'connected economies' and better create, understand and engage cross-sectoral partnerships at appropriate geographical levels.

These are examples of how participants responded to Paul Hirst's vision of social and economic governance extending throughout society, while complementing (not replacing) both representative and direct forms of democracy.

Humanising and improving the economy

The dominance of a particular form of economic and business 'as usual' thinking is just as problematic in our economies, as in our local government.

Jonathan Michie points out that differences between organisations and companies in different sectors need to be properly recognised. For example, football used to be viewed as sporting and cultural and as such, an area where you should not make money. It is now a pure commodity, and treated like any other sector. Maurice Glasman argues that 'this is a good example of the severance between meaning and thing' which has destroyed the notion of a football club – 'a form of associational power, which linked you to place'.

Jonathan also argues for more diversity of organisational forms, particularly mutuals, in economic sectors such as finance, to respond to crises and need. Penny Shepherd complements these views by showing the important role associations in finance play in changing culture and practice, for example, through membership of professional associations and codes of practice; or by forms of multi-stakeholder partnerships or governance

which bring together customers and suppliers to better innovate and meet need. This micro-analysis draws on her systemic view of what does not work in capital markets. It is a way of responding to a complex and self-reinforcing system, that goes beyond taxation or regulation.

The economy, Hirst argued, should be embedded within society through a 'network of coordinative and regulatory institutions'. Maurice Glasman, developing this aspect, argues that the time is right to reconsider how associative democracy, together with other approaches such as that of Karl Polanyi, might be able to inform ways of domesticating capitalism through institutional and associational constraints. He also sees the development of relations between people with a common aim in the economy as the basis for creating meaning and a better life. Examples might be forms of vocational governance for people doing similar jobs, or through more democratic and multi-stakeholder organisational structures.

When he wrote Associative Democracy, Paul Hirst was inspired by work on 'industrial districts' which illustrated the benefits of co-ordination and collaboration between economic actors, for example, in joint services such as training or R&D. In the intervening years, such examples have been dismissed as dependent on their geography and history (or downplayed as relevant only to areas of deprivation). Robin Murray, however, highlights his recent work on 'distributed economic systems' for Co-operatives UK which shows how similar approaches are being motivated both by an increased political interest in co-operation, and a desire to create more resilient and effective local and regional economies.

I consider how associative spaces within the economy can be regarded as an integral part of an industrial policy (or economic governance) that goes beyond the macro-economic to recognise and support the benefits of co-ordination, collaboration and cooperation – sectorally, cross-sectorally or geographically.

Economic governance is not only relevant at a local level and between small firms, but might also be appropriate for enabling larger systemic shifts across sectors – for example in coordinating actions and large-scale research around energy production or use, or for developing appropriate forms of finance. There are some international examples of multi-stakeholder governance, but, again, these are often seen as specific one-offs, rather than being part of how economies might be better governed, or might become more effective and innovative.

Associations are also tools for rebalancing power. I suggest, for example, peer groups or unions of the self-employed. But single stakeholder groups also need to complement the promotion of their immediate self-interest by engagement in wider forms of multi-stakeholder governance.

Going forward

Associative democracy can therefore suggest some answers to the 'to do' list set out above. But do they sufficiently, for example, address the implications of the wider public interest, future generations and the environment for new models of democracy and decision-making. These kinds of long term or wider concerns pose pronounced difficulties for any form of democracy. But they also mark a critical area that has to be incorporated into any practical democratic developments. Contributors to this e-book made a start, suggesting the incorporation of public interest representatives in professional associations, as well as widened forms of corporate and multi-stakeholder or multi-interest governance.

Read the e-book for more information and see what else might inspire you. You might find a few lines are added to your own 'to do' list for this year. But, together with others, do make them happen.

Will Hutton

The big issue when I was becoming politically aware in the late 1950s was about company ownership. Managers, it was argued, were replacing owners as the key decision-makers - "corporation man" seemed to have replaced the "robber baron" as society's concern. But they were a harmless breed - with, so it was argued, a more civilised set of objectives than the raw pursuit of profit and repression of labour which had characterised the latter. [James Burnham](#) was a key figure in the recognition of the role of managers; [this 1946 essay by George Orwell](#) played an important part in bringing Burnham's thesis to wider attention.



And, with the scale of publicly-owned companies and the new confidence of post-war Keynesians, intellectuals started to argue that the left could live with what remained in private hands. CAR Crosland's [The Future of Socialism](#), published in 1956, was the elegant expression of the new view that patterns of company ownership were no longer of interest to socialists. After fifty years, however, ownership is back as a political issue. In the UK, Will Hutton has most closely mapped the DNA of European capitalism and been giving us for almost two decades a powerful systemic critique of the coherence of neo-liberal thinking and policies - eg *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.

Will Hutton has. Recently he has been chairing a British Commission on changes which are needed to this model and [outlines the results in an article here](#) -

There is a worldwide debate trying to define what 21st-century capitalism could be. Some countries, such as Singapore and Israel, have developed small state entrepreneurial capitalism as their answer. Then there is Germany and the Nordic countries' stakeholder capitalism; the democratic development capitalism of Brazil and India; China's self-described "socialist market" capitalism; and government activism even works in the US - witness the revival of the car industry. Nowhere can you find a modicum of economic and social success without some form of public and private partnership, directed financial systems, corporate ownership structures driving engagement and stewardship and effective social safety nets.

This reality is now being increasingly recognised, not least because of the financial crisis whose origins in excessive faith in market forces was caused by the Anglo-Saxon right's ideas. Last week, I launched the conclusions of [the Ownership Commission](#) which I have chaired for the last two years. A group of us, including the president of the CBI, and the chairman of the John Lewis Partnership, concluded that an indispensable precondition for a sustained British recovery was a new and more systematic attempt to secure better ownership of British business assets.

