



ERUDITIO

“A multidisciplinary forum focused on the social consequences and policy implications of all forms of knowledge on a global basis”

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In This Issue

ARTICLES

Determinism and Reification: The Twin Pillars of the Amoral Society – <i>Gerald Gutenschwager</i>	1
Breaking Free: Bringing the Overview Effect to Work and Life – <i>Charles E. Smith</i>	13
Higher Education: Cornerstone of the New Era – <i>Federico Mayor</i>	21
The Future of International Law – <i>John Scales Avery</i>	31
EU between Monetarism and Keynesianism – <i>Mladen Staničić & Josip Sapunar</i>	48
New Paradigm of Political Economic Theory – <i>Winston P. Nagan</i>	58
Collabocracy: Collaborative Intelligence & Governance of Globalised Society – <i>Dimitar Tchurovsky</i>	64
Reforming Electronic Markets and Trading – <i>Hazel Henderson</i>	68
Visions of Sustainable Development: Theory & Action – <i>Robert J. Berg</i>	89
Analysis and assessment of the right to peace in light of the latest developments at the Human Rights Council – <i>C. Guillermet-Fernández & D. Fernández Puyana</i>	94
Sustainability, Past and Future – <i>Michael Marien</i>	117
Book Review – <i>Michael Marien</i>	138

Eruditio Vision

The vision of the Journal complements and enhances the World Academy's focus on global perspectives in the generation of knowledge from all fields of legitimate inquiry. The Journal also mirrors the World Academy's specific focus and mandate which is to consider the social consequences and policy implications of knowledge in the broadest sense. The vision of the Journal encompasses major challenges facing global society and seeks to examine these issues from an interdisciplinary, multi-method and value guided perspective.

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In This Issue

Gerald Gutenschwager has written a profound piece in a short compass, which is additionally sweeping in its reach. I would suggest that “[Determinism and Reification: The Twin Pillars of the Amoral Society](#)” should be read by as many Fellows of the World Academy as possible. Gutenschwager has looked at two concepts that have constrained human thought. These are the concepts of Determinism and Reification. When these forms of restraint on thinking are dominant as they have been throughout the course of human history, they have a profound effect on the role of human thought in the business of human-choice-making in terms of fundamental interests and rights. The most insidious effect of these limits on thought is that they in effect expropriate the capacity for the full development of human-centered ethics and morals. Gutenschwager sagaciously points out that a segment of society benefits from these restraints while the rest is largely victimized by it. He draws attention to the notion of the role of the bully in human social processes historically and contemporaneously. The bully can’t function without regard to the restraints of morality and ethics. In short, the bully thrives on an atmosphere of amorality. There is an obvious analogy here regarding Lasswell’s development of the power-oriented personality, which he described in terms of private motives displaced on public objects and rationalizing the public interest. The role of the bully in whatever guise ultimately undermines the development of democracy. Gutenschwager explores the anthropological dimensions of these developments as well as the role of positivism in shaping and giving effect to both reification and determinism. Gutenschwager quotes Nietzsche that those who benefit from reification or determinism “prefer a handful of certainty to a whole cartload of beautiful possibilities”. Gutenschwager provides a powerful critique of the role of economics in the generation and sustaining of an amoral society. In this regard, his giving attention to predatory capitalism, whose contemporary outcomes represent oligarchy and plutocracy, is extremely timely. His critique of Adam Smith is especially insightful. The profoundly important point in Gutenschwager’s contribution is the salience of human thinking and the importance of the freedom of thought for the human future. This is a highly intelligent and compelling contribution.

“[Breaking Free: Bringing the Overview Effect to Work and Life](#)” is an important compliment and amplification of Gutenschwager’s article summarized above. In this article, **Charles Smith** starts with an insight called “the overview effect” appropriated from Frank White, author of *The Overview Effect: Space Exploration and Human Evolution*. In viewing the earth from the vantage point of space, those observers undergo fleeting moments of transcendence in that they see themselves and the complex communities inhabiting the Earth in a pattern of complete interdependence from top to bottom and bottom to top. This reminds one of the foundations of configurative thinking explored by former WAAS president Harold Lasswell. Configurative thinking requires the vantage point of an observer with a capacity to observe the whole and the multitude of its parts and particulars connected to the whole. The challenge of configurative thinking is that such an approach commits the exploration of any phenomenon at mercurial levels of particularity, and yet extrapolated in the context of the larger whole. This is similar to Smith’s idea that such a vantage point observes “the whole of a system as greater than the sum of its parts”. Additionally, Smith grapples with the idea that those who experience the overview effect are involved in the rest of the community. In Smith’s words, “they experience themselves as fully connected to the world around them,

not separate from it... they and the system are made of one whole cloth, even though this experience is far too complex to explain, the experience infuses the participator with energy, vitality and creativity, which is infectious.” There is a profound sense of responsibility in this. In short, the process of thinking generated in this experience requires not linear thinking, but configurative thinking. Smith goes on to explore the elements that facilitate the breaking-free process of the overview effect. These are matters of cognitive dissonance, energetic awareness, escape velocity and collective intelligence. The central feature of Smith’s exploration is that it involves deliberation of the mind and the expansion of the boundaries of consciousness. The expansion of these boundaries represents an important step in the potential and possibilities of human capital for the improvement of the human prospect. This is a profoundly important and brilliant article.

Federico Mayor’s “[Higher Education, Cornerstone of the New Era](#)” is a brilliant and far reaching challenge to the future of higher education and the formidable challenges of social responsibility that its future must inevitably embrace. Mayor has provided us with a powerful insight into the interdependence of higher education values and human rights. It is surprising that over 50 years after the adoption of the UN charter and the sterling work of UNESCO, the commitment to human rights and higher education is not yet universally embraced. This is a brief but compelling and brilliant statement of the challenge and its importance to the improvement of world order.

John Avery’s article, “[The Future of International Law](#),” is an important contribution to an interesting topic that seeks to engage non-technical intellectuals who are not jurists or lawyers. What he has done is to provide us with a historical gloss on some of the most important events that have inspired the modern international law concept. Unfortunately, the editor is an international lawyer, and realizes that there is a necessity for a broader and non-technical appreciation of the role of law in the evolution of society. This therefore is not for the technical legal expert but for the fellows who are not trained in this way. In this sense, it is an excellent introduction to the field.

Mladen Staničić and **Josip Sapunar** have written a timely and profoundly interesting paper titled “[EU between Monetarism and Keynesianism](#)”, triggered in part by the Greek economic crisis. They see the problem as ultimately requiring a prudential integration of both monetarism and Keynesianism. They draw attention to the fact that the EU approach to globalization represents an element of political inequality for states that are less developed within the EU. Imposing economic measures inspired by monetarism, they have reduced themselves to radical posterity. These measures do not account for the political integrity and stability of these weaker developed states. However, the consequences of radical austerity tend to promote radical instability and in effect, radically weaken the autonomy of the weaker state. The authors insist that the EU approach this kind of problem with political realism as well as technical economic argument. This is an important and far reaching suggestion and it remains to be seen how this will evolve within the political economy of the European Union. It is a piece well-worth reading.

In “[Introduction to the New Paradigm of Political Economic Theory](#)” **Winston Nagan** recommends a framework for the future based on new paradigm thinking. This short article provides a clear and a simple description of the fundamental paradigms of classical and neoclassical theories of economic thinking. The author emphasizes the dire need for new

economic thinking and focuses on the centrality of human capital as a critical foundation for economic prosperity. The new politico-economic theory, he adds, must be human centered and seek to address the whole society in a comprehensive manner. This is an important contribution that seeks to go beyond old paradigmatic thought and embrace a new economic theory that is transnational, holistic, integrated and values-based. – Comment by **Garry Jacobs**, Editorial Board Member, *Eruditio*.

In “[Collabocracy: Collaborative Intelligence and Governance of Globalised Society](#),” **Dimitar Tchurovsky** explores the interrelationship between the brain, thinking, and the organization of intelligence. In his view, intelligence is the foundation for making decisions. He distinguishes between individual, collective and collaborative intelligence. It is when human beings engage in collaborative intelligence that they improve the capacity for responsible and effective decision making in the common interest. The theme of intelligence and decision making has of course been explored by other Fellows of the Academy. They have emerged with a breakdown that has similarities to this paper. Although our Fellows have insisted that intelligence begins with problem identification and then requires a mastery of at least five intellectual tasks that inform decision making, be it individual, collective or collaborative. In sum, the problem requires intellectual skills in goal clarification, and an appreciation of historic trend, an understanding of conditions which inspire problems and which inspire possible solutions, the capacity to predict consequences of decision making intervention or the lack of it, and the imagining of creative alternatives for solving the problem. Both of these approaches have important ramifications for a deeper understanding of global governance and decision making and this article adds to the store of knowledge of this important area.

Hazel Henderson’s contribution, “[Reforming Electronic Markets and Trading](#)”, underscores the vital importance of integrity and fair dealing in the stock exchange and the impact of high-frequency trading (HFT). High-frequency trading brings high-tech electronics into the mechanisms of investments in the market. As Henderson points out, there have been substantial losses to investors and to a large extent these appear to be attributable to the operators of high-frequency trading. The importance of the piece, together with other contributions, is that transparency is virtually nonexistent for the prudent institutional investor, and therefore the investor proceeds in a blindfolded manner. Worse still, the controllers of the technology are far ahead of the governmental regulators in the security exchange commission. In part, this is the result of the Republican effort to starve the agency of funding and personnel to effectively police this component of the private sector. Henderson’s contribution provides many thoughtful insights from insiders into the problem, its dangers and the prospect of reforms that are meaningful. This is an extremely important piece of the puzzle of the new economic paradigm.

Robert J. Berg has anticipated an important discourse that is about to take place within the World Academy of Art & Science. That discourse concerns the aspiration of the Academy to forge an intellectual and scientific climate receptive to paradigm change. In his work, “[Remarks on Visions of Sustainable Development: Theory and Action](#)”, he underscores the point that a shift in the paradigm is no simple matter and needs to explore complex methods in evolving multiple trajectories of change in search of the solutions necessary for constructive paradigm change. He is particularly concerned about the complicated interrelationship of

sustainable development and climate change. His article notes that there is an urgent necessity for an integrated social science that may serve as an intellectual foundation to responsibly grapple with the options implicated in paradigm change in this context. His article implies that we are far from any kind of unification of the social sciences to facilitate this objective. This is a good and challenging paper and worthy of considered thought.

The human right to peace is a matter that has been seriously advanced within the UN Human Rights Council. Although it seems obvious ideologically that the commitment to the universalization of a human right to peace is uncontroversial, that is not the case. In the 20th century an international organization known as the League of Nations was created. One of the problems it sought to address was the claim competence of territorial sovereign states to have unrestrained control of where and when force would be used in international affairs. This system of anarchy essentially resulted in the outbreak of the tragedy we call the Great War. Statesmen such as Wilson and Smuts promoted the idea that there needed to be an international organization that could more effectively manage issues of international security on a global basis. The League failed because the sovereign states insisted that any binding decision taken by the League had to have the consent of every sovereign state. In short, the sovereign wanted to wage war they could simply repudiate unanimity by going to war. The breakdown of the League coincided with World War II. Since the development of the UN Charter peace has been a major objective of the UNO. However, a precise linkage of peace as a universalizable human right has defied the unanimity of sovereign consensus. **Christian Guillermet-Fernández** and **David Christian Fernández Puyana** have given us a careful update of the state of current negotiations in the efforts of the human rights council negotiators to secure a Declaration on the right to peace in their report “[Analysis and Assessment of the Right to Peace in light of the latest developments at the Human Rights Council](#)”. The report that they give is tantalizing and promising. It does appear that the last few steps are possibly in reach that might present a global consensus of sovereign states. Still sovereigns are tough on even small matters. We shall have to await the outcome of these promising negotiations with keen anticipation.

In this contribution of **Michael Marien**, “[Sustainability, Past and Future: Ten Propositions on the Emerging Organizational Macro-System](#)”, he has produced a toured force of the literature dealing with sustainability and climate change. Marien has summarized virtually all the major works from the 1960s to the present. He has then sought to integrate this mountain of information in ten propositions, each of which will require a focus of attention from organizations like the World Academy of Art & Science. In these ten propositions, he poses vital questions that might have been obscured by a simple overview of the torrent of literature. One of the important issues that he addresses are the vast number of non-governmental entities involved in various components of sustainability advocacy. He also draws attention to the multitude of UN agencies that are tasked with various aspects of sustainability. It is impossible to summarize his ten points without simply repeating them here, so the reader is advised to review them critically and to consider how these propositions might shape the World Academy’s interest in sustainability and climate change. The editor, however, has to congratulate Mike Marien for this tremendously informative update that will surely inform the distinguished Fellows of the Academy.

Michael Marien has provided us with an important review of the literature of the emerging field of ecological economics in his [book review](#). He rightly senses that the importance of a political economy founded on the existential reality of ecological phenomenon probably has the capacity to reshape foundations of modern economics. Because of its radical contextuality, it would seem to be a complement to the search for a new theory of economics which is being explored by several Fellows of the Academy. Marien underscores ten central features of humanity's current existential dilemma and its ecological challenges. He then provides us with a historical overview of the development of ecological economics. He underlines the fundamental principles and direction of ecological economics and explores the institutional challenge and policy scenarios that it challenges. This is another extremely useful article and a must read for our Fellows interested in the development of a new theory of global political economy.

Winston P. Nagan

Chairman of the Board, World Academy of Art & Science

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Determinism and Reification: The Twin Pillars of the Amoral Society

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Ο δρόμος προς την αρετή ήταν δύσβατος για τον Ηρακλή
The road to virtue was long and difficult for Hercules

Abstract

The history of ethics is a troubled one. It is often plagued by the twin pillars of determinism and reification. The first is the belief that all things in the universe, both social and physical, are determined by the laws of God and/or nature and that humans merely discover these laws. The second refers to the tendency of human beings to forget the subjective human origins of all thoughts, beliefs, theories, etc. and to treat them as if they were objective 'things' (res) that then have control over all those entities, including humans, to which they refer. For thousands of years ruling systems of thought have based themselves on these deceptive practices. This has simplified the task of rulers and others who have benefited from these beliefs, as it has relieved them of any personal moral responsibility for their thoughts and actions. But it has also served the common people who, along with the rulers, were relieved from the onerous process of constantly examining their ontological beliefs, this being especially true if the actual systems of control in society seemed to leave little opportunity to alter the actual circumstances of life in any case. The current situation is particularly depressing, given the widespread absence of any moral awareness in science, especially economic science, during the widespread crisis gripping the Western world, especially destructive to the young people who appear to have so little hope for their future.

1. What is an Amoral Society?

By amoral (value-free) society we mean a society of people who have no moral sense and who cannot, or do not want to recognize the difference between good and evil and who may not even *be able* to recognize this difference, as an expression of sociopathology. It is a society of people who are not aware and do not care if they do evil to their fellow humans or to the environment in which they live. Essentially it is a society that has come to distinguish humans as a species without the emotional and ethical values and moral institutions that characterize human existence. Today's amoral society is the result of many years of war by the economy against human society (Polanyi 2001). The economy has an overwhelming dominance in today's society. Given the basic premise that only money matters to humans, along with the implementation of the 'free market' and its infinite growth ideology, almost all human concepts have now been replaced by commercial values, as we shall see below.

2. How has the Amoral Society come into being?

How and why we live in an amoral society today is a long and complicated story. One could say that it started the moment humans acquired private property along with the invention of agriculture and the domestication of animals, a process that began roughly 10,000 years ago. At that time people began leaving the small communities where they, themselves, had created a system of social control and organization following hundreds of thousands of years of biological and anthropological evolution. In those prehistoric communities, social organization was based on the **recognition of the dependence of each person on the others in the group, as well as on nature, understood as necessary for survival.** This recognition was (and is) expressed as a sense of morality, something that unfortunately has been slowly eroded as a result of the increasing size of the population and inevitable increasing complexity of society, accompanied by an increase in anonymity. In addition to this, the rise of private property gave a different ethos to society generally (Engels 2010 [1884]). Riane Eisler (1987) has also suggested that invasions by male dominated herders into the early agricultural societies of 'Old Europe' and the Middle East destroyed the egalitarian social order that had apparently survived the transformation from the earlier hunter and gatherer societies that had preceded them. She cites Minoan Cretan society as the best example of these still egalitarian forms, forms which were gradually eroded by the invasions of the Mycenaeans, with the volcanic eruption and tidal wave on the island of Santorini also apparently playing a role. The philosopher Aristotle tried to address this problem when he wrote about 'Ethics' and 'Politics'. At the same time, art, especially theater, helped the ancient Greeks to understand the importance of ethical and cultural dilemmas, which demonstrates that the issue was still part of the larger social discussion at that time.

3. The Role of Religion in the Evolution of Moral Consciousness

The dialectical spirit of philosophy and art in ancient Greece appears to have been lost with the rise of monotheistic religion. That is, the church gave its own interpretation of morality, albeit in a very dogmatic way, with a code that has been important, at least for those, either within or outside the church, *who have been guided by it.* Under the new doctrine of religion people were asked to believe that moral rules come from extraterrestrial sources and that they should follow them without debate, without doubt: "Blessed are those who have not seen and yet have believed". At the same time, the price of sin, i.e., eternal damnation, was a heavy burden for the poor human being. Perhaps for this reason confession was added in order to ease this burden. The system of religious moral principles was quite good for its time and even for today, for that matter, if and whenever people actually adhere to it. Unfortunately, however, the church did not recognize, and to a large degree prevented the development of human knowledge, especially with regard to nature, but also concerning the organization of society, and along with that the evolution of moral needs. But, perhaps more important is the fact that moral consciousness and discipline are diminished when humans lose the sense that they are **participating** in the creation of the system of controls over their personal and collective or social life.

As a perhaps unintended consequence of this highly centralized definition of morality through organized religion was the problem of corruption from time to time, a problem that is likely to occur whenever there is a lack of democracy in the social hierarchy and generally

when excessive power is exerted over society, even in the name of religion. This corruption in the Church was sufficiently pronounced in the early 16th century, that it produced a movement for reform, with the resulting Lutheran schism and the birth of Protestantism throughout northern Europe. Among the Protestants, morality was (and is) a matter between the individual and his or her God, not unlike the ancient Gnostics, before Paul, who together with the leaders of the Eastern Roman Empire, organized the church hierarchy for better control of the populace (Koutoulas 1997).

This direct relationship between humans and their God required a different moral system, not one based on honor and shame with its necessary social monitoring. It required a more esoteric sense of good and evil. It required a sense of **guilt**. The feeling of guilt must be embedded in early childhood during the first years of socialization, so that it will remain forever in the subconscious and last throughout one's life. It is for this reason, plus the fact that the environment in the North is so much more unforgiving, that individual discipline appears to be very important in northern Europe. Unfortunately, however, when the burden of guilt becomes unbearable, people have a tendency to unload it onto anyone else they can, both near and far, a practice that is often accompanied by the hope that they themselves would then appear more righteous. Also, this often results in a tendency to authoritarianism and to a strong need to seek revenge for any breach in the rules by others, or even oneself, for that matter, a problem that apparently irritated Nietzsche all of his life! On the other hand, in such circumstances people are much more willing to trust their fellow human beings, something which promotes more coherence and cooperation in large-scale societies. For this reason the subsequent evolution of religious morality was somewhat different in the North, although the rise of amoral science would, along with its quantitative siblings, the monetary ethos and the belief in infinite economic growth, ultimately produce some of the same negative effects as in the South.

4. What are the findings of Anthropology?

It appears from the work of anthropology that the emotional instinct of morality has become genetically embedded in humans and the higher apes that live in groups with a consciousness that their survival depends on that group (Hauser 2006, Boehm 2012). On a practical level, moral control in small groups depends upon the almost complete knowledge that everyone has concerning the behavior of others within the group, along with the pressure that can be exercised by the group on the delinquent person, for example, interruption of communication with the offender (shunning), or expulsion from the group, or, in extreme cases such as a murder, their execution. These techniques have been used successfully, for example, in relation to common problems such as stealing and freeloading, as a necessary means of maintaining the integrity of the group.

As mentioned above, the **lack of participation** that characterized the social world after the invention of agriculture and the domestication of animals, along with the resulting growth of population, reduced individual involvement in social control. Religion transferred this control to a metaphysical level, with the hierarchy of the church as the author and enforcer of the rules. That is, moral consciousness remained, but decisions about what is moral versus immoral behavior were taken from the collective hands of the people directly involved.

Meanwhile, one of the most serious, though apparently somewhat rare, moral problems that the hunters and gatherers in small communities had (and have) to deal with are the tyrants, the powerful ‘alpha males’, who sought to intimidate and control their fellow humans (Boehm 2012). These types appear to be increasingly common in the secondary schools of today’s crisis-ridden society, where they are labeled with the term ‘bullies’. This is something that, since even before the ancient Romans up to and including the present day, characterizes only certain types of men. With the development of agriculture, the acquisition of private property and the growing inequality among people, the number of bullies began to increase, with the inevitable result that they, themselves, would designate what was good and bad. The hunters and gatherers had the means to control these types, typically by organizing the more egalitarian majority in order to rein in the bullies. Over the last 8000 years, however, this form of bullying behavior has been extended to a larger and larger scale, up to and including the international level, where it has been transformed into imperialism. This anthropologically recent, though still sufficiently lengthy history of bullying, has given the impression that predatory aggression is innate in man, when in fact it may for the most part be an (unintended?) consequence of a new environment created by him. Here, again, participation by the common people in creating the social order is absent, in spite of the myth of participatory democracy that is propagated from time to time. Naturally, in this case the sense of morality is even more diluted, *even while the people themselves continue to be dependent on one another!*

As a result of this recent history there is now a tradition in the West that wants us to believe that all humans, especially men, are characterized by what Nietzsche has called the “Will to Power”. This is something that Marshall Sahlins (2008), in his book, *The Western Illusion of Human Nature*, suggests is a tradition that leads us to believe that bullies, tyrants, oligarchs, dictators, etc., should be regarded as something natural, something inherent in our biology. Again, according to Sahlins, this illusion has been expressed by many philosophers and historians including Thucydides, Thomas Hobbes, Adam Smith, and many others, as well as by many positivist social scientists. If, however, we consider this concept of “Will to Power” in the context of the hierarchy of needs theorized by Abraham Maslow (1970)—a conceptual framework unavailable to Nietzsche during his time—it might be more appropriate to call it the ‘Will to Self-Actualization’, i.e., the need to become everything one is capable of becoming, from perfect mother or father, to poet, athlete, musician, carpenter, or whatever. Thus we would be able to appreciate that self-actualization in the form of a ‘will to power’ characterizes only a few people, especially if we emphasize the difference between predatory and defensive aggression (Peterson and Shane 2004). Indeed, otherwise it would not be so easy for tyrants to seize power. The will to power is, therefore, apparently rare and is to be found mainly in individuals who suffer from psychological disorders. Most people find self-fulfillment in entirely different ways and not through a need to dominate their fellow humans. This ‘naturalizing’ of bullying, in other words, serves more as propaganda than as science, much as (Social) Darwinism has served the interests of the free market system.

Within this historical context Nietzsche (2003 [1913]) named the original system of social control in small communities, the **morality of outcomes** (of actions), the consequences of which were almost always evident in these societies. The Protestant control system using guilt he labeled the **morality of intentions**, something more suitable in a larger society where

the effects of actions are not so obvious. However, with the evolution of mass society we can also now see the need for a **morality of unintended consequences**. That is, it is not enough to have and to carry out good intentions, something that Aristotle had also proposed, but we must observe and judge all the consequences of our actions. As an obligation, this is nearly impossible because of the complexity of mass society and the difficulty of knowing all the consequences of our actions, to say nothing about the difficulty of individuals in social systems controlled by bullies to enjoy any kind of freedom even to judge their deeds, let alone control them. Here science, especially social science, could and should play an important role in revealing these unintended consequences. The frustration and ultimately nihilism of Nietzsche, particularly in relation to the philosophers, was based at least in part, on the inability of a mechanistic and deterministic science during his time (and ours) to fulfill this obligation. Science, in order to play a significant role in the study and evolution of morality, would need to recognize the socio-political theater, the sociodrama (Burke 1959, 1965, 1968a, 1968b, 1969a, 1969b, 1973), (Duncan 1968, 1969), (Lentricchia 1983), (Rueckert 1969), which is an equally important essence of human reality, along with the various mechanistic phases that are observed from time to time.

5. What role has the Culture of Science played in creating the Amoral Society?

The problem is that science and ethics are residents of two completely different worlds, as C.P. Snow (2013 [1959]) argued more than fifty years ago. Science is based upon the five known senses. Thus it ignores and often trivializes the moral sense as an obstacle to proper (rational) thinking, necessary for science. Morality and emotions belong to our biological past and thus are to be found more in the human **subconscious**. Ironically, however, emotions and ethics as phenomena are well known to business and political leaders who use them to implant in individuals the thoughts and actions needed to keep them in power. Here they use art, especially the narrative and the theater where heroes and villains symbolize appropriate versus inappropriate thoughts and behaviors. The irony is that within the sociodrama, which is an essential dimension of social life, science becomes an excellent **device** for the ruling class because it carries great authority and great respect—if a scientist, who is the hero of the current sociodrama, says it, then it must be true!

The current phase of this story starts from the time that science began to replace religion as a source of genuine knowledge. This was an intellectual **and moral** revolution that was long and painful. Its most famous early victims were Galileo and Giordano Bruno, who gave their lives for their faith, (not to mention Hypatia and other ‘pagan’ victims a thousand years earlier). One result of this conflict between science and religion has been that science, until now at least, has been indifferent to the broader **philosophical** framework of ancient Greek science and has left its spiritual and emotional dimensions to the increasingly diminishing influence of religion and to otherwise ‘peripheral’ academic philosophers. Science, since that time, has been required to be ‘value-free’, that is, free from (and not ‘contaminated’ by) moral concerns. It has had to be objective and rational, investigating the laws of nature from a location **outside** that nature (and **outside** of society). As an example of the effect of such attitudes we offer the thoughts of J. Robert Oppenheimer, one of the scientists who helped create the atomic bomb:

When you see something that is technically sweet, you go ahead and do it and argue about what to do about it only after you've had your technological success. That's the way it was with the atomic bomb (Jacobs 2014),

and,

We didn't know beans about the military situation in Japan. We didn't know whether they could be caused to surrender by other means or whether the invasion was inevitable (U.S. Atomic Energy Commission, 1954)

Gar Alperovitz (1994), among many others, has documented in great detail the knowledge about what was going on at that time, for anyone of Oppenheimer's status who might have been interested!

Apart from its rational but necessarily amoral methodology, most scientists believe in the **deterministic** approach of Newton and Descartes (and, therefore, of Adam Smith, of course). Determinism is the belief that all events in the universe are determined by 'natural' laws that apply everywhere and at all times. Newton believed that these laws came from God, while many, if not most, scientists today do not give much importance to religion or to philosophy, and simply believe that these laws are endogenous in the universe and that scientists are only discovering them. From this standpoint there are two advantages for the scientists. First, this gives more authority to these laws and, secondly, it exempts scientists from any sense of moral responsibility for what they say and do as scientists: if these laws come from God or from nature, the scientist is merely an intermediary, a messenger, not their creator.

This deterministic approach appears to be in conflict with the dialectical approach of Heraclitus, which would argue that there are no ecumenical laws in the universe, because the universe is constantly changing due to the conflict among its various elements: "War [conflict] is the father of everything," as he proclaimed, or "thesis - antithesis - synthesis", as Hegel said. Marx, in his doctoral thesis, examined the opposition between determinism and the dialectic, as it was expressed in the conflict of ideas between Democritus and Epicurus. The latter supported the dialectic, as did Marx, of course.

In addition, this may have something to do with a basic human psychological tendency: most people prefer a more deterministic world rather than a more relativistic one. They do not want to have to think all the time about whether their perceived reality is true or not, or whether it works properly or not, a weakness that postmodernism has much dwelt upon, especially in its nihilistic mode. Meanwhile, this deterministic bias appears to include most scientists, as described by Thomas Kuhn (1970) in his book, *The Structure of Scientific Revolutions*. People do not often seek to change their basic ontological beliefs, because this would require that they dig into their subconscious, something very arduous for most people. Heraclitus' maxim that everything flows and changes, remains just that, a saying. Most people prefer to forget Heraclitus' essential meaning, which is why they submit themselves to bullies so often. As Nietzsche said, these people "... in their desire for truth ... prefer a handful of certainty over a whole cartful of beautiful possibilities"!

On the other hand, humanists and phenomenological social scientists believe that humans and the social reality that surrounds them are socially constructed and thus have both a

subjective and an objective aspect (Gutenschwager 2004). The subjective aspect includes the thoughts, theories, images, beliefs, along with the ethical principles, etc., that humans, both individually and collectively, have about reality. The objective aspect includes what actually exists in the environment, using whatever means can be used by science or others to observe and measure it. Positivist science does not recognize to any great extent the subjective dimension; or rather it tries to neutralize it in the interest of rational and value-free (amoral) objectivity. Thus, it has created a way of thinking, a philosophy that avoids the dilemma about the role of humans and their morality in the construction of the social world. It is a philosophy that allows positivist social scientists, in particular, to create the world in their own image, so to speak.

This also brings up the abiding problem of **reification**, or the tendency of people to forget the **human origin** of all the ideas, theories, concepts, and beliefs that they have about the natural and social universe. The word 'reification' has roots in the Latin word 'res' (thing), and it is the process of taking a human idea, a thought, an abstract concept, and converting it into an objective 'thing', outside and for the most part above and beyond human involvement. The phenomenon that often accompanies this illusion, of course, is then to allow this 'thing' to control one's life as if it were an immutable law of nature or of God. All of this is irrespective of any evidence that might be accumulated to prove the truth of the 'thing' *within the context of one's belief system or paradigm*, as described by Thomas Kuhn in his book. This is something that is especially troublesome in the social world when reified scientific ideas are implemented, with their too often unintended consequences.

Thus, some biologists, and many others, for example, believe that the vast majority of what humans believe and do, including egoism and aggressiveness, etc., is inherent and genetically determined, i.e., is the product of the 'survival of the fittest'. This term has been mistakenly interpreted and used by Social Darwinists, in particular, in order to legitimize the behavior of bullies. They have, deliberately, it would appear, distorted the meaning of the English word 'fit'. This word can mean 'good physical condition', though not necessarily 'large and powerful'. But it can also mean 'appropriate or suitable'. Darwin, of course, would have implied the second meaning, i.e., if an organism were compatible or suitable in a changing environment it would survive, regardless of its strength or size (e.g., the dinosaurs).

On the other hand, positivist social scientists, including mainstream economists, believe (as do physicists for nature) that the objective (social) reality is a (Newtonian) mechanism. Thus in both the Darwinian and Newtonian framework human intention plays no important role. What would be the point of moral consciousness in a **deterministic** (social) universe? Humans, including political leaders, and especially the powerful bullies among them, along with most scientists in their work would appear to have no need for morality. In fact, under this deterministic system of belief, **they could not take any moral responsibility for what they do and think, in any case!**

6. What role has the Culture of Economics played in creating the Amoral Society?

The next step in the evolution of science was the attempt by Adam Smith in his book, *The Wealth of Nations*, as well as other positivist social scientists and philosophers in the later

part of the 18th and throughout the 19th and 20th centuries to bring the scientific revolution to the social sciences by using the same principles as those used in the natural sciences. Their purpose was to confer the same authority on the social sciences that has been enjoyed by the natural sciences (with the same status and compensation, of course). Thus they have viewed society within the same mechanistic framework that physicists have viewed nature, without asking whether the consciousness that characterizes human beings would make any qualitative difference in the organization of society in relation to the organization of nature.

In spite of this mechanistic view, Adam Smith and his followers still felt the need to script, theoretically at least, some kind of consciousness in humans and some kind of explanatory model that would incorporate the obvious appearance of social organization. During the time of Smith the socioeconomic order was in the process of transforming from feudalism into mercantilism and industrial capitalism, a change he, himself, supported, of course. In this context Smith proposed rationalism (along with an implicit greediness) as the mode of consciousness, and for social cohesion, the mathematics of physics. Physics included no form of consciousness (at least not then), which forced Smith to formulate additional dimensions for 'economic man'. Hence, he turned to Democritus for the idea of individualism, i.e., the atom, as used by Newton and Descartes in their deterministic physics.

In this context Smith defined individual consciousness and behavior as rationalism, complemented by the idea of motivation, which he defined as a search for personal satisfaction. All of this was fine up to this point, but how would he measure these concepts: science requires quantitative data. It will not surprise anyone if we say that he found **money** to be the perfect **symbol of satisfaction**. It is absolutely quantitative, everyone seems to want it, and most people believe that it will bring great satisfaction and happiness. This may be partly true, but only along with the 'golden (not necessarily mathematical) mean' of Aristotle, something within the ancient philosophical tradition largely overlooked by most scientists, for reasons explained above. Also completely ignored here are the thoughts of Epicurean and all other spiritual philosophies that give emphasis to the **non-materialistic** dimensions of human satisfaction and happiness, once basic survival needs have been met, of course.

Meanwhile, in order to fulfill one's needs for satisfaction and happiness in the social world of the free market, *where everyone else is doing the same thing*, one has to be **predatory, cunning, and generally amoral**, like everyone else. Here is a very serious problem. While Smith called his new system the 'free market' so that people would believe that they were, indeed, free, they were, and are in truth, enslaved in a new form of thinking and behavior, that of **predatory individualism within an amoral society**. Even worse, over time, as the oligarchic and plutocratic system evolved, it is the powerful and wealthy bullies who actually define the living conditions of the people, who then must either succumb to them or die of hunger! It would appear that the only real freedom modern 'rational' humans have is the freedom from moral constraints!

The self-assigned role of Adam Smith was to transfer power to a new ruling class, from the church and the landed nobility in a largely rural society to the merchants and industrialists in an emerging urban society. This was the well-known transformation from a feudalist to a mercantilist and then a capitalist society, something that had begun many years before during the Renaissance in Italy. This transformation was also accompanied by a transfer of

intellectual authority from religion to science, without which the economic transformation, itself, could not have transpired, given the importance of technology to economic growth.

“At some point economists (and all scientists) must begin to perceive society as a mental, spiritual and emotional whole and not as a deterministic mechanism consisting of autonomous units.”

Unfortunately, however, Smith’s ideology and theory were built on only half truths, because his ontological assumptions have not been reexamined since they were put forth more than 200 years ago, given the absence of any philosophical dimension to economic science. His truths are well known, for example: a) investing surplus rather than (conspicuously) consuming it brings development; b) science and technology are indispensable to growth because of their ability to increase productivity; c) economic development improves material well being. But his *untruths* are equally significant: a) unlimited economic growth is not possible because of the tendency to over-accumulate capital (as we see today), and because of the damage it does to the physical environment, to say nothing of the people; b) ever increasing acquisition of material possessions does not ultimately produce happiness, as we now see in our alienated consumer society; c) ever increasing personal wealth does not engender respect, but rather envy and a sense of injustice; d) the improvement in material well being is not universal but is rather acquired at the expense of the many for the benefit of the few; e) individualism and self-interest do not produce the best overall system, in spite of elegant mathematical proofs to the contrary; finally, f) the (unexamined) traditional moral values of economics are not very constructive, consisting of greed, envy and fear, based as they are on predatory individualism.

While this system did succeed in liberating people from the former feudal system of serfdom, they are now trapped in a new kind of slavery, chasing after money and goods at the expense of all other human moral and spiritual values. Of course there has been enormous technological progress over the past 200 years, a progress enjoyed by the people of the first world, though, unfortunately, too often at the expense of those in the third world, to say nothing of the natural environment. And for a while the cornucopia of consumer goods coming from predatory individualism seemed to deserve the sacrifice of other values. Now, however, that the super-cunning bankers and brokers reveal, as they have done so many times in the past, the true face of the ‘free market’, people are becoming increasingly disappointed, without any idea of where to look for new inspiration.

Indeed, as Capra (1982) has so aptly illustrated, we are now at a turning point where we must examine our ontological assumptions and begin to search for a new socio-economic system—a very difficult thing! This applies especially to economists who continue to argue about whether the market should be ‘free’ or controlled by government intervention—as if there hadn’t been massive government intervention to establish and maintain the ‘free market’ from the first moment of its existence, as described by Karl Polanyi (2001[1944]). At some point economists (and all scientists) must begin to perceive society as a **mental, spiritual**

and emotional whole and not as a deterministic mechanism consisting of autonomous units. One cannot (metaphorically) lop off a piece of the human brain while ignoring the rest of that brain along with its heart, its body, its society, its culture and its history and call it 'economic man', and then build a whole science upon that mutilated (and reified) thing. We must all understand that any economic policy is at the same time also a **social and moral** policy and that to transform everything into commodities while ignoring the enormous toll on both humans and the environment is pure misanthropy. They don't call economics the dismal science for nothing—but it's long past the time for a new start!

7. What effects does the Amoral Society have on its youth?

Those who more than anything must pay the price for all of this, of course, are the young people. The entire socio-economic and political theater bombards children with the need to buy the latest technological 'gadgets'. The heroes of the consumerist sociodrama projected by the mass media relate only to wealth and consumption. For the children whose parents can buy them whatever they ask for there is cultivated a feeling that they should be very proud, and believe that they are on top of the social world. But when money (yet again) replaces other human values, the emotional vacuum remains and the frustration is expressed in a variety of ways. These children, along with the other children who cannot have the technological goodies, are angry with their parents and with the entire society, a society that does not allow them to participate in the 'consumer paradise'. This is especially true when the young see the corruption that enables the political and business bullies to enjoy all these goods. If we add to this that they are unlikely to ever find a place in society that will allow them to participate in this 'paradise' in the future, one can easily understand the anger and disrespect that the youth have for adults, for their teachers, parents, politicians, etc.

Meanwhile, all the other messages that young people receive are from negative to nihilistic, including those about wars, crimes, frauds, thefts, divorces, suicides, scandals etc. Television, movies and computer games portray mostly sinister police adventures, violence and corrupt behavior. The goal of the master 'predators' is to numb and dumb down the people with desperation, while also providing them with 'bread and circuses', and the less the bread, the more the (increasingly violent) circuses. The only good thing is that in real life the athlete-gladiators are not (yet) actually killing each other, as they did in Ancient Rome, the grim prototype for today's decadent society. And for the really desperate, of course, there are always narcotics, a perfect solution for the master predators in a world where technology alone is expected to continue increasing unemployment rates throughout the 21st century and beyond.

And what about conventional scientists and engineers? They rather appear not to want to hear about any of this. In particular, scientists and engineers working in the 'high tech', the military and the pharmaceutical companies have even less reason to be concerned. Of course, all this does not mean that we should abolish rationalism. It is simply that there are other dimensions to humanity that must be respected along with rationalism. To suppress and ignore these dimensions prevents even rationality from functioning properly. Both emotions and morality must work alongside rationalism as parts of the living totality that is human existence.

8. What hope is there for the youth at this historic moment?

The situation is desperate. At least, so it appears, superficially. Meanwhile, hidden from the media and popular culture, and from the more conventional academics but available on the Internet are thousands of scientists and others who are looking for solutions to the current problems of alienation and lack of moral principles. Heterodox economists, biologists, physicists, anthropologists, sociologists, archaeologists, homeopathic and alternative physicians, etc., are all looking for new approaches to understanding nature, the human body and human society, within a new context, in particular that of quantum physics and the electric universe. There, perhaps, are hidden the emotions, the instincts, the human ‘vibrations’, the moral principles, and all of the new (ancient?) medicine. This is not to speak of tens of thousands of global human efforts to create small communities based upon cooperation. It would be well worth the effort for today’s youth to investigate and become informed about these efforts, in order to see whether they might also be able to participate in the creation of a new social system for the future. It is for their own benefit to learn that there is something *beyond* the deterministic science, the predatory individualism and the materialistic philosophy that govern our thinking today. There, they may even find the quiet enjoyment of life, close to nature with their fellow human beings. First of all, however, they need to understand what is happening and why, in today’s society. This is necessary in order for anyone, especially the young, to be able to respond creatively and to claim the right to determine for themselves the conditions and limits of their happiness (Ray and Anderson 2000). This would also exempt them from the painful weight of desperate anger and the accompanying random and unproductive acts of vandalism.*

“There is something beyond the deterministic science, the predatory individualism and the materialistic philosophy that govern our thinking today.”

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Breaking Free: Bringing the Overview Effect to Work and Life*

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Abstract

Upon breaking free of Earth's gravity and going to space, some astronauts experienced a surprising change in their perspective of life on Earth. Author Frank White[†] named this phenomenon, "The Overview Effect." Astronauts who experienced this were witness to a message about how to be, with the planet and with each other. Their message about being "in the same boat" together points to an opportunity for many of us to break free of "the way it is" and create moments of transcendence that go beyond identity, individually and collectively. It is about shifting our point of view to see that what needs attention in our companies, communities, and relationships is always greater than the sum of the parts.

In the same way that we must achieve escape velocity to reach space and see the Earth anew, it is possible to identify and generate equivalent escape velocity for breaking free of the cultural and circumstantial gravities that keep us from going for our dreams with courage and conviction.

For example, in the first decade of this century, a large public utility was losing money, had union-management conflict, and was facing the grim prospect of letting people go. Simultaneous with conversations about the Overview Effect and achieving Escape Velocity, the CEO threw his hat over the wall and told every employee, individually and together, that if they performed to certain standards, none would lose their jobs. This expanded people's energy and enthusiasm such that they broke free from their historical culture of distrust and going in different directions, and generated a wildfire of high performance, innovation, cooperation. During the worst of the recent 'Great Recession' the company made its largest profits ever, and over the subsequent five years moved near the top of its industry in terms of every business quality and social measure.

Upon breaking free of Earth's gravity and going to space, some astronauts experienced a surprising change in their perspective of life on Earth. Author Frank White¹ named this phenomenon "The Overview Effect". Some astronauts also discovered a compelling drive within themselves to help make business, government, healthcare, and the world as we know it, a better place.

* This 'stand-alone' article focused on pragmatic applications, was generated in conjunction with multiple conversations between David Norris, Frank White and the author regarding the distinctions of "Bringing the Overview Effect Down to Earth" and is highly related to the article of David Norris and Frank White titled "Breaking Free: Bringing the Overview Effect Down to Earth."

[†] Frank White, *The Overview Effect: Space Exploration and Human Evolution*, Library of Flight, 2014

Astronauts who experienced the Overview Effect were witness to a message from the universe about how to be with the planet and each other. It's about being "in the same boat" together, and the possibility that many more of us can break free of our own certainty about "the way it is" to create moments of transcendence, individually and collectively at any point in time. It is about shifting our point of view to see that what actually needs attention in companies, communities, and relationships is always greater than the sum of the parts.

In the same way that astronauts must achieve escape velocity to reach space and see the Earth anew, so is it possible for many on Earth to generate an equivalent escape velocity to break free of the gravity of the cultures and circumstances that keep us from going for our dreams with courage and conviction. The challenge and purpose in writing this article is to ally with kindred spirits in learning more and more ways to achieve that escape velocity and bring the Overview Effect down to Earth.

"The "overview" way of being calls for control of emotions so that principles, values, reason, and intuition prevail."

1. Toward an Overview Way of Being

In 1994, Yehezkel Dror² presented a commissioned report to the Club of Rome on the capacity to govern. He analyzed the state of national, local, and corporate governance in the world, and made a number of sensible recommendations. His final word, however, was that when all was said and done, what mattered most was the character of the leaders.

Some leaders and CEOs demonstrate a kind of character that includes a capacity for self-reflection and an ability to see the whole of a system as greater than the sum of its parts. This "Overview" way of being implies a seeking for understanding in almost any circumstance. It calls for control of emotions so that principles, values, reason, and intuition prevail. At their core, these people are predisposed towards inquiry and are unusually open to considering things that may be inconsistent with what they already know or believe. Their search for the truth is coupled with a personal commitment to doing what's right for all involved. They experience themselves as fully connected to the world around them, not separate from it—they and the system are made of one whole cloth, even though this experience is far too complex to explain. They take responsibility for dramatically expanding their own and others' energy, vitality, and creativity. This almost always results in the achievement of escape velocity and breaking free from the limiting effects of culture and fixed beliefs.

When planning to take on something thought to be impossible, a person has to instinctively appreciate something greater than the sum of its parts. It can't be understood through linear, measurement-based analysis. The whole is too complex, with too many elements, relationships, blockages, and co-workers' and colleagues' self-held limitations. You just can't get to the essence of what's really going on and make sense of the whole with linear and convergent approaches.

In observing and working with leaders and groups who have achieved escape velocity, it is clear that they created a "new whole" that's greater than the sum of the parts, and that connects deeply and personally with everyone involved. They achieved unfathomable leaps

in cohesion, energy, and accomplishment. Gradually but dependably, new leaders emerged who were focused on betterment of the whole system. From this place, fresh opportunities appeared for invention, co-invention, and innovation, far beyond what was imaginable from a linear baseline.

We often fail to recognize that our methods of analysis are based on created thought-frameworks that derive from the linear, convergent nature of analysis in the first place. We are tricked by our own mind's need to see things in ordered and sensible ways. As John Stewart³ writes, *"Abstract/ rational thinking is largely incapable of representing complex patterns and processes, transforming systems, emergence and complex relationships."* So much more is available by seeing things from the perspective of the whole than from the perspectives reached by studying one or more of the parts, which are always influenced by our roles, beliefs, commercial imperatives, personal histories, skill sets, and political interests.

2. Essential Elements for Breaking Free and Bringing the Overview Effect Down to Earth

We consider four basic elements essential to Breaking Free. These elements do not necessarily happen one at a time or in a particular order. All are necessary to enable individuals and organizations to bring the Overview Effect Down to Earth. All are necessary to provide life and work with a transcendent, empowering and noble context for solving problems, unleashing creativity, and bringing forth unusually effective ways to operate businesses, governments, educational systems and other public services. These elements are:

- Cognitive Dissonance
- Energetic Awareness
- Escape Velocity
- Collective Intelligence

David Norris and Frank White⁴ describe a powerful instance of Cognitive Dissonance in contrasting astronaut Ron Garan's deeply moving experience of seeing the Earth from a distance with his awareness of the violence and other painful social and political situations happening on the planet. The experience of Cognitive Dissonance is necessary before people will commit to achieving Escape Velocity. Such dissonance is the foundation for an acute experience of the unacceptable contradiction between your dream for something you really care about and the seemingly inescapable truth of the way it actually is for you. We are referring to an intensity that is experienced physically, emotionally, and sometimes spiritually. We all have ways of avoiding this distasteful pain—distraction, focusing on something good, thinking about the future, hoping and coping, and keeping busy are but a few. Deep immersion in this gap makes the existing situation intolerable. It is this powerful Cognitive Dissonance that induces "the final no" to the current state of affairs and "yes" to a vision upon which energy flows and Escape Velocity becomes possible.

Energetic Awareness comes from attending to, sensing and directly working with the patterns of energy present in relationships, teams, organizations, businesses, and communities. It reveals the underlying patterns that directly affect the success of any effort, and helps a leader to:

- Sense the blocks to creating high energy teams, projects, or organizations;

- Understand natural solutions or innovations that “want to emerge” and are consistent with the players’ passions;
- Unlock energy and wisdom that are naturally present;
- Discover ways to heal, create partnerships, and navigate complex situations; and
- Build loyalty and agreement to shared goals.

“In an energetic paradigm, responsibility begins with our willingness to be cause-in-the-matter of energy across the entire system.”

In business and life itself, Energetic Awareness happens in a specific context—a mission-driven or relationship-driven framework. It has the power to mobilize everyone involved. Energetic Awareness occurs in a moment of presence. It propels people, groups, and ultimately systems forward by literally seeing themselves and the related environment at its very core as a field of interacting opportunities and energy flows. Escape Velocity becomes available when leaders observe people’s relationships and work in terms of energy flows between people, groups, and hierarchies. This is consistent with Serge Kahili King’s⁵ insight that, *“Energy flows where the attention goes.”*

Frank Herbert^{6,7} said that, *“..., in all the universe there is only the insatiable appetite of matter., that energy is the only true solid..., and energy learns.”* Such learning is always the sum of intellectual, physical, emotional, and spiritual activity. We can get very smart cognitively yet remain stupid emotionally, spiritually, or physically. In an energetic paradigm, responsibility begins with our willingness to be cause-in-the-matter of energy across the entire system.

Victor Sanchez⁸ suggests that, *“..., companies and people with the most available energy will prevail”,* and that *“..., good ideas, force of will, profit and growth are not enough.”* The pull of the existing culture’s gravity always wins without the Energetic Awareness that enables Escape Velocity and the ability to see, address, and overcome cultural and personality barriers. This requires personally paying attention and addressing it directly when we see that energy is low or missing. It means directing energy where we want it to increase (i.e., it is always our job to enliven a boring meeting and move things forward). This energy expansion is always a momentary event allowing us to Break Free of the current circumstance. In the next moment another set of gravitational forces will need to be contended with—gravity never goes away.

Energetic Awareness is a bridge to Escape Velocity. To go into space, we must achieve Mach 25-17,500 miles per hour. That is the propulsion, energy, vitality, and staying power needed to break free of the gravitational pull of the Earth. In life, enormous gravitational pulls exist in culture, personal identity, dominating relationships, and existing beliefs, which block one’s ability to come to terms with what is possible. In human affairs, escape velocity can be dramatic or subtle. It can come from a great increase in propulsion and velocity, a subtle

or radical change in circumstance, or from a shift in one's way of being, often manifested in action. It can be personal or organizational. It can be technical or counter-intuitive. When it happens, people recognize it and report experiencing freedom, a release of constraint, movement, achievement, and a powerful sense of connection with the world around them.

Many of us have experienced moments of Escape Velocity from the gravity of our own lives or circumstances. One dramatic example from our work occurred at Campbell's Soup of Canada.

In order to prevent Canadian manufacturing plants from being closed and the business from relocating to the United States, the senior management group needed to mobilize the entire workforce to cut costs. They stood bravely as a group in the face of their own fear that the meeting could go out of control, and spoke with uncommon vulnerability in front of half of the company's employees about the situation at hand, knowing that hundreds of people did not trust them.

The moment of vulnerability was magical. The gap was painfully experienced, between the fear-driven existing situation and people's shared dream of a company where everyone thrived. They had paradoxically generated a surge of energy that broke everyone free, as they reached escape velocity from a culture of mutual distrust. The workers involved spontaneously visited other parts of the company to share the opportunity of what had happened. Most of Canadian manufacturing was saved and the company became a place where many people reported being thrilled to come to work.

In an example of Escape Velocity from the most recent Great Recession, a large public utility in the western United States was losing money. They were having union-management conflict and facing the grim prospect of having to let people go. Despite all of this and with the intent to expand people's energy and enthusiasm, the CEO threw his hat over the wall in an act of trust. He told every employee, individually and together, that if they performed to certain standards, none would lose their jobs. In those moments of being "for" one another, they broke free from the gravity of a culture of distrust, goals segmentation, and not 'being in the same boat' that had plagued them for years. A wildfire of innovation, cooperation, and collective action emerged, making a new future real. During the worst of the recession, the company realized its biggest profits ever, and in the following five years moved near the top of its industry against every business, quality, and social measure.

In each case, Escape Velocity from the pull of gravity of culture or identity increased suddenly by imagining and committing to a compelling future that reshaped current perceptions and actions. This was a "Future-Present-Singularity" in which the desired future became the new context of what was happening moment to moment. As with astronauts in the space program, people's energy and commitment to acting as ambassadors from the future took flight. All sorts of things happened that would not have otherwise been possible.

Collective Intelligence is the shared or group intelligence/wisdom that emerges from the collaboration, collective efforts, and competition of many individuals. There is an emerging body of research and application showing great promise in the use of this energetic phenomenon. It's more than conceptual and always consists of more than words and numbers, often also being expressed in emotional form (feelings), spiritual form (nobility of purpose),

or physical form (as in the power to act). However it's expressed, Collective Intelligence possesses, exerts, or displays great increases in individual and collective energy.

"The Overview Effect, in which the world literally changes by changing how we perceive it, could not have been experienced by an astronaut acting alone."

While the boundary limits of Collective Intelligence are given by the context or fundamental mission of the enterprise, Frank Herbert⁹ cautions us that, *"Most civilization is based on cowardice. It's so easy to civilize by teaching cowardice. You water down the standards that could lead to bravery. You restrain the will. You regulate the appetites. You fence in the horizons. You make a law for every movement. You deny the existence of chaos. You teach even the children to breathe slowly. You tame."*

We saw this limitation demonstrated in a major corporation where the prime directive to managers and engineers was, "Be aggressive, but don't rock the boat." In such a circumstance, intelligent individuals only think what they are paid to think, at least in public. This was a teaching of cowardice in areas that were not seen as being in service to boundaries set by hierarchy. If, as Herbert says, *"There is no such thing as rule-driven creativity,"* this accounts for the lack of unbridled innovation in most large organizations, which develop increasing numbers of rules.

Space exploration is a prime example of how Collective Intelligence can be incredibly powerful in the right context. The Overview Effect, in which the world literally changes by changing how we perceive it, could not have been experienced by an astronaut acting alone. Thousands of people, using the tax dollars contributed by millions of people, responded to the stirring vision enunciated by President John F. Kennedy, who vowed to *"... put a man on the moon and return him safely to Earth by the end of the decade."*

When it comes to Collective Intelligence, there is always a paradox. Glass artist Michael Smith[‡] says, *"Creativity unleashed is a matter of allowing intention and flow, design and freedom, together."* Collective Intelligence is akin to Energetic Awareness in that it consists of interacting flows of multiple forms of intelligent phenomena.

Collective Intelligence emerges in a search for shared meaning or common ground. Getting a person, pair, or group to join in the search for shared context, and to move from debate to dialogue, makes a vast realm of intelligence available beyond that accessible by the individual mind. Looking from the Gestalt, the whole, rather than from the parts, allows for something new and different to emerge, offering new pathways for effective problem-solving. This contextual, perceptual, intellectual shift opens the way to a greater realm of collective wisdom.

[‡] <http://www.thecreativityunleashed.com/>

3. Conclusion

A remarkable client story captures the basic elements of Breaking Free from the pull of cultural gravity. Woody Beville was Executive Vice President of the Rouse Company during the years the company became famous for pioneering the development of Festival Marketplaces, such as Faneuil Hall in Boston; South Street Seaport in New York City; Harbor Place in Baltimore; and Bayside Marketplace in Miami. Woody was in charge of operations and the expansion and redevelopment of more than 70 malls across United States. Their success bears a remarkable resemblance to what it takes to break free of the pull of gravity, go to the moon and back, and see the Earth from orbit or from the lunar surface.

When President Kennedy made his announcement, NASA had just managed to send Alan Shepard on a brief suborbital hop above the atmosphere. The goal of sending a man to the moon and back appeared to be impossible. No one knew how to do it. With this impossible goal energizing everyone involved in the mission, NASA contractors, flight controllers, scientists, and astronauts came together in a remarkable display of Collective Intelligence. They actually beat the President's deadline by several months! An unexpected but major benefit came with this accomplishment, as the astronauts, and all of us with them, saw the whole Earth for the first time together—as a species we witnessed “Earthrise” as our home planet hung suspended in the lunar sky.

The Rouse Company shift happened during a period when the industry was in complete collapse. Major developers were going bankrupt or being kept alive by banks. Yet during this time, the Rouse Company's earnings escalated continuously, reaching 30 percent improvements each year. During the worst five years of deep recession, 70 percent of the center management teams consistently met self-created “Impossible Goals”.

When we first met, Woody had talked about the absence of “straight talk,” which was destroying the trust on which everything else depended. People were not telling the truth about what was going wrong or slipping, and bosses were doing the same. I heard the pain in Woody's voice when he said, *“I will no longer work in a place where people don't tell one another the truth.”* At the same time, his dream for the center teams, the people, and the company was a perfectly clear statement of a human values-driven and consistently successful business. The Cognitive Dissonance was obvious and painful, and impelled his willingness to “shoot for the moon.”

As with the Apollo moon landing program, the goal appeared to be impossible, and no one knew how to do it. The big question for Woody was, *“How do we create a set of goals based on the deep personal energy of every team member; in service of three missions—team and team-member growth, the contribution of every team to the community it serves, and taking care of our shareholders?”*

Escape Velocity came from decisively turning on its head everything in the culture that was contradictory to the best in human nature. Employees, management, communities, shareholders, and team members melded with one other. Shopping center management teams were told that from now on they would set their own goals without interference. All levels were told that bosses were no longer controllers, gatekeepers, and boundary managers. Bosses were told not to intercede to get their own way, but to engage through helping the teams achieve their self-set “impossible objectives.” These impossible objectives were defined

to have less than a 30 percent probability of success. The teams were told to put together operating budgets as usual, and then set them aside, totally going for their objectives, rising and falling together as a team in terms of year-end awards, salary adjustments and bonuses.

With an enormous release of personal, team and collective energy, the company achieved Escape Velocity. Individually and together they established goals they cared about, personally and deeply. Leaders could walk freely into team meetings and feel the success and passion of people working toward goals they themselves had set. It became clear how compelling it was for people to be taking on and achieving the Impossible Objectives they had conceived and committed to, individually and together. They had broken free of the suppressive impact of hierarchical rule, and the tyranny embedded in an assumption that a higher intelligence resides only in the bosses.

Despite a background awareness that in complex systems Collective Intelligence is usually smarter than individual intelligence, the cost of ignoring this became demonstrably clear. Prior to this change, 70 management teams full of intelligent individuals had been behaving in ways that were collectively inept. Through addressing Cognitive Dissonance and recontextualizing their way of working, they tapped into the enormous well of Energetic Awareness that is nearly always available. They put that energy into the service of company, team and individual visions they really cared about, rather than buying into or going along with goals simply because an authority wanted them to want it.

Breaking free of the pull of Earth's gravity was once considered impossible, yet it has now become a matter of practice and technology. Similarly, it has also become possible to systematically break free of the gravity of culture and identity, in the service of critical business and social concerns. This capacity to "Bring the Overview Effect Down to Earth" is as much a practical matter as it is a human and spiritual necessity.

British consultant and colleague John Caswell[§] points out, "*Billions of dollars are spent by companies and governments trying to solve the wrong problems.*" Perhaps our ability to break free of the gravitational pull of culture and limiting identity will finally give companies and governments a path to solving the right problems.

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[§] Founder & CEO, Group Partners

Higher Education: Cornerstone of the New Era

Federico Mayor

Chairman, Foundation for a Culture of Peace;
Fellow, World Academy of Art & Science

“Many things are to be done and everything is possible,... But who, if not all?”

Miquel Martí i Pol

Abstract

For the first time in history, because of digital technology, human beings are able to express themselves freely and participate in society: they have turned from passive spectators to actors. They are not silent, obedient and fearful anymore. They know what happens on planet Earth on the whole, becoming world citizens in the process. And, above all, women, the cornerstone of the new era, are able to progressively take part in decision-making. Every human being, with the distinctive faculty of creativity, will contribute to invent the future, in which humanity will be guided by “democratic principles”, as enshrined in the UNESCO’s Constitution, the only context in which human rights can be fully exercised. Education for all throughout life is a necessity to become “free and responsible” at a higher level.

The difference between education and training must always be endured in mind. The neoliberal economy is permanently pushing to have and not to be, when what matters is to be and to have the “human tension” needed to act and to dare. In order to develop exclusive human capacities (think, imagine, discover, anticipate, innovate...), the crucial aspects we should consider are the philosophical, humanist and artistic dimensions of higher education, having always in mind a dignified life (food, water, health) and sustainable development for all.

Universities will not only efficiently contribute to be, to know, to do, to live together and to undertake, but they will be at the forefront of the general mobilization needed in order to pave the way for the transition from a culture of force to a culture of word, the “new beginning” envisaged in the “Earth Charter”.

Each human being is unique and has the ability to create. This is a great hope for humanity. Until recently, they were only glimmers in the trajectory of mankind dominated by absolute masculine power, in which people were invisible, anonymous, silent, fearful, submissive... But now, for the first time in history, mankind has a global conscience, is able to contemplate Planet Earth in all of its dimensions as a whole, and has realized that the future has yet to be written. And it is possible to invent it, as President John Fitzgerald Kennedy underscored in his extraordinary speech in Washington on June 23, 1963: “They say that disarmament and peace are unachievable goals. I will show that they are feasible, because *there is no challenge that cannot be resolved through the creative capacity of the human species*”.

Citizen participation has always been very weak and the voice of the people, generally barely audible, was neither listened to nor heard. In contrast, today there are many who are capable of making the transition from subjects to citizens and becoming visible, identifiable, bold and unbound. *The fundamental mission of universities is to pave the way for this new era, the era of the people.*

Higher education means to be fully—and at a higher level—“free and responsible”, as it was so masterfully defined in Article 1 of the UNESCO Constitution. Free and responsible people are those who act upon their own reflections and not upon the dictates of others; who are aware of their rights and obligations, and who fully apply “democratic principles” at the personal, local, regional and global levels, which is the only context in which human rights may be freely exercised.

During the 1990s as Director General of UNESCO, I had the opportunity to organize global conferences on higher education, which provided me with first-hand knowledge of the characteristics and what is essential and must be maintained as our principal reference, the values that are common to all universities of the world. This process culminated in the World Conference on Higher Education held in Paris in 1998, the conclusions of which are still entirely applicable as models for the highest academic institutions at the dawn of this new century and millennium.

A few years ago, the Regional Conference for Latin America was held in Havana. It was evident from the conference proceedings that the Latin American continent both seeks and finds political, economic, academic and cultural alternatives, perhaps due to having so greatly suffered dominance and humiliation during the 1960s. Since 2000, with the new technologies now at the service of great principles, the regional conferences in Latin America and the Caribbean have continued to define fundamental criteria for determining how to best achieve the universities’ mission, strengthen their autonomy and co-governance, access and relations with society...

It was underscored at the conference that “*it is essential that we all be autonomous, while being interrelated and interactive,*” so that universities may play their role as intellectual, academic, scientific and cultural leaders, enabling them to achieve universal recognition and to implement human rights within a genuinely democratic framework.

In effect, universities must tirelessly promote justice, gender equality, sustainability and democracy. Adequate treatment and financing of life-long higher education, always considered as an investment and accessible to all citizens from the age of emancipation, is—as it was so lucidly defined in the Declaration of the Regional Conference on Higher Education in Latin America and the Caribbean—“*an irreplaceable element for social progress, the generation of wealth, the strengthening of cultural identities, social cohesion, the struggle against poverty and hunger, the prevention of climate change and the energy crisis, as well as for fostering a culture of peace*”.

Concerning universities as a vital instrument, point C.6 of the Declaration of the 2008 Regional Conference on Higher Education is quite significant: “*Moving toward the goal of generalized, life-long higher education requires demanding and providing new content for principles of active teaching, according to which learners are individually and collectively*

the principal protagonists. Active, permanent, and high-level teaching is only possible if it is closely and innovatively linked to the exercise of citizenship, active performance within the workplace, and access to the diversity of cultures”.

We must read and reread the Declaration because it contains essential recommendations, particularly in Chapters D (Social and Human Values of Higher Education) and E (Scientific, Humanistic and Artistic Education and Comprehensive Sustainable Development).

In the early 1990s, I commissioned the European Community President Jacques Delors to produce a Report on Education for the Twenty-first Century which was drafted by a committee of prominent professors at all levels, as well as educators, sociologists, philosophers, etc. The Report defined the four principal pillars of the educational process: learning to know, learning to do, learning to be and learning to live together. Among the four, I would like to underscore the principle of “learning to be”. A century ago, Francisco Giner de los Ríos affirmed that “education is the capacity to sensibly manage one’s own life”. Yes, learning to use the distinctive and infinite powers of the human species: thought, imagination, foresight, creativity! To the Delors Committee’s pillars I added “learn to undertake”. I remember that after a long stay in the Biochemistry Department at Oxford University whose county coat of arms reads “Sapere aude”! (dare to know!), I returned to Spain and thought that *while daring to know, one must also know how to dare*, since risk without knowledge is dangerous, and knowledge without risk is useless. Learn to dare, to learn to undertake, to innovate! I remember some mountaineers who once said, “We did it because we didn’t know it was impossible”.

We must *always bear in mind the difference between education and training*. Training may vary at times substantially, reflecting progress made in the acquisition of new knowledge. In contrast, education isn’t based on aptitudes, but rather on attitudes, that is, following unchanging principles that derive from abilities that are exclusive to the human condition.

Neither has any other common or permanent characteristics, other than quality and accuracy, where there is no room for partisanship, bias or political agendas.

A few words now about the production and dissemination of knowledge. When some focus on commercial aspects, centering mainly or even solely on technology, I feel I need to remind them what I read in 1965 in the Biochemistry Department of the Argentine Nobel Laureate Bernardo Houssay: “*There is no applied science if there is no science to apply*”. Professor Hans Krebs said, “Science exists to prevent or lessen human suffering”. Science that results from discovery, from looking at life from a different perspective. Krebs used to repeat, “*Research is seeing what others also see and thinking what no one has ever thought*”, underscoring the role of imagination in developing research hypotheses.

“*For a socially responsible university*” was the excellent theme of the 9th International Conference on Higher Education “University 2014”, which was renewing its commitment to the university and to our times, while continuing the on-going discussions and debates in the area of higher education.

Among the major questions to be addressed on the social responsibility of universities, I would like to underscore the following:

1. Policies and perspectives of higher education for a socially responsible university.
2. *Educational and teaching challenges in training highly qualified professionals who are committed to society. Universities with socially responsible management of environment, energy and sustainable development.*
3. *Use of information technologies to support the social mission of universities.*
4. Improvement in the training of educational and health professionals in universities as an expression of social responsibility.
5. *Food Security: the responsibility of universities toward society and its food sufficiency.*

“With few exceptions, universities haven’t fulfilled their role as catalysts for social change.”

At this point I believe it would be interesting to examine what were considered the great challenges for higher education 25 years ago and the solutions that were proposed at that time. Here are some of the points that I addressed and the recommendations that I made at the Europe-Latin America University Conference held in 1987 in Buenos Aires:

- *“The genuine wealth of a country has its expression in its capacity for creativity, innovation, and in its capacity to respond to challenges both personally and collectively”.*
- *“The unwavering reason for the university’s existence is to bring culture to all citizens”.*
- *“New dimensions and change require an attitude of permanent learning”.*
- *“Universities can and must play a fundamental role in providing an accurate analysis of the present and in predicting the future”.*
- *“The quality of its teaching staff is the indisputable essence of a university”.*
- *“If you really believe that institutions of higher education are the motors of society on whose actions future progress depends, then new national priorities must be established so that education and science receive the financial and social support that they so urgently need”.*
- *“With few exceptions, universities haven’t fulfilled their role as catalysts for social change”.*
- *“The only requirement for choosing professors should be their qualifications. And as for students, access to higher education shouldn’t be based on their families’ economic standing, but rather on their duly accredited efforts and abilities”.*
- *“We cannot expect universities to be rebuilt or renewed in a context that is anachronistic and indifferent to any change”.*

- “Transformation of our universities can only be achieved with the necessary daring and lucid political, social and economic changes. It is stimulating and supporting that universities can play a fundamental role in the transformation process”.
- “Universities must become permanent centers for higher learning, and institutions capable of mobilizing all of their intellectual potential”.
- “If universities lead the never-ending rebellion against ignorance, and if they still have the strength required to implement the previously mentioned transformations, then universities will provide the life blood of all educational activities”.

‘Socially responsible universities’: Universities that can seek support from a society which is now aware, because it is progressively awakening from the apathy in which it has lived for centuries. In December 1948, the United Nations General Assembly passed and proclaimed the Universal Declaration of Human Rights... asking all member states “to publicize the text of the Declaration and to cause it to be disseminated, displayed, read and expounded principally in schools and other educational institutions, without distinction based on the political status of countries or territories”. The Preamble reads: “Whereas recognition of the inherent dignity and of the *equal and inalienable rights of all members of the human family* is the foundation of justice and peace in the world... the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people”...

It is fundamental to underscore the idea of “freedom from fear and want”. And the fact is that, confined both territorially and intellectually, the world’s inhabitants have always lived and died in extremely limited spaces. And they have lived in fear, without points of reference, without the capacity for comparison or to seek answers to essential questions. For that reason, the third paragraph of the Preamble of Universal Declaration affirms that, “if man is *not to be compelled to have recourse, as a last resort, to rebellion*,... human rights should be protected by the rule of law”. *Overcoming inertia, to facilitate evolution and avoid revolution, universities must fully implement the theme of this International Conference: they must be socially responsible*, devoting themselves to “the Peoples”, as the Preamble of the United Nations Charter so wisely insists. It doesn’t mention states or government, but rather the “Peoples”. People who have decided to “save succeeding generations from the scourge of war”. This means that they assume that supreme commitment—so often evoked by President Nelson Mandela—should be the primary characteristic of future generations. *It is the duty of each generation to take the next one into account*. And, for once and for all, *to enable peace to prevail over war; and words to prevail over force*. From the beginning of time, the powers have always followed that perverse adage: “If you want peace, prepare for war”. And thus, at the end of World War I the Republican Party prevented the United States from joining the League of Nations that President Wilson had created to implement his ‘Covenant for Permanent Peace’.

President Roosevelt’s magnificent plan at the end of World War II placed “the Peoples” at the forefront of history. And the Constitution of UNESCO, as the United Nations’ intellectual institution, proclaimed that the educated people must be “free and responsible”, that they must be guided by the “democratic principles” of justice, equality and “intellectual and

moral” solidarity. But all these, as well as the “free flow of ideas by word and image...,” were all too soon ignored and forgotten by the great powers that invariably had security as their supreme concern.

Let us now review the content of Article 26 of the Universal Declaration of Human Rights, “distributed, exhibited, read and discussed” in all educational institutions: “higher education shall be equally accessible to all on the basis of *merit*”. The reference at this point is to adult citizens. Obligatory or compulsory provisions are excluded. The basis is merit, with respect to all members of the academic community, both professors and students. Merit, dedication, effort and imagination are required in order to be fully “free and responsible”.

The second paragraph of Article 26 reads, “Education shall be directed to the *full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms*. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace”. The Universal Declaration and the aforementioned text are especially pertinent at this time when we observe that biased definitions are so often being offered by institutions specializing in other areas, such as economics, and which should not be interfering in education to promote their own interests.

In the late 1940s and early 1950s the key words were “sharing” and “international cooperation.” Sharing what we have with others and distributing wealth adequately were the essence of those “*democratic principles*” that had to be observed in order to put an end to an era of absolute power. “Unity is strength” and it was necessary for all countries to unite (“United Nations”) to achieve the overall and proportional development that would enable peaceful coexistence at the national and international levels. I recall incessant deliberations about the nature of “development”: it should be integral, that is, not limited to economic aspects but rather including, above all, those of a social and cultural nature; it should be *endogenous*; it should be “*sustainable*,” according to the definition suggested by the committee chaired by Gro Harlem Brundtland; and in the late 1980s and at the behest of UNICEF’s Assistant Director Richard Jolly, development should above all be *human* (“Development with a Human Face”).

While these debates concerning the nature of development ensued, the great superpowers were fully devoted to the arms race, raising the stakes to stratospheric levels: I recall with horror the “Star Wars” in which the United States and the Soviet Union were then engaged. “Star Wars!”... While the majority of the rest of the world were engaged in “star-vation”, as I saw it written in large letters in a street in New York. International cooperation became exploitation; subsidies and loans were granted in draconian conditions; the Nation-State was progressively weakened in favor of large multinational corporations. And it was precisely educational institutions, research centers and universities that maintained the flame of human progress and ethical values alive.

To provide the current inhabitants of the earth with the strength they require, now that they may finally cease to be invisible, anonymous, and to have the stimuli to enable them to work tirelessly for equal human dignity and world governance encompassing all human beings and not only a privileged few, it is essential to always bear in mind the episodes that I personally or from the perspective of the university have experienced or witnessed:

the Ku Klux Klan and racial segregation in the United States; the lack of freedom and excesses of power in the Soviet Union; *apartheid* in South Africa; the abominable practices of “Operation Condor” in Latin America; the economic and technological colonialism imposed without hesitation in so many countries of Africa; the craving for domination of the Republican Party, led by Ronald Reagan and seconded by UK Prime Minister Margaret Thatcher, who replaced the United Nations with groups of plutocrats and democratic principles for the rules of the marketplace. Although it would appear unthinkable, based solely on their wealth and military power,

“The unexpected is our hope. The unexpected is the best that can be expected of human beings endowed with creativity ”

6-8 countries intended to govern the other 193 countries existing at that time. Unthinkable, but true. And, nevertheless, the unexpected happened. *The unexpected is our hope.* The unexpected is the best that can be expected of human beings endowed with creativity. Suddenly, a dark-skinned prisoner called Nelson Mandela, after 27 years in prison, emerged from incarceration without seeking revenge. Contrarily, he emerged with open arms and, complicity with another great figure, President Frederik de Klerk, ushered in the downfall of racial *apartheid* in a few months. He became the first black president, marking the course of a “new beginning” in South Africa and on the African continent as a whole.

Likewise, thanks to Mikhail Sergeyevich Gorbachev’s radical change in the manner of exercising power which was unexpected. With the fall of the Berlin Wall, the vast Soviet empire fell and its members formed the Commonwealth of Independent States which thus commenced their long march toward building regimes based on public liberties and pluralism.

A system based on equality but had forsaken liberty has finally fallen. But the alternative, based on liberty but forsaking equality, failed to learn its lesson. It was just the opposite; it intensified and imposed rules and standards of conduct on the West, in a very peculiar manner.

Nevertheless, in the late 1980s everything pointed to peace: with the end of the Cold War and racism in South Africa, thanks to initiatives supported by UN Secretary General Javier Perez de Cuellar, in a few years peace finally came to Mozambique with the wise intervention of President Joaquim Chissano and the Community of Saint Egidio; the civil conflict in El Salvador was resolved at Chapultepec; and the peace process was renewed in Guatemala. Yes, in the late 1980s everyone demanded peace, a demand that was ignored by those who thought that the moment had come to achieve their dreams of dominance.

The West, and particularly Europe, is experiencing the collapse of a system based on an economy of speculation, delocalization of production—which, above all, has converted China into a huge communist capitalist—and war, whose tragic balance may be summarized in 3 billion dollars invested daily in military spending and weapons. At the same time, more than 50,000 people die of hunger and neglect daily, the majority of whom are children under five years of age.

However, beyond the confusion gripping Europe, the effects of emerging citizen power are being felt: Latin America, Africa, a few Arab and Asian countries—including India, both qualitatively and quantitatively—are taking a new course and applying original models.

Previously, only twenty years ago, it was unimaginable that institutions using socially responsible policies could decisively influence the attitudes and lives of the majority of people. *But now, with a global conscience, the growing participation of women in decision-making processes and the new digital technologies, it is now possible to initiate the great transitions capable of transforming this era of changes into a change of era.*

These are the urgent transformations that must be implemented worldwide:

- the transition from an economy with the characteristics described above to *an economy based on knowledge, for global sustainable and human development*,
- *the transition from a culture of imposition, violence and war to a culture of consensus, dialogue, conciliation, alliance and peace*,
- in short, *a historical transition from force to word.*

Today only 20% of humanity lives in the wealthy neighborhoods of our global village. The other 80%, in progressive degrees of scarcity, survives in conditions that cannot support human dignity. Thus it is *absolutely necessary that we establish priorities that take into account all of the Earth's inhabitants and their ecological environment.*

These priorities, which universities can greatly influence with their intentions and demands, may be summarized as:

- Food
- Water
- Health
- Environment
- Education

In reality, it is a matter of ensuring not only existence, not only life, but rather a *dignified life* for all human beings. A recent Oxfam publication revealed that 85 people have the same wealth as 3,500 million human beings, approximately half of all mankind. *This can't be the case. This daily genocide of hunger and neglect can't continue. These intolerable inequalities in the distribution of all types of resources just can't exist.*

Now that the voice of the people can be heard, we must ensure that everyone understands that *implementing human rights benefits all of us equally*. Everyone must understand that accumulating immense fortunes adds nothing to an already comfortable life. I would like to repeat a simple observation that I read one day in a small chapel in the south of France: "Les linceuls n'ont pas de poches" ("funeral shrouds have no pockets"). Whether we are born to wealth or poverty, death is a great equalizer. Thus, it is essential that the *scientific, academic, intellectual, and artistic communities become the true protagonists of this change* and achieve now what in 1945 was impossible: cooperation, working together, adequately sharing in a context of democratic principles that subject other dimensions of coexistence to social justice and the conditions inherent in a life of dignity for all.

In view of the foregoing points, these are the great objectives that universities should pursue, using all of their influence and capacity for mobilization, both in the classroom and in cyberspace:

1. *A re-founding of the United Nations System* making “We, the peoples” a reality in the General Assembly—which is already the case in the International Labor Organization, the “relic” of the League of Nations—in which 50% of the delegates would be representatives from the member countries and 50% from civil society, with a *Security Council in which veto rights would be replaced by weighted votes and with the addition of the Environmental Council and a Socioeconomic Council*.

This has all been well planned: it is now a matter of ensuring that they (especially the Republican Party in the United States) realize that the time for silence and passive citizens in the world is over. It is essential to return to the concept of a “United Nations” so that all of us, together, may achieve the great transformations previously mentioned, especially the power of words to demand equal dignity for all human beings.

2. *Nuclear disarmament*: it is madness for the world to continue under the sword of Damocles of nuclear weapons. No excuses can be made for reasons of security, because that would contradict all norms. Thus, use of these weapons must immediately cease. If the great majority of the world’s universities were to demand that we usher in the post-nuclear era in war scenarios, this would be a giant step toward achieving that other world which we all desire.
3. *Strengthening genuine democracy* as the only context in which it is possible to implement human rights. Universities should familiarize themselves and offer their observations on the *project for a Universal Declaration on Democracy*.^{*} This Declaration, in addition to ethical, social and cultural aspects, also includes economic and international ones.
4. There are already *associations of institutions of higher education at the global and regional levels*. But especially now that new digital technologies enable us to “come even closer” even while remaining at a distance, it would be wonderful if we could collaborate so that institutions of higher education could not only be places for life-long learning (especially important given our present rates of longevity), but could likewise take actions to support or reject options that would ultimately and rapidly *usher in the previously mentioned transformations, including fulfilling our obligations to future generations, both from a social perspective as well as with respect to protecting the environment*.