We must have more plural and diverse ownership structures, in particular more medium-sized family firms, co-operatives and employee-owned companies, and the public limited company needs to become less fixated with short-term profit goals. We need to ensure the tax, legal and regulatory system triggers the maximum amount of ownership engagement and stewardship and, where it falls short, to devise new means of filling the gaps. Plc shareholders, we advocate, should, as far as possible, pool their voting rights in new not-for-profit mutuals better to engage with the companies they own. We think company directors should be better enfranchised to think of the sustainable, long-term entirety of their business rather than the next hour's share price. We

want the absurdities of the tax and regulatory system that hold back co-operatives and employee-owned companies to be swept away. We want medium-sized firms to be able to build more quickly their capital and their balance sheets - to create the equivalent in Britain of the German Mittelstand, the amazing cluster of largely family-owned companies that drive Germany's innovation and export success. We propose a dramatic and fast scaling-up of existing support along with new measures, such as banks being able to get Treasury indemnities for new lending.

Ownership policy driving plurality, engagement and better stewardship should be one of the anchors of any framework for recovery, in effect the creation of a British variant of north European stakeholder capitalism, as business secretary Vince Cable, speaking at our launch, recognised and endorsed. But it is only a precondition. Britain has to reshape its financial system so that it backs business. The state has to become an active economic player, constructing the system of institutions and direct support that will drive particular industrial and business sectors forward. We have to spend hard cash on infrastructure and R&D.

And Britain's fraying social safety net needs repair, not further destruction.

We need a better capitalism and this budget should have decisively begun its creation. Instead, it will be a fudge, betting all on lowering the deficit. A missed chance for Britain and the first notes of the requiem for this coalition.

The discussion thread is interesting and one of the discussants posed a series of excellent questions -

How is capital going to be regulated when capital is free to roam though wires, to evade taxes, entice governments with corruption and blackmail governments with disinvestment to reduce wages, taxes and err ... regulation? Waves of capital move around the world to where conditions are better for accumulation leaving joblessness and devastation. Global wages and taxes drop in relation to economic output and this damages demand, capacity, employment and the health of the global economy.

2) How are gigantic corporations going to be regulated? The Forbes 2000 had revenues of \$32 trillion in 2010 (global GDP is \$60 trillion). Their profits rose by 67% since 2009!! How many people do they employ? - only 80 million or 1% of the global population. How much do they return back to society for what they turnover? - not much. How many small businesses disappear annually as the process of oligopolisation relentlessly continues in capitalism? How can we have a global economy where decent wages - unsupported by private debt and government spending - can sustain a level of capacity that can provide decent levels of employment in this world with this hideous type of economy? How is this destructive process of oligopoly going to be reversed?

*3) How will bank failures be avoided in the future? How will the risk taken by banks be minimised with regulation without thwarting investment and damaging the real economy in a system where hundreds of trillions of capital must be *constantly reinvested* by these banks that must inevitably take risks in these investments. If this investment halts for a second we will all starve.*

Credit bubbles like the one burst in 2008 are not a peculiarity; they are the norm in capitalism. Every panic of the 19th century and every crisis of the 20th century was a result of overextension of credit. And curbing credit bubbles is not a solution. It simply causes permanent stagnation unless a dynamic economy is sustained by healthy demand. Once more this is the real issue. The recent bubble did nothing but to mask the real failure of the economy which we are now facing when we contemplate restricting unsustainable credit. Without this bubble we would have had much less economic activity and much higher unemployment.

*4) In the short term, how is the debt crisis going to be resolved? Where is growth going to come from when the debt stimulus *still* being pumped is removed from the already anemic economy. What levels of unemployment one needs to expect if deleveraging the local debt or the global total debt (in the order of 300%*

of global GDP) is seriously attempted.

5) How will capitalism deal with the fundamental problem of "growth". The system "needs" an exponential growth rate that matches the rate with which the productivity of labour naturally increases thanks to competition that forces streamlining and automation in order to keep employment stable. This is simply ridiculous.

Regarding the glossing over German, Swedish, Danish, Finnish and Northern Yeti welfare Capitalism: it is declining together with the decline of capitalism: benefits and wages drop, poverty and inequality increase in these places. Welfare was funded by trade surpluses, natural resources, high productivity plus quite a lot of local debt in many cases. And also by the debt and trade deficits incurred by other countries, but the party is over!

I am afraid, this is a truly intractable problem of a system that meets its own contradictions. And such vague articles do not even start to address the problem.

Here's a fascinating interview with a sharp Greek economist [on the background to the Eurocrisis](#). And also a good piece on [another leftist Greek initiative](#)

March 2012

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 Review².

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 content³.

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.

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.

David Harvey can be seen presenting his material on video -

<https://citizenactionmonitor.wordpress.com/2016/06/13/the-end-of-capitalism-part-1/>

<https://citizenactionmonitor.wordpress.com/2016/06/14/the-end-of-capitalism-part-2/>

<https://citizenactionmonitor.wordpress.com/2016/06/15/the-end-of-capitalism-part-3/>

Tim Morgan – Perfect Storm

A most impressive bit of analysis and writing is that 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.

Danny DORLING - [All in our Minds?](#)



I had just finished reading the book Danny Dorling's [Injustice](#). 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.

<http://www.dannydorling.org/books/betterpolitics/dorling-betterpolitics.pdf>

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

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 foreword 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

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

Measuring Economic Performance and Social Progress (2009)

http://library.bsl.org.au/jspui/bitstream/1/1267/1/Measurement_of_economic_performance_and_social_progress.pdf

John Michael Greer's [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

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

COOPERATIVES

MONDRAGON

[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 Elkartea, 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 20th 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

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

In Praise of....Political Economy

Trust the Germans to spot a winner!

Some 18 months ago I bought a small book which I have carted from the Carpathiansand back...briefly dipped into but then abandoned - from my impatience these days with economics....Its title, [Austerity](#) (2013), was hardly calculated to bring me to orgasm but its subtitle - "[history of a dangerous idea](#)" - should have told me that this was no ordinary pseudo-technical stuff. It took author Mark Blyth's [electrifying youtube performances](#) (a more sedate performance is a recent [presentation at the University of Glasgow](#)) to bring [the book](#) back down from my shelves (metaphorically - since the book is still in the Carpathians) for more careful reading. What I found is a book I would rate as the best read of the new century!

Mark Blyth is that rarity - a Scot and political scientist (but with an American post-graduate specialism in "economic ideas and political change in the 20th century") whose book reminds us of the Scottish tradition of political economy. Since 2009 he has been Professor of International Political Economy at the Ivy League [Brown University](#) - quite an achievement for a Dundee lad from a poor working class background who generally pays warm tribute to the support he owes to the welfare state....