The World University Consortium,[†] a project of the World Academy of Art and Science, includes as members the International Association of University Presidents, the Inter-University Centre at Dubrovnik, Library of Alexandria among others.

In my opinion, one of the current activities related to the World Academy of Art & Science that is particularly relevant is the “*new paradigm*”, which *seeks to formulate alternatives to the present neoliberal system* and in which Green Cross Foundation, the Club of Rome and Foundation for a Culture of Peace, among others, are participating.

Here are a few lines from the Earth Charter, one of the most lucid documents from the last decade: “We stand at a critical moment in the Earth’s history, *a time when humanity*

^{*} Drafted with contributions from Karel Vasak, Juan Antonio Carrillo Salcedo, Mario Soares and other persons who have distinguished themselves for their knowledge of this essential matter. See Universal Declaration on Democracy: http://www.fund-culturadepaz.org/democracia_esp.php

[†] See <http://www.wunicon.org/>

must choose its future. As the world becomes increasingly interdependent and fragile, the future at once holds great peril and great promise. To move forward we must recognize that in the midst of a magnificent diversity of cultures and life forms we are one human family and one Earth community with a common destiny. We must join together to bring forth a sustainable global society founded on respect for nature, universal human rights, economic justice, and a culture of peace... We must realize that when basic needs have been met, human development is primarily about being more, not having more. We have the knowledge and technology to provide for all and to reduce our impact on the environment. The emergence of a global civil society is creating new opportunities to build a democratic and humane world”.

“We must join together to bring forth a sustainable global society founded on respect for nature, universal human rights, economic justice, and a culture of peace....”

– The Earth Charter

Today, for the reasons previously set forth, there is no doubt that universities, united to reach these great objectives, can have an extraordinary impact on the great changes that could really *make the 21st century the century of the peoples, the century that can offer a life of dignity for all.*

- Another matter that I would like to address is one that is being promoted by the Rector of the University of Oslo, “Universities against the Death Penalty”.[‡] Professor Lill Scherдин, of Oslo University, is the head of this initiative. In just a few years the number of countries that have abolished or have implemented a moratorium on the death penalty has risen from around thirty to over 150. In that regard, all Latin American countries have abolished the death penalty, either by law, or *de facto* (as is the case in Guatemala and Cuba in which not only have executions been abolished, but death row has likewise been eliminated). The movement to abolish the death penalty in Africa has likewise made extraordinary progress in the last few years. However, bad examples still exist, headed by the United States where, despite reductions in six states over the last few years, capital punishment is still prevalent in 34 states. And let’s not even mention China, Iran or Saudi Arabia. It is essential that we address this major objective with the support of all intellectuals, academics, scientists and artists.

A new era now lies on the horizon. A new era, thanks to universities and the scientific and creative communities, will bring a transition that will turn subjects to citizens, passive spectators to actors, witnesses to actual agents of change.

With the active and enthusiastic participation of socially responsible universities, civil society will soon be mobilized. And universities will undoubtedly be at the forefront of this great process.

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The Future of International Law

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“With law shall our land be built up, but with lawlessness laid waste.”

– Njal’s Saga, Iceland, c 1270.

Abstract

After the invention of agriculture, roughly 10,000 years ago, humans began to live in progressively larger groups, which were sometimes multi-ethnic. In order to make towns, cities and finally nations function without excessive injustice and violence, both ethical and legal systems were needed. Today, in an era of global economic interdependence, instantaneous worldwide communication and all-destroying thermonuclear weapons, we urgently need new global ethical principles and a just and enforceable system of international laws.

1. What is Law?

The principles of law, ethics, politeness and kindness function in slightly different ways, but all of these behavioral rules help human societies to function in a cohesive and trouble-free way. Law is the coarsest. The mesh is made finer by ethics, while the rules of politeness and kindness fill in the remaining gaps.

Legal systems began at a time when tribal life was being replaced by life in villages, towns and cities. One of the oldest legal documents that we know of is a code of laws enacted by the Babylonian king Hammurabi in about 1754 BC. It consists of 282 laws, with scaled punishments, governing household behavior, marriage, divorce, paternity, inheritance, payments for services, and so on. An ancient 2.24 meter stele inscribed with Hammurabi’s Code can be seen in the Louvre. The laws are written in the Akkadian language, using cuneiform script.

Humanity’s great ethical systems also began during a period when the social unit was growing very quickly. It is an interesting fact that many of history’s greatest ethical teachers lived at a time when the human societies were rapidly increasing in size. One can think, for example of Moses, Confucius, Lao-Tzu, Gautama Buddha, the Greek philosophers, and Jesus. Muhammad came slightly later, but he lived and taught at a time when tribal life was being replaced by city life in the Arab world. During the period when these great teachers lived, ethical systems had become necessary to overwrite raw inherited human emotional behavior patterns in such a way that increasingly large societies could function in a harmonious and cooperative way, with a minimum of conflicts.

2. Magna Carta, 1215

2015 marks the 800th anniversary of the Magna Carta, which is considered to be the foundation of much of our modern legal system. It was drafted by the Archbishop of Canterbury to make peace between the unpopular Norman King John of England and a group of rebel barons. The document promised the protection of church rights, protection for the barons from illegal imprisonment, access to swift justice, and limitations of feudal payments to the Crown. It was renewed by successive English sovereigns, and its protection against illegal imprisonment and provisions for swift justice was extended from the barons to ordinary citizens. It is considered to be the basis for British constitutional law, and in 1789, it influenced the drafting of the Constitution of the United States. Lord Denning described the Magna Carta as “the greatest constitutional document of all times: the foundation of the freedom of the individual against the arbitrary authority of the despot.”*

3. The English Bill of Rights, 1689

When James II was overthrown by the Glorious Revolution, the Dutch stadholder William III of Orange-Nassau and his wife, Mary II of England were invited to be joint sovereigns of England. The Bill of Rights was originally part of the invitation, informing the couple regarding the limitations that would be imposed on their powers. Later the same year, it was incorporated into English law. The Bill of Rights guaranteed the supremacy of Parliament over the monarch. It forbade cruel and unusual punishments, excessive bail and excessive fines. Freedom of speech and free elections were also guaranteed, and a standing army in peacetime was forbidden without the explicit consent of the Parliament. The Bill of Rights was influenced by the writings of the Liberal philosopher, John Locke (1632-1704).

4. The United States Constitution and Bill of Rights, 1789

The history of the Federal Constitution of the United States is an interesting one. It was preceded by the Articles of Confederation, which were written by the Second Continental Congress between 1776 and 1777, but it soon became clear that the Confederation was too weak a form of union for a collection of states.

George Mason, one of the drafters of the Federal Constitution, believed that “such a government was necessary as could directly operate on individuals, and would punish those only whose guilt required it”, while another drafter, James Madison, wrote that the more he reflected on the use of force, the more he doubted “the practicality, the justice and the efficacy of it when applied to people collectively, and not individually.”

Finally, Alexander Hamilton, in his Federalist Papers, discussed the Articles of Confederation with the following words: “To coerce the states is one of the maddest projects that was ever devised... Can any reasonable man be well disposed towards a government which makes war and carnage the only means of supporting itself, a government that can exist only by the sword? Every such war must involve the innocent with the guilty. The single consideration should be enough to dispose every peaceable citizen against such government... What is the cure for this great evil? Nothing, but to enable the... laws to operate on individuals, in the same manner as those of states do.”

* See http://en.wikipedia.org/wiki/Magna_Carta

In other words, the essential difference between a confederation and a federation, both of them unions of states, is that a federation has the power to make and to enforce laws that act on individuals, rather than attempting to coerce states (in Hamilton's words, "one of the maddest projects that was ever devised.") The fact that a confederation of states was found to be far too weak a form of union is especially interesting because our present United Nations is a confederation. We are at present attempting to coerce states with sanctions that are "applied to people collectively and not individually." The International Criminal Court, which we will discuss below, is a development of enormous importance, because it acts on individuals, rather than attempting to coerce states.

"Our best hope for the future lies in gradually reforming and strengthening the United Nations, until it becomes a federation."

There are many historical examples of successful federations; but in general, unions of states based on the principle of confederation have proved to be too weak. Probably, our best hope for the future lies in gradually reforming and strengthening the United Nations, until it becomes a federation.

In the case of the Federal Constitution of the United States, there were Anti-Federalists who opposed its ratification because they feared that it would be too powerful. Therefore, on June 8, 1789, James Madison introduced in the House of Representatives a series of 39 amendments to the Constitution, which would limit the government's power. Of these, only amendments 3 to 12 were adopted, and these have become known collectively as the Bill of Rights.

Of the ten amendments that constitute the original Bill of Rights, we should take particular notice of the First, Fourth and Sixth, because they have been violated repeatedly and grossly by the present government of the United States.

The First Amendment requires that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances." The right to freedom of speech and freedom of the press has been violated by the punishment of whistleblowers. The right to assemble peaceably has also been violated repeatedly and brutally by the present government's militarized police.

The Fourth Amendment states that "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized." It is hardly necessary to elaborate on the U.S. Government's massive violations of the Fourth Amendment. Edward Snowden's testimony has revealed a huge secret industry carrying out illegal and unwarranted searches and seizures of private data, not only in the United States, but also throughout the world. This data can be used to gain power over citizens and leaders through blackmail. True democracy and dissent are thereby eliminated.

The Sixth Amendment requires that "In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the

crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defense.” This constitutional amendment has also been grossly violated.

In the context of federal unions of states, the Tenth Amendment is also interesting. This amendment states that “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” We mentioned above that historically, federations have been very successful. However, if we take the European Union as an example, it has had some problems connected with the principle of subsidiarity, according to which as few powers as possible should be decided centrally, and as many issues as possible should be decided locally. The European Union was originally designed as a free trade area, and because of its history commercial considerations have trumped environmental ones. The principle of subsidiarity has not been followed, and enlightened environmental laws of member states have been declared to be illegal by the EU because they conflicted with free trade. These are difficulties from which we can learn as we contemplate the conversion of the United Nations into a federation.

The United States Bill of Rights was influenced by John Locke and by the French philosophers of the Enlightenment. The French Declaration of the Rights of Man (August, 1789) was almost simultaneous with the U.S. Bill of Rights.[†]

We can also see the influence of Enlightenment philosophy in the wording of the U.S. Declaration of Independence (1776): “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness – That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed...” Another criticism that can be leveled against the present government of the United States is that its actions seem to have nothing whatever to do with the consent of the governed, not to mention the violations of the rights to life, liberty and the pursuit of happiness implicit in extrajudicial killings.¹

5. Kellogg-Briand Pact, 1928

World War I was a catastrophe that still casts a dark shadow over the future of humanity. It produced enormous suffering, brutalization of values, irreparable cultural loss, and a total of more than 37 million casualties, military and civilian. Far from being the “war to end war”, the conflict prepared the way for World War II, during which nuclear weapons were developed; and these now threaten the existence of the human species and much of the biosphere.

After the horrors of World War I, the League of Nations was set up in the hope of ending the institution of war forever. However, many powerful nations refused to join the League, and it withered. Another attempt to outlaw war was made in 1928 in the form of a pact named after its authors, U.S. Secretary of State Frank B. Kellogg and French Foreign Minister Aristide Briand. The Kellogg-Briand Pact is formally called the General Treaty for the Renunciation

[†] See http://en.wikipedia.org/wiki/Natural_and_legal_rights, http://en.wikipedia.org/wiki/John_Locke and http://en.wikipedia.org/wiki/Declaration_of_the_Rights_of_Man_and_of_the_Citizen

of War as an Instrument of National Policy. It was ultimately ratified by 62 Nations, including the United States (by a Senate vote of 85 to 1). Although frequently violated, the Pact remains in force today, establishing a norm which legally outlaws war.

6. United Nations Charter, 1945

The Second World War was even more disastrous than the First. Estimates of the total number of people who died as a result of the war range between 50 million and 80 million. With the unspeakable suffering caused by the war fresh in their minds, representatives of the victorious allied countries assembled in San Francisco to draft the charter of a global organization which they hoped would end the institution of war once and for all.

The Preamble to the United Nations Charter starts with the words: “We, the peoples of the United Nations, determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind; and to unite our strength to maintain international peace and security; and to ensure, by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest; and to employ international machinery for the promotion of the economic and social advancement of all peoples, have resolved to combine our efforts to accomplish these aims.”

Article 2 of the UN Charter requires that “All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state.” This requirement is somewhat qualified by Article 51, which says that “Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a Member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security.”

Thus, in general, war is illegal under the UN Charter. Self-defense against an armed attack is permitted, but only for a limited time, until the Security Council has had time to act. The United Nations Charter does not permit the threat or use of force in preemptive wars, or to produce regime changes, or for so-called “democratization”, or for the domination of regions that are rich in oil.[‡]

Clearly, the United Nations Charter aims at abolishing the institution of war once and for all; but the present Charter has proved to be much too weak to accomplish this purpose, since it is a confederation of the member states rather than a federation. This does not mean that our present United Nations is a failure. Far from it! The UN has achieved almost universal membership, which the League of Nations failed to do. The Preamble to the Charter speaks of “the promotion of the economic and social advancement of all peoples”, and UN agencies, such as the World Health Organization, the Food and Agricultural Organization and UNESCO, have worked very effectively to improve the lives of people throughout the world. Furthermore, the UN has served as a meeting place for diplomats from all countries, and many potentially serious conflicts have been resolved by informal conversations behind the scenes at the UN. Finally, although often unenforceable, resolutions of the UN General Assembly and declarations by the Secretary General have great normative value.

When we think of strengthening and reforming the UN, then besides giving it the power to make and enforce laws that are binding on individuals, we should also consider giving it an

[‡] See <http://www.un.org/en/documents/charter/preamble.shtml>

independent and reliable source of income. As it is, rich and powerful nations seek to control the UN by means of its purse strings: They give financial support only to those actions that are in their own interests.

“The voting system of the United Nations General Assembly needs to be reformed, and the veto power in the Security Council needs to be abolished.”

A promising solution to this problem is the so-called “Tobin tax”, named after the Nobel Laureate economist James Tobin of Yale University. Tobin proposed that international currency exchanges should be taxed at a rate between 0.1 and 0.25 percent. He believed that even this extremely low rate of taxation would have the beneficial effect of damping speculative transactions, thus stabilizing the rates of exchange between currencies. When asked what should be done with the proceeds of the tax, Tobin said, almost as an afterthought, “Let the United Nations have it.”

The volume of money involved in international currency transactions is so enormous that even the tiny tax proposed by Tobin would provide the United Nations with between 100 billion and 300 billion dollars annually. By strengthening the activities of various UN agencies, the additional income would add to the prestige of the United Nations and thus make the organization more effective when it is called upon to resolve international political conflicts. The budgets of UN agencies, such as the World Health Organization, the Food and Agricultural Organization, UNESCO and the UN Development Programme, should not just be doubled but should be multiplied by a factor of at least twenty.

With increased budgets the UN agencies could sponsor research and other actions aimed at solving the world’s most pressing problems: AIDS, drug-resistant infectious diseases, tropical diseases, food insufficiencies, pollution, climate change, alternative energy strategies, population stabilization, peace education, as well as combating poverty, malnutrition, illiteracy, lack of safe water and so on. Scientists would be less tempted to find jobs with arms-related industries if offered the chance to work on idealistic projects. The United Nations could be given its own television channel, with unbiased news programs, cultural programs, and “State of the World” addresses by the UN Secretary General.

In addition, the voting system of the United Nations General Assembly needs to be reformed, and the veto power in the Security Council needs to be abolished.

7. International Court of Justice, 1946

The International Court of Justice (ICJ) is the judicial arm of the United Nations. It was established by the UN Charter in 1945, and it began to function in 1946. The ICJ is housed in the Peace Palace in The Hague, a beautiful building constructed with funds donated by Andrew Carnegie. Since 1946, the ICJ has dealt with only 161 cases. The reason for this low number is that only disputes between nations are judged, and both the countries involved in a dispute have to agree to abide by the Court’s jurisdiction before the case can be accepted.

Besides acting as an arbitrator in disputes between nations, the ICJ also gives advisory opinions to the United Nations and its agencies. An extremely important judgment of this kind was given in 1996: In response to questions put to it by WHO and the UN General Assembly, the Court ruled that “the threat and use of nuclear weapons would generally be contrary to the rules of international law applicable in armed conflict, and particularly the principles and rules of humanitarian law.” The only possible exception to this general rule might be “an extreme circumstance of self-defense, in which the very survival of a state would be at stake”. But the Court refused to say that even in this extreme circumstance the threat or use of nuclear weapons would be legal. It left the exceptional case undecided. In addition, the World Court added unanimously that “there exists an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict international control.”

This landmark decision has been criticized by the nuclear weapon states as being decided “by a narrow margin”, but the structuring of the vote made the margin seem more narrow than it actually was. Seven judges voted against Paragraph 2E of the decision (the paragraph which states that the threat or use of nuclear weapons would be generally illegal, but which mentions as a possible exception the case where a nation might be defending itself from an attack that threatened its very existence.) Seven judges voted for the paragraph, with the President of the Court, Mohammed Bedjaoui of Algeria casting the deciding vote. Thus the Court adopted it, seemingly by a narrow margin. But three of the judges who voted against 2E did so because they believed that no possible exception should be mentioned! Thus, if the vote had been slightly differently structured, the result would have been ten to four.

Of the remaining four judges who cast dissenting votes, three represented nuclear weapons states, while the fourth thought that the Court ought not to have accepted the questions from WHO and the UN. However, Judge Schwebel from the United States, who voted against Paragraph 2E, nevertheless added, in a separate opinion, “It cannot be accepted that the use of nuclear weapons on a scale which would, or could, result in the deaths of many millions in indiscriminate inferno and by far-reaching fallout, have pernicious effects in space and time, and render uninhabitable much of the earth, could be lawful.”

Judge Higgins from the UK, the first woman judge in the history of the Court, had problems with the word “generally” in Paragraph 2E and therefore voted against it, but she thought that a more profound analysis might have led the Court to conclude in favor of illegality in all circumstances.

Judge Fleischhauer of Germany said, in his separate opinion, “The nuclear weapon is, in many ways, the negation of the humanitarian considerations underlying the law applicable in armed conflict and the principle of neutrality. The nuclear weapon cannot distinguish between civilian and military targets. It causes immeasurable suffering. The radiation released by it is unable to respect the territorial integrity of neutral States.”

President Bedjaoui, summarizing the majority opinion, called nuclear weapons “the ultimate evil”, and said, “By its nature, the nuclear weapon, this blind weapon, destabilizes humanitarian law, the law of discrimination in the use of weapons... The ultimate aim of every action in the field of nuclear arms will always be nuclear disarmament, an aim which is no longer utopian and which all have a duty to pursue more actively than ever.”

8. Nuremberg Principles, 1947

In 1946, the United Nations General Assembly unanimously affirmed “the principles of international law recognized by the Charter of the Nuremberg Tribunal and the judgment of the Tribunal”. The General Assembly also established an International Law Commission to formalize the Nuremberg Principles. The result was a list that included Principle VI, which is particularly important in the context of the illegality of NATO.

Principle VI: The crimes hereinafter set out are punishable as crimes under international law:

a) Crimes against peace:

1. Planning, preparation, initiation or waging of a war of aggression or a war in violation of international treaties, agreements or assurances;
2. Participation in a common plan or conspiracy for accomplishment of any of the acts mentioned under (I).

Robert H. Jackson, who was the chief United States prosecutor at the Nuremberg trials, said that “To initiate a war of aggression is therefore not only an international crime; it is the supreme international crime, differing from other war crimes in that it contains within itself the accumulated evil of the whole.”

Furthermore, the Nuremberg principles state that “The fact that a person acted pursuant to order of his Government or of a superior does not relieve him from responsibility under international law, provided a moral choice was in fact possible to him.” The training of soldiers is designed to turn the trainees into automatons, who have surrendered all powers of moral judgment to their superiors. The Nuremberg Principles put the burden² of moral responsibility squarely back where it ought to be: on the shoulders of the individual.

9. The Universal Declaration of Human Rights, 1948

On December 10, 1948, the General Assembly of the United Nations adopted a Universal Declaration of Human Rights. 48 nations voted for adoption, while 8 nations abstained from voting. Not a single state voted against the Declaration. In addition, the General Assembly decided to continue work on the problem of implementing the Declaration. The Preamble to the document stated that it was intended “as a common standard of achievement for all peoples and nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms.”

Articles 1 and 2 of the Declaration state that “all human beings are born free and equal in dignity and in rights”, and that everyone is entitled to the rights and freedoms mentioned in the Declaration without distinctions of any kind. Neither race, color, sex, language, religion, political or other opinion, national or social origin, property or social origin must make a difference.

The Declaration states that everyone has a right to life, liberty and security of person and property. Slavery and the slave trade are prohibited, as well as torture and cruel, inhuman or degrading punishments. All people must be equal before the law, and no person must be subject to arbitrary arrest, detention or exile. In criminal proceedings, an accused person must

be presumed innocent until proven guilty by an impartial public hearing where all necessary provisions have been made for the defense of the accused.

“Education must be directed towards the full development of the human personality and to strengthening respect for human rights and fundamental freedoms.”

No one shall be subjected to interference with his privacy, family, home or correspondence. Attacks on an individual's honor are also forbidden. Everyone has the right of freedom of movement and residence within the borders of a state, the right to leave any country, including his own, as well as the right to return to his own country. Every person has the right to a nationality and cannot be arbitrarily deprived of his or her nationality.

All people of full age have a right to marry and to establish a family. Men and women have equal rights within a marriage and at its dissolution, if this takes place. Marriage must require the full consent of both parties.

The Declaration also guarantees freedom of religion, of conscience, and of opinion and expression, as well as freedom of peaceful assembly and association. Everyone is entitled to participate in his or her own government, either directly or through democratically chosen representatives. Governments must be based on the will of the people, expressed in periodic and genuine elections with universal and equal suffrage. Voting must be secretive.

Everyone has the right to the economic, social and cultural conditions needed for dignity and free development of personality. The right to work is affirmed. The job shall be of a person's own choosing, with favorable conditions of work, and remuneration consistent with human dignity, supplemented if necessary with social support. All workers have the right to form and to join trade unions.

Article 25 of the Declaration states that everyone has the right to an adequate standard of living, including food, clothing, housing and medical care, together with social services. All people have the right to security in the event of unemployment, sickness, disability, widowhood or old age. Expectant mothers are promised special care and assistance, and children, whether born in or out of wedlock, shall enjoy the same social protection. Everyone has the right to education, which shall be free in the elementary stages. Higher education shall be accessible to all on the basis of merit. Education must be directed towards the full development of the human personality and to strengthening respect for human rights and fundamental freedoms. Education must promote understanding, tolerance, and friendship among all nations, racial and religious groups, and it must further the activities of the United Nations for the maintenance of peace.

A supplementary document, the Convention on the Rights of the Child, was adopted by the United Nations General Assembly on the 12th of December, 1989. Furthermore, in July 2010, the General Assembly passed a resolution affirming that everyone has the right to clean drinking water and proper sanitation.

Many provisions of the Universal Declaration of Human Rights, for example Article 25, might be accused of being wishful thinking. In fact, Jean Kirkpatrick, former US Ambassador to the UN, cynically called the Declaration “a letter to Santa Claus”. Nevertheless, like the Millennium Development Goals, the Universal Declaration of Human Rights has great value in defining the norms towards which the world ought to be striving.

It is easy to find many examples of gross violations of basic human rights that have taken place in recent years. Apart from human rights violations connected with interventions of powerful industrial states in the internal affairs of third world countries, there are many cases where governmental forces in the less developed countries have violated the human rights of their own citizens. Often minority groups have been killed or driven off their land by those who coveted the land, as was the case in Guatemala in 1979, when 1.5 million poor Indian farmers were forced to abandon their villages and farms and to flee to the mountains of Mexico in order to escape murderous attacks by government soldiers. The blockade of Gaza and extrajudicial killing by governments must also be regarded as blatant human rights violations, and there are many recent examples of genocide.

Wars in general, and in particular, the use of nuclear weapons, must be regarded as gross violations of human rights. The most basic human right is the right to life; but this right is routinely violated in wars. Most of the victims of recent wars have been civilians, very often children and women. The use of nuclear weapons must be regarded as a form of genocide, since they kill people indiscriminately, babies, children, young adults in their prime and old people, without any regard for guilt or innocence.

10. Geneva Conventions, 1949

According to Wikipedia, “The Geneva Conventions comprise four treaties, and three additional protocols, that establish the standards of international law for the humanitarian treatment of war. The singular term, Geneva Convention, usually denotes the agreements of 1949, negotiated in the aftermath of the Second World War (1939-1945), which updated the terms of the first three treaties (1864, 1906, 1929) and added a fourth. The Geneva Conventions extensively defined the basic rights of wartime prisoners (civilians and military personnel); established protection for the wounded; and established protections for civilians in and around a war-zone. The treaties of 1949 were ratified, in whole or with reservations, by 196 countries.”

In a way, one might say that the Geneva Conventions are an admission of defeat by the international community. We tried to abolish war entirely through the UN Charter, but failed because the Charter was too weak.

Under the Fourth Geneva Convention, collective punishment is war crime. Article 33 states that, “No protected person may be punished for an offense that he or she did not personally commit.” Articles 47-78 also impose substantial obligations on occupying powers, with numerous provisions for the general welfare of the inhabitants of an occupied territory. Thus, Israel violated the Geneva Conventions by its collective punishment of the civilian population of Gaza in retaliation for largely ineffective Hamas rocket attacks. The larger issue, however, is the urgent need for lifting of Israel’s brutal blockade of Gaza, which has created what Noam Chomsky calls “the world’s largest open-air prison”. This blockade

violates the Geneva conventions because Israel, as an occupying power, has the duty of providing for the welfare of the people of Gaza.

11. Nuclear Non-Proliferation Treaty, 1968

In the 1960s, negotiations were started between countries that possessed nuclear weapons, and others that did not possess them, to establish a treaty that would prevent the spread of these highly dangerous weapons, but which would at the same time encourage cooperation in the peaceful uses of nuclear energy. The resulting treaty has the formal title ‘Treaty on the Non-Proliferation of Nuclear Weapons’ (abbreviated as the NPT). The Treaty also aimed at achieving general and complete disarmament. It was opened for signature in 1968, and it entered into force on the 11th of May, 1970.

190 parties have joined the NPT, and more countries have ratified it than any other arms limitation agreement, an indication of the Treaty’s great importance. Four countries outside the NPT have nuclear weapons: India, Pakistan, North Korea and Israel. North Korea had originally joined the NPT, but it withdrew in 2003.

The NPT has three main parts or “pillars”: 1) non-proliferation, 2) disarmament, and 3) the right to peaceful use of nuclear technology. The central bargain of the Treaty is that “the NPT non-nuclear weapon states agree never to acquire nuclear weapons and the NPT nuclear weapon states agree to share the benefits of peaceful use of nuclear technology and to pursue nuclear disarmament aimed at the ultimate elimination of their nuclear arsenals”.

Articles I and II of the NPT forbid states that have nuclear weapons to help other nations to acquire them. These Articles were violated, for example, by France, which helped Israel to acquire nuclear weapons, and by China, which helped Pakistan to do the same. They are also violated by the “nuclear sharing” agreements, through which US tactical nuclear weapons will be transferred to several countries in Europe in a crisis situation. It is sometimes argued that in the event of a crisis, the NPT would no longer be valid, but there is nothing in the NPT itself that indicates that it would not hold in all situations.

The most blatantly violated provision of the NPT is Article VI. It requires the member states to pursue “negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament”, and negotiations towards a “Treaty on general and complete disarmament”. In other words, the states that possess nuclear weapons agreed to get rid of them. However, during the 47 years that have passed since the NPT went into force, the nuclear weapon states have shown absolutely no sign of complying with Article VI. There is a danger that the NPT will break down entirely because the majority of countries in the world are so dissatisfied with this long-continued non-compliance.

Looking at the NPT with the benefit of hindsight, we can see the third “pillar”, the “right to peaceful use of nuclear technology”, as a fatal flaw of the treaty. In practice, it has meant encouragement of nuclear power generation, with all the many dangers that go with it. The enrichment of uranium is linked to reactor use. Many reactors of modern design make use of low enriched uranium as a fuel. Nations operating such a reactor may claim that they need a program for uranium enrichment in order to produce fuel rods. However, by operating their ultracentrifuge a little longer, they can easily produce highly enriched (weapons-usable) uranium.

The difficulty of distinguishing between a civilian nuclear power generation program and a military nuclear program is illustrated by the case of Iran. In discussing Iran, it should be mentioned that Iran is fully in compliance with the NPT. It is very strange to see states that are long-time blatant violators of the NPT threaten Iran because of a nuclear program that fully complies with the Treaty.

I believe that civilian nuclear power generation is always a mistake because of the many dangers that it entails, and because of the problem of disposal of nuclear waste. However, a military attack on Iran would be both criminal and insane. Why criminal? Because such an attack would also violate the UN Charter and the Nuremberg Principles. Why insane? Because it would initiate a conflict that might escalate uncontrollably into World War III.

12. Biological Weapons Convention, 1972

During World War II, British and American scientists investigated the possibility of using smallpox as a biological weapon. However, it was never used, and in 1969 President Nixon officially ended the American biological weapons program, bowing to the pressure of outraged public opinion. In 1972, the United States, the United Kingdom and the Soviet Union signed a Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction. Usually this treaty is known as the Biological Weapons Convention (BWC), and it has now been signed by virtually all of the countries of the world.

However, consider the case of smallpox: A World Health Organization team led by D.A. Henderson devised a strategy in which cases of smallpox were isolated and all their contacts vaccinated, so that the disease had no way of reaching new victims. Descriptions of the disease were circulated, and rewards offered for reporting cases. The strategy proved to be successful, and finally, in 1977, the last natural case of smallpox was isolated in Somalia. After a two-year waiting period, during which no new cases were reported, WHO announced in 1979 that smallpox, one of the most frightful diseases of humankind, had been totally eliminated from the world. This was the first instance of the complete eradication of a disease, and it was a demonstration of what could be achieved by the enlightened use of science combined with international cooperation. The eradication of smallpox was a milestone in human history.

It seems that our species is not really completely wise and rational; we do not really deserve to be called “Homo sapiens”. Stone-age emotions and stone-age politics are alas still with us. Samples of smallpox virus were taken to “carefully controlled” laboratories in the United States and the Soviet Union. Why? Probably because these two Cold War opponents did not trust each other, although both had signed the Biological Weapons Convention. Each feared that the other side might intend to use smallpox as a biological weapon. There were also rumors that unofficial samples of the virus had been saved by a number of other countries, including North Korea, Iraq, China, Cuba, India, Iran, Israel, Pakistan and Yugoslavia.

13. Chemical Weapons Convention, 1997

On the 3rd of September, 1992, the Conference on Disarmament in Geneva adopted a Convention on the Prohibition of Development, Production, Stockpiling, and Use of

Chemical Weapons and on their Destruction. This agreement, which is usually called the Chemical Weapons Convention (CWC), attempted to remedy some of the shortcomings of the Geneva Protocol of 1925. The CWC went into force in 1997, after Hungary deposited the 65th instrument of ratification.

The provisions of Article I of the CWC are as follows:

1. Each State Party to this convention undertakes never under any circumstances:
 - (a) To develop, produce, otherwise acquire, stockpile or retain chemical weapons, or transfer, directly or indirectly, chemical weapons to anyone;
 - (b) To use chemical weapons;
 - (c) To engage in any military preparation to use chemical weapons;
 - (d) To assist, encourage or induce, in any way, anyone to engage in any activity prohibited to a State Party in accordance with the provisions of this Convention.
2. Each State Party undertakes to destroy chemical weapons it owns or possesses, or those located at any place under its jurisdiction or control, in accordance with the provisions of this Convention.
3. Each State Party undertakes to destroy all chemical weapons it abandoned on the territory of another State Party, in accordance with the provisions of this Convention.
4. Each State Party undertakes to destroy any chemical weapons production facilities it owns or possesses, or those located at any place under its jurisdiction or control, in accordance with the provisions of this Convention.
5. Each State Party undertakes not to use riot control agents as a method of warfare.

The CWC also makes provision for verification by teams of inspectors, and by 2004, around 1,600 such inspections had been carried out in 59 countries. It also established the Organization for the Prevention of Chemical Warfare. All of the declared chemical weapons production facilities have now been inactivated, and all declared chemical weapons have been inventoried. However, of the world's declared stockpile of chemical warfare agents (70,000 metric tons), only 12% have been destroyed. One hopes that in the future the CWC will be ratified by all the nations of the world and that the destruction of stockpiled chemical warfare agents will become complete.

14. Mine Ban Treaty, 1999

In 1991, six NGOs organized the International Campaign to Ban Landmines, and in 1996, the Canadian government launched the Ottawa process to ban landmines by hosting a meeting among like-minded anti-landmine states. A year later, in 1997, the Mine Ban Treaty was adopted and opened for signatures. In the same year, Jody Williams and the International Campaign to ban Landmines were jointly awarded the Nobel Peace Prize. After the 40th ratification of the Mine Ban Treaty in 1998, the treaty became binding international law on the 1st of March, 1999. The Ottawa Treaty functions imperfectly because of the opposition of several militarily powerful nations, but nevertheless it establishes a valuable norm, and it represents an important step forward in the development of international law.

15. International Criminal Court, 2002

In 1998, in Rome, representatives of 120 countries signed a statute establishing an International Criminal Court (ICC), with jurisdiction over the crime of genocide, crimes against humanity, war crimes and the crime of aggression.

Four years were to pass before the necessary ratifications were gathered, but by Thursday, April 11, 2002, 66 nations had ratified the Rome agreement, 6 more than the 60 needed to make the court permanent. It would be impossible to overstate the importance of the ICC. At last, international law acting on individuals has become a reality! The only effective and just way that international laws can act is to make individuals responsible and punishable, since (in the words of Alexander Hamilton), “To coerce states is one of the maddest projects that was ever devised.”

At present, the ICC functions very imperfectly because of the bitter opposition of several powerful countries, notably the United States. U.S. President George W. Bush signed into law the American Service-Members’ Protection Act of 2002, which is intended to intimidate countries that ratify the treaty for the ICC. The new law authorizes the use of military force to liberate any American or citizen of a U.S. allied country being held by the court, which is located in The Hague. This provision, dubbed the “Hague Invasion Clause,” has caused a strong reaction from U.S. allies around the world, particularly in the Netherlands.³

Despite the fact that the ICC now functions so imperfectly, it is a great step forward in the development of international law. It is there and functioning. We have the opportunity to make it progressively more impartial and to expand its powers.

16. Arms Trade Treaty, 2013

On April 2, 2013, a historic victory was won at the United Nations, and the world achieved its first treaty limiting international trade in arms. Work towards the Arms Trade Treaty (ATT) began in the Conference on Disarmament in Geneva, which requires a consensus for the adoption of any measure. Over the years, the consensus requirement has meant that no real progress in arms control measures has been made in Geneva, since a consensus among 193 nations is impossible to achieve.

To get around the blockade, British U.N. Ambassador Mark Lyall Grant sent the draft treaty to Secretary-General Ban Ki-moon and asked him on behalf of Mexico, Australia and a number of others to put the ATT to a swift vote in the General Assembly, and on Tuesday, April 3, 2013, it was adopted by a massive majority.

Among the people who have worked hardest for the ATT is Anna MacDonald, Head of Arms Control at Oxfam. The reason why Oxfam works so hard on this issue is that trade in small arms is a major cause of poverty and famine in the developing countries. On April 9, Anna MacDonald wrote: “Thanks to the democratic process, international law will for the first time regulate the 70 billion dollar global arms trade. Had the process been launched in the consensus-bound Conference on Disarmament in Geneva, currently in its 12th year of meeting without even being able to agree on an agenda, chances are it would never have left the starting blocks...”

The passage of the Arms Trade Treaty by a majority vote in the UN General Assembly opens new possibilities for progress on other seemingly intractable issues. In particular, it gives hope that a Nuclear Weapons Convention might be adopted by a direct vote on the floor of the General Assembly. The adoption of the NWC, even if achieved against the bitter opposition of the nuclear weapon states, would make it clear that the world's peoples consider the threat of an all-destroying nuclear war to be completely unacceptable.

17. We can pass a Nuclear Weapons Convention in the UN General Assembly

A convention banning nuclear weapons could be adopted by a majority vote on the floor of the UN General Assembly, following the precedent set by the Arms Trade Treaty. Indeed, this is the path forward advocated by the International Campaign to Abolish Nuclear Weapons (ICAN). In the case of a Nuclear Weapons Convention, world public opinion would have especially great force. It is generally agreed that a full-scale nuclear war would have disastrous effects, not only on belligerent nations but also on neutral countries. Mr. Javier Pérez de Cuéllar, former Secretary-General of the United Nations, emphasized this point in one of his speeches:

"I feel", he said, "that the question may justifiably be put to the leading nuclear powers: by what right do they decide the fate of humanity? From Scandinavia to Latin America, from Europe and Africa to the Far East, the destiny of every man and woman is affected by their actions. No one can expect to escape from the catastrophic consequences of a nuclear war on the fragile structure of this planet..."

"Like supreme arbiters, with our disputes of the moment, we threaten to cut off the future and to extinguish the lives of innocent millions yet unborn. There can be no greater arrogance. At the same time, the lives of all those who lived before us may be rendered meaningless; for we have the power to dissolve in a conflict of hours or minutes the entire work of civilization, with the brilliant cultural heritage of humankind."

18. Racism, Colonialism and Exceptionalism

A just system of laws must apply equally and without exception to everyone. If a person, or, in the case of international law, a nation, claims to be outside the law, or above the law, then there is something fundamentally wrong. For example, when U.S. President Obama said in a 2013 speech, "What makes America different, what makes us exceptional, is that we are dedicated to act", then thoughtful people could immediately see that something was terribly wrong with the system. If we look closely, we find that there is a link between racism, colonialism and exceptionalism. The racist and colonialist concept of "the white man's burden" is linked to the Neo-Conservative self-image of benevolent (and violent) interference in the internal affairs of other countries.[§]

19. The Oslo Principles on Climate Change Obligation, 2015

The future of human civilization and the biosphere is not only threatened by thermonuclear war, it is also threatened by catastrophic climate change. If prompt action is not taken to

[§] See <http://www.countercurrents.org/avery101013.htm>, <https://www.youtube.com/watch?v=efl6T8lovqY>, and <https://www.youtube.com/watch?v=IdB-DRbjx9Ie>

curb the use of fossil fuels, and if the presently known reserves of fossil fuels are not left in the ground, then there is a great danger that we will pass a tipping point beyond which human efforts to stop a catastrophic increase in global temperatures will be useless because feedback loops will have taken over. There is a danger of a human-initiated 6th geological extinction event, comparable with the Permian-Triassic event, during which 96 percent of marine species and 70 percent of terrestrial vertebrates became extinct.