The book can be read in its entirety at [Austerity - the history of a dangerous idea](#) and you can get a good sense of the respect with which its being treated by colleagues in [the special symposium Comparative European Politics](#) ran on the book in 2013 - with [this being Blyth's powerful response](#) For those impatient with academic jousting, Le Monde Diplomatique [ran this good summary](#)

Blyth's book is divided into two parts. The first is an account of the crisis, starting with the United States and moving on to Europe. Blyth's narrative does not drown in financial jargon. He sets out to explain as simply as possible what the jargon means and what role it played in the crisis. For those interested in understanding collateral deals in US repo markets, the structure of mortgage-backed derivatives, repo transactions, correlation and tail risk, Blyth's book is a good place to start.

His explanation of the crisis is compelling: innovatory financial instruments were allied with a set of ideas about how the economy works, and in particular about how one should evaluate risk in the economy, which together contributed to a build-up of risks within the global financial system and their explosion in 2008. These ideas also facilitated the transfer of the crisis from the US to Europe.

Blyth dismisses the popular notion that the crisis is somehow the result of the moral failing of particular individuals — the 'Fred Goodwin problem'. It is, for Blyth, a failure of the private sector as a whole. That it has

been paid for by the public purse can only be explained by the contradictory set of ideas, which prevail today, about the dangers of state intervention. It is these ideas that Blyth calls 'austerity'.

The second half of the book is a great primer in political economy. Describing the intellectual origins of the idea of austerity, Blyth gives us potted accounts of the ideas of Hume, Locke, Smith and Ricardo. He ties these ideas together with political developments, presenting us with a picture of the 20th century that sees Keynesian ideas fighting it out with older ideas about austerity and government probity. A short-lived victory for Keynesian economics after the Second World War was eventually overthrown by a mixture of economic crises, public choice theories of democracy and the rational expectations revolution in economic theory. This journey through the idea of austerity ends with a chapter on its implementation.

This is a devastating account of how attempts at putting the idea into practice — from the struggle of governments with the Gold Standard in the 1920s and 1930s to the travails of more recent 'austerity successes' like Sweden and Ireland — never seems to work.

But it took those canny Germans to appreciate Blyth's genius. Given the choice last year to award a prize for the economics writing of the year which included Thomas Pikety's highly profiled (but, I suspect, seldom read) "Capital", they chose Mark Blyth's "Austerity" - for [reasons they explain here](#)

"Political economy" sank out of fashion in the 1970s as the pretensions of economics to be treated as a science overwhelmed academia.....Blyth's book (and chair at an Ivy league University) is yet another welcome sign of the grip of "scientific" pretensions being broken.....

historical note

The phrase *économie politique* actually first appeared in France in 1615 with a book by [Antoine de Montchrétien](#) - *Traité de l'économie politique* - with the world's first professorship in political economy established in 1754 at the University of Naples, Vienna University following suit soon thereafter (in 1763). And it was to be [Thomas Malthus](#) who, in 1805, became England's first professor of political economy, at the [East India Company College](#).

As it happens. I graduated (in 1964) with an MA (Hons) in "Political Economy and Politics" fromno less than the University of Glasgow where [Adam Smith occupied a chair](#) (in Moral Philosophy) from 1753 for more than a decade - attracting students from many parts of Europe to his lectures which increasingly focused on the causes of national wealth. He then acted as tutor on the Grand Tour (engaging then with the French physiocrats) but returned after a few years to Kirkcaldy to write his magnum opus "[The Wealth of Nations](#)" which appeared in 1776.

The Glasgow course in Political Economy must be one of the longest running - it disappeared (as a name) only in the early 1990s....

Sunday, June 28, 2015

TINA - and the little Trumpets

In the 1980s, Margaret Thatcher introduced us to TINA - her refrain that "there is no alternative" (to the liberalisation of national and global markets).

Social democratic parties bought into that argument and have shown no inclination to rethink policies since the global crisis began almost a decade ago. Jeremy Corbyn's Labour party, I grant you, is one exception - but has attracted vitriolic attack on the basis that there can be no going back to the world of the 1960s and 1970s.

The argument generally consists of the following elements -

- The state can't get out of the immense debt which it has taken on by rescuing the banks
- Although the operations of privatised industries are subject to increasing attack, the idea of reprivatisation is rarely presented in social democratic programmes
- The ideology of greed has become so legitimised, lives so atomised and the commodification trend so strong that notions of collective and cooperative effort seem more and more unrealistic
- We can't stop automation
- Only eccentrics question the worship of growth

Much wailing and gnashing of teeth in the social democratic camp has so far produced little to convince - let alone inspire - people that a feasible programme exists which could attract electoral support. This short 2015 [Compass article](#) and book [Rebuilding social democracy - core principles of the centre left](#) ed Keven Hickson (2016) give a fair sense of both the mood and policy drift..... Of course, convincing programmes need to be based on a sound story.....about what exactly has been going on in the post-war period? It's clearly not enough simply to blame neo-liberalism,....

This week I watched of the best narratives I have so far come across - [Global Trumpism](#) - presented by Mark Blyth, author of *Austerity - history of a dangerous idea* which I wrote about [earlier in the year](#).

Blyth's style of historical ideas, colloquial language and slides is a gripping one which puts other economists into the shade....

His starting point is the growth of populism throughout Europe and now the States and the question whether (as I tended to suggest in [one blogpost on Brexit](#)) it is a reaction to immigration trends and fears - or has a more basic economic explanation.... He shows how the location of Brexit and Trump supporters correlates with the devastation caused by globalisation and recent Chinese imports; job insecurity et al - but then uses the largely [unknown figure of Michael Kalecki](#) to show how the post-war Keynesian consensus unravelled in the 1970s

Kalecki had [warned as far back as 1943](#) of a central flaw in the Keynes' model - which duly presented itself in the 1970s with the arrival of serious inflation which was dealt with by first monetarist and then neo-liberal policies. The post-war regime slowly gave way to one of secular disinflation; capital assertiveness; global markets; strong central banks; and weak trade unions and parliament

As befits a political economist, Blyth wants to know about losers and winners - none of this cosy nonsense about equilibrium....and uses Branko Milanovic's slide of global trends in income distribution [showing the shape of an elephant](#) to back up his argument about global trumpism....

He returns, finally, to his initial point in exploring the various economic options we seem to have -

- The sort of spending on infrastructure which Trump's campaign envisaged? (probable but not with anticipated results)
- the return of "good jobs"? (unlikely)
- getting corporations and the rich to pay more tax? ("fat chance"!))
- "technological disruption"? ([the digital disruption has already happened](#))

All in all a really thought-provoking presentation.....from a Professor of Political Economy - a discipline which hopefully will be finding a proper place for itself after almost a century of neglect.....

Post-Capitalism is here?

How might one read most beneficially a book which, from my google links, looks to be one of the most appreciated and reviewed of the past decade?

Paul Mason's [Post Capitalism - a Guide to our Future](#) came to my notice a year ago but it was only yesterday that I actually picked it off the shelves and started to read it.

I was unable to apply [my litmus test](#) to it since it lacks a bibliography - but I knew enough about it to have confidence that it would repay my study - I had, after all, thoroughly enjoyed his [Meltdown - the end of the age of greed](#) (2009) and his earlier [Live Working or Die Fighting - how the working class went global](#) in 2007.

This is someone, after all, who has combined an early career as a militant with a later one as both a print and television journalist - reporting on political and industrial struggles against capital...

The early pages of reading (the opening "Neoliberalism is broken" chapter) produced my usual squiggles which indicate appreciation but my attention started to wander in the middle of the subsequent discussion of the Kondratieff waves - despite the earlier nice little intellectual vignettes of people such as Marx, Rosa Luxemburg, Rudolf Hilferding and Jeno Varga.

So I started to google for the reviews since these give me the questions which ensure that I am reading more closely.

And I came across at least 30 quite long reviews of the book to which I will give links at the end of this post.....

Chris Mullin was a contrarian Labour MP who [wrote a couple of amusing memoirs](#) about his life in parliament and was therefore someone I felt would have some sympathy for Mason's book but [his review is a tough one](#) -

one has to plough through more than 200 pages of analysis in the course of which the author examines one by one the various economic theories advanced by 19th- and 20th-century political philosophers and various IT gurus....

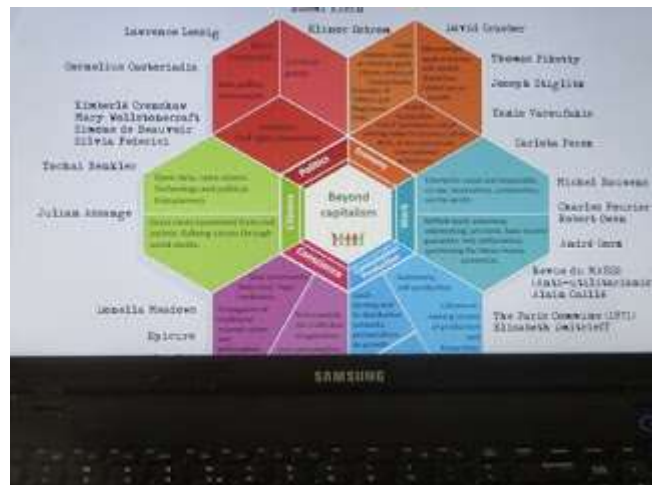
At no point on this long road are there any references to the impact of majority affluence on politics in the developed world. Nikolai Kondratieff (inventor of the wave theory of capitalism) occupies almost an entire column in the index. [JK Galbraith](#) and [Tony Crosland](#) do not merit a single mention....(Crosland actually has one!) We have to wait until page 263, a chapter headed "Project Zero", to discover what the author has in store for us.

Methinks that Mullin is a tad too impatient - analysis and diagnosis are important!

The first part of the book ends with a series of annotated graphs which Mason suggests best summarise the massive shifts in debt, performance and inequality which characterise the decades of the last "wave". I really had to concentrate to get the points being made in the graphs

"Prophets of Postcapitalism" introduces the second section of the book (at page 109), paying tribute to the questions posed by the great [Peter Drucker](#) (then in his 90s) in his little 1993 book "[The Post-Capitalist World](#)" and to others who have understood the significance of the technological and social changes which have been shattering our worlds in recent decades eg Jeremy Rifkin, with his 2014 book [The Zero Marginal Cost Society](#)

It is at this stage that I needed one of these maps which identify the link between various intellectual schools - [such as this one](#) from the very useful [Commons Transition website](#). In that context, [this article from Open Democracy](#) seemed to me to set the Mason book in an appropriate context



forgotten - but I do draw the line at suggestions that we have something to learn from the travails of the early soviets of the Russian revolution (p267).

And it is nothing short of breath-taking that his reference to the potential of cooperatives and social enterprise (which employ tens of millions workers globally) dismisses them as "experimental and small-scale" and says that "with the exception of thinkers such as Bauwens and Wark, few have bothered to ask what a new system of governance and regulation might look like" (p 267).

This simply does not begin to do justice to the extensive material which is available - some of which can be seen in such posts as [The undermining of cooperation](#), [No Excuse for Apathy](#) and [Beacons of Hope](#)

But I am grateful to the book for drawing my attention to the writings of these "thinkers" one of whom is the founder of the [p2p Foundation](#) and the other the author of a famous [Hacker's Manifesto](#). Although I don't find their accounts coherent or easy to place in the wider literature - they seem the scribbles of young geeks....

The other text, however, which Mason references and of which I was also unaware, is much more serious - it is Jeremy Rifkin's 2014 book [The zero marginal cost society - the internet of things, the collaborative commons and the eclipse of capitalism](#) (the link gives the google book). This does seem a sustained examination of the phenomenon which, despite the title of Mason's book, he fails (in my view) to treat properly.....

Rifkin [summarises his thinking in this article](#) and [here](#)

There is also [this review](#); this [interview](#) and a long review from the [Ken Wilber integral school](#) Rifkin's book does, however, get a fairly severe mauling [from the right](#) - the [left](#) - and [others in between](#)

In short I find Mason's book a bit of [a Curate's egg](#) - ie good and bad....and suffering badly from the fault to which I draw increasing attention - not even trying to build on the relevant work of others...