“Together, we have the power to choose a future where international anarchy, chronic war and institutionalized injustice will be replaced by democratic and humane global governance, a future where the madness and immorality of war will be replaced by the rule of law.”

Recently, there have been a number of initiatives which aim at making the human obligation to avert threatened environmental mega-catastrophes a part of international law. One of these initiatives can be seen in the proposal of the Oslo Principles on Climate Change Obligations; another is the Universal Declaration of the Rights of Mother Earth; and a third can be found in the concept of Biocultural Rights. These are extremely important and hopeful initiatives, and they point towards the future development of international law for which we must strive.^{4,5}

20. Hope for the Future, and Responsibility for the Future

Can we abolish the institution of war? Can we hope and work for a time when the terrible suffering inflicted by wars will exist only as a dark memory fading into the past? I believe that this is really possible. The problem of achieving internal peace over a large geographical area is not insoluble. It has already been solved. There exist today many nations or regions within each of which there is internal peace, and some of these are so large that they are almost worlds in themselves. One thinks of China, India, Brazil, the Russian Federation, the United States, and the European Union. Many of these enormous societies contain a variety of ethnic groups, a variety of religions and a variety of languages, as well as striking contrasts between wealth and poverty. If these great land areas have been forged into peaceful and cooperative societies, cannot the same methods of government be applied globally?

Today, there is a pressing need to enlarge the size of the political unit from the nation-state to the entire world. The need to do so results from the terrible dangers of modern weapons and from global economic interdependence. The progress of science has created this need, but science has also given us the means to enlarge the political unit: Our almost miraculous modern communications media, if properly used, have the power to weld all of humankind into a single supportive and cooperative society.

We live at a critical time for human civilization, a time of crisis. Each of us must accept his or her individual responsibility for solving the problems that are facing the world today. We cannot leave this to the politicians. That is what we have been doing until now, and the

results have been disastrous. Nor can we trust the mass media to give us adequate public discussion of the challenges that we are facing. We have a responsibility towards future generations to take matters into our own hands, to join hands and make our own alternative media, to work actively and fearlessly for better government and for a better society.

We, the people of the world, not only have the facts on our side; we also have numbers on our side. The vast majority of the world's peoples long for peace. The vast majority long for abolition of nuclear weapons, and for a world of kindness and cooperation, a world of respect for the environment. No one can make these changes alone, but together we can do it.

Together, we have the power to choose a future where international anarchy, chronic war and institutionalized injustice will be replaced by democratic and humane global governance, a future where the madness and immorality of war will be replaced by the rule of law.

We need a sense of unity of all mankind to save the future, a new global ethic for a united world. We need politeness and kindness to save the future, politeness and kindness not only within nations but also between nations. To save the future, we need a just and democratic system of international law; for with law shall our land be built up, but with lawlessness laid waste.

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Notes

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EU between Monetarism and Keynesianism

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Abstract

To address the current economic disagreements and issues, the EU is hovering between economic and political arguments of their resolution (theoretically speaking, between monetarism and Keynesianism) in order to remove the main obstacle to the integration process it presently faces, which is the growing gap between the “rich” and “poor” in its own backyard. And since this stratification is one of the most adverse implications of the current stage of globalization, the EU, as one of the metaphors of the globalization process, is facing a great challenge. It is becoming increasingly clear these issues cannot be solved by economic logic alone, which is the basis of austerity policy, i.e., monetarism. Primarily, this is because the EU is not simply an economic integration, but is increasingly becoming a political integration as well, so its development cannot be determined solely by economic factors, no matter how economically justified they are. Every country in the world, and especially the less developed ones, has a more advanced and a more underdeveloped part. One of the primary tasks of each state is to maintain political stability in each part, and this is achieved through their economic convergence. Evidently, this cannot be done simply by means of the market, i.e., economic measures, not even by means of political measures—put simply, by transferring parts of its GDP from developed to developing regions. This can be achieved by various measures, particularly fiscal, which is being criticized by businessmen from the more developed parts, even though they know that this helps develop their markets, because otherwise the developing regions would not be able to buy their products. This paper suggests how the EU could find an optimal middle ground between these two concerns, that is, between the practices of monetarism and Keynesianism.

1. Introduction

When it comes to strengthening the EU integration process, it should be pointed out that this is pioneering work in international economy, because the EU is the first and so far the only international integration that has ever existed in the world. Although the term “international integrations” is employed in many economic and political discussions, it is misused, because many commercial and security associations cannot be defined as integrations, but simply alliances, particularly from an economic point of view. For example, after the recognition of Croatia’s independence, the term “Euro-Atlantic integration”, referring to the EU and

the NATO, has become widely adopted in the political-diplomatic vocabulary of the language. This is incorrect, even unprofessional, because the NATO is an alliance. A group of countries can be considered to be integrated if they have agreed on a common economic policy, common market, economic and monetary union, which is not the case with the NATO and other trade and security alliances around the world. The EU, on the other hand, is an integration, especially after its transition from Community to Union at the 1992 Maastricht conference, particularly through the adoption of the convergence criteria.

Following the adoption of the convergence criteria* at the Maastricht conference in 1992, there was awareness in the EU that, after the adoption of the strategic objectives on the convergence of member states' macroeconomic stability, strategic steps toward their achievement should be undertaken meticulously. There were two principal tasks: a. the implementation of constitutional, institutional and administrative reforms, which was the only way to apply the common political and economic strategy of the Union; and b. the adoption of a common foreign and defence policy, a prerequisite for the establishment of a unified political community.† Without such a strategy and specific implementation decisions, all efforts to consolidate the integration would be inadequate.

2. The Issue of Political and Economic Reforms

The institutional structure of the Union has not changed since the signing of the so-called Treaty of Rome in 1957, which established a community comprising only six states. It was assessed that the institutions of an enlarged Union, possibly incorporating more than thirty countries, would not be effective in making and implementing decisions transferred to their jurisdiction. This would particularly affect the political unity of the Union and inhibit the achievement of the strategic objectives of integration, both politically and economically. The Intergovernmental Conference held in Nice in 2000 partially addressed and solved certain sensitive institutional issues such as the number of Commission members, the number of votes in the Council allocated to a particular state in a qualified majority vote, the number of seats in the European Parliament and other EU bodies, etc. When making decisions on 'quotas' allocated to particular states within a particular EU body, solutions referred to all 28 states, some of which were only candidates at the time.

The main goal of these adaptations was to ensure not only the political unity of the EU, but also greater efficiency in decision-making. For a period of time, the principle of consensus in decision-making served as the main incentive for accession, as it assured the Members that they would not have to make any decision under duress and that they would not be outvoted. Therefore, the procedures of transitioning to further stages of integration were often slow, negotiations were long and exhausting, settlements were often reached through compromise, but as it turned out in the end, this only consolidated the integration. Usually, when a long resisted and painstakingly negotiated decision is finally willingly accepted, such a decision tends to be respected.

Although the process of political reform is not conditioned solely by the process of Eastern enlargement, this fact has nevertheless fundamentally affected its acceleration.

* Convergence criteria are: a fixed interest rate level, a high degree of price stability achieved through exchange rate stability, limits on budget deficit (3 per cent of GDP) and public debt (60 percent of GDP).

† Although introduced at the Maastricht conference as a very important issue, broader security integration is not the subject of this analysis.

Democratic decision making among 10 members is one thing, but a completely different matter when it is done among 28 members, let alone 30 in a more distant future. Furthermore, reaching agreement among members with similar levels of economic development and civilization values, and among members where this is not the case, may differ significantly. This is especially true for the current situation of considerable change in the paradigm of international relations, compared to the one from the very beginnings of the EC, as well as from the period when the EC was at its peak (1950s and 1960s). At that time, the prevalent paradigm was one of bipolarism, accompanied by the growth of multilateralism, whereas currently it is the paradigm of American unilateralism, where other pretenders to the position of strategic partners in establishing a new form of multilateralism stand at the very beginning of their endeavours. Among them is the EU (together with the People's Republic of China, Russia, Brazil, India—the so-called BRIC countries—with the addition of Turkey and South Africa, or countries with similar characteristics such as large markets and abundance of cheap labour) which, in order to become a credible partner of the United States, must firstly improve the efficiency of its decision-making process. The issues of complexity and slow progression served as a motivating factor in times of bipolarism, while in times of unilateralism they act as a limiting factor.

“Only a common vision and shared goals can neutralize or alleviate the conflicts that will inevitably arise due to institutional reforms.”

At the 2001 Laeken Summit, the “Convention for the Future of Europe”, colloquially known as the “European Convention”, was established, with the aim of drafting a new EU Constitution which would further consolidate the political and international sovereignty of the Union. Together with the adoption of a single currency, the euro, at the beginning of 2002, and accompanied by the previous “abolishment” of borders between Member States (Schengen Agreement), the new constitution would represent the final political stage of economic and monetary union, i.e. the Union could, after a long period of economic and monetary unity, become an international political entity. Therefore, the adoption of the EU Constitution should have been a ground-breaking step in its development and, according to many, the fundamental guarantee of the Union's continued existence. The discussion on individual elements of this document revealed the complexity and subtlety of this act: for the first time in history a constitution of an international integration, thus a group of States, and not a single state, was being adopted. Naturally, this document cannot contain all the elements constitutions of individual countries contain because it does not represent a single people living in a particular area and sharing a common vision of political and socio-economic development and goals. Still, certain elements exist since the EU consists of various peoples living in different areas who do share a common vision of political and socio-economic development, the model of liberal democracy.

This shared vision is increasingly becoming the main cohesive bond, not only between long-time Member States, but also between the new ones, as well as other candidates who expect to be granted full membership in the subsequent rounds of enlargement. Only a common vision and shared goals can neutralize or alleviate the conflicts that will inevitably arise due to institutional reforms, the adoption of a new constitution being one of them. If we accept the fact that the EU, in the context of new challenges in international relations,

can survive only by becoming a strong political integration, then it will have to fulfil such conditions identified in the functioning of traditional forms of government, namely decision-making, common foreign and security policy, etc. Decision-making processes will be the first testing ground, as it was made obvious during the discussion on the new constitution, which proposes faster and more efficient decision-making processes favouring larger (or “more equal”) member states, in contrast to the consensus. Smaller countries, especially new candidates, may feel neglected, so a lengthy process of harmonization and agreement lies ahead, where each country will weigh the costs and benefits of its further participation. As no member of the EC, nor the EU, has so far regretted entering the integration, it is likewise expected that both the old and the new member states will recognize, guided by the vision of achieving liberal democracy, that the benefits of accession outweigh the costs of isolation. This is especially true in a dynamic sense.

However, since EU enlargement and overall development are taking place in turbulent political, and particularly economic times, the Union is facing new problems which they must address as they go. Firstly, the proposed Constitution was rejected in referendums in France and the Netherlands, and so the formal legal basis for these changes was lost. After lengthy negotiations, a new legal basis was created to replace the Constitution for the time being—the Lisbon Treaty, adopted in 2009. But then a new problem emerged, the global financial and debt crisis, casting doubt on the future of the eurozone, because the debts of certain member states (Greece at the moment, but similar problems could occur in Portugal, Italy, Spain and even Croatia, although it is not yet in the eurozone) might threaten the stability of the single currency, the euro. In such difficult times, the biggest problem single currency faces is the uncoordinated fiscal policy. Only indirect taxes are common at the EU level, while direct taxes (income and profit tax, discretionary measures) are still under the authority of individual member states. For some of them, fiscal policy is one of the last bastions of state sovereignty, and it is guarded possessively. Economic history has shown that it is difficult to maintain a single currency without a common fiscal policy, and all of this calls into question the survival of the euro and, consequently, some believe, the survival of the EU itself. In times of economic growth, this can be ignored for a while due to sufficient capital to fill the gaps arising from such discrepancies, but when the global financial crisis arose, this problem came to light in its entirety.

3. European Semester and the Fiscal Compact

All relevant EU bodies deal with this problem; they look for sources of funds to help the indebted countries,* but it is clear to everyone that the solution to the problem calls for long-term measures to replace the current desperate actions. As one of such measures, the European Union has established an annual cycle of coordination of economic policies, called the European semester. Each year the Commission carries out a thorough analysis of plans for budgetary, macroeconomic and structural reforms of the Member States and provides recommendations for the following 12 to 18 months.

The European semester starts when the Commission adopts its Annual Growth Survey, which is usually at the end of the year. This document outlines the EU's priorities to stimulate economic growth and job creation. The Commission simultaneously publishes the

* A special fund—European Financial Stability Facility—has also been created.

Alert Mechanism Report in the context of macroeconomic imbalance procedures. Based on a scoreboard of its indicators, the Report evaluates which Member States require further evaluation in the form of an in-depth review in order to determine whether imbalances exist, and what they are.

“In the interwar period, the United States wrote off loans given to governments of sixteen European countries for the purpose of repairing the consequences of the First World War. The Americans were never repaid those loans.”

Based on the initial experience with the implementation of the European Semester, the Annual Growth Survey for 2015 presents proposals for the simplification of the European semester procedure, which is carried out in several stages. In October, Member States submit draft budgetary plans for the subsequent year. The Commission then provides an opinion on each Member State's plan in November, as well as an overall assessment of whether the draft budgetary plans are in accordance with the requirements of the Stability and Growth Pact.*

The overall macroeconomic situation and progress in achieving the objectives of the Europe 2020 strategy are being estimated at the European Council March meeting, and policy guidance for fiscal, macroeconomic and structural reforms is provided. To encourage member states to adhere to this agreement, the Treaty on Stability, Coordination and Governance in the economic and monetary union, known as the fiscal compact, was adopted and signed on 2 March 2012. Since there was no consensus to implement this through changes to the Treaty on the EU, it was achieved by signing an intergovernmental agreement. The contracting parties were not only Great Britain and the Czech Republic. Under the terms of the fiscal compact, national budgets must be balanced or in surplus. The structural budget deficit shall not exceed 0.5 percent of GDP, and public debt, 60 percent of GDP. The Contracting Parties were given one year, until January 1, 2014, to transpose the balanced budget rule into their constitutions or national legal systems with constitutional force.

It is important to note that there is a difference between actual and structural budget deficits. Structural deficit is the type of deficit which filters out the effects of the business cycle and potential one-off items (discretionary measures†). In the EU, it has been set to 0.5 percent of GDP. The EU defines the actual budget as excessive when it is greater than 3 percent of GDP. The actual budget deficit shows actual cash expenditures, revenues and deficits in a given period, i.e. the difference between actual revenue and expenditures. This demonstrates the importance of fiscal harmonization. Direct taxes directly affect budget revenues of a country, and if they are not balanced, it is difficult to monitor which Member States abide by the structural deficit set at 0.5 percent.

* In order to further emphasize the importance of the Maastricht criteria, the European Commission adopted the so-called Lisbon Strategy in January 2002, promoting the Stability and Growth Pact, exclusively in relation to the then members of the EU. It was becoming increasingly clear that not even those members could consistently comply with the Criteria, despite being developed and having fewer problems than the candidate countries.

† Discretionary measures are: organization of public works, public employment projects, changes in tax rates, all of which make clear the fact that fiscal coordination is not possible without harmonization of such measures at the EU level.

Also, it is becoming increasingly evident that the financial crisis affecting the whole of the EU, and especially some of its “southern” countries (Greece, Spain, Italy, Portugal and Croatia), does not favour the consolidation of its integration processes, primarily because it threatens the convergence of macroeconomic policies. The macroeconomic situation in individual member states is becoming so diverse that it is all the more difficult to find a common denominator to reduce the differences. The so-called austerity policy, based on the theory of monetarism of the Chicago school of economics, one of the founders of which was the late Nobel Laureate American economist Milton Friedman, was supposed to serve as a common ground, espoused by the more developed northern member states (notably Germany, Scandinavian countries and even France to an extent).^{*} States can borrow, but they need to pay the price—the price of money being the interest rate—and repay their debts on time. Many EU Member States have found it difficult to pay their debts, and they are seeking reprogramming, even write-offs. In doing so, they are invoking similar cases from the past. For example, in the interwar period, the United States wrote off loans given to governments of sixteen European countries for the purpose of repairing the consequences of the First World War. In the early 1930s, most of them declared insolvency, so the US President Hoover instituted a moratorium on their debts. The Americans were never repaid those loans. Britain and France, for example, were forgiven a debt totalling nearly a quarter of their GDPs. A similar scenario ensued in the aftermath of World War II under the London Agreement of 1953, when the victorious countries wrote off more than 50 percent of Germany’s reparations accumulated after the two world wars. It was then decided that Germany would pay off the rest of the debt once it achieved a trade surplus with the rest of the world, with instalments not exceeding 3 percent of their export value. In this way, the creditor countries were encouraged to import more German products because this guaranteed repayment of the remaining debt. As an old “loan shark” saying goes, the debtor shall not be destroyed, we must come to their aid to help them stand on their two feet. Experience also shows that, when a debtor owes 100 kuna, that is their problem, but if they owe a million kuna, it is the problem of creditors.

There is another market reason why it is not only the debtor’s fault to find themselves in a crisis, not being able to repay their debts. It is being discussed lately in the context of the Greek government requesting benefits, including a certain debt write-off, pointing out that granting loans to Greece and to other countries in similar situations “was not solidarity, but a cynical transfer of bank losses” (a statement by the Former Greek Finance Minister Yanos Varoufakis to creditors), probably alluding to the fact that in pre-crisis times, bankers from “northern” Member States had a strong interest in “inserting” more credit into the Member States that needed it in order to earn as much as they could in interest. Now that debt repayment is stumbling, they are solving their problems at the expense of the debtors, making it more difficult for them to service their loans.

4. Theory and Practice

When these phenomena are placed in the context of monetary theory, we can see that it is a classic conflict of the schools of monetarism and Keynesianism. Monetarism is perhaps

* The Chicago School of Economics is known as the birthplace of contemporary monetarism and the renewal of liberalism. Its basis is a firm belief in the efficacy of the market and the need for limiting government intervention in the economy, the expansion of economic analysis and other areas of social life. The main message of the School is, in crude terms, that everybody has to live according to their ability; if they spend more than what they earn, it must be covered by future earnings.

somewhat simplistically considered as promoting a restrictive monetary policy, while Keynesianism* is said to insist more upon an expansionary monetary policy. Drawing on this theoretical context, it can be said that austerity policy represents a restrictive policy, while debt relief represents an expansionary monetary policy.† Indebted countries repeatedly claim that austerity does not produce results, which is supported by numerous world economists. This is not entirely true; according to some experts,‡ economic consolidation by means of austerity measures is yielding results, and it can be seen across the board. Economies of Spain and Portugal are experiencing growth; Portugal, unlike Greece, is no longer under the EU financial umbrella. Another, even more successful example is Ireland, which is no longer receiving financial assistance but yielding excellent economic results. Even in Greece, the situation is improving. Another good example is France; its government, after hesitating for a long time, finally initiated some reforms deserving of the name, although economic indicators are as bad as ever. Paris switched to the “Berlin course” rather late. Some believe that Greece is “a special case” in the eurozone because of the severity of its problem and the necessity of transformation, and that it is too early to predict the success or failure of the new government in Athens. In this view, the Syriza victory is relevant at the domestic level, but it can only have a limited impact on the whole of Europe.

“Expansionary monetary policy can only succeed if it is accompanied by structural reforms.”

However, there is increasing support for the “loosening” of austerity policies. For example, although he continues to believe in the necessary radical economic reforms and a drastic reduction in budget deficits, Former President of the European Commission José Manuel Barroso claims that such policies must be politically and socially acceptable, which is now being called into question. “While I think this this [austerity] policy is fundamentally right, I think it has reached its limits in many aspects. A policy to be successful not only has to be properly designed, it has to have a minimum of political and social support. We have to have tailor-made solutions for each country, we cannot apply a one-size-fits-all programme to the European countries”, Barroso said recently speaking in Brussels at a meeting of European think tanks.

Some believe that Barroso’s statement is a new sign that Brussels is ready to give countries such as France, Spain and Italy more time to implement unpopular economic reforms and reduce their budget deficits. At the same meeting, the Former President of the European Council, Herman Van Rompuy, assessed that the economic crisis is lasting too long. He stressed the need for faster implementation of reforms that affect growth most directly. Barroso espoused the deepening of the European integration. “Further integration is essential to our economy to protect us from international disasters and help retain the confidence of markets and investors,” he said.

* English economist John Maynard Keynes was one of the architects of the Bretton Woods agreement of 1944. It was the time when the International Monetary Fund and the World Bank for Reconstruction and Development were established and the process of the GATT was launched, in order to reduce protectionist barriers to world trade. Keynes is also known as the creator of state capitalism, which advocates state intervention when the financial sector in a country requires it, which actually represents monetary expansion.

† Debt forgiveness can have similar effects as expansion in money supply because it releases part of the funds that would otherwise have to be used for debt servicing for other purposes, even investment.

‡ Former Croatian Finance Minister Martina Dalić at the roundtable “Budget and fiscal policy in the following three years – a way out?”, Zagreb, 20 November, 2014

From these statements one can clearly see the main problem of the conflict between the two monetary theories—austerity does have a dark side to it, and this is that it does not favour growth. It could even be argued that these warnings are reasonable to a certain extent. Expansionary monetary policy can only succeed if it is accompanied by structural reforms. This creates a new value which can be the basis of new development. If there are no reforms, but the expansionary monetary policy is used only to cover bad debts, then problems occur later in the form of increased financial and economic instability and increased inflation, only exacerbating economic problems.*

“The EU is not simply an economic integration, but is increasingly becoming a political integration as well, so its development cannot be determined solely by economic factors, no matter how economically justified they are.”

So the keyword is reforms, after which expansionary monetary policy can make sense. It follows that in the present economic crisis in the EU, the strongest integration factor is the combination of “loosened” austerity policies and structural reforms. Certainly, each member state requires a different set of reforms according to the state of the national economy. In Greece, for example, internal reforms are more imperative than reforms related to foreign debt, because there is plenty of leeway for, e.g. broadening the tax base, increasing the efficiency of administration, reducing the gap between the rich and poor and so on. Only by approaching the reforms seriously can the new government expect foreign creditors to express more understanding of their difficulties.

The so-called Juncker’s investment plan to revive the economies of EU member states should be understood in such circumstances. As is already known, the Plan will include the purchase of government bonds of the eurozone countries that have investment grade credit rating, in the amount of 60 billion euros a month, effective from March 2015 year until September 2016. The bond purchase program will include countries such as Greece, which have previously received assistance to avoid bankruptcy, but they will have to meet specific criteria. However, the critical issue has been emphasized repeatedly by Mario Draghi, President of the European Bank for Reconstruction and Development: “Monetary policy can create the basis for growth, but investments require trust and trust requires necessary structural reforms.”

Draghi has actually made a quintessential comparison between this financial package and the Marshall Plan (after World War II), which also represented the so-called “seed money” (initial capital), that is funds that had yet to be “fertilized” in order to produce results. From an economic point of view, such a move is considered praiseworthy, but it is already becoming clear that it will be more beneficial to those countries that have already implemented structural reforms, because only they can “fertilize” the initial capital to their advantage. Countries that have not enforced reforms would spend the capital only to cover bad debts and would be left

* Although the Croatian National Bank is often criticized for allegedly following a restrictive monetary policy, many experts argue that it is not the case. Relying on the interest rates on the capital market, Velimir Šonje claims that CNB actually follows an expansionary monetary policy, while the Governor of CNB Boris Vujčić shows that each time monetary policy is loosened, companies with new funds first cover bad debts, rather than investing in development.

with insufficient capital for new investments, or new values.* This concludes the economic side of the story, the story of the “harmful” austerity policy.†

“If the EU wants to become a stronger political factor in the world, it must ensure political stability throughout its territory.”

However, when it comes to the current political and economic situation in the EU, it is becoming increasingly clear that these issues cannot be solved by economic logic alone, which is the basis of austerity policy. First of all, this is because the EU is not simply an economic integration, but is increasingly becoming a political integration as well, so its development cannot be determined solely by economic factors, no matter how economically justified they are. Every country in the world, especially the less developed ones, has a more advanced and a more underdeveloped part. One of the primary tasks of each state is to maintain political stability in each part, and this is achieved through their economic convergence. Evidently, this cannot be done simply by means of the market, i.e., economic measures, but also by means of political measures—put simply, by transferring parts of its GDP from developed to developing regions. This can be achieved by various measures, particularly fiscal, which is being criticized by businessmen from the more developed parts, even though they know that this helps develop their markets, because otherwise the developing regions would not be able to buy their products.

This problem is one of nation-states, but in the case of the EU, it is one of 28 integrated states. Therefore, if the EU wants to become a stronger political factor in the world, it must ensure political stability throughout its territory. It must not be forgotten that the current stage of the EU is one of economic and monetary union, which is only a step toward a common state in any given form. Despite the convergence criteria of the 1992 Maastricht Treaty, the economy of the EU member states is obviously not balanced, but rather displays a difference between northern and southern parts of the future common state. As has always been the case in history, the developed North criticizes the developing South for working too little and spending too much, and hence being excessively indebted. Countries of the developing South accuse the developed countries of the North of a “perpetual debt bondage”, because financiers of the developed North, by means of servicing “southern” debts, make even more money without contributing to the development of the poor. The accusations go back and forth, the representative example being the relations between Germany and Greece, now assuming political connotations as well. Furthermore, according to estimates of the Greek Finance Ministry, Greece is expected to indicate slight increase in economic activity this year, which should significantly accelerate to 2.9 percent next year.‡ Still, considering the recent events, the Greeks are no longer eager to wait for the improvement of their standards,

* This is comparable to the effect of pre-bankruptcy settlements in Croatia. In order to succeed, the companies that were thus given more time to improve their position on the market should use it to reform its operations. However, as demonstrated by an analysis of the Economics Institute, only an insignificant number of companies took advantage of this respite to reform their management, business methods etc., so all of their troubles will recur, only this time at a considerably higher and broader level.

† We reiterate the fact that many economic conferences both in Croatia and abroad have confirmed that austerity policy produces results in a number of countries, even in Greece, whose economy is beginning to indicate positive growth rates.

‡ This is yet another indication of austerity policy yielding results.

so they have shifted the whole problem to a more political level, threatening to destabilize the EU politically if they are not granted certain concessions. They did get something—a four month extension of the current debt repayment agreement, but the conditions remain the same, which is, it would seem, the only thing the EU is willing to do to prevent the political situation from deteriorating, at least for the time being. This has heralded new political problems, because the countries that went through the same arduous process and are now slowly recovering (Portugal, Italy, Ireland, Spain) wonder why the EU did not show similar understanding in their respective cases.

5. Conclusion

The EU is currently hovering between economic and political arguments (theoretically speaking, between monetarism and Keynesianism) in order to remove the main obstacle to the integration process it presently faces, which is the growing gap between the “rich” and “poor” in its own backyard. And since this stratification is one of the most adverse implications of the current stage of globalization, the EU, as one of the metaphors of globalization process, is facing a great challenge.

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Introduction to the New Paradigm of Political Economic Theory

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Abstract

This short article is an attempt to provide a reasonably simplified introduction to a complex initiative. Influential Fellows in the World Academy of Art and Science, moved in part by the global crisis of unemployment and a conspicuous lack of theoretical engagement that might constructively respond to the problem, came to the conclusion that the reason for the silence of intellectual concern was because there was a dire need for new thinking about the importance of political economy and its salience for a defensible world order. Leading figures in the Academy, such as Orio Giarini, Ivo Šlaus, Garry Jacobs, Ian Johnson, and many others, have diligently worked on a new economic framework with the focus of the centrality of human capital as a critical foundation for economic prosperity.

*This article seeks to contribute to a clear and more simplified description of the fundamental paradigms of traditional and emerging economic order. It seeks to set out the paradigmatic contours of classical theory, it moves from classical theory (the old normal) to the new normal in neoliberalism and then recommends a framework for the future that borrows from the new paradigm thinking of jurisprudence. It applies and summarizes these ideas as guidelines for the development of a theory about political economy as an inquiring system with a comprehensive focus and a fixed concentration on human-centered approach for the future. This approach summarizes articles the author wrote for Cadmus.**

1. The Background to Basic Theory and its Roots in *laissez-faire*

Economic Theory is a disputed field of intellectual endeavor. The stakes implicated in economic theory development are high and as a consequence theory is a contested domain. The contestation is intensified because the dominance of a particular theory will influence the social impact of that theory on human relations and this in turn will invite policy interventions and policy consequences. Within the arena of theoretical contestation, there has emerged a new normal for economic theory. We may regard this new normal as the conventional paradigm of economic theory. The new normal has come with various terms of identification, but the one that seems to be ascendant is encapsulated in the phrase “economic neoliberalism.” In a sense, economic neoliberalism draws powerful inspiration from the earliest iterations of the nature of economic activity. In the 18th century, French officials adopted and popularized a phrase that would serve as both an empirical description of ideal economic exchanges, as well as a

* See <http://cadmusjournal.org/author/winston-p-nagan-0>

preferred model for the structure and function of the arena within which economic activity happened. The phrase was *laissez-faire*. In practice, this meant that the state should reduce its regulatory control over economic interactions within the body politic. The less regulation, the less interference there would be in the arena of economic activity. Less interference meant increased dynamism in the arena of economic productivity, distribution, and exchange.

“The positivist impulse was meant to bring intellectual rigor, a rigorous commitment to objectivity, and an insistence that scientific inquiry be completely separated from inquiry into values, morals, and ethics.”

In the latter part of the 18th century, the moral philosopher Adam Smith published his famous book, *The Wealth of Nations*. Smith was aware of the principle of *laissez-faire* that had emerged in French practice. Indeed, he found this idea compatible with the theory of economic enterprise that was developed in his book. Smith provided both a description of how economics worked, and by implication, provided a justification for the importance of his model in improving the level of economic prosperity in society. Adam Smith was preeminently a moral philosopher with profound economic insight. In his book, *The Theory of Moral Sentiments*, he noted that the specialized capacities of human beings were not a matter coordinated by centralized authority and control. On the contrary, it was influenced by something more impersonal—the market. By the pursuit of economic self-interest and the system of pricing, human beings and their capacities are led to meet the needs of others, who they do not know and by mechanism, they do not comprehend.

The genius of Smith’s work lay in its simplicity using common sense ideas to sustain a level of understanding of the workings of economic order. Economic relations encompassed the supplier of goods and services and the demander of goods and services. The goods and services constituted property that was exchanged between supplier (S) and demander (D). The arena of this exchange between S & D was the market, which established a natural equilibrium when it functioned optimally and satisfied the self-interests of both S & D. We may look at Smith’s model as the old normal of economic theorizing. The importance of this model is its reinvention for the new normal model of economic neoliberalism.

2. The Influence of Value-Free Positivism

We must carefully remind ourselves that Adam Smith was at heart a moral philosopher. This particular understanding of the role of the market became a central feature of his work, largely because subsequent economists committed to the positivist approach to the study of economics received no inspiration to moderate the dynamics of autonomous market, with the untidy implications of collective and individual social responsibility. Vitrally important to this approach was its strenuous justification of insulating economics from social reality and social responsibility. Indeed, positivism as a science went much further. It excluded normative discourse and its value implications because values were essentially non-science. At the time, there did not exist a credible science of society as well. Adam Smith’s theoretical

meditations did not subscribe to this as modern scholarship has amply demonstrated.[†] Braham has isolated four precepts in the corpus of Smith's writings which clarify this issue. First, there is the assumption that when people are left alone to pursue their own interests, there rides along with this dynamic an *invisible hand* that indicates that society will benefit from this conduct as a whole. This idea is moderated by Smith's moral egalitarianism, which implies that every person has equal moral worth. This brings us to Smith's ideas of social justice, which are connected to moral egalitarianism. Here Smith was deeply influenced by the jurisprudence of natural law. Natural Law makes a distinction between commutative justice and distributive justice. In the latter, justice is done according to the right one has to compensate for a legal wrong done. The former is more complex. Smith's work is permeated with discussions of the foundations of distributive justice.

Following this classical tradition, distributive justice is equated with beneficence, the application of 'charity and generosity' based on an individual or social assessment of 'merit.' Under this notion the rules that assign particular objects to particular persons, which is the nub of the concept of distributive justice, is a private and not a public matter or one of social norms; it is not a duty of the society at large and no one has a claim in morality against others to alleviate their condition. Smith subsumes this notion of justice under 'all the social virtues'.[‡]

Under the influence of the old normal model of economic theorizing, modern science added an important dimension to the evolution of the old model. In the early 19th century, the social sciences and law came under the influence of positivism. The positivist impulse was meant to bring intellectual rigor, a rigorous commitment to objectivity, and an insistence that scientific inquiry be completely separated from inquiry into values, morals, and ethics. The influence of science and mathematics on economics has been enormous. Credible scientific work in economics required a reliance on mathematics and mathematical abstractions. This tended to remove theory from the critical scrutiny of intellectuals untrained in mathematics.

In the context of infusing complex mathematical equations into the theory of economics, the trend led to a greater formalization of economic theory and as a consequence, the formalistic emphasis was further abstracted from the concrete conditions of social life and human problems. Moreover, the principle that the market established an abstract equilibrium of absolute efficiency seemed to be conventional wisdom in policy-making circles. This approach to economic organization received a severe setback between 1929 and 1933. The conventional wisdom at the time was that the *laissez-faire* approach to a weakly regulated economy was the cause of the Great Depression, and there was no natural force within the market to self-regulate the economy out of the Depression. In later years a single American economist, Milton Friedman, claimed that the Depression was not a failure of the free natural market, but rather a failure of government policy. The government did not sufficiently monetize the economy and within three years the amount of money in the economy was reduced by a third. This he claimed was the cause of the Depression and not the fidelity to a weakly regulated market.

[†] See Matthew Braham, *Adam Smith's Concept of Social Justice*, August 14, 2006

[‡] *Id.* at 1

3. The New Normal in Economic Theory: Economic Neoliberalism – Milton Friedman and the University of Chicago’s Economic Department

Milton Friedman is generally acknowledged to be the architect of the New Normal Paradigm of economic thinking. He was a leader of the University of Chicago’s Economics Department, which was the institutional base for the New Normal Paradigm. The two significant influences that had emerged in particular after the Second World War was the Keynesian influenced American New Deal and the reach of Stalin’s influence in Eastern Europe. From the perspective of Friedman and his colleagues, the New Deal was a form of creeping socialism, and an indirect threat to freedom. With regard to Stalin’s socialism and its extinction of private property, the Stalinist State control of the economy was quite simply an extinction of freedom. In 1947, Friedrich von Hayek, Milton Friedman, and others formed the Mont Pelerin Society to address these questions intellectually.

“Economics should be enriched and informed by sociology, anthropology, political science, the psychological sciences, as well as lessons from the enhanced methods of the physical sciences.”

The fundamentals of economic neoliberalism insist upon a radical privatization of property and value in society. In short: if a matter may be privatized, it should be privatized. Additionally, economic neoliberalism favored the notion of the minimal state. In short: the more deregulation and limitation on the state’s power to regulate, the better. A strong belief in corporate tax cuts and reduced taxes for the wealthy. A strong belief in trade liberalization and open markets. Finally, with regard to the minimal state, there would be a massive diminution of the role of government in society: The writer Tayyab Mahmud describes economic neoliberalism as follows:

The neoliberal project is to turn the “nation-state,” one with the primary agenda of facilitating global capital accumulation unburdened from any legal regulations aimed at assuring welfare of citizens. In summary, neoliberalism seeks unbridled accumulation of capital through a rollback of the state, and limits its functions to minimal security and maintenance of law, fiscal and monetary discipline, flexible labor markets, and liberalization of trade and capital flows.

Friedman made several strong arguments as to why governmental intervention into the market is generally futile, or leaves the economy worse than it was without the intervention. These arguments were formed around the ideas of adaptive expectations and rational expectations. With regard to adaptive expectations, Friedman demonstrated that the government printing money increased inflation and businessmen neutralized the rate of increase in the money supply by predicting it. The rational expectations argument was based on the idea that the market would predict and undermine government intervention. These ideas were meant to show that markets are indeed self-regulating and that regulation is both unnecessary and dysfunctional. There are a vast range of critiques of economic neoliberalism, but the critique of N. Chomsky seems to be one of the most compelling.

Neoliberalism is actually closer to corporatism than any other philosophy in that, in its abandonment of the traditional regulatory function of the state and embracing of corporate goals and objectives, it cedes sovereignty over how its economy and society are organized to a global cabal of corporate elite.

Since the economic crisis of 2008, the criticisms of economic neoliberalism have also focused on the deregulation of the global financial system. The critique of the financial system is that it is organized along the lines of a gambler's nirvana. Additionally, this is an economic model that could not predict the financial catastrophe that was to accompany the crisis. The consequences of the theory and its practice have also led to a global crisis of radical inequality. In addition, the consequences of the theory would reflect on its absence of a credible theory of sustainable development. This is a theory that resists the concern of the impact of the economy on environmental degradation and climate change. Finally, the radical exclusion of values from economic theory means that the assignment of responsibility to the private sector for mismanagement and dangerous conduct is undermined.

"The new paradigm of political economy must infuse itself with the most important element of the human faculty—human creativity."

The central thrust of our emphasis is to deemphasize the abstract formalism of economic neoliberalism pseudoscience and to develop a comprehensive theory for inquiry into economic phenomena from the local to the most comprehensive Earth-Space context. We recognize that putting theory into the most comprehensive context generates complexity and a critical need for expeditious knowledge integration. In short, economics should be enriched and informed by sociology, anthropology, political science, the psychological sciences, as well as lessons from the enhanced methods of the physical sciences. Therefore, our theory and method for inquiry set out as their initial task, the development of a theory that describes economics as it is in the broadest eco-social context.

4. The Fundamentals of a New Paradigm of Political Economy

The search for a new paradigm of political economy is in effect the search for a theory about political economy that should be comprehensive enough to embrace the context of the entire earth-space community. It must also be particular in adequately accounting for the specific localized effects of economic theory, policy, and practice. To this end, a new paradigm theory of political economy should include the following emphases:

1. It must have a comprehensive global eco-social focus for relevant inquiry. This means theory must not only transcend but also include the relevance of the sovereign state while stressing the importance of transnational causes and consequences of economically related behavior. In particular, it must acknowledge the salience of the global inter-determination of economic perspectives and operations.
2. It must engage in normative, value-based description and analysis including a clarification of the basic goal values of current world order. It must use these as markers to clarify the basic community policies implicated in all economic cooperation and contestation.

Here the all inclusive value of universal human dignity may be a critical principle of political-economic normative guidance.