A sample of other reviews

very good, [clear and focused one is here](#); a much more [critical one here](#)

a more sympathetic one from [the Take Back the Economy people](#)

<http://www.counterfire.org/articles/book-reviews/18008-paul-mason-postcapitalism-a-guide-to-our-future>

<http://www.alternet.org/world/post-capitalism-utopia-bit-farce>

<http://marxandphilosophy.org.uk/reviewofbooks/reviews/2015/2008>

<http://www.greeneuropeanjournal.eu/paul-mason-post-capitalism-a-guide-to-the-future/>

<http://www.leftcom.org/en/articles/2016-02-21/post-capitalism-via-the-internet-according-to-paul-mason-%E2%80%93-dream-or-reality>

<https://peopleandnature.wordpress.com/2016/04/04/from-the-russian-revolution-to-socialism-on-mars/>

<http://the7circles.uk/the-end-of-capitalism-postcapitalism-by-paul-mason/>

<https://www.opendemocracy.net/transformation/paul-tritschler/is-there-life-after-capitalism>

<https://www.fastcoexist.com/3056483/welcome-to-the-post-work-economy>

<http://www.lrb.co.uk/v38/n13/owen-hatherley/one-click-at-a-time>

<http://socialistnetwork.org/book-review-mick-brooks-evaluates-paul-masons-postcapitalism-a-guide-to-our-future/>
<http://www.counterpunch.org/2015/09/16/have-we-really-entered-the-age-of-post-capitalism/>
<https://www.popularresistance.org/post-capitalism-rise-of-the-collaborative-commons/>
<https://www.popularresistance.org/issues/>

September 2016

Streeck

Not with a bang ...but a whimper.....

Last year [I drew attention](#) to the fact that, despite their prolific output, economists seemed to have some difficulty in making sense of more global trends -

It's significant that the best expositions of the global economic crisis and its causes rarely 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) and his [A Brief History of Neoliberalism](#) (2005); John Lanchester and James Meek (novellists and writers); [Susan Strange](#), [Susan George](#) or [Colin Crouch](#) (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.

"Eclectic" is the key word; few economists are trained these days in political economy - which roots the study of economics in the wider context of history and political analysis.....

Wolfgang Streeck is Director of the Max Planck Institute and an unlikely scourge of capitalism - but his texts are becoming ever more apocalyptic. He has just published another - [How will Capitalism End?](#) - a summary of whose basic thesis can be found in [this 2014 New Left Review article](#) The NLR is the favoured outlet for Streeck's long, clear and incisive articles eg [one in 2011 on "The Crisis of Democratic Socialism"](#) which led to the short book [Buying Time - the delayed crisis of democratic capitalism](#) (2013).

His latest book, however, explodes any idea of the inevitable arrival of a socialist paradise - On the contrary, his is a dystopian vision in which capitalism perishes not with a bang, but a whimper. Since, he argues, capitalism can no longer turn private vice into public benefit, its "existence as a self-reproducing, sustainable, predictable and legitimate social order" has ended. Capitalism has become "more capitalist than is good for it".

The postwar marriage between universal-suffrage democracy and capitalism is ending in divorce, argues Streeck. The path leading to this has gone via successive stages: the global inflation of the 1970s; the explosion of public debt of the 1980s; the rising private debt of the 1990s and early 2000s; and the subsequent financial crises whose legacy includes ultra-low interest rates, quantitative easing, huge jumps in public indebtedness and disappointing growth.

Accompanying capitalism on this path to ruin came "an evolving fiscal crisis of the democratic-capitalist state". The earlier "tax state" became the "debt state" and now the "consolidation state" (or "austerity state")

dedicated to cutting deficits by slashing spending. Three underlying trends have contributed: declining economic growth, growing inequality and soaring indebtedness. These, he argues, are mutually reinforcing: low growth engenders distributional struggles, the solution too often being excessive borrowing.

The book finishes by exploring five systemic disorders – "stagnation, oligarchic redistribution, plundering of the public domain, corruption and global anarchy....." which Streeck [talks about here](#) and which are (very briefly) [defined in this summary](#)

Curiously, however, the book seems to give little coverage to automation...on which a recent article called [Four Futures](#) offers an insightful perspective – [reviewed in the Los Angeles Review of Books](#) – a review which also carried a good piece on [The Supermanagerial Rich](#)

<https://www.lrb.co.uk/v39/n01/adam-tooze/a-general-logic-of-crisis>

Other Relevant Reading

<http://averypublicsociologist.blogspot.bg/2016/11/the-end-of-capitalism.html>

<https://www.ft.com/content/7496e08a-9f7a-11e6-891e-abe238dee8e2>

Buying Time http://www.panoeconomicus.rs/casopis/2015_1/08%20Book%20Review.pdf

<https://regulation.revues.org/11925>

<https://vimeo.com/91747532>

<https://www.econstor.eu/bitstream/10419/107091/1/81811505X.pdf>

<https://www.theguardian.com/books/2016/dec/09/wolfgang-streeck-the-german-economist-calling-time-on-capitalism>

<http://salvage.zone/in-print/neoliberalism-as-the-agent-of-capitalist-self-destruction/> (Neil Davidson on Neoliberalism)

student reading list; <http://www.brianmilstein.com/pdfs/syllabus-TheorizingCrisis-final.pdf>

November 27 2016

This – the dimension of **economic ownership** (monopoly through oligopoly to cooperatives/shared ownership to private owners) – is indeed one of the axis you need to make sense of world views. But it is not the only one – particularly these days when the social dimension has become so important. Class (rarely talked about now) is only one form of group identity – with race and sexuality being the new entrants. So an additional axis is needed for the strength of **social norms** – with totalitarianism being at one axis and anarchy at the other. There is a third – for **the role of the state**, for example, in welfare provision and general regulatory measures – but that's a bit complicated for this blog.

So I will start with four quadrants which we can use, for example, to plot the old and new left and right –

Old Left: supporting a strong state sector for infrastructure and health (inc insurance although the religious and cooperative sectors could equally have responsibility for this last)

Old Right; recognizing the role of the state in sustaining property rights and traditional ways of doing things

New Left; which has supported the liberation struggles of repressed groups and the onward march of post-modernism....

New Right; which tends to divide strongly between the economic agenda of the Neo-liberals (whose eulogies for "the market" conceals support oligopolistic licence and the spread of "commodification") and the more traditional social agenda of the American Neo-Cons.