3. Political economy is not animated by an autonomous machine. It is given dynamism by a sustained advocacy and very critically the vital importance of both authoritative and controlling decision making. The critical role of decision is a mandated focus of professional responsibility as well as responsible inquiry.
4. Just as political economy must account for the structure of authority and control in the sovereign state, it must be alert to the principal features of global constitutional order. In particular, it must be alert to the way in which global constitutional order and its decision processes shape the evolving domains of world order.
5. The evolving new paradigm of political economy must engage in the scientific task of illuminating and devaluating the conditions that inspire political economic outcomes. In short, it is a task that requires the identification and analysis of political and economically relevant causes and consequences that influence economic outcomes.
6. The evolving new paradigm theory of political economy must consciously seek to anticipate and examine all possible relevant future scenarios to enhance the rationality of this function of theory, this function may well be guided by the clarification of the value bases that are desired for future scenarios.
7. The new paradigm of political economy must infuse itself with the most important element of the human faculty—human creativity. In particular, this means that the new paradigm must focus on the alternative possibilities that may be anticipated from relevant future scenarios. This focus should have the creative element that creates the prospect of imaginative but realizable future outcomes that are compatible with the basic fundamental values that represent the common interest of the community as a whole.

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Collabocracy: Collaborative Intelligence & Governance of Globalised Society

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Abstract

There are three forms of intelligence with increased power: individual, collective and collaborative. For thousands of years simply organised agrarian societies have been governed by individual intelligence. More complicated industrial societies today are governed by collective intelligence called representative democracy. Future globalised society needs a more powerful form of intelligence. This is collaborative intelligence.

Collective intelligence is a decision-making mechanism based on choosing one of two or more options throughout the voting system. Collaborative intelligence is a problem-solving mechanism used in science, technology, and many other professions and there is no room for voting at all. Modern society today is in transition from collective to collaborative intelligence or from democracy to collabocracy. Think-tanks are in an embryonic form, which in foreseeable future will be developed into a complete mechanism for governance of globalised society.

Human intelligence is a manifestation of high mental capacity. It is defined as the ability to learn, reason, understand, plan, be self-aware, think and comprehend complex ideas and language, and respond successfully to changing circumstances in the natural and social environment. Eventually all properties of human intelligence could be reduced to the capability for decision-making and solving problems. Very often both processes are linked through creativity in one truly unique process. Human intelligence is closely tied to the evolution of the human brain and development of human language. For our purposes, we will look closely at three forms of human intelligence, directly linked to consciousness and self-awareness—*individual, collective and collaborative*—which seem to have increasing power and importance.

1. Individual, Collective & Collaborative Intelligence

Individual intelligence is a mode of problem-solving and decision-making at a personal level. Throughout history, there are extraordinary examples and achievements of individual intelligence in all fields of human activity. *Collective intelligence* is a shared or group intelligence. It accepts that a group of properly organised people, the collective, can be more “intelligent” than the sum of its members’ intelligence. Political parties, councils, unions, among many others, are examples of collective intelligence. Collective intelligence is a form of cooperation based on discussions, deliberations and voting.

Collaborative intelligence is the most powerful human intelligence. It is a result of collaboration among knowledgeable, exceptionally gifted and creative people. Collaboration is as old as humanity—folklore, myths, legends, traditions and religious beliefs; in modern times technology and science are created by collaborative intelligence. Evolution of collaborative intelligence is an evolution of the platform for collaboration—“oral” (folklore), written text (science & technology) and, nowadays, digital.

“Emerging problems require a qualitatively different problem-solving mechanism.”

“Collective” and “collaborative” sound misleadingly similar, but they are two completely different forms of intelligence. Collective intelligence is based on cooperation; collaborative intelligence is based on collaboration. Collective intelligence is a mechanism for making decisions; collaborative intelligence is a mechanism for solving problems. Decision-making is a mode of choosing one among several options. Solving problems is the capacity of the mind to create and verify knowledge. For example, politicians make decisions; inventors and scientists solve problems to find the right solution. Naturally, politicians discuss and vote to make decisions, which is collective intelligence. Scientists collaborate to solve problems. For this purpose, they create and verify hypotheses. Once proven, the results are tested and elaborated by many others. There are no elections for scientists or voting components, as is common in the collective decision-making mechanisms. Science is an example of typical collaborative intelligence and its achievements demonstrate how powerful it can be. In collaborative intelligence, there is no room for voting at all. In short, collective intelligence is a decision-making mechanism, which involves all members of the social group; collaborative intelligence is a problem-solving mechanism, which involves a limited number of self-selected experts, who contribute to solve the problem according to their abilities and expertise. For instance, the Internet expanded during the last two decades due to the collaboration of a thousand experts contributing to this project.

2. Human Intelligence and Governance of Society

Governance is a mode of making decisions. Understandably, human intelligence is the key in the governance of society. For thousands of years society has been governed by individual intelligence: chiefs, pharaohs, khans, kings, emperors, etc. This is autocracy. After the Industrial Revolution, societies became more complex, and individual intelligence was inadequate to deal with such complexity. Slowly but surely, autocracy was replaced with *democracy, which is a collective decision-making mechanism*. Autocracy is a typical form of governance for relatively simple agrarian societies. Representative democracy (a collective decision-making mechanism) is typical for more complex industrialised societies. Representative democracy is a sophisticated system based on collective intelligence, which involves general elections and elaborate voting systems. Decisions are made in favour of the majority, with the assumption that the truth is on the side of the majority.

No doubt, industrial societies are more complex compared to feudal societies, but the forthcoming “post-industrial” or globalised society will be even more complex and “multidimensional”, taking into account not simply economic growth, but moral values amongst many others. It generates problems like pollution, climate change, nuclear

proliferation, deforestation, poverty, etc., unsolvable by the collective intelligence and voting system. Emerging problems require a qualitatively different *problem-solving mechanism*. Democracy is based on collective intelligence and is simply not sufficient for this purpose. It is not a matter of the decision-making process, based on choosing between “left” and “right” political philosophy; this is a question of solving problems. In this situation, elected politicians and voting systems are powerless. In globalised society, there are clear indications for moving from decision-making to problem-solving mechanisms, i.e. *from collective to collaborative intelligence*. So, the increasing complexity of global society makes collective intelligence an insufficient mechanism for governance, just as industrial societies made autocracy obsolete about two hundred years ago.

“The emergence of collaborative platforms and problem-solving mechanisms is the key to the transition from the collective to collaborative decision-making mechanism, or from democracy to collabocracy.”

3. Transition from Collective to Collaborative Form of Governance

Applying collaborative intelligence to the governance of society is a process of transition from democracy to *collabocracy*. Today nobody knows how this collabocracy will be fully implemented, but there is a clue.

In the governance of society, collective intelligence emerged and gave birth to parliamentarism about 800 years ago. It started with the appointment of groups of advisers by the kings, who met in a designated room to *parlare* and find solutions to emerging problems. Naturally, these councils became lawmakers and later evolved into elected parliaments as a more powerful collective decision-making mechanism. Nowadays, in a similar way, *think-tanks* appointed by political leaders and parties are an archetype of future collaborative problem-solving mechanisms used for governance of society.

Think-tanks or public policy research analysis are groups of experts working in collaboration and in a scientific manner. They conduct policy-orientated research and analysis, solve problems and give advice in an effort to enable policymakers and the public to make informed decisions. Think tanks are strictly specialised in very narrow fields or created ad hoc to solve one particular problem. Currently there are over 5550 think-tanks worldwide, in nearly 170 countries. However, although nowadays think-tanks pretend to be independent problem solvers, they may be affiliated to political parties, governments, interest groups or private corporations, which could bias their work. Most likely, the next level in the development of modern society is the emergence of collaborative problem-solving networks connecting think-tanks through a digital platform facilitating collaboration. Such collaborative platforms already exist, but they are still in their infancy, available only for limited corporative projects. Nevertheless, the emergence of collaborative platforms and problem-solving mechanisms is the key to the transition from the collective to collaborative decision-making mechanism, or from democracy to collabocracy.

Keep in mind that autocracy invented parliament as a collective forum in response to increased pressure, due to the rising complexity of society and the limitation of one individual's intelligence to resolve emerging problems. But only the overthrowing of autocracy turned parliament into a truly democratic institution. Nowadays the situation is similar. Representative democracy legitimises the ruling elite, which employs think-tanks as collaborative organs to resolve emerging problems, which are beyond the capacity of collective intelligence. Hopefully, transforming the existing think-tanks into frontline problem-solving mechanisms would lead to a qualitatively new level of governance—collabocracy.

At the time of the emerging parliamentarism, nobody imagined how fully implemented democracy could work. Understandably, today we cannot imagine what a society with a fully implemented collaborative mechanism will look like, but fortunately there is a clue. The complexity of globalised society is comparable only to the complexity of the human brain. The human brain is Mother Nature's solution for complexity. Brain cells work "collaboratively". Only "self-selected", most relevant neurons are interconnected (associate) and involved in decision-making and the problem-solving process. There is no voting system at all. So, fully-grown collabocracy will resemble the structure and cognitive function of the human brain and mind. Perhaps the next step is developing a platform for collaboration. Once developed, this platform could be used to solve problems and make decisions on all levels—local, national, regional and global. However, it is certain that the creation and implementation of such a mechanism is a matter of collaboration among lots of experts throughout the upcoming decades.

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Reforming Electronic Markets and Trading

Hazel Henderson

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Abstract

Contexts a key, less-examined issue for the responsible investor community of the rapidly changing structure of securities markets due to high-frequency trading, the proliferation of “unlit”, unregulated electronic platforms, conflicts of interest, and growing dangers these pose for long-term and institutional investors who rely on the integrity and stability of markets for publicly-traded stocks, bonds and other assets in their portfolios. Reviews the current situation as electronic markets and algorithms dominate trading on stock markets. Reports on proceedings of the Ethical Markets expert seminar (November 2014) on various reform proposals, testimony before government agencies, surveys, global debate on reforming markets, derivatives trading and imposing curbs, including financial transaction taxes (FTT), EU laws and potential actions by the G-20 and international cooperation.

1. Introduction

Electronic markets and high-frequency trading (HFT) now comprise over half of all securities trading on both public “lit” exchanges and “unlit” dark pools and electronic platforms. This kind of electronic and HFT trading has led to several “flash crashes” when computers and algorithms malfunctioned. This has led to withdrawal of some \$75 billion of retail investments from Wall Street-based exchanges. While HFT proponents defend this kind of microsecond-based trading as “providing liquidity”, this disappears quickly when markets become volatile. Further, these electronic exchange “maker-taker” models (paying rebates, i.e., “kickbacks” to brokers for steering their clients’ order flow to these exchanges) have led to a race to the bottom where brokers who engage in these practices can then lower their execution fees, forcing others into this unethical practice. Financial and legal experts now describe this emerging market structure “The New Stock Market” in their forthcoming analysis.¹

Since regulators, including the USA’s Security Exchange Commission, are kept short of funds and staff often defect to Wall Street firms, these government overseers are unable to effectively police HFT and the many “unlit” dark pools and exchanges. Thus, market-based reforms may fill the gap, possibly helping prevent further “flash crashes” and market losses to retail and institutional investors.

In addition, socially responsible ethical investors, pension funds, endowments and other institutions are at risk, since they lose from these HFT firms’ electronic front-running. While front-running is illegal in traditional markets, electronic front-running is technically different in that there is no prior relationship between the customer and the HFT. HFT poses many

new issues and risks for the ethical, responsible investor movement which now accounts for \$6.57 trillion invested according to SRI strategies in the US.* These firms rely for their ethical investment strategies on well-policed “lit” public markets for their screened portfolio strategies. Thus, they must be able to trust that these markets are fair and uncorrupted. Today’s risks from these electronic and HFT dominated markets mean that this basic market structure and “plumbing” are corrupted and no longer reliable. For this reason, Ethical Markets Media (USA and Brazil), a Certified B Corporation, convened an expert seminar of securities market experts and traders to examine these issues and discuss the potential of several market-based reforms, including the IEX Investors Exchange;† Healthy Markets “Best Ex” accreditation‡ for brokers who eschew kickbacks for their clients’ orders, and curbing the “maker taker” model, and other proposals. This paper documents the proceedings of this expert seminar, chaired by Ethical Markets Media founder, president and editor-in-chief, futurist/author Hazel Henderson, convened on November 3, 2014 in New York City at the offices of Cooley LLP law firm.

Initially invited and confirmed participants were Dr. Mariana Bozesan, AQAL, Munich, Germany; Dennis Bushnell, Chief Scientist, NASA; Katherine Collins, Honeybee Capital; Linda Crompton, Crompton Consulting; William Doll, Syneidesis Group; Amy Domini, Domini Social Investments; Garvin Jabusch, Green Alpha Advisors; Erika Karp and Joel Beck, Cornerstone Capital; Brad Katsuyama, John Ramsay and Gerald Lam, IEX; Gregory Larkin, Bloomberg; Dave Lauer, KOR Trading; Mindy Lubber, CERES; Scott Patterson, Wall Street Journal; Nick Robins, HSBC, London; Joe Saluzzi, Themis Trading; Tessa Tennant, UK Green Bank; Stuart Valentine, Centerpoint Investment Strategies; Michaela Walsh, author, *Founding a Movement*; Simon Zadek, UNEP Inquiry into the Design of a Sustainable Financial System, Geneva; Robert Zevin, Zevin Asset Management. Several had to cancel due to unforeseen circumstances and some offered email comments.

To optimize productive discussion, everyone was asked to contribute at least a one page memo circulated ahead of time in response to the following questionnaire:

- What is your assessment of the current state of financial markets and priorities for reform? Please indicate which of the following factors contributed to the decline and volatility:
 - ☐ Fed policy (QE, interest rates, etc.)?
 - ☐ Europe (ECB, euro policies)?
 - ☐ Structural issues in the global economy (deflation, stagnation)?
 - ☐ Oil prices?
 - ☐ Fears in the US (domestic issues, loss of trust, gridlock, Ebola, etc.)?
 - ☐ Structural issues in financial markets (changes due to new platforms, ATS, dark pools, derivatives, regulations)?
 - ☐ Investor loss of trust in the markets?
 - ☐ HFT, algorithmic trading, electronic front-running, etc.?

* Report on US Sustainable, Responsible & Impact Investing Trends 2014, USSIF, Washington, DC 2014.

† <http://www.iextrading.com/>

‡ <http://kortrading.com/best-execution-accreditation-2/>

☐ Other?

- What are your priority issues (market-based reforms, e.g. IEX, Better Execution Accreditation, transparency, government regulation) for reform and restoring trust?

Please check all boxes you think are relevant—add your comments, estimated percentages to each factor driving volatility and recent decline.

Chair Henderson opened the seminar with this contextual statement:

2. Hazel Henderson, Ethical Markets Media

Computer-driven financial markets on unregulated electronic exchanges programmed by algorithms now dominate Wall Street, along with high-frequency trading (HFT).² The infamous “Flash Crash” in May 2010, driven by electronic trading, caused stocks in many 401Ks to suddenly fall to pennies, some recovering in split seconds. Small investors lost confidence, pulling some \$70 billion out of stock markets.

While Wall Street recovered, trust eroded further due to the losses, foreclosures, job cuts and taxpayer bailouts after the 2008 meltdown. Today, the public’s trust is battered by news of fraud, insider-trading, rigging of interest rates and huge fines on formerly admired banks paid by shareholders and taxpayers instead of indicting responsible financiers. Regulators in Washington are out-gunned by the faster computers and technology of HFT. Even market players are sounding alarms.

In 2011, after contacting the SEC, Themis Trading, a respected firm with many pension fund clients, later went public in *Broken Markets* (2012), co-authored by principals Sal Arnuk and Joe Saluzzi, alerting all investors to the dangers of electronic front-running and other manipulative practices of HFT and the electronic exchanges on which they trade. Wall Street Journal reporter Scott Patterson published *Dark Pools* (2012). CBS TV’s 60 Minutes covered how Wall Street and global finance were morphing into a complex, unregulated casino. The public remained suspicious but mystified until *Flash Boys* by Michael Lewis, a former Wall Streeter, became a global bestseller in 2013, explaining in simple terms how “Wall Street is rigged.” I reviewed all these books on www.seekingalpha.com, a London-based platform with 2 million traders registered.

Yet, while regulators were out-gunned, reforming financial markets remains urgent, since markets always perform vital services in all societies as recorded throughout human history and always circumscribed by cultural ethics, rules and regulations. Today, public and NGO pressure on companies and governments have forced reforms: on tax evasion, cancelling billions of un-repayable debts of poor countries, on safety, pollution control, working conditions, minimum wages and demands for below 1% taxes on all financial transactions, allowed in many countries. Investors’ movements since the 1970s exclude weapons, tobacco, alcohol, pollution, unfair working conditions and excessive executive pay. Campaigns for human rights through divestment ended apartheid in South Africa and recent efforts shift assets from fossil fuels to cleaner, renewable energy.³ All have reformed and continue to

transform finance* along with all the new metrics forcing formerly “externalized” social costs back on to financial balance sheets.

Today’s agenda is to reform electronic markets and trading, since all the progress by investors in shaping more responsible corporate and financial practices can be undermined if the markets’ underlying plumbing and structure remain unsound. Today’s broken markets are subject to new manipulations and misuse of computers and electronic platforms resting on global communications infrastructure: satellites, the internet, fiber optics, the electromagnetic spectrum—all public goods funded by taxpayers.

We seek to assure more stable market structures, restore confidence and prevent the next market crash that many believe is inevitable. Many proposals have been aired in Congressional hearings by the Senate Committee on Finance and chair Carl Levin (D-MI),[†] with testimony by Brad Katsuyama[‡], CEO of IEX[§] (“hero” of Michael Lewis’ *Flash Boys*) and Dave Lauer,[¶] CEO of KOR Trading.

We welcomed opening statements by all participants, starting with the official position of IEX, presented by John Ramsay, Chief Market Policy Officer, formerly with the SEC, since IEX has created a robust electronic market with technological and operational features designed to protect investors from electronic front-running, kickbacks on orders and other harmful practices.

3. John Ramsay, IEX

Publicized structural problems in our stock markets have damaged investor confidence and hindered the ability of our markets to efficiently allocate capital and promote economic growth. At IEX, we are working to improve the current equity market structure so that it better serves the interests of investors and public companies, not just exchanges and professional trading firms. To that end, we have created a trading market that is fully transparent, that combats the ability of certain trading firms to use structural inefficiencies to gain an advantage over investors, that avoids conflicts of interest that make it less likely that brokers will achieve the best result for their customers, and that adopts a simplified structure of prices and order types. Apart from supporting private sector efforts to provide traders and investors with a better choice of trading venues, we think that it is critical that market participants be given much better comparative disclosure so that they can evaluate and make more informed choices among intermediaries and exchanges and other market venues. Exchanges need to be more transparent and accountable in terms of their various business lines and the associated inputs, costs, fees and other revenues, as well as the governance of critical market infrastructure.

* <http://ethicalmtv.wpengine.com/?s=transforming+finance&submit-2=go>

† Levin, C. (D-MI). “Opening Statement of Senator Carl Levin (D-MICH) Before Permanent Subcommittee on Investigations On Conflicts of Interest, Investor Loss of Confidence, and High Speed Trading in U.S. Stock markets.” June 17, 2014.

‡ <http://www.ethicalmarkets.com/2014/06/19/brad-katsuyama-on-conflicts-of-interest-investor-loss-of-confidence-and-high-speed-trading-in-u-s-stock-markets/>

§ Katsuyama, B. “Conflicts of Interest, Investor Loss of Confidence, and High Speed Trading in U.S. Stock Markets.” Testimony Before the U.S. Senate Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs, June 17, 2014.

¶ <http://www.ethicalmarkets.com/2014/07/11/the-role-of-regulation-in-shaping-equity-market-structure-and-electronic-trading/>

3.1. IEX Philosophy

- **Just and Equitable Principles of Trade.** IEX aims—through the design and operation of our market center—to not just uphold, but also to exemplify, the precept of the SEC Exchange Act of 1934 that exchanges should be operated to “promote just and equitable principles of trade”. In a fragmented, automated, intermediated marketplace where speed has been prioritized, this requires both a technical and trader’s understanding of how minutely small time increments impact trading decisions and affect the way that markets do or don’t work for various classes of participants.
- **Market Stewardship.** Market centers have a responsibility above and beyond that of other market participants to safeguard the public interest and to seek wherever possible to improve the health of the markets, and not just to advance their own commercial interests. The health of the markets depends on a range of factors, including, but not limited to, the extent to which they provide a level playing field for investors and traders of all types, and whether systems are designed to be highly resilient and reliable. Investor confidence depends critically on both the fact and perception that markets are designed and operated to serve investors.
- **Promote Natural Trading Interest.** Structural inefficiencies can, and do, lead to harmful phenomena in our markets, including order detection/anticipation, fading liquidity and price dislocation, which in turn can work against the interests of investors who seek to invest based on fundamentals and market factors. Market practice is constantly evolving, and we continually look for ways to protect and promote the interests of natural investors.
- **The Market Can Self-Correct.** The fact that we were able to create IEX without a change in regulations is a testament to the ability of innovative and constructive market-based solutions to arise within the current general regulatory framework.

Our requests of market stakeholders:

- **Standardize data.** When data is requested of participants, ensure that a clear and concise standard is established for how the data should be derived and presented. Require market systems, broker-dealers, market centers, including exchanges and Alternative Trading Systems, and SIPs to time stamp messages sent, received and used internally at a standard granularity of at least microseconds. Improve atomic clock synchronization from a one second tolerance to one millisecond or finer.
- **Disclose participant activity.** Public disclosure of an anonymous breakdown of subscribers by volume on any registered market center, and an anonymous breakdown of message traffic and message to trade ratio by subscriber on any registered trading venue (ATs and Exchanges).
- **Disclose routing activity.** A complete audit trail of how client orders are handled, including both routing and trading information, available to the client upon request.
- **Disclose market operations.** Plain language rules and common use examples for proposed rules describing new products and services offered by exchanges. Require public disclosure of alternative trading systems’ Form ATs and subsequent products,

services, and pricing. Ensure an adequate amount of reporting between exchanges and brokers, as well as between brokers and clients, whereby execution data and routing data are standardized and available upon request. Define acceptable tolerances for trading, market center and inter-market communication system performance to ensure there are no meaningful risks to the integrity of the system in the context of structural inefficiencies which could allow unfair advantages to certain market participants, disadvantaging others.

Dave Lauer, President & Managing Partner of KOR Group and co-founder and President of Healthy Markets and its “BestEx” (best execution accreditation) program for brokers who eschew accepting kickbacks for their clients’ orders, also testified before the CFTC Technology Advisory Committee.⁴ His statement follows:

4. Dave Lauer, KOR Trading

4.1. My assessment of the current state of financial markets and priorities for reform:

- Fed Policy

The withdrawal of fed support from markets is leading to tremendous instability in financial markets, and will continue to do so. This factor dwarfs the others in terms of significance, although the resulting volatility is exacerbated by structural issues in markets.

- Macroeconomic issues
 - Europe
 - Deflation/stagflation
 - Oil prices

Macro issues strike me as relatively minor, considering the Fed influence in markets.

- Structural issues/HFT, algorithmic trading, electronic front-running

I’m including two categories in this issue, as I think this is an area of extreme concern. That being said, I do not demonize HFT, or even firms that engage in so-called “electronic front-running (EFR).” While EFR creates little to no value, and serve to destabilize markets, the only reason they exist in this form and are able to cause such problems is because of a broken regulatory framework that incentivizes speed over everything else, and leads to unnecessary complexity and intermediation. HFT is far too broad a term to have much meaning, and is generally a valuable service in the market that is simply being driven along in a latency race by poor regulation and structural inefficiencies/incentives.

- Investor loss-of-trust

While I have my doubts that market structure and structural issues are primary contributors to investor loss-of-trust/confidence, the complexity of markets, reports of problems/glitches, and resulting difficulty for investors to understand what is happening are certainly additional factors in investor flight from capital markets. These factors are, of course, dwarfed by the extreme volatility in financial markets from the dot-com boom to the housing crisis.

4.2. Priority issues for reform and restoring trust:

- Encouraging private-market solutions to structural problems and loss of trust:
 - IEX (US), Aequitas (Canada) and other efforts to promote better business models and governance structures.
 - Best execution accreditation to ensure independent, third-party analysis and interpretation of execution and routing decisions.
 - Broadly pushing for third-party analysis and verification of metrics from brokers, venues and asset managers.
- Pushing for regulatory reform to simplify structure, increase transparency, encourage more variety in displayed liquidity:
 - Healthy Markets Initiative
 - Better metrics, access to data, advanced analytics and computation
 - Elimination of rebates and a trade-at rule
- Educating public and industry participants on the issues, advocating for change by increasing awareness of problems and possible solutions.

4.3. Accelerating Data-Driven Regulation

With the increasing complexity of US capital markets receiving attention at every level of government, Healthy Markets and KOR Group believe that the SEC can take three critical steps to better facilitate data-driven regulation and encourage the investing public. These steps are non-controversial, require little effort and are high-impact. The benefits would be substantial for future rulemaking, disclosure, external analysis, and regulatory enforcement.

“Market quality metrics are woefully outdated.”

– Dave Lauer

- Modernize market quality metrics (Rule 605) so practitioners can properly evaluate execution quality and make better order routing decisions.
- Modernize broker routing metrics (Rule 606) so the public can better understand how brokers are making order routing decisions and the potential conflicts they face.
- Enhance MIDAS and make data available on a delayed basis to ensure regulators and vetted academics/practitioners can perform comprehensive, independent study of market structure.

4.4. Modernize market quality metrics – Rule 605

As has been outlined in the Healthy Markets platform, market quality metrics are woefully outdated. As initially envisioned in 2001, these metrics helped to spur competition for order execution quality and drove changes in behavior. These statistics now cover very few of the multitude of available order types and are easily manipulated because they have not kept up with advances in technology. In order to help the public and brokers make informed decisions about market center order execution quality, Rule 605 must be updated.

4.5. Modernize broker routing metrics – Rule 606

Also outlined in the Healthy Markets platform, broker routing disclosures have significant shortcomings, including no coverage of large orders, no uniform specification for rebate and payment information, and no requirements to be machine readable. While the SEC seeks to expand coverage of the current rule to institutions, the public would be well-served by expanding Rule 606 to cover all orders and mandating uniform disclosure.

“High Frequency Trading is essentially no different from a highwayman standing in the road with his knife or gun or high speed computer technology demanding a tributary toll from all who would pass by and go about their business to the better without him.” – Robert Zevin

4.6. Enhance and open up MIDAS

Data-driven regulation requires accurate and comprehensive data. The SEC’s MIDAS platform was an important first step, but its shortcomings are critical flaws. MIDAS must be expanded to include other asset classes, hidden orders on lit exchanges, resting orders and IOIs on dark pools, un-filled IOC and exotic order. Access to MIDAS should also be opened up to qualified practitioners and academics.

The benefits of expanding and opening MIDAS are difficult to overstate; doing so would broaden its reach, resources and the scope of research that can be performed. If there are legal impediments, the Commission should strive to overcome them. The impact on market structure and regulation is too important.

We strongly encourage the Commission to prioritize these initiatives as quickly as possible. The need for these changes is great and the impact would be profound.

4.7. Best Execution Accreditation

KOR Group is excited to announce our Best Execution Accreditation service. KOR will perform comprehensive analysis for buy-side firms of all policies and procedures and quantitative analysis of order flow and routing decisions. KOR’s holistic approach to Best Execution will ensure firms are meeting current and future execution requirements, even as the regulatory landscape shifts and evolves.

With decades of experience in US equity and options markets, including years of experience sitting on Best Execution Committees, KOR Group is uniquely positioned to help firms audit, measure, improve and achieve true Best Execution. This results in higher fund returns and better use of invested capital. KOR’s Best Execution Accreditation provides buy-side firms with:

- Independent evaluation and accreditation of your firm’s adherence to Best Execution
- Identification of opportunities to improve execution quality and reduce implementation shortfall

- Identification of improvements to execution partner relationship
- The only guarantee in the industry against Best Execution violation

Robert Zevin, a pioneering asset manager, principal of Zevin Asset Management, has been designing ethical, responsible portfolios for decades, including the mutual funds offered since 1982 by the Calvert Group, offered his insights and recommendation:

5. Robert Zevin, Zevin Asset Management

High Frequency Trading is essentially no different from a highwayman standing in the road with his knife or gun or high speed computer technology demanding a tributary toll from all who would pass by and go about their business to the better without him. Michael Lewis has succeeded in arousing some moral outrage about this highway robbery among his readers mostly outside of the circle of financial professionals. Most financial professionals seem to think that the amount it is costing other investors is small enough to fall off their moral radar screens and that the HF traders deserve some reward for their ingenuity and investment. Most of these professionals I find have not actually read *Flash Boys*, and are not aware of the ways in which brokers breached their fiduciary duty by literally selling their clients' trades to HFTs, or how banks and brokers allowed HFTs to shine a bright light into their dark pools, completely betraying their fiduciary duties to their clients. Nor do they see as clearly as Michael Lewis does in his book, how the SEC has been a willing collaborator with the HFT industry, obligingly letting it invent absurdly contorted and distorting order types which are of no use to anyone else; or of how the powers of government law enforcement have been used not to punish those who are stealing (however little at each time) from their clients, but those who don't obey the rules of the Wall Street Mafia.

I take space and employ colorful rhetoric to emphasize the point that HFT is just one part of an economic and political system that is increasingly dominated by rent collecting, or rather the collection of the highwayman's or medieval duke's toll, along with many bribes and other forms of protection money. *Flash Boys* makes very clear how much this is the culture and nature of most of the investment management and banking industry. To which we could easily add the similar foundation of extraordinary profits in the legal, healthcare, defense and oil and gas industries among others.

If we call it what it is: a system in which politicians are bought and paid for, and various gangs of bandits attempt to appropriate permanent streams of income that should have been someone else's, we have a pretty good explanation of our sclerotic economy and government. And we also have a pretty good notion that most of the simple, rational solutions to the problems of HFT have about as much chance of happening as all of the other regulatory reforms of the financial system that have been proposed, compromised, passed and still stymied since the financial crisis.

Just to be clear, those simple, rational solutions include: defining a market maker as an entity that has knowledge of other entities trades within less than some number of milliseconds; enforcing the deployment of time delay technology like that employed by IEX at all exchanges; disapproving all of the deliberately deceptive order types used by HFTs; and

a financial transactions tax (FTT). Even the conservative economists who wrote the Simon Report on the Crash of 1987 under an exceptionally conservative Secretary of the Treasury serving an exceptionally conservative President discovered the obvious fact that over the preceding hundred years of NYSE history, periods of very low transaction costs had also been periods of very high turnover and volatility. The whole point of an FTT is to impose a tax that mimics the social cost of excessive and volatile trading, just as a carbon tax mimics the social cost of greenhouse gas emissions.

“The capital markets exist to serve the developmental needs of society.”

– Stuart Valentine

Perhaps one more example will clarify my point. Many writers have pointed out that many people in the financial services industry went to jail for their violations of laws designed to protect investors and depositors after the Crash of 1929 and again after the Savings and Loan Crisis of the late 1980s and early 1990s. Since the 2008 Financial Crisis only a handful of people in finance have gone to jail, and perhaps without exception their crime has been to disobey their superiors, often as “rogue traders”. Those superiors are quite clearly guilty of massive frauds and deceptions; but none of them have gone to jail. Instead, federal and state prosecutors threaten them with jail sentences and they buy their freedom by agreeing to have their companies pay over \$100 billion and more of fines, in effect stealing this amount of money from their shareholders in order to buy their own immunity.

Instead of an FTT or a change in SEC rules, perhaps the first thing we should be thinking about to solve the HFT problem and a plethora of similar criminal incursions into our economy is a massive effort to achieve campaign finance reform, probably through a constitutional amendment.

Joe Saluzzi, partner, Themis Trading, had tried with his partner Sal Arnuk to alert the SEC to the problems posed by HFT firms, to no avail. After the “flash crash” of 2010, they decided to co-author *Broken Markets* (2012)* and even appeared on CBS TV’s top-rated *60 Minutes* to blow a whistle on these practices. In 2012, Henderson persuaded Joe Saluzzi to present pro bono at a global webinar for institutional investors and asset managers, hosted by the UN Principles for Responsible Investing,† based in London, in which Ethical Markets is a participant and whose membership represents some \$45 trillion of assets under management. Joe Saluzzi’s statement for Themis Trading follows:

6. Joe Saluzzi, Themis Trading

Themis Trading believes that markets exist to facilitate the free flow of investment capital that enables companies and the US economy to grow. Regulation should focus on promoting the markets for those purposes.

Dramatic shifts in market structure have created a significant liquidity problem in the US equity market, particularly in small cap stocks, and sizable problems in transparency and

* <http://seekingalpha.com/article/690831-book-review-broken-markets-by-sal-arnuk-and-joseph-saluzzi>

† <http://www.unpri.org/>

inequitable information flow. There has been some progress in addressing these problems, and discussion of further initiatives that will help. Those include:

- The SEC Tick Size Pilot Program
- The SEC Consolidated Audit Trail
- Overhaul of the Securities Information Processor

However, major problems persist. There are a number of industry observers who see a need for a holistic, top-down review of market structure. We do not think that's necessary. We believe that there are a few small, surgical changes that can dramatically change the way stocks are traded and that will lead to improved capital flow and allow for a refocusing of our equity market on investors and issuers.

Action: Eliminate payment for order flow

- Where brokers sell their orders to a trading firm, **along with the maker-taker policy**, and where exchanges provide rebates to traders for posting liquidity
- There's nothing unprecedented in either of these suggestions, and markets can readily adjust and adapt.
- Rebates are polluting the trading ecosystem with unnecessary incentives and need to be done away with.

Action: Complete disclosure of dark pool and smart order router practices

- Without knowing how orders are routed and how dark pool policies factor in, it's hard to determine whether they contribute to or detract from the market's well-being and designated objective as a means of allocating capital.

Action: Regulate data feeds

- Trading information should not be fair game to be made available by the exchange to the highest bidder.
- Exchanges should grant investors the right to opt out of having their data sold to trading firms, which can then track and act in advance on information.

Action: Cross-Regulation

- Develop inter-agency regulatory task force to share surveillance information across asset classes.

Co-chair with Henderson, Stuart Valentine, principal of Centerpoint Investment Strategies, who also serves on the Advisory Board of Ethical Markets, offered this personal assessment:

7. Stuart Valentine, Centerpoint Investment Strategies

The capital markets exist to serve the developmental needs of society. By extension, financial sector tools also need to be designed and applied to ensure that the environmental conditions, upon which a healthy society depends, are provided for.

My assessment of the evolution of the capital markets over the 27 years I have been involved in the retail advisory business is that capital markets are increasingly prioritizing the needs of capital and the regulatory agencies serving that capital. For the average IRA or 401k investor the Wall Street culture has long since lost its connection and relevance to their “Main Street” real economy. The application of machine intelligence enabled by rapidly advancing computer technology has enabled the HFT community to generate extremely high profit margins relative to the risk taken. Yet there is no apparent net value delivered to society that that the average “Main Street” American can understand.

“Our business schools and business settings train us to be the investment equivalent of the shark, but the reality is, we are all swimming in the same ocean of markets, and if that ocean is unhealthy, it creates less opportunity for all.” – Katherine Collins

The investing public that I interface with has an overall cynicism towards Wall Street and at least an intuitive sense that their interests are not being represented nor are they being treated fairly. As such they are looking for alternatives outside the box of mainstream electronic markets. While the HFT community is trading electronic bips in milliseconds, the rising Socially Responsible and Impact Investing community has responded to this discontent by increasingly seeking direct “Green Street” investment alternatives that deliver real value to their communities and the environment. Michael Shuman, Co-founder of the Business Alliance for Local Living Economies (BALLE), a key resource developing examples in community investing, predicts that over \$1 trillion will come out of Wall Street accounts and flow into community investment models in the coming decade.

In my view, the priority for reform in the electronic markets to better serve the Main Street real economy first requires a re-commitment to a service-based philosophy that guides individual actors to work not only their well-being but for the good of society. In my career I have encountered the ethic “Get Mine & Get Out” within the financial services community more times than I can count. Is it any wonder that the average American lacks trust in the financial markets? Addressing mechanical and regulatory issues, while vital to ensuring fair dealing, is still but a symptom of a deeper philosophical and moral crises. In short, we need a long term plan to restore The Golden Rule to our Wall Street business culture and redirect capital, with triple bottom line design objectives, back into the communities capital was designed to serve. (See Building True Wealth Model at www.centerpointinvesting.com).

Katherine Collins managed a successful, multi-billion dollar portfolio for Fidelity in Boston prior to forming Honeybee Capital and writing *The Nature of Investing* (2014).^{*} She also serves on the Advisory Board of Ethical Markets and is a co-investor with Henderson in the biomimicry company Biomimicry 3.8. Also see Collins in our TV series *Transforming Finance*.[†] Katherine Collins contributed to the discussion as follows:

^{*} <http://seekingalpha.com/article/2142303-review-of-nature-of-investing-and-world-we-made>

[†] “Bypassing Wall Street.” (Show #2). Ethical Markets TV Transforming Finance, 2012. <http://ethicalmarkets.tv/video-show/?v=1971>

8. Katherine Collins, Honeybee Capital

Honeybee Capital's recent research has focused on using natural systems models to analyze investment issues (please see honeybeecapital.com or the book, *The Nature of Investing*, for more details). The importance of this work is rooted in the observation that much of our current financial activity is based on mechanical, factory-like mindsets. However, many of our most important investing questions are better informed by biological, ecosystem frameworks. With this backdrop in mind, there are three essential issues with respect to HFT where we see gaps in understanding and analysis. Addressing these fundamental gaps should lead to more effective ideas for corrective action.

Efficiency Versus Effectiveness Often in finance we focus on a shallow definition of efficiency—fast and cheap. HFT is certainly efficient based on speed alone, and some argue that this makes for a more liquid, more efficient market. It does not. It makes for a faster, higher volume market—which may or may not have anything to do with real efficiency. Speed, in and of itself, should not be inherently profitable. A deeper view of efficiency is seen in natural systems, where time, space, and true cost are optimized (not minimized). This deeper form of efficiency is not just fast and cheap; it is truly effective. Importantly, defining effectiveness requires defining the function of the system or organism at hand. What is the function of HFT? It is unclear that there is any function for some HFT practitioners beyond their own profitability. Define the purpose, and we can define what constitutes deep efficiency. I guarantee the answer will not just be “fast”.

Risk Versus Uncertainty Much of our infrastructure in finance is based on models of risk—situations where the outcome is unknown, but the range of outcomes IS known. These situations are model-able, and we can make bets based on those models that are reasonable and responsible. However, those same models are no help in situations of uncertainty—where the outcome is not known, and neither is the range of possible outcomes. Uncertainty is the realm of “unknown unknowns”, and it is under uncertain conditions—not risk—that fortunes are often created or destroyed. HFT amplifies uncertainty and increases fragility of the system by exaggerating trading volume under normal market conditions, while allowing participants to step away when the market is under strain. This is the antithesis of market-making, and a serious systemic weakness. Natural systems develop variation and adaptability to increase resilience. In contrast, our current trading ecosystem has variety without diversity, reaction without resilience.