PART V INCONCLUSION

In praise of Scepticism
Will this too pass?

In Praise of Scepticism

It's a basic human foible to enjoy seeing the pretensions of the powerful being punctured - but the sad fact is that most of us fall prey to the illusions conjured up by rhetoricians and their masters. The agnosticism which got into my bloodstream in my teens seems to have inoculated me against all false gods.....and indeed against the "suspension of disbelief" to which drama and novels invite us.....That's perhaps why only essays, satire and realistic art and poetry (eg Brecht, Bukowski, McCaig) have attracted me.

Once we stop thinking about the words we use, what exactly they mean and whether they fit our purpose, the words and metaphors (and the interests behind them) take over and reduce our powers of critical thinking. One of the best essays on this topic is George Orwell's "Politics and the English language" Written in 1947, it exposes the way certain clichés and rhetoric stifle our thinking capacity - for example how the use of the passive tense undermines the notion that it is people who take decisions and should be held accountable for them.

Fifty years before Orwell, Ambrose Bierce was another (American) journalist whose pithy and tough definitions of everyday words, in his newspaper column, attracted sufficient attention to justify a book "The Devil's Dictionary" whose fame continues unto this day. A dentist, for example, he defined as "a magician who puts metal into your mouth and pulls coins out of your pocket". A robust scepticism about both business and politics infused his work - but it did not amount to a coherent statement about power.

Twenty years I started to develop a glossary of some 100 words and phrases used by officials, politicians, consultants and academics in the course of government reform. Its updated version - Just Words - offers some definitions which at least will get us thinking more critically about our vocabulary - if not actually taking political actions. While working on it I came across John Saul's A Doubter's Companion - a dictionary of aggressive common sense issued in 1994 which talks of the

"humanist tradition of using alphabetical order as a tool of social analysis and the dictionary as a quest for understanding, a weapon against idée reçues and the pretensions of power".

Saul contrasts this approach with that "*of the rationalists to the dictionary for whom it is a repository of truths and a tool to control communications*".

I should emphasise that Just Words is not a Cynic's Dictionary - although I readily confess to the occasional lapse into self-indulgent delight in shocking eg my definition of "**consultant**" as "*a con artist who behaves like a Sultan*".

The topic of politics, power and government reform is too important for cynicism. It does, however, require a strong dose of scepticism.

26 December

Will this too pass?

But I've not so far mentioned the table at the very start of the book - 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)

Amongst my most treasured possessions are some **notebooks of my grandfather and father** from the 1930s on their trekking breaks in north-western Scotland (these came into my possession only in 1990); and my **mother's tiny common place book** which came to me on her death in 2005.....She was the wife of a Scottish Presbyterian Minister in the late 1930s and the friendship and hospitality I remember them dispensing at home (as well as the strictures of the times) are evident in the quotations chosen by my mother....they are sentiments which profoundly affected my upbringing. Although I know that both of my parents were very proud of the distinctive path I chose for myself, I'm not sure if they would altogether approve of the element of egocentricity which a blog implies....

My first ever diary (which I rediscovered recently) was about a bike trip from London to Toulon but I started the habit only in my 40s when I was a reforming politician in Europe's largest Region. For 16 years I actually held down a position at the heart of policy-making and, in the 1980s, kept a large A4 diary into which I would paste relevant cuttings, papers and articles and scribble my thoughts on project work.

I still have 5-6 of these diaries - others I donated to the library of the urban studies section of Glasgow University (when I was a Fellow there for a couple of months in the early 90s) in the fond belief that some researcher of the future might find these jottings about the strategic management of Europe's largest local authority of interest (!).

Memoirs have been given a bit of a bad name by the egocentricity of politicians. Nowadays the energy people used to devote to their diaries tends to find its outlet in blogging.....although books made from blogs [do tend to be frowned upon](#)...

Not that this discourages me as can be seen in the list of E-books in the annex.....

ANNEX 1

ANNEX 2 Key Reading

We increasingly suffer, it seems to me, from amnesia - the relentless search for "the new" does not encourage references to older books which tend therefore to be neglected by younger generations. **This is a list drawn up by a white male who had a Scottish university education (in politics and economics) in the early 1960s and is limited therefore by that interest in political economy - rather than, for example, psychology....** (although I have included the injunctions of Dale Carnegie and Benjamin Spock as well as the more thoughtful analyses of Carl Rodgers)
But "Mein Kampf" and the writings of Ayn Rand are excluded - despite the influence they had..... I simply can't view them as serious.....

My key Books of the 20th Century - Part I

As a starter, let me offer this list of 35 books - taking us to 1973.

Political Parties - Robert Michels (1913). One of the key texts during my course on Political Sociology in 1963 and one I often refer to. Focused on the German SDP and trade unions to demonstrate how even democratically-elected leaders fall prey to "the iron law of oligarchy"

Public Opinion - Walter Lippmann (1921) Continued the critique of actual democracy from where Michels left off. He looked at how public perceptions are formed and argues that politicians are incapable of accurately understanding issues and proposes that a professional, "specialized class" collect and analyze data, and present their conclusions to the society's decision makers, who, in their turn, use the "art of persuasion" to inform the public about the decisions and circumstances affecting them.

"*Public Opinion*" proposes that the increased power of propaganda, and the specialized knowledge required for effective political decisions, have rendered impossible the traditional notion of democracy. Moreover, *Public Opinion* introduced the phrase "the manufacture of consent", which Chomsky used for Manufacturing Consent: The Political Economy of the Mass Media (1988)

Revolt of the Masses - Jose Ortega y Gasset (1930) critical of the masses, contrasting "noble life and common life" and excoriating the barbarism and primitivism he sees in the mass-man.

Moral Man and Immoral Society - Reinhold Niebuhr (1932) - one of the books which made the biggest impact on me at University. His collected papers have been published recently and a review says -

The foundational doubt in Niebuhr's work is whether, and how, Christianity can be a force for justice in this world. He believed profoundly that it must, and yet he never underestimated the obstacles. First, the theological obstacles: in the gospels, Jesus preaches a radically otherworldly and self-sacrificing ethics, in which the Christian is commanded to turn the other cheek and render unto Caesar. Niebuhr was never truly attracted by this kind of passivity, perhaps because the mystical and millennial aspects of religion had so little appeal for him.