Transparency and Trust It's not long ago that these words were common on Wall Street, said without irony when companies presented their mission statements or investment bankers spoke of relationships with their clients. These same ideas are reflected in the 1934 Act: “just and equitable principles of trade.” While much biological research (and much investment research) has centered on predator/prey relationships and competition, when we look at the broader landscape of the natural world, cooperation and mutualisms dominate. It is precisely because predatory behavior is NOT the norm that we study it. The same could be said for our financial system. Our business schools and business settings train us to be the investment equivalent of the shark, but the reality is, we are all swimming in the same ocean of markets, and if that ocean is unhealthy, it creates less opportunity for all. Conversely, a healthy system is generative, meaning that I can win without you having to lose. The rules and practices governing today's trading systems have created a toxic environment, where

overall opportunities are shrinking, creating a predatory mindset of scarcity. Predators that do not somehow contribute back to the health of their own ecosystem eventually die out—and in fact, the biggest predators tend to die first, as they are the most dependent on the system that supports them. I say this not to threaten those who are taking advantage of the current system, but rather to encourage all participants to recognize that transparency and trust are not warm and fuzzy attributes to paste on the wall. They are essential markers of a healthy, high-functioning, generative system, necessary for survival.

Another member of Ethical Markets Advisory Board, lawyer Ellen Brown, author of *Web of Debt* and *The Public Banking Solution* (2013), agrees that only the speed with which HFTs front-run investors is new.⁵ A key observer of communications and electronic systems and markets, NASA Chief Scientist Dennis Bushnell at Langley Research Center, Virginia, added his wide-ranging contextual comments prior to the seminar. Bushnell wrote a Foreword to my *Mapping the Global Transition to the Solar Age*.⁶ His statement follows:

9. Dennis Bushnell, NASA

I am an outsider to the financial world, a research techie. These are the simplex perceptions of a “citizen”, not a professional financial world critique. I am merely responding to my perception of issues as I understand them.

You can build latency into the IT systems (at whatever level folks agree on—seconds to minutes) so that all have the same time advantage with regards to the technical aspects of the electronics and communications. That would tend to shift the overall dynamic from latency-related gain aspirations back hopefully toward REAL VALUE considerations.

There are always the issues with who/what constitutes real value and why, this uncertainty is part of why some folks play this game instead of going to Las Vegas. Then there are the major psychological aspects: trying to game the herd proclivities.

So, IF the community wants to revert more to a value (whether your values or those of others is not the issue at this meeting as I understand) based market that is doable with regards to the IT/Technical aspects.

The other issue, of TRUST, is another matter entirely. The “insane” bank/market writ large aspects/thoughts/actions that led up to what has been termed the GREAT RECESSION in '08 was a clear indication of the then prevailing ethics situation within the financial community up to the then most elite levels. Neither the public writ large nor the government [to the extent the latter is not influenced by the top financial folks] is going to easily forgive and forget actions/attitudes/decisions that very nearly “took us down”. How close a call that was is only now surfacing. Efforts to insert some “social consciousness” into the markets will always be uphill due to the innate “greed” aspects of that community, since profits are their unit of measure. Usually only after they have made their bonus profit-wise do many folks turn, for disparate reasons, to “helping society”, seriously exhibit a social “consciousness”. The current shift to sustainable energy is on the heels of their costs dropping through the fossil energy price points, i.e., the shift is probably far more due to economic realities than climate, social concerns, at least that is the perception. A huge percentage of the new generation

capacity is renewables, they are winning. Their prices have been dropping year on year for a very long time and that trend, accelerated by the Nano and other technology research along with the usual economies of scale and the Japanese nuclear accident and much else, has now made them competitive. Along with this is the increasing shift to distributed generation. We now have some 200,000 off-grid homes, with that number growing to the point where the then year business case for centralized utilities is under discussion

The machines appear to be taking the jobs, there are now many books written about this. The income disparity is growing apace to historic levels. Society is beset by the likes of this plus the climate change issues/effects, a crashing ecosystem, population growth, shift to “tele-everything”, the virtual age. All this before quantum computing, autonomous robots, molecular manufacturing and machine Intelligence approaching that of humans are fully developed and add their societal disruptive potential[s]. Society is in need of consideration, consideration of how to navigate all of these serious changes/issues and overall in need of all the “help” it can get. Society includes all of us, and our progeny.

During the closing general discussion, viewpoints widened further to embrace philosophical concerns and the rapidly evolving global system and how best to address the “global casino” aspects of financial markets. These are dominating the real economies in every country and exploiting the unpriced resources of the biosphere and global commons: oceans, atmosphere, the electromagnetic spectrum, space and the digitized internet-based commons and cultures. Setting a historical note, veteran Wall Streeter Michaela Walsh, founding director of Women’s World Banking,⁷ former broker with Merrill Lynch, program officer at the Rockefeller Brothers Fund, reminded the group of Wall Street’s history: that financial firms were never organized with any mandate to serve the public interest. This was overlaid on them after the 1929 Crash and imposed with regulations and the SEC. Walsh added:

10. Michaela Walsh, Founding President, Women’s World Banking

My first years on Wall Street introduced me to the private sector. There was no government involved—Wall Street never went to Washington. It was not until Merrill Lynch Pierce Fenner and Smith (MLPFS) did a study with University of Chicago on “who owned the shares on the NYSE” (AMEX had very few shares at the time). MLPFS was a member of the NYSE—we used to have 300,000 share days. Then Wall Street came to Main Street—and international offices opened. Then hedge funds and then the first mutual fund traded on the NYSE.

People who had been in the FBI after the Second World War based in South America, Japan and Cuba became reps for Merrill in Kansas City (my home town), Washington and NYC, and MLPFS became a corporation.

It seems to me that we are approaching a new era in which the private exchanges will become trusted again; people invest their own money instead of “mine” and “yours”. Local/regional finance will become more important to each of us again. News about the new Asian development bank, BRICS and Europeans being more serious about the euro should be thought through. It will be a very different world!

Simon Zadek picked up this global theme, as the co-director of the UNEP Inquiry Into the Design of a Sustainable Financial System,* with a stellar advisory board of central bankers and stock exchange presidents from key emerging countries in the world. Zadek founded the well-known firm Accountability in Europe monitoring corporations' social and environmental performance. Zadek's question: "Why are we sitting here trying to retrofit this broken market system on Wall Street based on its Western model?" He noted that in the global context today, this model is no longer that important, witnessing the rise of alternative models in China, other Asian countries, Africa and Latin America. Zadek urged the group to contribute to the UN Inquiry and help redesign the global financial system for the future, adding the following:

11. Simon Zadek, UNEP Inquiry

As the co-Director of the UNEP Inquiry into Design Options for a Financial System, I am ultimately interested in the alignment of the financial system with sustainable development, which in a nutshell means that it needs to provide the finance needed to shape an inclusive economy that can be sustained within planetary boundaries. Such an alignment involves of course many factors, from the capital weightings imposed by the Bank of International Settlements through to the fiduciary responsibilities of institutional investors, the provision of material information about environmental and social risks, the appropriate remuneration arrangements for asset managers and lenders, and the right mandates, cultures and competencies of financial actors and the markets governing institutions, such as central banks.

Electronic trading is not "bad" in itself, except for the downsides of speed, or the wastefulness of investment in the enabling infrastructure. Some would argue that its badness is an inherent function of its absorption of smart minds and institutional attention, always in short supply and perhaps better deployed to address for example public health problems. Such concerns are meaningful, but are not specific to electronic financial trading but could equally be applied to everything from smartphones to advertising or pile-it-high fast food.

The real question is how such trading impacts the likelihood of the financial system realizing its higher purpose of serving the needs of sustainable development. Four observations about micro-dynamics seem worthy of this ambitious litmus test:

- First, the more exotic forms of electronic trading can either disadvantage traditional or specifically long term investors, or else pose a tariff on their earnings.
- Second, real economy and longer term investing are negatively impacted, unlike the positive offer that electronic trading increases real liquidity and reduces volatility by accelerating the speed of price discovery.
- Third, the loss of neutrality of public markets, particularly publicly traded equities, is accentuated by the effect of electronic trading on the behavior of brokers, other intermediaries in the trading chain, and indeed stock exchanges themselves. This simply reduces their efficiency and creates private tax take-offs, diminishes underlying trust in such markets, triggering a growth in market work-arounds and alternatives that might be rational at the micro-level but lead to loss of overall value to the system.

* <http://www.unep.org/inquiry/>

- Fourth, the complexity and political economy of electronic trading, as we have seen, have made its effective regulation virtually impossible, weakening adequate market stewardship on all fronts, not just in relation to electronic trading practices.

Added to this are the macro, real economy impacts of such distortions and loss of efficiency of the financial system. If it is the case that real economy and especially long term investment suffer, then the logical conclusion is that over time so will the productivity, growth and development of the real economy. The Bank of International Settlements has concluded that over-sized financial systems relative to the overall economy do empirically create exactly such a drag. If the transition, furthermore, of the real economy to one that is low-pollution (including carbon), climate resilient, and more natural resource efficient requires relatively capital intensive measures that deliver returns over the longer term, we can also posit reasonably that the distortions under discussion will relatively disadvantage the green transition over the current, unsustainable economic paradigm. Such a drag on green productivity increases even further if one views the financial sector as having successfully developed a powerful rent-taking role in the overall economy. Extending our analysis to embrace inequality as well as the environmental aspects of sustainability, we can also see the direction of such rent-taking as increasing inequality.

Although hard to measure, it is a reasonable hypothesis that the combined effects of these micro and more macro factors impact negatively on the alignment of the financial system to sustainable development, although the materiality of these impacts are not quantified at this stage. Most work on this topic has rightly focused on the US situation, but the broader question of how these trends might impact other financial systems internationally, particularly in major emerging markets. Today, electronic trading is at an early stage of development in these markets, but this will not remain the case for long, and there is a need to offer pathways to grow the sophistication of these financial and capital markets whilst not having to embrace the dysfunctions apparent in some mature financial systems today. This may mean that some financial product and market innovations should be banned outright, as synthetic derivatives are for example in Indonesia, or that they might be impacted by policy driven incentives, such as the consideration by China of a Tobin tax on capital inflows as the country's capital account is liberalized.

Today, there is an active policy debate about how to unlock private capital to finance much-needed infrastructure, a major theme of the G20 last year in Australia, and the topic of a major report by the influential G30 think tank. This debate has to date, however, taken place devoid of any consideration of the factors discussed above and their consequence. Clearly this needs to change with urgency. Long term investment needs, and the contextual need to transition to an inclusive, green economy, has to be analyzed and policies formed with the problems associated with electronic trading, short-termism and rent taking in mind. Indeed, policy recommendations need to be formulated with this nexus firmly in view, both in mature financial systems and those currently in development.

Since the November 2014 seminar, physicist Mark Buchanan warned that problems with speeding up financial markets will likely result in more “flash crashes” or cause a

catastrophic event that could set off an economic collapse.⁸ In April 2015, US authorities sought to extradite from Britain the 36-year-old British day trader Navinder Singh Sarao to face civil and criminal charges. They accuse him of “spoofing,” a common form of market manipulation that helped cause the May 2010 Flash Crash.⁹ Author of *Flash Boys*,* Michael Lewis commented that this arrest of Sarao is a “parody of Wall Street,” adding that Sarao is not an exception as he repeatedly placed and cancelled trades (in MF Global, Jon Corzine’s ill-fated fund). Lewis wondered why it took so long.¹⁰ In March 2015, China released official studies on how it would reform its financial system for broader risk analysis and to finance its next “green” circular economy.¹¹ Former Fed Chair Paul Volcker called for further overhaul of US financial regulations in April 2015.¹²

Meanwhile, CEO Jamie Dimon of JP Morgan Chase warned his shareholders that the core behaviors in markets by all players “each individually doing the right thing for themselves, but collectively creating the market disruption that we’ve witnessed before,... there will be another crisis.”¹³ This response is all too familiar from large firms and their executives. Unfortunately, these views obscure the evolving structure of markets themselves and the limitations of regulatory frameworks which were the focus of our seminar. We agree with watchdogs, including Dennis Kelleher of Better Markets† which focuses on need for overhauling US market structure and regulatory approaches, especially HFT which “is not only damaging markets, but also killing investor confidence.”‡

My concern with the unregulated globalization of finance began while serving on the Advisory Council of the US Office of Technology Assessment (OTA) which produced reports on the social and market impacts of electronic trading in *Electronic Bulls and Bears* (1990). In researching my *Paradigms in Progress* (1991, 1995), this concern deepened as I co-edited the report *The UN: Policy and Financing Alternatives*, with NATO Ambassador Harlan Cleveland and economist Inge Kaul (Elsevier Science, London, 1995; US edition, 1996).¹⁴ Expert contributors assessed proposals for levying fees on all commercial uses of the global commons, including a less than 1% financial transaction tax (FTT) as advocated by James Tobin in the 1970s and by former US Secretary of the Treasury Larry Summers (1989).¹⁵ These proposals were fiercely opposed by financial firms, the IMF and the World Bank, using the argument that such fees on transactions were “uncollectable” (even though many countries collected similar fees). Thus, I and my partner Alan F. Kay, internet pioneer and founder of the first computer platform on Wall Street for block-trading, AutEX, Inc. (now owned by Thomson-Reuters) designed a computer system FXTRS to automatically collect such fees on foreign exchange transactions.¹⁶ The FXTRS was granted a patent by the US PTO, and we pledged any revenues to UN special agencies. After our offer of FXTRS to the US Treasury was rejected, we were invited to present at the Peoples Bank of China and gave them the Chinese-language rights.

By 2012, Alan F. Kay voiced his concern⁸ on how computers were being misused on Wall Street.¹⁷ In 2011, my editorial “Global Finance Lost in Cyberspace”¶ sounded alarms

* <http://seekingalpha.com/article/2127323-book-review-flash-boys-by-michael-lewis>

† <http://www.bettermarkets.com/>

‡ Better Markets. www.bettermarkets.com

§ <http://www.ethicalmarkets.com/2012/11/06/calling-wall-street-to-account/>

¶ <http://www.ethicalmarkets.com/2011/11/29/global-finance-lost-in-cyberspace/>

on HFT,¹⁸ citing the 2010 “flash crash”; Hibernia Atlantic’s \$300 million trans-Atlantic cable between New York and London to shave 6 milliseconds off the 65 millisecond transmission speed; and the Swiss Federal Institute of Technology report on 43,000 interlinked global corporations with less than 1% controlling 40% of this global financial network.¹⁹ In 2014 in my editorial “Speed and Efficiency Becoming False Goals”,* I argued that FTT of less than 1% were being adopted in some European countries and advocated that FTT become global in G-20 ruling. Britain’s National Physics Laboratory (NPL) weighed in, and I reported that their atomic clocks could set global standards for HFT accurate to a few milliseconds, yet even this speed was slower than the 1000 times faster algorithms of such traders.²⁰

Clearly these trading speeds do nothing to enhance investing in real economies and fundamental valuation of companies traded in public markets. Many public officials agree with Britain’s former top financial regulator Lord Adair Turner and others who see no social utility in such market trading.[†] Special pleadings by HFT firms’ two main claims, that 1) HFT provides liquidity and 2) improves price discovery, are easily refuted by the evidence: liquidity disappears during market turbulence since HFT firms have no obligation to market-making that statutory specialists used to undertake. As to price discovery, HFT adds only noise by merely churning markets with its additional hundreds of thousands of trades per second—most of which are quickly cancelled in what are clearly “phishing” to see orders ahead of the public markets. In addition, equities markets are failing in price discovery, as mispricing of risks and stranded assets proliferate.²¹ This is why I advocated FTT and addressing these taxes as “cancellation fees.”²²

This is a priority, along with regulating the soaring “unlit” derivatives markets with a notional value of over \$1 quadrillion (11.5 times higher than global GDP of \$87 trillion).²³ We support the World Future Council’s view that derivatives are actually bets, not financial instruments, and thus should be regulated by state gaming commissions in the USA and according to laws in Germany, Switzerland and Austria that make gaming winnings uncollectable and unenforceable.²⁴ China’s final report, *Establishing China’s Green Financial System*, released on April 22, 2015, outlines its fundamental redesign criteria and goals.²⁵

Restoring trust in markets and politics is becoming a priority in many countries, corporations and equities markets. It is common knowledge that human societies work most effectively and harmoniously where there are high levels of trust—in each other and our institutions. Markets cannot operate without trust. Wall Street is learning this as I discussed in *Electronic Bulls, Bears & Pigs*.[‡] Confidence among retail investors has dropped since the 2010 Flash Crash and 16% of small investors have fled. Hearings in the US Senate[§] on June 17, on investor loss of confidence, conflicts of interest, high-frequency trading and maker-taker models saw academic experts and even insiders calling for reforms.^{26, ¶}

Today, trust is breaking down in many societies around the world. Populist distrust of governments, elites, corporations, media, finance, academia, science, churches, is evident in protest groups, movements, whistle blowers and public demonstrations.

* <http://www.ethicalmarkets.com/2014/05/20/43830/>

† “Lord Adair Turner on Money Creation and Banks,” video posted on EthicalMarkets.com, February 22, 2013.

‡ Notes <http://www.ethicalmarkets.com/2014/06/17/electronic-bulls-bears-and-pigs-predicting-the-next-flash-crash/>

§ <http://www.hsgac.senate.gov/templates/watch.cfm?id=187f4ffe-5056-a032-5264-39292e913c7d>

¶ See for example, “Conflicts of Interest in US Equity Markets,” testimony of Professor of Finance Robert Battalio, University of Notre Dame, before US Senate Permanent Subcommittee on Investigations, June 17, 2014.

Charles Darwin actually saw that our human genius for bonding, cooperating and sharing and our evolving altruism were the basis for humanity's spectacular success. Humans now dominate the Earth, using 40% of its primary production from photosynthesis, causing extinctions of many other species and altering the planet's biogeochemical cycles and climate. We have built trust over the centuries and learned wider cooperation and sharing, as I documented in *Building a Win-Win World* (1996). Evidence is in our journey from nomadic tribes to settled agriculture, towns, cities, nations, corporations, to today's vast web of international treaties, agreements and associations of nations from the OECD, ASEAN to the EU and the UN. Finance became part of our global cultural commons in 1944 with the Bretton Woods Agreement. Today transforming finance to conform with Nature's laws and ethics leads to the Principles of Ethical Biomimicry Finance®.

"As our technologies and innovation accelerate exponentially, so do our expanding human awareness and consciousness."

All our human cooperative achievements required trust and have brought us to our current global transition to the next stage in our evolution, now driven by our globe-girdling technologies, jet travel, satellites, networks of communications, undersea cables, electricity grids, the internet and social media. These technologies enabled by tax-supported infrastructure and research also spawned high-frequency trading and algorithms.

The good news about today's widespread loss of trust among so many citizens and investors is their growing awareness of future possibilities, better alternatives—still often suppressed by the prevailing order and incumbent interests. Ubiquitous information, cell phones, the internet are now shifting ever more power to the people. Few corporate or government secrets survive for long. Breakdowns drive breakthroughs, and stress is evolution's tool.

Our loss of trust in past successes is driving reforms of all our institutions as we awaken to our new situation as a 7-billion plus human family, changing our planet visibly from NASA's Earth-observing satellites in this new Age of the Anthropocene. As our technologies and innovation accelerate exponentially, so do our expanding human awareness and consciousness. We demand more of ourselves and our institutions. We still trust that civil society, NGOs, social movements, ethical investing, professional and trade unions, students, women and community groups, open-source and other volunteers can lead the way. Even advertising, a \$500 billion global industry targeting our amygdalae, is responding, as we see the new genre in the EthicMark® Awards* for advertising that uplift the human spirit and our human potentials.

Our current global transition† from our fossil-fueled, early industrial era to the more ethical, equitable, knowledge-rich green economies of the Solar Age‡ is our next evolutionary stage.

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* <http://worldbusiness.org/the-ethicmark-award/>

† <http://youtu.be/kGDKQITIS08>

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Remarks on Visions of Sustainable Development: Theory and Action*

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Abstract

Global agreements are getting harder to achieve. The current environmental agreements require a variable geometry that is still to be worked out and tested. A better role for the UN would be to demonstrate by example best sustainability practices, but that requires a lot of organizational re-engineering. Two major driving forces against sustainability must be addressed: population growth and changing consumer preferences. Major economic systems changes may be the right solution in theory but even if agreed cannot take place in the time frame needed to slow major climate change to barely acceptable levels. Plan B alternatives need to be developed, the only one now on offer being very risky is geoengineering the climate. So many social science issues confront achieving sustainability that a parallel to the IPCC to work through a range of social sciences/political issues is required. Could the World Academy of Art and Science take a lead in this?

The crisis of sustainability, tied so closely to the climate changes now underway, is the most complex and far reaching existential crisis in human history. There are many aspects of sustainability, but almost all of them require a stable climate.

In facing our complex sustainability challenges, a good starting point is the proposal of Martin Landau of Berkeley University who posited in the 1960s that the more important the challenge, the more one needs parallel creative duplication (what he termed “redundancy”) to solve it. He cited the most severe security crisis the US had faced in the 1950s.

In the 1950s at the height of the Cold War, once Russia had the hydrogen bomb, the US felt vulnerable to nuclear annihilation. It designed a Triad of defense measures: Minutemen Missiles placed in hardened silos beneath the earth, B-52 bombers that could carry nuclear weapons, and submarines armed with nuclear missiles. The first two means of delivering nuclear missiles existed but were vulnerable to preemptive attack. The third means—missiles fired from submarines—was thought to be invulnerable to preemptive attack, but it was not yet fully designed. Indeed, it was engineered except for finding a reliable guidance system, since a floating take off could head a missile off to Paris as often as it could send one to Moscow. So finding a reliable navigational system for the missiles became the most critical need for the entire US defense strategy.

The Department of Defense identified 11 engineering laboratories it felt had the capability to design such a system, and it gave generous design contracts to all 11 of them to do the same

*This article is the edited version of the author's summary remarks at the XII international colloquium on Visions of Sustainable Development: Theory and Action held in Gainesville, Florida on May 20-22, 2015.

task. The first institution to find a reliable solution would win a handsome bonus...and all the other institutions would then receive enough compensation to make it worth their while.

“The World Academy of Art and Science is in the midst of an ambitious initiative to create a comprehensive vision of a much more peaceful and attractive society that would simultaneously solve many problems such as un- and underemployment, gross inequality, and environmental degradation.”

In so many ways this illustration seems like a reflection of a quaint and simpler time. For now we have a far more complex, multi-faceted crisis. Yet many now propose a single solution, be it in socio-economic systems design, energy technology or legislative initiatives. The fact is that we need lots of simultaneous efforts—aimed at the long term, the medium term and the short term.

The World Academy of Art and Science is in the midst of an ambitious initiative to create a comprehensive vision of a much more peaceful and attractive society that would simultaneously solve many problems such as un- and underemployment, gross inequality, and environmental degradation. The Academy calls this a need for a paradigm shift. Surely, it is necessary to have a long term vision for human civilization. But we really know very little about how to bring about mass social and economic change on a global basis.

I do think we have to be careful in figuring out what are the relevant past paradigm shifts. It is often suggested that technologically driven systems changes are relevant, i.e., the shift to settled agriculture, the shift to a manufacturing based industrial revolution, and the ongoing shifts of an IT revolution.

It is also suggested that there are long-wave shifts in economic cycles that have key lessons. I am skeptical that either technology or purely economic paradigm shifts are relevant to the quest for sustainability. The paradigm shifts that seem most relevant for the shift towards sustainability being envisioned by the Academy are ones directed at socio-economic systems change.

In the last quarter of a millennium we have had three major experiences with mega systems changes involving political and economic behaviors. The first was the rise of democracies which went through both conceptual and experiential development, the latter often involving wars of liberation. The second was the rise (and fall) of communism as an organizing force. Needless to say the tolls exacted by Stalin and Mao are intolerable as a model for any future paradigm shift.

The third experience was not aimed at such major transformations and in fact came about incrementally both in concept and practice. But it has had enormous impact in the space of less than 60 years, and that is the creation and implementation of global norms for economic and social well-being: making not only a declaration but an expectation that all people will

have a decent standard of living involving economic gains and at least basic education and health, if not much more. This third change was truly revolutionary and may have lessons for the Academy in its current work.

Many things can happen to prevent any vision from being adopted. It is not a sure thing that the world will unify towards peaceful solutions to the climate crisis. It might be more likely that it will evolve in ever more disunited ways and that major intensifications of the ongoing rise of environmental refugees and deterioration of the world's water supplies could unleash a rash of violence and greed that would head the world in a different direction. So, any one blueprint for economic/social paradigm shift is bound to fail if it lacks open strategies, redundancies, buffers, and reactive capacities to deal with negative consequences and developments. And even with these safeguards, no one can predict the course of an attempted paradigm shift and this is extremely important as time is not in our favor. These are the decades in which climate sustainability will either succeed or fail.

Nonetheless, I believe that long term visions and strategies, difficult as they are, are both needed and must be supported by a whole range of short- and medium-term initiatives that gently push the world to better collective behavior. So the rest of this paper will focus on the short-term actions that might make long-term visions more possible and it will focus on the UN because I know it best, and because it can and should be a model behavior for various levels of governance.

First, I want to mention a fundamental current governance development regarding sustainability, that is the change in the nature of international agreements on climate and sustainability.

In the past, global agreements meant that all countries undertake the same performance in order to be in compliance with "universal" standards of behavior. No longer.

The US-China agreement on climate change announced last Fall was a significant departure from the norm. Indeed, it was two side-by-side agreements. The Chinese said they would undertake a list of improvements to attain sustainability at a 2 degree rise of temperature. The US said they would undertake a different list of such improvements. There was no bridging agreement, and indeed there was no joint announcement. Reading the two agreements one must conclude that it is beyond comparing apples and oranges, but it is more like apples and zucchini. The only thing that the two national statements have in common is that neither will achieve national climate stability at 2 degrees additional average temperature.

In the face of this "agreement" the United Nations has called for the remaining 191 countries to submit their national commitments. Each is bound to differ from the others. So we can look forward to some bridging language covering apples, zucchini, bricks, wine and so forth.

Indeed, there is a major amount of analytical work to be done to develop what I call "variable geometry" to try to find consistent ways of telling whether national plans add up to significant actions and whether the world will in fact progress towards achieving agreed global climate change limits. This is uncharted territory and reminds me that the Millennium Development Goals, a much simpler set of goals, were adopted and then the (in)famous structural adjustment economist, Jeffrey Sachs, was made an advisor to the UN Secretary General so that he could orchestrate an effort to cast the goals as intellectually coherent.

The notion of variable geometry is also one that is apt to be applied in practice to the successor UN economic and social goals, the Sustainable Development Goals, which involve so many targets and indicators that already countries are choosing which ones to take seriously and which ones not to. How will we be able to tell, for example, that those countries that choose the odd numbered goals are moving their societies more progressively than those who choose the other goals?

“Global governance authorities are few and all are flawed.”

Whatever climate and development goals are adopted in 2015 it is worth being aware that, alas, countries cheat in reporting their accomplishments. So, if we have a new system of variable geometry to measure goal performance, untested ways of measuring overall accomplishment, and a traditional inclination to cheat, how will sustainability be governed?

Some call for a new global authority on climate and sustainability. This is highly unlikely in the foreseeable future. We can keep blueprints for this (drawn up by France and supported by 47 countries) on reserve until there is some major climate emergency that might drive the global community into bolder action. Even then, global governance authorities are few and all are flawed. (That is no reason not to have them. But we need to be aware they are not panaceas.)

It is better to understand how global governance works in practice. We do not have top down authorities. Even Ban Ki-moon is far from an empowered central executive. There is little hard power in the UN.

But the UN has outstanding soft powers and if these were turned to serve sustainability, they would both make welcome differences and would model for national and sub-national governance how they should govern for sustainability.

Let me illustrate the doable in the greater UN family.

1. Symbolism is important. What if the UN said that Sustainability would be added to Peace, Development and Human Rights as one of the UN's top priorities? (In a perfect world “sustainability” would replace “development,” but we don't have that world.)

And what if the World Bank would group all its climate and sustainability work under an Executive Vice President for Sustainability, parallel to the only other executive vice president, the one, in essence, for Profit that embraces the International Finance Corporation? Thus the Bank would show that it sees Sustainability to be at least as important as Profit.

2. What if UNDP became totally devoted to governance for sustainability in a real sense since they already claim to do this, but they really don't know the difference between general good governance (transparency, accountability, etc.) and governance for sustainability?
3. What if UNEP, now forlornly dwelling in suburban Nairobi and about as isolated as most ministers of environment are within their governments, deployed its staff to work with each major UN program around the world to bend those programs to serve sustainability?
4. What if at each regional and global ministerial meeting convened by the United Nations, a standing agenda item would be on sustainability to include best cases, peer reviews, indexing updates and new proposals?

5. What if this approach were also instituted at the annual heads of state sessions of the UN General Assembly?

These are all organizational doables.

There are three other issues that require tremendous ingenuity. They are currently neglected and need the strengths of mass marketing, political leadership, psychology and public policy... admittedly strange bedfellows.

The first is population growth. The cold fact is that the global community was far more active on and receptive towards population programs when we were five billion people than we are now when we are over seven billion, moving rapidly to what seems likely to be an unsustainable level of 12.5 billion. Population planning has become conflated with Western imperial plots. It is regularly attacked and has no effective response. Simply put, there will be no sustainability without solid population planning.

Second is the need to effectively govern the global commons. Areas beyond national borders are subject to very substantial abuse without effective policing of ocean and air standards and agreements. This needs to be remedied.

And third is the massive challenge of changing consumer preferences so people want to live a more sustainable lifestyle.

If we attended to all the doable governance actions and the above three neglected issues, the world would still require a failsafe. The climate is such a complex system that no one can predict its tipping points and interactions with full reliability. Changing social and economic norms and behaviors is also very complex and uncertain. With so much uncertainty, the world should be prepared with a failsafe. And, unfortunately, the only failsafe that seems possible is to geoengineer the world's climate to a lower temperature regime. No matter how much we fear geoengineering (and there is plenty to fear), we still must be sure it is there if we need it.

My final point is so unrealistic that you may think I have come from another planet. My proposal is that the humanities—the social sciences—cooperate on solutions.

I know that the most dangerous places on earth are faculty meetings in the social sciences. But to my mind, the greatest sustainability issues require first class social science, behavioral science, public policy, marketing and more.

The hard sciences have had a longer history of interdisciplinary cooperation, guided as they are by stricter adherence to the scientific method. So it was wonderful but not completely unexpected for the Intergovernmental Panel on Climate Change (IPCC) to be created to combine hard science knowledge on great climate issues.

Do you think it possible to organize the leading lights of the soft sciences in a parallel group and if so, how could this best be done? Currently, the questions economists, psychologists and public administration experts (among others) need to answer are, to me, exceptionally important. Are we brave enough to cross a number of long standing disciplinary lines to answer these challenges with imagination and compelling reasoning? I certainly hope so.

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Analysis and Assessment of the Right to Peace in light of the latest developments at the Human Rights Council

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Abstract

In the 2015 June session of the Human Rights Council, important regional groups, such as ASEAN and EU, reaffirmed their commitment to work on the basis of consensus regarding the Declaration on the right to peace. Despite that an agreement among States and regional groups seemed within reach in the 2015 September session, but it could not finally be achieved, exclusively because of the lack of agreement on the title and Article 1 of the text as presented by the Chairperson-Rapporteur on 21st September 2015. The mobilization and strong voice of some civil society organizations were not properly heard by the international community. In particular, in the September session large networks of civil society organizations openly called on Member States to take a step forward to promote peace by adopting a declaration that can be both consensual and meaningful for generations to come. Consequently, in the line of the voice raised by them, today much more than ever the Chairperson-Rapporteur recommends that it is necessary that a serious assessment be conducted by all as to whether the international community is in a position to further develop the right to peace in a consensual manner.*

1. Context

On 2 October 2015, the Human Rights Council (HRC) adopted the resolution A/HRC/30/L.30 on the promotion on the right to peace for 33 votes in favour,[†] 12 against[‡] and 2 abstentions,[§] by which the HRC “decides that the working group shall hold its fourth session for five working days with the objective of finalizing the declaration” and “requests the working group to prepare a report and to submit it to the HRC, to be made available in

* On 22 September 2015, Associazione Comunità Papa Giovanni XXIII delivered a joint oral statement in item 5 on behalf of the Resource Center for Palestinian Residency and Refugee Rights (BADIL), Center for Global Nonkilling, Commission Africaine des Promoteurs de la Santé et des Droits de l'homme (CAPSDH), Institute for Planetary Synthesis, Institute of Global Education, International Association of Democratic Lawyers (IADL), International Network for the prevention of elder Abuse (INPEA), International Peace Bureau, International Society for Human Rights, Istituto Internazionale delle figlie di Maria Ausiliatrice (IIMA), Mothers Legacy Project, Organisation pour la Communication en Afrique et de Promotion de la Coopération Economique Internationale (OCAPROCE), International Pan Pacific Southeast Asia Women's Association International (PPSEAWA), Pax Romana, United Network of Young Peacebuilders, Volontariato Internazionale Donna Educazione Sviluppo (VIDES) and Women's World Summit Foundation.

† Africa: Algeria, Botswana, Congo, Cote d'Ivoire, Ethiopia, Gabon, Ghana, Kenya, Morocco, Namibia, Nigeria, Sierra Leone, South Africa; Latin American and Caribbean States: Argentina, Bolivia, Brazil, Cuba, El Salvador, Mexico, Paraguay, Venezuela; Asia Pacific States: Bangladesh, China, India, Indonesia, Kazakhstan, Maldives, Pakistan, Qatar, Saudi Arabia, United Arab Emirates, Vietnam.

‡ Japan, Republic of Korea, France, Germany, Ireland, Netherlands, United Kingdom and Northern Ireland, United States of America, Estonia, Latvia, Montenegro and Macedonia.

§ Portugal and Albania.

all official languages of the United Nations, for consideration at its thirty-third session in September 2016.

In the presentation of the resolution, **Cuba** requested another session in order to conclude the pending issues of the draft declaration on the right to peace and additionally, they acknowledged the participation of numerous delegations involved in the negotiations, particularly efforts to close the gap and find solutions on a subject that far from dividing should be a source of unity and consensus.

In the explanation of vote before the vote, the **United Kingdom of Great Britain and Northern Ireland** recognised that although there were times when it seemed, both during the Working Group's sessions and subsequent informal discussions hosted by **Costa Rica**, that consensus might just be possible, this was not achieved because of two difficult key issues contained in the text. Additionally, the **United States of America** thanked the delegation of Costa Rica for its constructive, consensus seeking approach while leading the HRC's working group for three years on this difficult issue. Despite the best efforts of many participants over the years, they have not been able to reach agreement on a shared outcome. Finally, the **European Union** stated that after the 3rd session of the Working Group and subsequent informal consultations by the Chair, consensus seemed within reach. The EU was ready to display flexibility to build on that momentum and to accept a draft Declaration, despite several difficulties, provided their 2 main concerns in the draft were addressed—namely the title and Article 1. They regretted that a consensus outcome was not possible. Also they expressed their thanks to Ambassador Christian Guillermet from Costa Rica for his very open and transparent Chairmanship of the Working Group, and to his team for all the work done on this issue.

This paper will analyse the important advancements on the right to peace performed since the presentation of the report of the third session of the Open-Ended Working Group (OEWG) on the right to peace by the Chairperson-Rapporteur before the HRC in its September session. In particular, the informal consultation held in Geneva on 21 September 2015 and the process of releasing provisions of the Declaration carried out by the Chairperson-Rapporteur will carefully be analysed.

Additionally, a global assessment about the substantive improvements included in the last version of the text will also be studied, such as the recognition by some regional groups of the resolution 20/15, the existence of the right to peace or the general agreement to accept the text elaborated by many stakeholders in collaboration with the Chairperson-Rapporteur in the recent months, with the exception of title and Article 1.

Finally, a reflection about future challenges will be provided, concluding with an emphasis on the need for agreement in order to advance in the promotion and protection of human rights for all, including the right to peace, and to strengthen the culture of peace worldwide.

2. Analysis

2.1. Informal Consultations

On 18 September 2015, the Secretariat of the HRC presented its compliments to the Permanent Missions of the United Nations Office at Geneva and had the honour to transmit a

new text of a Draft United Nations Declaration on the Right to Peace prepared by the Chair-Rapporteur of the third session of the Open-ended intergovernmental working group on a draft United Nations declaration on the right to peace.

On 21 September, the Permanent Mission of Cuba convened an informal consultation open to all permanent missions, civil society and other stakeholders, in which the Chairperson-Rapporteur was invited to participate. He began his statement by deeply thanking the mission of Cuba for convening this informal consultation on the right to peace. Also he recalled that the world was commemorating the International Day of Peace that day.

He said that after being honoured with the task of guiding the work of this Group in the first session in 2013, we have jointly made progress through an open and transparent dialogue. We have built an atmosphere of trust and mutual respect, which are characteristic of a true culture of multilateral diplomacy. He remembered in the first session of the Working Group that many delegations refused to participate in negotiations because of the polarization that existed at that time. We have jointly achieved involving all parties with a clear common goal: to agree, from a human rights perspective about the concept of the right to peace.

He recalled that on the afternoon of 24 April he had presented a new revised text, which was based on some agreeable points and ideas raised by some States and civil society organizations during the third session of the Working group. In his report he acknowledged the respectful atmosphere and spirit of dialogue and cooperation that reigned during the session while moving towards a consensual outcome. However, we could not achieve this desirable agreement because 16 preambular paragraphs and the operative section appeared in square brackets, revealing the objections of the States.

He stated that after the third session, a large group of States approached him to invite him to make a last joint effort to reach an agreement on this important topic. Throughout the later months, they have been in close contact with him, and the message received from them has been very clear: in the upcoming session we should try to finalize this process through the adoption of a text by consensus. In particular, he has worked very closely with those delegations, to release the provisions of the text.

Therefore, he noted that the text presented is the clear result of these bilateral meetings. This consultation process has not involved any interpretation coming from his side. He has only included their suggestions and comments and he has proposed some additional language to overcome differences. In addition, in the text there are no new preambular paragraphs or provisions, which have not previously been discussed within the group. Those delegations which objected to some provisions of the text have released by proposing new language.

He indicated that now that we have walked a long way, his role of mediator is almost over presenting this new version of the text, which responds to work in these months. The ball is now in the hands of States: you can accept this text as a consensual text or you have the option to reject it entirely, he said. The negotiation process ended in the third session. Now is the time to advance and to take action on this topic.

After the Chair's presentation, the **Russian Federation** welcomed the new draft declaration and remembered the long way walked by everyone since the first session of the OEWG on the right to peace, taking into account that all delegations now are really

engaged in the process. They confirmed their disposal to accept the text presented by the Chair. Additionally, they suggested that those delegations which had some problem with the text should use the existing mechanism to express their concerns, such as explanation of vote, reservations, ... and therefore, the Russian Federation requested them not to break the consensus.

The **United States of America, European Union, Australia, United Kingdom and South Korea** stressed that all work should be based on consensus. They also added that working on the consensual basis is difficult because they do not recognize the right to peace. However, they could be in a position to join consensus and accept the text as a whole, with the exception of two issues: the title and the notion of “entitlement” in Article 1. The new PP1 could be acceptable for them and they could also propose several titles for the text.