*By the time he came to write *Moral Man and Immoral Society*, Niebuhr had arrived at the conclusion that Christianity was proving an alibi for inaction rather than a creed of change. This explains the militantly confrontational tone of much of the book, whose primary audience and target was moderate socialists.*

Niebuhr had run for Congress on the Socialist ticket in 1932, but he came to believe that religious progressives believed too much in individual changes of heart, not enough in systemic transformation.

In some of the most unsettling parts of the book, Niebuhr seems to come out in favor of violent revolution. But if this ends-justify-the-means rhetoric sounds odd coming from the minister of a religion of peace, by the end of the book Niebuhr has retreated from it somewhat. In theory violence might be justified, he argues, but in practice the American proletariat has no more chance of winning a revolutionary struggle than do American blacks. For both of these "disinherited" groups, Niebuhr concludes, confrontational nonviolence on the Gandhian model is the best course: "Non-violence is a particularly strategic instrument for an oppressed group which is hopelessly in the minority and has no possibility of developing sufficient power to set against its oppressors."

The General Theory of Employment, Interest and Money - JM Keynes (1936). It was the core of my economics education although, like most people, it was the summaries I read rather than the original.....

How to make friends and influence people - Dale Carnegie (1936) I read it for the first time recently and had to confess to finding it useful....

The Managerial Revolution - James Burnham (1941) A book which helped move the left to the notion of a reformed capitalism in which private ownership was tamed by a new managerial class.

Escape from Freedom - Erich Fromm (1941) Another book which was still influential in the early 1960s....

Capitalism, Socialism and Democracy - Joseph Schumpeter (1942). "Elite theory" was one of the most important parts of my politics course - taking in not only Michels but Italians Mosca and Pareto. One of the most scintillating books was Schumpeter's - particularly for his theory about the "circulation of elites"....

The Open Society and its Enemies - Karl Popper (1944) The book which made the biggest impact on me and to which I owe my scepticism....A lot of it (particularly the sections on Platp, Hegel and Marx) went over my head - but its assertion of the importance of scientific "disproving" has stayed with me my entire life.....

The Road to Serfdom - Friedrich Hayek (1944) One of only a handful which I never read

Baby and Child Care - Benjamin Spock (1946)

Sexual Behaviour in the Human Male - Kinsey (1948)

The Second Sex - Simone de Beauvoir (1949)

The Lonely Crowd - David Riesmann (1950)

The Power Elite - C Wright Mills (1956) Another major influence - he wrote beautifully....

The Future of Socialism - CAR Crosland (1956) Fifteen years about Burnham's book, Crosland enshrined its central message in the key revisionist text for the left...

The Hidden Persuaders - Vance Packard (1957)

The Affluent Society - JK Galbraith (1958) The book which coined the phrase "private affluence and public squalor" (as well as "the conventional wisdom").....

The End of Ideology - Daniel Bell (1960)

The Death and Life of American Cities Jane Jacobs (1961)

On Becoming a Person - Carl Rodgers (1961) The figure who most clearly expressed the mood and feelings of my generation....

The Fire Next Time - James Baldwin (1962)

Silent Spring - Rachel Carson (1962) The first environmental book!

In Defence of Politics - Bernard Crick (1962) Along with Popper, the book which changed my life!

Capitalism and Freedom - Milton Friedmann (1962)

The Feminine Mystique - Betty Friedan (1963) Interesting that it took almost 15 years for de Beauvoir's message to find wide expression....

Unsafe at any speed - Ralph Nadar (1965)

Modern Capitalism - the changing balance of public and private power - Andrew Shonfield (1966)

The New Industrial State - JK Galbraith (1967) The only author to get 2 books in the list reflects both the importance of the subjects he dealt with - and the accessible and wryly humorous style of his writing

The Costs of Economic Growth - EJ Mishan 1967. A book so in advance of its age.....

The Active Society - Amitai Etzioni (1968) A book whose importance I was aware of without having the tenacity to read.....

Deschooling Society - Ivan Illich (1970) One of several Illich books which gave me my scepticism about organisational power...

Future Shock - Alvin Toffler (1970) The first of the books which alerted us to the scale of the change underway in our societies.

Beyond the Stable State - Donald Schoen (1971) Clearly quite a few books made a major impact on me as I was emerging from teenage and in my 20s. None, however, more than this one whose core

arguments I vividly remembering listening to on the family radio as Reith Lectures in 1970..... This when I became seriously interested in organisations.....

The Limits to Growth - Club of Rome (1972)

Small is Beautiful - Ernst Schumacher (1973)

Somehow I think it's going to be difficult to find an equivalent number for the 40 years which followed!!

Thursday, March 19, 2015

Seminal Books of the 20th Century - part II

Apparently I'm not alone in my interest in making a list of "the key books of the century"....I've just unearthed the first of what promises to be a series of posts on "the hundred most influential books since the war" - which appeared last month in the Time Literary Supplement and gave us 20 titles from the 1940s....

It draws our attention to an interesting initiative of 1986 when a diverse group of writers and scholars came together to try to assist independent East European writers and publishers both at home and in exile. The Chairman was Lord Dahrendorf, Warden of St Antony's College, Oxford (and prominent German politician!).

Other members were the French historian Francois Furet; Raymond Georis, Director of the European Cultural Foundation, Amsterdam; Laurens van Krevelen of the Dutch publishing house Meulenhoff; the Swedish writer Per Waestberg, at the time President of International PEN; the European correspondent of the New Yorker, Jane Kramer; and the historian and commentator, Timothy Garton Ash.

The result, in 1995, was a book "Freedom for Publishing, Publishing for Freedom" which listed 100 key books, listed sequentially on the TLS blog.

The very first book on the list for the 1940s is one I knew I had forgotten to put on my list - Simone de Beauvoir's "The Second Sex" (now rectified).

I think I should also have included the writings of Max Weber and Raymond Aron.....so reserve the right to produce a more definitive list which better reflects my particular criteria of impact, coherence and "sustainability" (ie "lasting power")

I have resisted the temptation to peek at the books the TLS blog gives for each of the following decades - until I have completed my own effort - and simply pass on this list of 20 key books for the 1950s. A few years ago, Time Magazine gave us an interesting annotated list of the 100 best nonfiction books

Of course all such lists are arbitrary - but the last post does give a good sense of the conflict and repression which was the European experience in the first half of the 20th century with the sense of liberation and assertiveness of the immediate post-war period - as well as the first warnings of the excesses of our way of life in the late 1960s.

Saturday, March 21, 2015

Key Books of the last 40 years

I am having much more difficulty identifying "seminal books with a distinctive voice" for the last 40 years. I had little difficulty naming almost 40 books for the earlier 40-year period - mainly because they marked me at an impressionable age.

That's perhaps one of three reasons for this deficiency - ie that,

- after the age of 30, one is less easily impressed. Certainly there are more books on this list which I haven't actually read - but whose importance warrants their mention....

The other two reasons for the shorter list are that

- the battle-lines on most disputes were drawn in the first part of the century - and we are now operating in the tracks made by more famous (and original) men and women....
- University growth, social science specialisation and bureaucratisation have killed off creativity....

Clearly such assertions need to be justified and I hope to post on this shortly.....

For the moment, let me simply list the books which came to mind as I tried to complete the list.....the Peters book is there not for its quality but simply because it reflected the "mood of the time".

And, so far, I don't feel able to include a book covering the post 2001 anxieties about migration - although Chris Cauldwell's 2009 Reflections on the Revolution in Europe is a front-runner. Nor have I tried to touch the issues related to information and security.....

So my tentative list for the post 1973 years includes -

The Cultural Contradictions of Capitalism - Daniel Bell (1976)

Orientalism - Edward Said (1978)

The Breakdown of Nations - Leopold Kohr (1978) A personal favourite....

The Culture of Narcissism - Christopher Lasch (1979)

In Search of Excellence - Tom Peters and Robert Waterman (1982)

Imagined Communities - Benedict Anderson (1983)

Casino Capitalism - Susan Strange (1986) Another personal favourite

Manufacturing Consent - Noam Chomsky (1988)

The End of History - Francis Fukuyama (1989)

Reinventing Government - David Osborne and Ted Gaebler (1992)

Everything for Sale - the virtues and limits of markets - Robert Kuttner (1996)

Short Circuit - strengthening local economies in an unstable world - Ronald Douthwaite (1996). The book I would vote as the MUST READ for all of us these days

The Lugano Report: On Preserving Capitalism in the Twenty-first Century - Susan George (1999)

Change the World - Robert Quinn (2000) A vastly underrated book

A Brief History of Neo-Liberalism - David Harvey (2005)

Injustice - why social inequality persists - David Dorling (2011)

Then there are tens of thousands of volumes which management writers have given us - of which the better have been produced by people such as Henry Mintzberg, Charles Handy and Ronnie Lessem

George scialabba

<http://www.newyorker.com/books/page-turner/the-private-intellectual>

<http://crookedtimber.org/category/george-scialabba-seminar/>

<http://bostonreview.net/us/scialabba-interview-intellectuals-radicals>

<http://thenewinquiry.com/features/an-interview-with-george-scialabba/>

About the author

Ronald Young lived the first 48 years of his life in the West of Scotland - 20 of them as an aspiring academic and innovative politician in local, then Regional, Government.

The last 25 years have been spent as a consultant in central Europe and central Asia - generally leading small teams in institutional development or training projects.

Since summer 2007 he has divided his time between a flat in Sofia, a flat in Bucharest and a house in the Carpathian mountains.

In 2009 he started a website which contains the major papers he has written over the years about his attempts to reform various public organisations in the various roles he has had - politician; academic/trainer; consultant.

"Most of the writing in my field is done by academics - and gives little help to individuals who are struggling to survive in or change public bureaucracies. Or else it is propaganda drafted by consultants and officials trying to talk up their reforms. And most of it covers work at a national level - whereas most of the worthwhile effort is at a more local level.

The restless search for the new dishonours the work we have done in the past. As Zeldin once said - "To have a new vision of the future it is first necessary to have new vision of the past"

He started a blog - called Balkan and Carpathian Musings - initially to try to make sense of the organisational endeavours he has been involved in - to see if there are any lessons which can be passed on; and to restore a bit of institutional memory and social history - particularly in the field of what used to be known as "social justice".

"My generation believed that political activity could improve things - that belief is now dead and that cynicism threatens civilisation. I also read a lot and wanted to pass on the results of this to those who have neither the time nor inclination - as well as my love of painting, particularly the realist 20th century schools of Bulgaria and Belgium".

He now has a new website - Mapping the Common Ground - which is a library for articles and books he considers useful for those who - like Brecht - feel that "So ist die Welt - und muss nicht so sein"!

LIST OF Author's PUBLICATIONS

The Global Crisis - Telling it as it is

Crafting Effective Public Management

The Bulgarian Realists - updated edition

Introducing the Romanian Realists of the 19th and early 20th Centuries

Mapping Romania - notes on an unfinished journey (2014)



Introducing the Bulgarian Realists - how to get to know the Bulgarians through their paintings (2012)

The Search for the Holy Grail - some reflections on 40 years of trying to make government and its systems work for people 2012

Just Words - a glossary and bibliography for the fight against the pretensions and perversities of power (2012)

A Draft Guide for the Perplexed (2011)

The Long Game - not the log-frame; (2011)

Administrative Reform with Chinese Characteristics (2010)

Training that works! How do we build training systems which actually improve the performance of state bodies? (2010) Even altho I say it myself - it is one of the best papers on the subject

Learning from Experience - a Bulgarian project (2009)

Building Municipal Capacity (2007) an interesting account of an intellectual journey

Roadmap for Local Government in Kyrgyzstan (2007) this is a long doc (117 pages. I enjoyed pulling out this metaphor - and developing using (in workshops) the diagram at pages 76-77

Building Local Government in a Hostile Climate (2006)

Overview of PAR in transition countries (2006) 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!

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.

Case Study in Organisational Development and Political Amnesia (1999)

In Transit - Part One (1999) The first section of the book I wrote for young Central European reformers. I find it stands up pretty well to the test of time

Annotated Bibliography for change agents - For quite a few years I had the habit of keeping notes the books I was reading. Perhaps they will be useful to others?