Uruguay and India said that the momentum should not be lost. The consensus was important and the text presented was the minimum denominator to reach an agreement. Although they would have preferred a stronger text, they are aware of the difficulties on this matter.

Egypt stated that consensus was possible. They commented on the Chair’s text on the basis of three parameters: firstly, the definition of the right to peace through elements has increasingly developed and therefore, they could accept the text as a package; secondly, the notions of disarmament and peacekeeping are difficult to be included at this stage; and thirdly, the right to peace should be recognised in the text and they would be in a position to accept the ASEAN approach to this notion, which recognises the “right to enjoy peace”. They have some problem with the current PP1, because this new paragraph breaks the principle of universality of human rights. **Indonesia** shared the same opinion about PP1 and also expressed its willingness to follow Cuba. They also stated that they could accept the text presented by the Chair, because in their view, this text is the best compromise to be reached.

Iran expressed its concerns because of the current preambular paragraph 13, which makes reference to some instruments regarding terrorism, such as the International Convention for the Suppression of Terrorist Bombings, the International Convention for the Suppression of the Financing of Terrorism, the International Convention for the Suppression of Acts of Nuclear Terrorism and the Amendment to the Convention on the Physical Protection of Nuclear Material. They said that they cannot join consensus with this paragraph, because according to them, we don’t need to be exhaustive by naming several instruments on terrorism.

Associazione Comunità Papa Giovanni XXIII (APG23) said that they would have preferred to have a stronger text and insisted on the need to adopt a text by consensus and not to lose the momentum. According to them, the title and Article 1 are closely linked to the mandate of the Working Group. **International Fellowship of Reconciliation** recommended including a reference to the right to life in Article 1.

Finally, **Cuba** said that they would have preferred to include in the text topics, such as nuclear disarmament, international solidarity or the promotion of democratic and equitable order. Although they can show significant flexibility, we need to solve the issue of title and Article 1. According to them, we have two different options at the level of procedure: firstly, we can reach a consensus, then Cuba will present a resolution annexing the text of the

Declaration; secondly, we do not find an agreement, then Cuba will present a resolution in which the HRC will request to have a fourth session of the Working Group.

2.2. Process of releasing provisions of the Declaration

Below is the result of the bilateral meetings held with those missions which had objected some of the preambular paragraphs on 24 April 2014, last day of the OEWG on the right to peace. Those delegations which objected to some of the 16 provisions of the text finally released these paragraphs by proposing a new language or deleting some notions, which is a demonstration of real engagement of many missions from South and North in the process.

First, “*Recalling also that the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations solemnly proclaimed the following principles (PP7)*”:

that States shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations, the principle that States shall settle their international disputes by peaceful means in such a manner that international peace and security and justice are not endangered, the duty not to intervene in matters within the domestic jurisdiction of any State, in accordance with the Charter, the duty of States to co-operate with one another in accordance with the Charter, the principle of equal rights and self-determination of peoples, the principle of sovereign equality of States, the principle that States shall fulfil in good faith the obligations assumed by them in accordance with the Charter.

Egypt, Iran and Algeria objected to this preambular paragraph, because they wanted to amend it for expansion. During the bilaterals, the Chairperson-Rapporteur proposed to expand this paragraph by including the main principles enshrined in the Declaration on Principles of International Law concerning Friendly Relations and Cooperation of 1970, which was accepted by them. It permitted to release this preambular paragraph.

Second, “*Acknowledging that the fuller development of a culture of peace is integrally linked to the realization of the right of all peoples, including those living under colonial or other forms of alien domination or foreign occupation, to self-determination enshrined in the Charter of the United Nations and embodied in the International Covenants on Human Rights, as well as in the Declaration on the Granting of Independence to Colonial Countries and Peoples contained in General Assembly resolution 1514 (XV) of 14 December 1960*” (PP9).

Originally, this preambular paragraph was proposed by the State of Palestine at the third session of the Working Group as follows:

“Reaffirming that the full realization of the right of all peoples, including those living under colonial or other forms of alien domination or foreign occupation, to self-determination, as enshrined in the Charter and embodied in the International Covenants on Human Rights, as well as in the Declaration on the Granting of Independence to Colonial Countries and Peoples, is integrally linked to the fuller development of a culture of peace.”

Canada, Australia and the United States of America objected to this paragraph and proposed to keep it in square brackets. The Chairperson-Rapporteur approached them to show that the legal sources of this paragraph can be found in Article 3.n of the Declaration on Culture of Peace and also proposed to them to start the paragraph with a clear reference to the culture of peace. It was accepted and therefore, the paragraph was released. The USA proposed to end the paragraph, making a reference to the General Assembly resolution 1514 (XV) of 14 December 1960, as is indicated in Article 3.n of the Declaration on Culture of Peace.

Third, “*Deeply deploring* all acts of terrorism, recalling that the Declaration on Measures to Eliminate International Terrorism recognizes that acts, methods and practices of terrorism constitute a grave violation of the purposes and principles of the United Nations and may pose a threat to international peace and security, jeopardize friendly relations among States, threaten the territorial integrity and security of States, hinder international cooperation and aim at the destruction of human rights, fundamental freedoms and the democratic bases of society, and reaffirming that any acts of terrorism are criminal and unjustifiable regardless of their motivations, whenever and by whomsoever committed” (PP11).

This preambular paragraph on terrorism was released by the United States of America and Algeria on the condition that it should be expanded in the line of the PP13 and PP14, which happened.

Fourth, “*Stressing* that all measures taken in the fight against terrorism must be in compliance with the obligations of States under international law, including international human rights, refugee and humanitarian law, as well as those enshrined in the Charter” (PP12).

During the bilaterals Algeria decided to release this preambular paragraph, taking into account that the legal sources proposed by the Chairperson-Rapporteur, in particular UNGA Resolution A/RES/60/288 of 2006 and SC resolution 2178 of 2014 were meaningful and correct.

Fifth, “*Urging* all States that have not yet done so to consider, as a matter of priority and in accordance with Security Council resolution 1373 (2001) and Council resolution 1566 (2004) of 8 October 2004, becoming parties to the relevant conventions and protocols as referred to in paragraph 6 of General Assembly resolution 51/210, as well as the International Convention for the Suppression of Terrorist Bombings, the International Convention for the Suppression of the Financing of Terrorism, the International Convention for the Suppression of Acts of Nuclear Terrorism and the Amendment to the Convention on the Physical Protection of Nuclear Material” (PP13).

Both Algeria and the United States of America objected to preambular paragraph 11 by indicating that this provision should be expanded. During bilaterals both of them agreed to make a reference to the general call that States become parties to the relevant instruments on terrorism. Additionally, United States of America proposed in the bilaterals to name some of these international instruments in line of paragraph 10 of the UNGA resolution 60/43 on measures to eliminate international terrorism.

On 21 September 2015, Iran objected to this preambular paragraph, in particular the reference to nuclear terrorism, in the informal consultation organised by Cuba and also said that they could not join consensus with the present language.

Sixth, “*Reaffirming* that the promotion and protection of human rights for all and the rule of law are essential to the fight against terrorism, and recognizing that effective counterterrorism measures and the protection of human rights are not conflicting goals but are complementary and mutually reinforcing” (PP14).

The United States of America objected to preambular paragraph 11 by indicating that this provision should be expanded. During bilaterals the United States of America proposed to include a new preambular paragraph, which is directly selected from the “United Nations action to counter terrorism: Implementing the Global Counter-Terrorism Strategy”.

The UN Global Counter-Terrorism Strategy was adopted by Member States on 8 September 2006. The strategy, in form of a resolution and an annexed Plan of Action (A/RES/60/288), is a unique global instrument that will enhance national, regional and international efforts to counter terrorism.

Seventh, “*Recognizing* that peace is not only the absence of conflict, but also requires a positive, dynamic participatory process where dialogue is encouraged and conflicts are solved in a spirit of mutual understanding and cooperation, as well as socio-economic development is ensured” (PP17).

Indonesia objected to preambular paragraph 17 by indicating that this provision should be expanded. During bilaterals Indonesia proposed to include a new sentence at the end of this provision, as follows: “as well as socio-economic development is ensured”. It was accepted and therefore, the paragraph was released.

Eighth, “*Recalling* that the recognition of the inherent dignity and the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world, and recognizing that peace is promoted through the full enjoyment of all inalienable rights derived from the inherent dignity of all human beings” (PP18).

The United States of America objected to the notion of “is critically enhanced for” as was originally included in this paragraph and proposed to keep this notion in square brackets. The Chairperson-Rapporteur approached them to propose the deletion from the text of this notion. It was accepted and therefore, the paragraph was released.

Ninth, “*Recognizing* the importance of the prevention of armed conflict, in which multilateralism and diplomacy plays a critical role, in accordance with the purposes and principles of the Charter, and of the commitment to promote a culture of prevention of armed conflict as a means of effectively addressing the interconnected security and development challenges faced by peoples throughout the world, bearing in mind the human and material costs of armed conflicts” (PP21).

The United States of America objected to the definition used for the multilateralism and diplomacy and notion of “culture of prevention of armed conflict” as originally included in this paragraph and proposed to keep both notions in square brackets. The Chairperson-Rapporteur approached them to propose the alternative language of “multilateralism and diplomacy plays a critical role” and “culture of peace”. It was accepted and therefore, the paragraph was released.

Tenth, “*Reaffirming* that since wars begin in the minds of human beings, it is in the minds of human beings that the defences of peace must be constructed and recalling the importance of the settlement of disputes or conflicts through peaceful means” (PP23).

Indonesia released preambular paragraph 17 by indicating that this provision should be expanded. During bilaterals Indonesia wanted to make a reference to the settlement of disputes or conflicts through peaceful means.

Eleventh, “*Recalling also* the importance of promoting actions aimed at eliminating the contributing factors of conflict, while taking into consideration, inter alia, political, social and economic factors” (PP25).

The United States of America objected to the notion of “eliminating the root causes” as originally included in this paragraph and proposed to keep this notion in square brackets. The Chairperson-Rapporteur approached them to propose the deletion of this notion from the text. It was accepted and therefore, the paragraph was released.

Twelfth, “*Recalling further* that development assistance and capacity-building based on the principle of national ownership in post-conflict situations should restore peace through rehabilitation, reintegration and reconciliation processes involving all those engaged, and recognizing the importance of peacemaking, peacekeeping and peacebuilding activities of the United Nations for the global pursuit of peace and security” (PP26).

Australia and the United States objected to this paragraph and proposed to keep it in square brackets. The Chairperson-Rapporteur approached them to show that the legal sources of the alternative paragraph can be found in SC Resolution 2086 (2013) on UN peacekeeping operations. It was accepted and therefore, the paragraph was released.

Thirteenth, “*Recalling* that the culture of peace and the education of humanity for justice and liberty and peace are indispensable to the dignity of human beings and constitute a duty that all nations must fulfil in a spirit of mutual assistance and concern” (PP27).

Brazil objected to the notion of “culture” and “sacred” as originally included in this paragraph and proposed to keep both notions in square brackets. The Chairperson-Rapporteur approached them to propose the notion of “culture of peace” and to delete from the text the notion of “sacred”. It was accepted and therefore, the paragraph was released.

Fourteenth, “*Stressing* the need for States, the United Nations system and other relevant international organizations to allocate resources to programmes aimed at strengthening the culture of peace and upholding human rights awareness through training, teaching and education” (PP31).

The United States of America objected to the notion of “substantial” as originally included in this paragraph and proposed to keep this notion in square brackets. The Chairperson-Rapporteur approached them to propose the deletion from the text of this notion. It was accepted and therefore, the paragraph was released.

Fifteenth, “*Recalling* the need to design, promote and implement at the national, regional and international levels strategies, programmes and policies, and adequate legislation, which may include special and positive measures, for furthering equal social development and the

realization of the civil and political, economic, social and cultural rights of all victims of racism, racial discrimination, xenophobia and related intolerance” (PP36).

Originally, this preambular paragraph was proposed by South Africa at the third session of the Working Group as follows:

“Recalling the primary responsibility of States to promote measures to eliminate all forms of racism, racial discrimination, xenophobia and related intolerance, as well as all forms of intolerance and discrimination based on religion or belief.”

Australia objected to this paragraph and proposed to keep it in square brackets. The Chairperson-Rapporteur approached them to show that the legal sources of the alternative paragraph can be found in Art. 107 of the Declaration on the World Conference against racism, racial discrimination, xenophobia and related intolerance (2001). It was accepted and therefore, the paragraph was released.

Sixteenth, *“Recognizing that racism, racial discrimination, xenophobia and related intolerance, where they amount to racism and racial discrimination are an obstacle to friendly and peaceful relations among peoples and nations, and are among the root causes of many internal and international conflicts, including armed conflicts”* (PP37).

Originally, this preambular paragraph was proposed by South Africa at the third session of the Working Group as follows:

“Recognizing that racism, racial discrimination, xenophobia and related intolerance are among the root causes of armed conflict and very often one of its consequences, and recalling that non-discrimination is a fundamental principle of international law.”

Australia objected to this paragraph and proposed to keep it in square brackets. The Chairperson-Rapporteur approached them to show that the legal sources of the alternative paragraph can be found in the Preamble of the Declaration on the World Conference against racism, racial discrimination, xenophobia and related intolerance (2001). It was accepted and therefore, the paragraph was released.

Seventeenth, *“Inviting solemnly all stakeholders to guide themselves in their activities by recognizing the high importance of practicing tolerance, dialogue, cooperation and solidarity among all human beings, peoples and nations of the world as a means to promote peace; to that end, present generations should ensure that both they and future generations learn to live together in peace with the highest aspiration of sparing future generations the scourge of war”* (PP38).

Costa Rica objected to the sentence “to that end, present generations should ensure that both they and future generations learn to live together in peace” and proposed to keep it in square brackets. The Chairperson-Rapporteur approached them to show that the legal sources of the alternative paragraph can be found in Art. 9.1 and 9.2 of the Declaration on the Responsibilities of the Present Generations Towards Future Generations of UNESCO. It was accepted and therefore, the paragraph was released.

Article 1

Everyone is entitled to enjoy peace such that all human rights are promoted and protected and development is fully realized.

The Chairperson-Rapporteur changed the notion “right” to “entitlement”.

Article 2

States should respect, implement and promote equality, non-discrimination, justice and the rule of law and should respect and support moderation, tolerance, and guarantee freedom from fear and want as a means to build peace as well as enhance friendship and cooperation within and between societies.

Indonesia released preambular paragraph 17 by indicating that this provision should be expanded. During bilaterals Indonesia wanted to make a reference to the notions of moderation and tolerance and to include the sentence of **“as well as enhance friendship and cooperation”**.

3. Advancements throughout the process

Since the end of the third session of the Open-Ended Working Group on 24 April 2014, there has been important and positive advancements in the process, such as :

First, the Western and European countries accepted with “reservations” the resolution 20/15, which creates the Working Group on the right to peace. It does not mean that they support the right to peace, only that they are engaged in the process. It should be recalled that this regional group had always been opposed to the existence of this Working Group since the beginning.

On 2 July 2015, the United States of America and European Union drafted a proposal of presidential decision, which was absolutely supported by the Russian Federation, which “requests the Chairperson-Rapporteur to continue consultations on the text contained in the report on its third session of the Working Group created in accordance with Human Rights Council resolution 20/15 and authorizes the Working Group to hold a final meeting for two days before the 30th session of the Human Rights Council in order to complete its work by determining the title and content of its draft declaration, on a consensus basis”.

Although it was neither presented nor eventually adopted by the HRC because of lack of time, the relevance of this draft decision was the reference herein to the resolution 20/15. Also this text showed the real engagement of some Western countries in the pursuit of a solution which can satisfy everyone.

Second, States and some civil society organizations have always demanded that the Chairperson-Rapporteur should present a short and concise text. The revision of the last version of the text presented on 21 September 2015 by the Chairperson-Rapporteur was accepted by all missions, with the exception of title and the notion of “entitlement” in Article 1.

All States and some civil society organizations have recognised that this text was the best compromise to reach an agreement on this topic. It means that the process of releasing square

brackets in the text, carried out by the Chairperson-Rapporteur in the later months, was a useful and successful experience.

Even the European Union affirmed at the HRC on 1 October 2015 that they were ready to display flexibility to accept a draft Declaration, despite several difficulties. It should be recalled that most of the controversial provisions proposed by some missions were finally accepted by the Western and European countries, such as terrorism, the list of principles contained in the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States, the reference to the colonial or other forms of alien domination or foreign occupation or the fight against racism and xenophobia or intolerance.

Additionally, we should take into consideration that the Western and European countries have actively participated in a process, in which they do not believe, which demonstrate the good faith of everyone in the negotiation process. Therefore, despite their long-term position about the lack of legal basis for the 'right to peace' in international law, they have consistently expressed their willingness to be engaged in the discussion.

In its resolution 27/17 of 2014 and L.13 of 2015, the HRC decided the OEWG would hold its third and fourth session. These previous resolutions are not explicitly referring to the draft declaration on the right to peace elaborated by the Advisory Committee, because this text was categorically rejected by Member States in the first session of the OEWG. These resolutions are a clear example of the decision taken by the HRC by not accepting the Advisory Committee's text as a basis for future negotiations. The community of States and an increasing number of civil society organizations had realized about the close linkage, even sometimes the repetition, between the elements proposed by the Advisory Committee and the Programmes of Action on Vienna and a Culture of Peace. For this reason, no State claimed in the 27th and 30th sessions of the HRC to go back to the Advisory Committee's text in order to avoid duplications.

Third, many regional groups and all civil society organizations have rightly and consistently demanded that the right to peace should be expressly recognised in the text. It is important to recall that all Western and European countries accepted to include a reference in PP5 of the Declaration on the Right of Peoples to Peace, a reference which has been always object to by all of them since the beginning of the process.

Additionally, they were ready to accept for the first time the existence of the right to peace in the line of the proposal formulated by Costa Rica in the third session of the Open-Ended Working Group, which was included in PP1, as follows:

"Acknowledging that the elements contained herein are characterized as a right to peace in some legal systems or by some countries."

On 21 September 2015, some missions objected to this first preambular paragraph, because in accordance with them it negatively affects the principle of universality of human rights. This matter is strongly linked to the old debate on universalism vs. cultural relativism, which has existed in legal scholarship for decades, and is increasingly entering public discourse on international law and human rights, including the United Nations. The supporters of the universalism on this matter advocates that the right to peace is universal and consequently, it should apply to every human being. On the other hand, those whose support the other theory

argue that the right to peace is culturally dependent, and that the right to peace can not apply in all legal systems.

At this point of the debate, it should be recalled that as of today the right to peace has been only elaborated in the *African Charter on Peoples and Human Rights* (Art. 23) and the *ASEAN Human Rights Declaration* (Art. 38). In 1984 the General Assembly adopted the *Declaration of the Right of Peoples to Peace* by 92 to none and 34 abstentions. Twenty-nine States were absent from the vote and two countries did not participate, because both of them disagreed with the initiative. Consequently, the right to peace does not exist in all legal systems of the world. This does not mean that the parliaments or governments of the Western countries cannot pass some decree or law recognizing the right to peace one day in the future, only that today there is not a common agreement at the universal level to recognize this enabling right.

Article 38.1 of the Statute of the International Court of Justice (ICJ) describes the law to be applied by the ICJ when deciding cases within its jurisdiction. It is generally considered to be the most authoritative enumeration of the sources of International Law. The Court recognizes three main legal sources: firstly, *international conventions*, whether general or particular, establishing rules expressly recognized by the contesting States; secondly, *international custom*, as evidence of a general practice accepted as law and thirdly, the *general principles of law* recognized by civilized nations.

Since 1984, the Western and European countries have strongly opposed the right to peace in both the General Assembly and the UN human rights bodies—Commission on Human Rights and HRC—which has impeded to create a positive *opinio iuris* about the existence of this right at the universal level. Therefore, we can affirm that there is not a universal custom among all States exhibited both by widespread conduct and a discernible sense of obligation which recognises the right to peace by all. In these cases, all that is needed to have an international custom is that the State, group of States or regional groups have not objected to the law, which is not the case with the right to peace.

Since the creation of the League of Nations and the subsequent United Nations, all States without exception have tried to use the international organizations to extend their sovereignty through the prevalence of their ideas and conceptions on human rights or international law. This general phenomenon is common within the community of States and consequently, to reach this aim they join with other States and regional groups so that their conceptions can prevail over the others. However, this principle is always limited to other principles developed by the Charter of the United Nations, such as the principle of international cooperation and friendly relations among nations.

In accordance with the resolution 1815 (XVII) on the *Consideration of principles of international law* adopted by the Sixth Committee of the UNGA on 18 December 1962, the progressive development and codification of the principles of international law concerning friendly relations and co-operation among States should be elaborated through the promotion of international cooperation in economic, social and related fields and the realization of human rights and fundamental freedoms.

On several occasions, the UNGA has stated that the codification of the rules of international law and their progressive development would assist in promoting the “purposes

and principles” of the Charter of the United Nations. In particular, the UNGA resolution 1505 (XV) on the *Future work in the field of the codification and progressive development of international law* stated that: “the conditions prevailing in the world today give increased importance to the role of international law... in strengthening international peace, developing friendly and co-operative relations among the nations, settling disputes by peaceful means and advancing economic and social progress throughout the world”.

Consequently, the progressive elaboration of the right to peace should be done on the basis of the principle of international cooperation and friendly relations among nations. The progressive elaboration of international law, including the right to peace, constitute one of the foundation stones of the rule of law and a clear means to also establish a just and lasting peace all over the world. To reach this aim and without diminishing the real objective of this process, the community of States should find common ways in which all ideas can peacefully coexist.

4. Future challenges

On 1 October 2015, the distinguished representative of Cuba stated before the Council that the draft resolution L.13 requests to the Working Group to have another session in order to conclude the pending issues of the draft declaration on the right to peace. On the other hand, the EU also indicated that the two main concerns of the draft—namely the title and Article 1—could not be solved.

Although there existed some proposals of language on title and article 1 on the negotiation table which were done by some missions in consultation with their respective capitals during the informal discussions, the desirable consensus was not finally achieved.

For this reason, today much more than ever it is necessary that a serious assessment be conducted by all as to whether the international community is in a position to further develop the right to peace in a consensual manner at this point in time, such as the Chairperson recommended in his report of the third session of the Working Group.

In regard to the title of the Declaration, we should be aware that it is closely linked to the current mandate of the Working Group. On 17 July 2012, the HRC adopted Resolution 20/15 on the promotion of the right to peace by which the HRC “decides to establish an open-ended intergovernmental working group with the mandate of progressively negotiating a draft United Nations declaration on the right to peace, on the basis of the draft submitted by the Advisory Committee, and without prejudging relevant past, present and future views and proposals”.

In the first session of the OEWG held in 2013, some delegations stated that the last phrase of the resolution 20/15, which indicates “and without prejudging relevant past, present and future views and proposals” opens the possibility to include new ideas and formulations. It follows that the future title should contain not only the right to peace in the line of the current mandate of the Working Group, but also those other demands coming from other regional groups, such as the relationship between peace and human rights, which is not incompatible with the right to peace.

As to article 1, the draft Declaration should declare the right or entitlement of everyone to enjoy peace, in the line of Article 38 of the ASEAN Human Rights Declaration, which recognises that “Every person and the peoples of ASEAN have the right to enjoy peace... “.

“Peace is a holistic concept which goes beyond the strict absence of armed conflicts.”

It is interesting to highlight that in this provision the notion of peace should be read in conjunction with the expression of “right to enjoy”. In accordance with the Black Law Dictionary, the expression of “enjoyment” should be understood as the “possession and fruition of a right, privilege or incorporeal hereditament. Comfort, consolation, contentment, ease, happiness and satisfaction”. It follows that in this case peace could be understood either as a right of every person and the peoples or as an aspiration or privilege to be reached by all humankind.

The right to enjoy peace is intended to ensure that the authorities take measures to guarantee that peace may be enjoyed in a natural and dignified manner and that the individual has every possible means for this purpose. Peace is a holistic concept which goes beyond the strict absence of armed conflicts. It is also positive, since it is linked to the eradication of structural violence as a result of the economic and social inequalities in the world and to the effective respect for all human rights without discrimination.

Additionally, Article 1 should not only recall again the linkage between the right to life and peace, but also to elaborate the right to life in connection to the enjoyment of peace, including also human rights and development, which has not been elaborated in international law. The United Nations does not need to re-invent the wheel, but only to strengthen the right to life linked to the enjoyment of peace, human rights and development.

5. Recommendations

Despite the current lack of dialogue between those delegations, which support the right to peace, and those others, which deny the existence of this right, a minimum agreement on the title and article 1 would be desirable. Nevertheless, the position of the European Union was pretty clear on 2 October 2015, when they said that “their approach to this issue in the past had also been guided by the clear agreement that the 3rd session was to be the last session of the IGWG, as reflected in its mandate conferred by HRC resolution 27/17 to ‘finalize’ the Declaration”.

Overcoming the current situation will be a very difficult exercise, taking into account that the Western and European countries regretted and did not support the extension of the mandate of the Working Group. It should also take into account that if in 2012 all European member States of the HRC abstained in resolution 20/15, on 2 October 2015 all European States did not support the extension of the Working Group. Therefore, at this stage the political environment to approach positions could be much more difficult.

In that case, if an agreement cannot be achieved within the HRC, the consequences on a future Declaration on the right to peace would be twofold:

First, the reception of the future Declaration on the right to peace by many States at the General Assembly will possibly not be very warm.

To know the current situation of the right to peace within the General Assembly, we should study the resolution 69/176 entitled “Promotion of peace as a vital requirement for the full enjoyment of all human rights by all” adopted on 23 January 2015 by which the Assembly elaborates the right of peoples to peace and consequently, “welcomes the decision of the Human Rights Council, in its resolution 20/15, to establish an open-ended intergovernmental working group with the mandate of progressively negotiating a draft United Nations declaration on the right to peace” (Art. 9).

This resolution was adopted with the opposition of 53 Western, European and a majority of Eastern countries* and clearly responds to four other resolutions† adopted by the General Assembly since 2003 entitled “Promotion of peace as a vital requirement for the full enjoyment of all human rights by all”. All of them were adopted by around 120 votes to 53—principally, from developed countries—and recognized the importance of respect of the right of peoples to peace, the elimination of nuclear war and the promotion of the right to development.

It follows that, in the current Council context, a future Declaration on the right to peace could be adopted by the General Assembly with the opposition of important regional groups. This situation would be a step backwards compared to the three other main peace instruments adopted by the same body.

In particular, neither the Declaration on Preparation on Societies to Life in Peace of 1978, the Declaration on the Right of Peoples to Peace of 1984 nor the Declaration and Programme of Action on Culture of Peace of 1999 was ever adopted by the General Assembly with the opposition of regional groups. In fact, both the Declaration on Preparation on Societies to Life in Peace and the Declaration and Programme of Action on Culture of Peace were adopted by consensus, with the exception of the first instrument, which was adopted with only one abstention. On the other hand, the Declaration on the Right of Peoples to Peace obtained the abstention from all Western and European States, but never a vote against.

The adoption by consensus of peace instruments in the General Assembly has been a clear tendency since the creation of the United Nations. In particular, it should also be recalled that the Declaration on the Promotion among Youth of the Ideals of Peace, Mutual Respect and Understanding between Peoples of 1965, the Declaration on the Protection of Women and Children in Emergency and Armed Conflict of 1974, Declaration on the Participation of Women in Promoting International Peace and Co-operation of 1982 and the Political Declaration on the peaceful resolution of conflicts in Africa of 2013, were adopted by consensus.

In conclusion, in the current environment within the Council, a Declaration on the right to peace would possibly obtain the opposition of important regional groups at the General Assembly, which means that for the first time in the history of the United Nations, a Declaration on peace issues would be adopted with a large number of States opposing a peace initiative.

* Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Marshall Islands, Micronesia, (Federated States of), Monaco, Montenegro, Netherlands, New Zealand, Norway, Palau, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America

† Doc. A/Res/67/173, 22 March 2013; A/Res/65/222, 21 December 2010; A/Res/60/163, 16 December 2005; A/Res/58/192, 22 December 2003

Consequently, if the main promoters of the other peace instruments passed to the world UN history for having promoted successful peace Declarations, it would not be the case for the current one, which would negatively affect peace in general. The political, cultural and social price to be paid by humankind as a whole is much too high.

Second, the adoption of a Declaration on the right to peace by the General Assembly in the current context, without reaching a minimum agreement, would also negatively affect the promotion of all human rights for all, including the right to peace, because of the high number of States opposing the future text.

Therefore, this situation could not only be contrary to the objective and spirit of the title of the resolution “promotion of peace as a vital requirement for the full enjoyment of all human rights by all,” but also it would be seen as another step backwards in the promotion and protection of human rights and fundamental freedoms.

It should be noted that most of the Declarations, Rules and Guidelines on human rights adopted by the General Assembly since 1945 were adopted by consensus.* In particular, the General Assembly has adopted around thirty Declarations in different fields of human rights, such as children rights, racial discrimination, persons with disabilities, women, enforced disappearance, development, among others, after all different regional groups reached relevant agreements. Only three important Declarations on human rights were adopted with some oppositions, such as Declaration on the Right to Development† or Indigenous Peoples,‡ or abstentions, such as the Universal Declaration of Human Rights.§ But rest of the Declarations have been adopted by consensus.

In the United Nations only the Declaration on the International Right of Correction (A/RES/630, 1952) and the United Nations Declaration on Human Cloning (A/RES/59/280, 2005) were respectively adopted with a huge number of States opposing the instrument.¶ Like both instruments, the impact in real life of the future Declaration on the Right to Peace would be absolutely minimum, by taking into account that more than one third of the world population could not enjoy this right by not becoming a universal right.

* Declaration of the Rights of the Child, United Nations Declaration on the Elimination of All Forms of Racial Discrimination; Declaration on the Promotion among Youth of the Ideals of Peace, Mutual Respect and Understanding between Peoples; Declaration on the Elimination of Discrimination against Women; Declaration on the Rights of Mentally Retarded Persons ; Declaration on the Protection of Women and Children in Emergency and Armed Conflict ; Declaration on the Rights of Disabled Persons ; Declaration on the Protection of All Persons from Being Subjected to Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment ; Political declaration on Africa's development needs ; United Nations Declaration on Human Rights Education and Training ; Political declaration of the high-level meeting of the General Assembly to commemorate the tenth anniversary of the adoption of the Durban Declaration and Programme of Action “United against racism, racial discrimination, xenophobia and related intolerance” ; Political declaration of the High-level Meeting of the General Assembly on the Prevention and Control of Non-communicable Diseases ; Political Declaration on the peaceful resolution of conflicts in Africa ; Basic Principles and Guidelines on the Right to a Remedy and Reparation for Victims of Gross Violations of International Human Rights Law and Serious Violations of International Humanitarian Law ; Political Declaration on HIV/AIDS ; Body of Principles for the Protection of All Persons under Any Form of Detention or Imprisonment ; United Nations Guidelines for the Prevention of Juvenile Delinquency (The Riyadh Guidelines) ; United Nations Rules for the Protection of Juveniles Deprived of Their Liberty ; Basic Principles for the Treatment of Prisoners, The protection of persons with mental illness and the improvement of mental health care ; Declaration on the Rights of Persons belonging to National or Ethnic, Religious and Linguistic Minorities ; Declaration on the Protection of All Persons from Enforced Disappearance ; Standard rules on the equalization of opportunities for persons with disabilities ; Declaration on the Elimination of Violence against Women ; Declaration on the Right and Responsibility of Individuals, Groups and Organs of Society to Promote and Protect Universally Recognized Human Rights and Fundamental Freedoms ; Declaration and Programme of Action on a Culture of Peace ; Millennium declaration ; United Nations Declaration on the New Partnership for Africa's Development ; Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power ; Declaration on Social and Legal Principles relating to the Protection and Welfare of Children, with special reference to Foster Placement and Adoption Nationally and Internationally; Declaration on the Elimination of All Forms of Intolerance and of Discrimination Based on Religion or Belief

† 1 vote against and 8 Abstentions

‡ 4 vote against and 11 Abstentions

§ 8 Abstentions

¶ Declaration on the International Right of Correction (22 Against and 10 Abstentions) and the United Nations Declaration on Human Cloning (34 Against and 37 Abstentions)

6. Conclusions

The pursuit of agreements among all different regional groups is the tendency not only in international relations, but the United Nations, and in particular in the field of human rights and peace. In general terms, the United Nations does not work like a national or regional parliament in which some political parties impose their will by using the majority of votes. For important matters affecting the lives of millions of people, such as the adoption of a Declaration on the right to peace, the United Nations, including its multiple entities and bodies, should work on the basis of multilateralism with the purpose of reaching important consensual decisions.

The general practice of the United Nations since 1945 has been the adoption of Declarations in both human rights and peace matters by consensus. Reaching agreements among all countries has been the general rule of the General Assembly. Therefore, the use of vote has been the clear exception. Nevertheless, only few States have showed their opposition, the rest has voted in favour or exceptionally, they have abstained.

In the current context a Declaration on the right to peace could pass to the UN history for being the first Declaration in which States could not reach a large agreement, taking into account the current increasing opposition in both the Human Rights Council and the General Assembly. This situation would be a clear step backwards in the promotion of human rights and peace.

The OEWG on the right to peace has come a long way, thanks to the leadership of many actors, including some civil society organizations, the Chairperson-Rapporteur, his team and the Secretariat. The ball is now in the hands of States. Hopefully world leaders and diplomats will take wise decisions by thinking more about the well-being of human beings and humankind than in their own interests as States.

In case a minimum agreement can be achieved by all regional groups on the title and the notion of “entitlement” in article 1, the future Declaration will surely contribute to the strengthening of international cooperation and multilateralism and will also influence the current objectives of the United Nations as a fundamental step towards the promotion of peace, tolerance, friendship and brotherhood among all peoples.

The obligation of the international community is to hear the voice raised by some civil society organizations, who strongly demand the need for achieving an agreement on this matter in order to empower victims of armed conflicts as a means to allow them to live in a world free of wars.

“Peace cannot be kept by force, it can be only be achieved by understanding.”

— Albert Einstein

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Annexure

[United Nations Declaration on the Right to Peace]^{*,†}

Preamble

The General Assembly,

- PP1 *Acknowledging* that the elements contained herein are characterized as a right to peace in some legal systems or by some countries
- PP2 *Guided by* the purposes and principles of the Charter of the United Nations
- PP3 *Recalling* the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the Vienna Declaration and Programme of Action
- PP4 *Recalling also* the Declaration on the Right to Development, the United Nations Millennium Declaration, including the Millennium Development Goals, and the 2005 World Summit Outcome
- PP5 *Recalling further* the Declaration on the Preparation of Societies for Life in Peace, the Declaration on the Right of Peoples to Peace and the Declaration and Programme of Action on a Culture of Peace, and other international instruments relevant to the subject of the present declaration
- PP6 *Recalling* the Declaration on the Granting of Independence to Colonial Countries and Peoples
- PP7 *Recalling also* that the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations solemnly proclaimed the following principles:
- that States shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations, the principle that States shall settle their international disputes by peaceful means in such a manner that international peace and security and justice are not endangered, the duty not to intervene in matters within the domestic jurisdiction of any State, in accordance with the Charter, the duty of States to co-operate with one another in accordance with the Charter, the principle of equal rights and self-determination of peoples, the principle of sovereign equality of States, the principle that States shall fulfil in good faith the obligations assumed by them in accordance with the Charter
- PP8 *Reaffirming* the obligations of all Member States, as enshrined in the Charter of the United Nations, to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations, and to settle their international disputes by peaceful means in such a manner that international peace and security, and justice are not endangered

^{*} Text presented by the Chairperson-Rapporteur on 21 September 2015

[†] In the 2015 September session, there were some useful and constructive preliminary discussions and proposals about the title among some delegations

- PP9 *Acknowledging* that the fuller development of a culture of peace is integrally linked to the realization of the right of all peoples, including those living under colonial or other forms of alien domination or foreign occupation, to self-determination enshrined in the Charter of the United Nations and embodied in the International Covenants on Human Rights, as well as in the Declaration on the Granting of Independence to Colonial Countries and Peoples contained in General Assembly resolution 1514 (XV) of 14 December 1960
- PP10 *Recognizing* the importance of the settlement of disputes or conflicts through peaceful means
- PP11 *Deeply deploring* all acts of terrorism, recalling that the Declaration on Measures to Eliminate International Terrorism recognizes that acts, methods and practices of terrorism constitute a grave violation of the purposes and principles of the United Nations and may pose a threat to international peace and security, jeopardize friendly relations among States, threaten the territorial integrity and security of States, hinder international cooperation and aim at the destruction of human rights, fundamental freedoms and the democratic bases of society, and reaffirming that any acts of terrorism are criminal and unjustifiable regardless of their motivations, whenever and by whomsoever committed
- PP12 *Stressing* that all measures taken in the fight against terrorism must be in compliance with the obligations of States under international law, including international human rights, refugee and humanitarian law, as well as those enshrined in the Charter
- PP13 [*Urging* all States that have not yet done so to consider, as a matter of priority and in accordance with Security Council resolution 1373 (2001) and Council resolution 1566 (2004) of 8 October 2004, becoming parties to the relevant conventions and protocols as referred to in paragraph 6 of General Assembly resolution 51/210, as well as the International Convention for the Suppression of Terrorist Bombings, the International Convention for the Suppression of the Financing of Terrorism, the International Convention for the Suppression of Acts of Nuclear Terrorism and the Amendment to the Convention on the Physical Protection of Nuclear Material]*
- PP14 *Reaffirming* that the promotion and protection of human rights for all and the rule of law are essential to the fight against terrorism, and recognizing that effective counterterrorism measures and the protection of human rights are not conflicting goals but are complementary and mutually reinforcing
- PP15 *Reaffirming also* the determination of the peoples of the United Nations as expressed in the Preamble to the Charter to save succeeding generations from the scourge of war, to reaffirm faith in fundamental human rights, to promote social progress and better standards of life in larger freedom, and to practice tolerance and live together in peace with one another as good neighbours
- PP16 *Recalling* that peace and security, development and human rights are the pillars of the United Nations system and the foundations for collective security and well-being, and recognizing that development, peace and security and human rights are interlinked and mutually reinforcing

* In the 2015 September session, there were some objections made by the Islamic Republic of Iran

- PP17 *Recognizing* that peace is not only the absence of conflict, but also requires a positive, dynamic participatory process where dialogue is encouraged and conflicts are solved in a spirit of mutual understanding and cooperation, as well as socio-economic development is ensured
- PP18 *Recalling* that the recognition of the inherent dignity and the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world, and recognizing that peace is promoted through the full enjoyment of all inalienable rights derived from the inherent dignity of all human beings
- PP19 *Recalling also* that everyone is entitled to a social and international order in which the rights and freedoms set forth in the Universal Declaration of Human Rights can be fully realized
- PP20 *Recalling further* the commitment of the international community to eradicate poverty and to promote sustained economic growth, sustainable development and global prosperity for all and the need to address inequalities within and among States
- PP21 *Recognizing* the importance of the prevention of armed conflict, in which multilateralism and diplomacy plays a critical role, in accordance with the purposes and principles of the Charter, and of the commitment to promote a culture of prevention of armed conflict as a means of effectively addressing the interconnected security and development challenges faced by peoples throughout the world, bearing in mind the human and material costs of armed conflicts
- PP22 *Recalling* that the full and complete development of a country, the welfare of the world and the cause of peace require the maximum participation of women on equal terms with men in all fields
- PP23 *Reaffirming* that since wars begin in the minds of human beings, it is in the minds of human beings that the defences of peace must be constructed and recalling the importance of the settlement of disputes or conflicts through peaceful means
- PP24 *Recalling* the need for strengthened international efforts to foster a global dialogue for the promotion of a culture of tolerance and peace at all levels, based on respect for human rights and diversity of religions and beliefs.
- PP26 *Recalling further* that development assistance and capacity-building based on the principle of national ownership in post-conflict situations should restore peace through rehabilitation, reintegration and reconciliation processes involving all those engaged, and recognizing the importance of peacemaking, peacekeeping and peacebuilding activities of the United Nations for the global pursuit of peace and security
- PP27 *Recalling* that the culture of peace and the education of humanity for justice and liberty and peace are indispensable to the dignity of human beings and constitute a duty that all nations must fulfil in a spirit of mutual assistance and concern
- PP28 *Reaffirming* that the culture of peace is a set of values, attitudes, traditions and modes of behaviour and ways of life, as identified in the Declaration on a Culture of Peace, and

that all this should be fostered by an enabling national and international environment conducive to peace

- PP29 *Recognizing* the importance of moderation and tolerance as values contributing to the promotion of peace and security
- PP30 *Recognizing* also the important contribution that civil society organizations can make in building and preserving peace, as well as in strengthening a culture of peace
- PP31 *Stressing* the need for States, the United Nations system and other relevant international organizations to allocate resources to programmes aimed at strengthening the culture of peace and upholding human rights awareness through training, teaching and education
- PP32 *Stressing also* the importance of the contribution of the United Nations Declaration on Human Rights Education and Training to the promotion of a culture of peace
- PP33 *Recalling* that respect for the diversity of cultures, tolerance, dialogue and cooperation, in a climate of mutual trust and understanding, are among the best guarantees of international peace and security
- PP34 *Recalling also* that tolerance is respect, acceptance and appreciation of the rich diversity of our world's cultures, our forms of expression and ways of being human, as well as the virtue that makes peace possible and contributes to the promotion of a culture of peace
- PP35 *Recalling further* that the constant promotion and realization of the rights of persons belonging to national or ethnic, religious and linguistic minorities as an integral part of the development of a society as a whole and within a democratic framework based on the rule of law would contribute to the strengthening of friendship, cooperation and peace among peoples and States
- PP36 *Recalling* the need to design, promote and implement at the national, regional and international levels strategies, programmes and policies, and adequate legislation, which may include special and positive measures, for furthering equal social development and the realization of the civil and political, economic, social and cultural rights of all victims of racism, racial discrimination, xenophobia and related intolerance
- PP37 *Recognizing* that racism, racial discrimination, xenophobia and related intolerance, where they amount to racism and racial discrimination are an obstacle to friendly and peaceful relations among peoples and nations, and are among the root causes of many internal and international conflicts, including armed conflicts
- PP38 *Inviting* solemnly all stakeholders to guide themselves in their activities by recognizing the high importance of practicing tolerance, dialogue, cooperation and solidarity among all human beings, peoples and nations of the world as a means to promote peace; to that end, present generations should ensure that both they and future generations learn to live together in peace with the highest aspiration of sparing future generations the scourge of war

Article 1

Everyone is [entitled]* to enjoy peace such that all human rights are promoted and protected and development is fully realized.

Article 2

States should respect, implement and promote equality, non-discrimination, justice and the rule of law and should respect and support moderation, tolerance, and guarantee freedom from fear and want as a means to build peace as well as enhance friendship and cooperation within and between societies.

Article 3

States, the United Nations and specialized agencies should take appropriate sustainable measures to implement the present Declaration. International, regional, national and local organizations and civil society are encouraged to support and assist in the implementation of the present Declaration.

Article 4

Nothing in the present Declaration shall be construed as being contrary to the purposes and principles of the United Nations. The provisions included in this Declaration are to be interpreted in accordance with the Charter of the United Nations, the Universal Declaration of Human Rights and international law.

* In the 2015 September session, there were some useful and constructive preliminary discussions and proposals about the notion of “entitlement” in article 1 among some delegations

Sustainability, Past and Future: Ten Propositions on the Emerging Organizational Macro-System

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Abstract

“Sustainability” did not appear in any book title until 1976, but there were many related ideas in the 1970s. A marked transition toward sustainability is now underway, driven by worsening climate change, with roughly 5,000 books and some 500 international organizations calling for sustainable societies, cities, businesses, and economies.

This “horizontal” exploration is based on current mapping research for a “Security and Sustainability Guide” to the organizational macro-system. As of April 2015, some 950 organizations have been identified, roughly half concerned with promoting sustainability (and greater social equity and human rights in many instances), and the other half concerned with related topics (security, energy, food, conservation). Roughly, about half of these organizations were initiated since 2000. The United Nations, formed after World War II to promote security, has been a major driver of sustainability in recent decades, with some 30 or so programs.

But this burgeoning movement with many leaders and many names still has a long way to go, and success is problematic: 1) accelerating climate change may offset gains; 2) despite a growing number of alliances, consortia, and networks, there is still considerable fragmentation, and the huge number of “coopetitive” organizations may be a political handicap; 3) leading organizations for sustainability are in cosmopolitan cities and countries furthest along the green path to robust sustainability; other countries may be unwilling or unable to follow; 4) major differences among sustainability groups dilute political impact, notably “realos” vs. “fundis,” generalists vs. specialists, and scientists/academics vs. activists/popularizers; 5) the broad realm of national and global security is both a barrier to sustainability and a potential driver, once it is realized that we cannot have security without sustainability—and vice versa; 6) infoglut is a major barrier, and better information management is needed; 7) we all have much to learn about sustainability, and “third-level scholarship” is needed to integrate second-level integrators. Illustrative proposals to accelerate efficacy of the sustainability movement include integration of Club of Rome reports, studying relevant alliances and consortia, creating information portals for energy alternatives and new economics that survey progress and prospects, a “portable lecture series” on sustainable development topics, a series of televised “Great Debates” in every country, and a portal for all “New Paradigm/Big Picture” agendas.

Introduction

Over several decades, I have had the privilege of addressing the inter-related questions of “What’s happening in our society/world?”, “What is likely to happen?”, and “What ought to be done?” from a variety of disciplinary and ideological perspectives. These interests are applied here to the topic of Visions of Sustainable Development, based on current research into international organizations promoting security and/or—especially—sustainability. This is an intentional exercise in horizontal/integrative thinking, with several areas of scholarly thinking explicitly identified. It is not “holistic”—nothing ever is in our era of complex, dynamic, and overlapping systems—but it does consider some critical parts of the emerging “sustainability” macro-system, and proposes further integrative work to grow the macro-system and advance serious sustainable development.

“Without a new paradigm of knowledge, we cannot have a new paradigm of human society.”

I can rightly be criticized here as being “a mile wide and an inch deep,” but my rebuttal is that the vast majority of human benefit knowledge is still “a mile deep and an inch wide,” and even the putative integrators and “multi-disciplinary” scientists/scholars/writers seem unaware of each other, and/or unwilling to acknowledge alternative views. Consider this as an experimental exercise in mile-wide thinking to overcome fragmentation and “silo-ization,” perhaps with a few foul balls but hopefully with a few hits to spark further reflection. At root, it critiques our outmoded system of knowledge creation/dissemination and, building on a 1937 proposal by H.G. Wells, hints at an effective “World Brain” for a sustainable 21st century. (1) Without a new paradigm of knowledge, we cannot have a new paradigm of human society.

1. (HISTORY). Sustainability did not appear in any book or chapter title until 1976. But there is an important prehistory that deserves to be noted.

In 1976, I published a critical guide to the literature of societal directions and alternatives. (2) This was at the height of what I now call the great “futures vogue” of the 1960s and 1970s, which saw a huge number of books, generally dissatisfied but hopeful, explaining the nature of our society, where we were headed, and the society that we should have. I counted 81 titles for our present society e.g. “The Unprepared Society” (Donald N. Michael, 1968), “Age of Discontinuity” and “Knowledge Society” (Peter F. Drucker, 1969), “Temporary Society” (Warren Bennis and Philip Slater, 1968), “The State of Siege” (C. P. Snow, 1969), “Throw-Away Society” (Alvin Toffler, 1970), and “Spaceship Earth” (Barbara Ward, 1966; Kenneth Boulding, 1966; Buckminster Fuller, 1969), etc.

I also identified 63 evolutionary stage theories, both descriptive and prescriptive, leading to “Post-Industrial Society” (Daniel Bell, 1966, 1973), “Ecumenopolis” (Constantinos Doxiadis, 1967), “Systems Age” (Russell Ackoff, 1974), “Consciousness III” (Charles Reich, 1970), the “Electric Age” (Marshall McLuhan, 1964), and “Scientific-Planetary Civilization” (William Irwin Thompson, 1971).

Most important, I identified 206 clearly prescriptive titles for desired alternative societies, e.g.: “Planetary Society” (John McHale, 1969), “Global Homeostasis” (Ervin Laszlo, 1974),

“Steady-State Society” (Herman Daly, 1971), a “New World Order” (Richard Falk, 1975), “Convivial Society” (Ivan Illich, 1973), “Transformational Society” (Jim Dator, 1973), “Humanist Reconstruction” (Bertram Gross, 1971), “Humanistic Capitalism” (Willis Harman, 1974), “Ecological Humanism” (Victor Ferkiss, 1974), and “Socialist Humanism” (Erich Fromm, 1965).

What a fascinating *mélange*! But virtually none of the authors paid attention to any of the other authors. It was like the motor vehicle bureau, where each car owner is assigned a distinctive license plate! In a wry—some may say cynical—mood, I prefaced the collection with the famous 19th century poem by John Godfrey Saxe on “The Blind Men and the Elephant.” The first of the nine verses read: “It was six men of Indostan/To learning much inclined/Who went to see the Elephant/(Though all of them were blind)/That each by observation/Might satisfy his mind.” You probably know the rest, or can guess what happened as the different men—all men—approached the flank, the tusk, the trunk, the knee, the ear, and the tail. The problem is that, today, we have a herd of shifting elephants—not well understood—and we risk getting trampled.

Amidst this cacophony, it is significant that “Sustainability” or “Sustainable Development” were never mentioned *per se*! However, there were a dozen or so titles calling for ecological balance of some sort. Best known is the Club of Rome’s influential **Limits to Growth** report calling for “Global Equilibrium” (Donella Meadows et al., 1972). Other contenders included the virtually forgotten second report to the Club of Rome calling for “Organic Growth” (Mihajlo Mesarovic and Eduard Pestel, 1974), the well-regarded **Blueprint for Survival** from *The Ecologist* magazine advocating a “Stable Society” (Edward Goldsmith et al, 1972), and visions of massive structural transformations to “Ark II” (Dennis Pirages and Paul Ehrlich, 1974), a “Mature Society” in ecological equilibrium (Dennis Gabor, 1972), the “No-Growth Society” (Daedalus Special Issue, Fall 1973), the “Recycle Society” (Glenn Seaborg, 1974), and “Arcadian Life” (Rene Dubos, 1972). Also, 20 years earlier, consider **Resources and the American Dream: Including a Theory of the Limit of Growth** by Samuel Ordway (1953), who called for a “Balanced Civilization” and rethinking the quality of the Good Life, **The Limits of the Earth** by Fairfield Osborn (1953), and **The Challenge of Man’s Future** by Harrison Brown (1954), a durable classic that went into at least 15 printings, warning of “the fragility of our machine civilization.” Even earlier, **Road to Survival** by William Vogt (1948), with an introduction by presidential advisor Bernard M. Baruch, warned of “a sharp increase in world population” and “a falling carrying capacity over most of the earth.”

The first two books with “sustainability” in the title appeared in 1976: **The Sustainable Society: Ethics and Economic Growth** by Robert L. Stivers (John Knox Press) and **Energy for a Just and Sustainable World** by the Working Group on Church and Society (World Council of Churches), followed by **The Sustainable Society** edited by Dennis Pirages (Praeger, 1977) and **Building a Sustainable Society** by Lester R. Brown (W.W. Norton, 1981). The concept received a significant boost with publication of **Our Common Future** by the World Commission on Environment and Development (Oxford University Press, 1987), also known as the Brundtland Commission.

After that, the “sustainability” concept took off, as I documented in **Environmental Issues and Sustainable Futures: A Critical Guide to Recent Books, Reports, and**

Periodicals, published in 1996. (3) It included many titles that still seem timely, e.g. *Envisioning a Sustainable Society: Learning Our Way Out* (Lester Milbrath, 1989; on the “new environmental paradigm”), *A Strategy for Sustainable Living* (IUCN/UNEP/WWF, 1991), *The Global Commons: Policy for the Planet* (Harlan Cleveland, 1990), *Saving Our Planet* (Mostafa K. Tolba, 1992), *Beyond the Limits: Confronting Global Collapse, Envisioning a Sustainable Future* (Donella Meadows et al., 1992; updating their 1972 *Limits to Growth* report), *Earth Politics* (Ernst Ulrich von Weizsacker, 1994; on making sustainable development a reality), *Choosing a Sustainable Future* (National Commission on the Environment, 1993), *A Sustainable World: Defining and Measuring Sustainable Development* (Thaddeus C. Trzyna/IUCN, 1995), *Environmental Refugees in a Globally Warmed World* (Norman Myers, 1993), *Climate Change and World Food Security* (Food Policy Special Issue, 1994), *Reversing the Decline of the Oceans* (Worldwatch Paper 116, 1993), *Facing Water Scarcity* (Sandra Postel, 1992), *How Mass Extinction Can Be Stopped* (Colin Tudge, 1992), *Sustainable Forestry* (Gregory Aplet, 1993), *Reducing Toxics* (Robert Gottlieb, 1995), *Ultimate Security: The Environmental Basis of Political Stability* (Norman Myers, 1993), *Ecological Economics* (Robert Costanza, 1991), *The Gaia Atlas of Green Economics* (Paul Ekins et al, 1992), *Sustainable Livelihoods* (David Korten, 1994), and much more. I joined the parade by co-editing a Special Issue of *Futures* (March 1994) on *Visions of Sustainability*, with essays by Lester Milbrath, Hazel Henderson, Robert Goodland, Herman Daly, Mary E. Clark, Dennis Pirages, and others. In the Introduction, I noted that Sustainability has “rapidly emerged only in the past five years...a profound and necessary multifold transition, now just under way.”

All of this was more than twenty years ago, arguably the age of robust sustainability literature. But are we closer to sustainability now?

2. (SOCIOLOGY). **The Good News is that a major transition toward “sustainability” now is clearly underway.**

Historian Jeremy Caradonna of the University of Alberta has recently published a useful history of sustainability thinking and the sustainability movement (4), going back to roots in the early 18th century Germany, and noting that, today, the words “sustainable” and “sustainability” are nearly ubiquitous. He sketches a remarkable chart on page 3, showing an “explosion” of books with “sustainable” or “sustainability” in the title from 1980 to 2012, when there was a cumulative total of some 4,800 books. My GlobalForesightBooks.org website has abstracts of more than 500 titles on sustainability, energy, and climate change published since 2009.

This upward growth line of some 75-80% for books on sustainability is virtually identical to the data from Google’s Ngram Viewer, which charts usage of words and terms in English-language books to 2008, showing “sustainability” sharply increasing since the mid-1980s. The “sustainability” usage is closely correlated with growth lines for “climate change” and “global warming.” In contrast, “future” was quite level between 1970 and 2008, while “futurist” increased from 1962 to 1998 but declined from 1998 to 2008, and “foresight” has declined by >50%. This confirms my suspicion that the “futures” movement, which was always more descriptive than prescriptive, has been superseded by a diffuse “sustainability movement” that is clearly normative. Caradonna admits that sustainability

is now a buzzword in widespread usage, but nevertheless hopes that “the practices inspired by the concept of sustainability could give rise to the world’s third major socio-economic transformation, after the Agricultural Revolution that took place 10,000 years ago, and the Industrial Revolution.” (5) The recent book by Jeffrey Sachs of Columbia University’s Earth Institute, **The Age of Sustainable Development**, calls it “a central concept for our age...both a way of understanding the world and a method for solving global problems.” (6)

The growth of sustainability books and usage of the “S-word” is paralleled by the growth of largely international organizations with “sustainability” in their title or in their statement of purpose. Along with David Harries, as of May 2015 we have identified some 950 organizations concerned in some way with security and/or (especially) sustainability. Among them, a very preliminary analysis of the founding date indicates that more than half of the “Sustainability” organizations were established in the 2000-2015 period. Many of the 950 organizations in our online Security and Sustainability Guide, still in the “interim draft” stage, are directly or indirectly calling for transition/transformation to “sustainable society” and “sustainable development”; less often for related concepts of green growth, degrowth, a low-carbon economy, a circular economy, or human security.

Chart 1. Major Categories in the “S&S Guide” Subject Index

The following are major categories (five or more organizations listed) that are in the extensive Subject Index at the end of the Third Interim Draft of the Security and Sustainability Guide (May 2015). The number of organizations listed to date is in parenthesis, and these numbers will expand as more information is obtained. Some organizations are listed in two or more categories.

Accounting for Sustainability (7)	Governance (16)
Africa (8)	Green Growth/Jobs/Economy (16)
Agriculture (10)	Human Rights (11)
Alliances/Consortia/Networks (40)	Human Security (12)
Amazon Rainforest (6)	Indigenous Peoples (7)
Arctic Transforming (12)	Japanese Groups (6)
Biodiversity (10)	Nuclear Disarmament (22)
Business (28)	Oceans Transforming (34)
Children (5)	Peace and Disarmament (31)
Cities (19)	Physician’s Groups (5)
Climate Change (47)	Population (12)
Climate and Security (5)	Resource Efficiency/Protection (14)
Conservation (9)	Risk (6)
Corruption/Crime (8)	Scientist’s Groups (8)
Cyber-Security (5)	Security/Strategic Studies (35)
Ecological Economics (14)	Special Purpose Organizations (10)
Education: K-12 (12)	Sustainability in General (49)

Energy (47)	Systems Analysis/Integration (8)
Environmental Justice (6)	Terrorism (6)
Environmental Law (7)	UN Agencies/Programs (31)
Finance (27)	Universities (18)
Food (21)	Water (23)
Forests (18)	World Futures/Humanity/Global Affairs (37)
Former Leaders' Groups (7)	Youth for Sustainability (14)
Foundations and Funds (39)	

The United Nations is the major driving force in many ways. Some 31 agencies, programs, and projects have been identified so far. The UN Conference on Sustainable Development (Rio 2012, a.k.a. Rio+20) is well-known, as is the UN-sponsored Intergovernmental Panel on Climate Change (1988), which delivers increasingly certain and bad news about future climate. But also consider the Green Climate Fund (2010), the UNEP Climate and Clean Air Coalition (2012), UNESCO's Education for Sustainable Development (2005), the United Nations University Institute for the Advanced Study of Sustainability (2014, merging two existing UNU institutes), the UN Data Revolution Group (2014, to provide data for the Sustainable Development Goals and targets), the UNEP Finance Initiative (200 organizations for sustainable finance), the UN Conference on Housing and Sustainable Development (Habitat III, Quito 2016), the UN Sustainable Development Solutions Network (2012, which co-sponsored the Deep Decarbonization Pathways Project and offered two MOOCs on Planetary Boundaries and the Age of Sustainable Development), and the UN Global Compact (2000, claiming 12,000 signees to a set of 10 principles regarding human rights, labor, anti-corruption, and the environment).

Four other categories deserve special notice.

- **Cities** are especially active in promoting sustainability, following the lead of the UN's Global Compact Cities Programme in Melbourne, promoting the same 10 principles as the UN's Global Compact for corporations. Among the 19 groups identified are the Asian Cities Climate Change Resilience Network of 50 cities, the C40 Cities Climate Leadership Group for megacities, the Climate Alliance of European Cities, ICLEI: Local Governments for Sustainability, United Cities and local Governments, and the Urban Sustainability Directors Network which lists members in 114 cities and 22 counties in the US and Canada since formation in 2008 (including four members in Florida).
- **Universities** are led by the American College and University President's Climate Commitment (2006) with 685 signees, the Association for the Advancement of Sustainability in Higher Education, University Leaders for a Sustainable Future, and soon, perhaps, by the WAAS-sponsored World University Consortium. They are prodded by the College Sustainability Report Card, the Green College Honor Roll, the Responsible Endowments Coalition, and the Sustainable Endowments Institute and its Billion Dollar Green Challenge.
- **Businesses** are led by the World Business Council for Sustainable Development, Business for Social Responsibility, the American Sustainable Business Council, and

the World Economic Forum. They are prodded by the UN Global Compact, the Dow Jones Sustainability Indices, Corporate EcoForum (“forging next practice in corporate sustainability”), Sustainable Accounting Standards Board (Michael Bloomberg, Chair), Eco-Business magazine, Global Initiative for Sustainability Ratings, Sustainable Brands.com, Tomorrow’s Company.com, and various consultants and textbooks encouraging corporations to go green. The “Green Transition Scoreboard” from Hazel Henderson’s Ethical Markets Media shows a remarkable growth in private green investments from \$1.2 trillion in 2007 to \$6.2 trillion total by April 2015, adding up “sustainable sector investments” in renewable energy, energy efficiency, green construction, water, corporate R&D, and cleantech. (7)

- **Finance** sector organizations are waking up to green opportunities through the Capital Institute (for transition to sustainable living), the Climate Bonds Initiative to develop a green bonds market, the Carbon Tracker Institute to highlight global carbon investment risk, oil Change International to expose the true cost of fossil fuels, Green Century Funds (a Boston-based mutual fund), the Investor Network on Climate Risk (110 institutional investors representing \$2 trillion in assets), Global Alliance for Banking on Values, the Network for Sustainable Financial Markets (promoting long-term sustainable value), the Belmont Forum (an international group of non-profit funding agencies concerned with global environmental change), and—on the far horizon of possibility—Global4c.org proposing a new world currency to finance climate mitigation.

Using the hopeful metaphor of Naomi Klein’s blockbuster book, **This Changes Everything: Capitalism vs. The Climate**, this multi-faceted activity may be like “a rushing river fed by countless streams, gathering collective force to finally reach the sea.” (8) But, contrary to Klein’s over-simplified sub-title, capitalism is Janus-faced, both good and bad. Business and finance may well make an important contribution to sustainability, to counter—at least in part—the rapacious behavior of the world’s fossil fuel and mining industries, as described by Ugo Bardi in a recent report to the Club of Rome. (9)

3. (POLICY STUDIES/FUTURES STUDIES). **The Bad News is that the sustainability movement has a long way to go—and may never be successful.**

I am much more cautious today than I was twenty years ago. Hundreds of NGOs are promoting sustainability directly or indirectly, and boldly calling for transformation and radical change. Many battles are being won, with new technologies developed and worthy ideas implemented. But is the overall “war” being won? One must recognize the potential paradox of “improvement and growing inadequacy,” where sustainability efforts are successful, yet worsening climate change events and/or other developments offset green progress.

Climate change and weird weather continue to worsen, and 2014 was the warmest year ever since record-keeping began in 1880. And there is every reason to expect worsening in the next decades (despite some 47 organizations identified in the S&S Guide, devoted to studying climate and what to do about it). A recent report for the World Bank by the Potsdam Institute (10) suggests that 4°C of global warming will be the “new normal” by 2100—a level well beyond the 2°C that scientists suggest as the upper tolerable limit. It is quite possible that,

despite many apparent successes of the sustainability movement, the earth will reach one or more “tipping points.” Several planetary boundaries have already been passed, according to the Stockholm Resilience Institute. (11) Three of the nine planetary boundaries involve ocean acidification, species extinction (i.e. depletion of many fish stocks), and pollution caused by excessive flows of nitrogen and phosphorus. Despite some 34 organizations devoted to oceans, little progress has been made other than saving whales, and little can be expected in the near future, as jellyfish take over some marine areas—a form of reverse evolution.

Notably, green parties have yet to gain much influence in any country (except, to some degree, in Germany), and “sustainability,” “environment,” or “climate change” are not among the top political issues being addressed at national levels. Conservative right-wing parties denying or ignoring climate change are in the ascendancy or gaining more support than greens in the US, Canada, Australia, the UK, and France.

Most of the sustainability NGOs appear oblivious to the UN efforts and to each other, except for special purpose alliances, consortia, networks, and partnerships. More than three dozen of these have been identified to date, e.g. the Future Earth international research initiative, Sustainable World Coalition, New Economy Coalition, Global Call of Climate Action (450 non-profits), Global Partnership for Oceans (140 organizations), Global Campaign Against Poverty, and Partnership for Change. Are these NGOs, individually and collectively, making a significant difference? Can they become even more effective? Even so, despite improvements in understanding, technologies, and actions, the “war” could be lost. Failure is not assured, or even probable. But it is a possibility to be considered.

To sort out long-term possibilities, and restrain excessive and premature enthusiasm, it is useful to consider four generic scenarios for nations and the world, arrayed on a single axis: Catastrophe/Collapse, Muddling Down (two steps forward, three steps back), Muddling Up (three steps forward, two steps back), and Robust Sustainability. (12) What are the possibilities for the year 2030 and for 2050? I view worldwide Catastrophe/Collapse as possible but not probable, say 15%, and Robust Sustainability as highly unlikely, say 5% to be generous (it would require a widespread positive change in consciousness). Rather, the two middle and more subtle scenarios are more likely in my mind, especially Muddling Down (60%) and Muddling Up (20%). A recent report to the Club of Rome by Jørgen Randers, describing the most probable world in 2052, is a good starting point to consider these possibilities. (13)

The remaining seven “propositions” will explore the barriers to the sustainability movement, and possible remedies so as to reduce the chances of Catastrophe/Collapse and slow and spotty collapse, or Muddling Down.

4. (GEOGRAPHY). The best-funded and most radical organizations promoting sustainability are in cosmopolitan cities and countries that are furthest along the path to sustainability.

Preliminary evidence from the S&S Guide—a more precise count will eventually be made—suggests that Northern Europe is the hotbed for sustainability thinking and action: Sweden (Stockholm Resilience Institute), Norway (Partnership for Change), Denmark (Sustainia 100), Netherlands (Amsterdam Global Change Institute), and Germany (Potsdam

Institute, German Advisory Council on Global Change). Major cities housing important organizations include Stockholm, Amsterdam, London, Paris, and Geneva.

Within the US, the vast majority of sustainability organizations are located in Boston, New York, Washington, and, especially, the San Francisco Bay Area. In Canada, Toronto and Vancouver are modest centers for green thought, in contrast to the ultra-conservative Harper regime shamelessly ignoring science, favoring business interests, and extracting oil from Alberta tar sands. In the US, the new Senate Majority Leader is from coal-dependent Kentucky, and the new head of the Senate Environment Committee is from oil- and gas-dependent Oklahoma; he has written a book declaring climate change to be a hoax, yet was re-elected in 2014 by 68% of his electorate (where 20% of jobs are oil and gas-related).

Several sustainability organizations each have been identified in Brazil, China, Japan, and India. And one or two organizations have been identified in several dozen other countries, ranging from Bolivia to Sri Lanka. Notably, no sustainability organization has been identified in Russia, which is largely dependent on oil and gas exports. And a few countries are backsliding, notably Canada and Australia (both with right-wing pro-business leaders), and in Brazil (where anti-environment ministers of agriculture and science/technology have recently been appointed).

5. (POLITICS). **There are major divisions among sustainability groups, which discourage any coherence and dilute political efforts.**

Jeremy Caradonna concludes his important history of sustainability by discussing ten challenges to be faced. “Multiple perspectives is certainly a positive thing to have,” he says, “but the first and most important challenge of the sustainability movement is to get people on the same page.” (14) This is surely desirable and creating “a shared vision for the future” should be attempted, but it will be extremely difficult to make much progress. Three major divisions are briefly discussed here:

- **Realos vs. Fundis.** First, and perhaps most important, is the gap between “Realos” and “Fundis”, or the sober realists who present careful facts and analyses (e.g. IEA, OECD, IPCC, World Bank) and call for “green growth,” and the (rightfully) disgruntled idealists demanding immediate action for a wide range of desirable goals that have inadequate political support. A major difference between the two positions centers around technology in general and the role of nuclear energy in particular: Realos accept it along with renewable sources, while Fundis dismiss nuclear in any form and seldom mention any new technology at all. Recent “Fundi” statements are made by the “degrowth” movement and a new Report to the Club of Rome by David C. Korten, **Change the Story, Change the Future: A Living Economy for a Living Earth** (16). Of course we change the future if we change the story, but Korten makes no mention of the many competing green stories, past and present, and how to move beyond the reigning paradigm of what he calls “dead-world economics.”
- **Generalists vs. Specialists.** Second, there are differences between generalists/integrators who cover a range of issues related to sustainability, and specialists concerned only with agriculture, forests, energy, new economics, the oceans, etc. Ideally, the green generalists

and specialists should work together, and they occasionally do so, but they can and should have more interaction.

- **Scientists vs. Activists.** Thirdly, there is a gap between scientists and activists, although this gap, too, can and should be reduced so that activists are better armed with the latest scientific thinking, and scientists reach out to help them. Closely related is the gap between **Academics vs. Popularizers**. Also closely related is the difference between **Top-Down Thinkers vs. Bottom-Ups**. There are some who look only at top-down actions by the UN and national governments. In contrast, for example, Naomi Klein dismisses top-down action and lauds the activists and protesters as most effective, whom are seen collectively as “Blockadia.”
- **Eco-Centric vs. Human-Centric.** Although sustainability was originally centered on environmental issues, growing concern about radical inequality within and between nations has increasingly added human well-being concerns to the definition of sustainability, so much so that environmental well-being may be overshadowed. On the other hand, those on the left worry that “green economy discourse” is too limited, and forecloses alternative possibilities. (17)
- **Serious vs. Superficial.** Finally, there is a major division between those who are passionately and seriously concerned about sustainability, as reflected in most of the organizations that we have studied, and superficial expressions of being green, sometimes referred to as “greenwashing”. My favorite example is the “Friendly Skies” of United Airlines, now “United Eco-Skies Friendly” on their coffee cups, which go on to inform passengers that United is “Taking actions toward a more sustainable future” with their coffee cup made from “up to 50% recyclable materials”—and, to be fair, perhaps taking other actions too.

6. (CLIMATE SCIENCE). The two major drivers of the sustainability movement in recent years have been various UN programs and climate change. Attention to increasingly weird weather drives sustainability thinking and action, but may eclipse it in coming decades, especially if Arctic methane eclipses CO₂.

The UN established the Intergovernmental Panel on Climate Change in 1988, which has resulted in five highly detailed Assessment Reports so far, each more worried and more confident than the one before it. Climate change has already eclipsed “sustainability” in some instances, as illustrated by Naomi Klein’s **This Changes Everything: Capitalism vs. The Climate**, who makes only three brief references to sustainability in her 560-page book. As climate change becomes more pronounced, and more people witness and suffer from weird weather events (heat, drought, more frequent and intense storms, floods, wildfires, rising sea levels and high tides), attention is focused on greenhouse gas emissions, especially carbon dioxide. But methane may eclipse CO₂ in coming decades due to accelerating releases in Siberia and the Arctic, which have been warming faster than sub-Arctic regions. By some accounts, methane is 23 times more potent as a greenhouse gas than CO₂, although it does not last as long in the atmosphere. In their report to the Club of Rome on planetary boundaries, Anders Wijkman and Johan Rockström devote a brief chapter to changes in the Arctic, seen

as “the canary in the coal mine.” Due to the albedo feedback (where the degree of reflection changes from 85% of incoming radiation bouncing back into space to surfaces that absorb 85%), “more energy is injected into the biosphere, reinforcing the energy imbalance on Earth and speeding up change” (18), such that the entire Arctic may cross a tipping point and shift to an ice-free warm state.” In any event, the authors note that “permafrost is thawing faster than predicted, emitting large volumes of methane.” This is amply reinforced on the website of the Arctic Methane Emergency Group (www.ameg.org). Moreover, if the abundant methane clathrates in the ocean begin to melt at a substantial rate due to warming seas, the game may well be over for humans on earth. But no scientist knows if or when this will happen; only that it is possible.

7. (SECURITY STUDIES). The broad realm of national and global security is a barrier to sustainability, but also a potential driver, when we realize that we cannot have security without sustainability, nor sustainability without security.

The two realms of “security” and “sustainability” are slowly beginning to overlap, and some organizations in the “S&S Guide” consider both, as concerns about food security, energy security, water security, and job security begin to mount. The UN-induced concept of “human security,” which broadens traditional focus on military and state security, is now represented by a dozen organizations such as the Civil Society Network for Human Security, Cordaid: The Human Security Network, the Pugwash Conferences on Science and World Affairs (now celebrating its 50th year and broadening its horizons from traditional nuclear weapon concerns), the Ford Institute for Human Security at the University of Pittsburgh, the Institute for Human Security at Tufts University, and the World Engagement Institute in Chicago (which publishes the *International Journal of Sustainable Human Security*).

The best illustration of merging security and sustainability concerns is in a recent report by 14 retired generals and admirals (13 Americans and one British admiral), warning that the “accelerating risks” of climate change are a “threat multiplier” making traditional security concerns even more problematic. (19) An earlier link between security and sustainability was made by Michael T. Klare two decades ago. (20)

Aside from climate concerns, thinking about security has widened in the past decade, especially due to terrorism and cyber-vulnerability. Cybercrime alone is already costing the global economy more than \$400 billion annually. (21) New security thinking should now include the various threats of climate change, and in doing so should help the cause of sustainability. At the same time, security matters are also a barrier, in that immediate attention must be given to terrorism and to growing threats of cyber-war and major hacking events. Also, national security also involves huge sums spent on military equipment and personnel, some of it justified and some not. Arguably some of this spending could be cost-effectively diverted to building sustainable societies and thus attending to long-term human security. There is also the growing threat of nuclear weapons, which, if detonated in any great number so as to create a “nuclear winter,” could doom hopes for sustainability. Aging stockpiles—themselves a danger—are being upgraded by all nuclear powers (the US alone will spend \$100 billion over the next decade), and troubled Pakistan plans to triple its nuclear arsenal.

And there are new threats of easily-produced bio-weapons, which if realized could also divert substantial funds and attention.

8. (COMMUNICATION). We are undergoing a massive transformation in communications, with many pros and cons. Infoglut is perhaps the most important downside, because it increases fragmentation and thus is a major barrier to seriously pursuing sustainability.

The new information technologies have obviously changed our world, for both better and worse. Information overload has been a concern for many decades, but it has obviously accelerated in the age of the Internet. The S&S Guide could not be compiled without Google/Bing and easily accessed websites for every organization identified. But the many enticements of the Internet and the flood of daily e-mail, not to mention cell phone tweets and the ever-expanding offerings of cable television, are a huge distraction. Not only is there more and more information, but, arguably, a changing ratio between edifying information and entertainment information, as well as a growing overlap. This does not bode well for citizen understanding in a democracy (indeed, many societies—notably the US—are increasingly plutocratic.)

Chart 2. 37 Notable Publications from Security & Sustainability Organizations

This is a brief selection from a longer listing of 82 recent publications that appears in the Overview section of the Third Interim Draft of the “S&S Guide”. Most of these publications are short, well-written, handsomely presented, and free online. But they are considered “gray” literature by libraries and scholars, and too often ignored despite their leading-edge merit.

Action for a Peaceful and Sustainable World (Green Cross International, Geneva; 2013)

Action 2020 Overview (World Business Council for Sustainable Devel.; www.action2020.org)

Bonds and Climate Change: State of the Market 2014 (Climate Bonds Initiative, London)

Business in a Climate-Constrained World (Business for Social Responsibility, San Francisco)

City of 2030, The (United Cities and Local Governments, 2010)

Climate Risk in California (Risky Business.org, 70p, April 2015; Bloomberg/Paulson/Steyer)

Deep Decarbonization Pathways Project (UNSDSN.org & IDDRI, Paris: Sept 2014 report)

Deepening Democracy (Kofi Annan Foundation & International Institute for Democracy, Stockholm)

Dow Jones Sustainability Indices (on sustainability performance of 2500 large companies; annual)

Earth Charter (Earth Charter International, Costa Rica, 2000; endorsed by >2000 organizations)

Economic Risks of Climate Change in the US (RiskyBusiness.org, 2014)

Freedom in the World (Freedom House, Wash; 195 countries rated on 25 indicators; annual)

Global Environment Outlook (UN Environment Programme; GEO-5, 2012)

Global Green Economy Index (Dual Citizen LLC, 4th ed., Oct 2014; measures 60 countries)

Global Nutrition Report (International Food Policy Research Institute, Washington; #1, 2014)

Green Economy Barometer: Who Is Doing What, Where (Green Economy Coalition, London)

Green Growth in Cities (OECD “Green Growth Studies,” 2013, 132p)

Green Transition Scoreboard (Ethical Markets Media, Hazel Henderson; private investing since 2007)

Human Progress Within Planetary Guard Rails (German Advisory Council/Global Change, 2014)

Inclusive Green Growth: The Pathway to Sustainable Development (World Bank, 2012, 188p)

Indispensable Oceans (Global Partnership for Oceans, World Bank, 2013, 44p)

Living Planet Report—2012 (World Wildlife Fund)

New Climate Economy, The (Global Commission on the Economy and Climate, Dec 2014)

Now for the Long Term (Oxford Martin Commission on Future Generations, Dec 2013, 85p)

Outlook on the Global Agenda (World Economic Forum; from its 80 Global Agenda Councils)

Planet for Life 2013: Reducing Inequalities (www.iddri.org, Paris; 2012 on agriculture; 2011 on oceans)

Powering Forward (Center for the New Energy Economy, Colorado State University, Jan 2014)

Renewables Global Status Report (Renewable Energy Policy Network, 2014)

SIPRI Yearbook (Stockholm International Peace Research Institute; since 1969; on military spending)

State of the Future (Millennium Project, Washington; J. Glenn; on 15 Global Challenges)

Sustainable World Sourcebook (Sustainable World Coalition, Earth Island Institute, Berkeley; 4th ed., 2014)

Taking the Green Economy into the Mainstream (Green Economy Coalition, Sept 2014, 12p)

Transformation Index (Bertelsmann Stiftung, Germany; democracy in 128 countries; annual)

Turn Down the Heat: Why a 4°C World Must Be Avoided (World Bank & Potsdam Institute, 2012)

Vision 2050 (World Business Council for Sustainable Development, 2010, 80p; a best-case scenario)

World Governance Index (Forum for a New World Governance, Paris)

World's Worst Pollution Problems Report (Green Cross International, Geneva; annual)

The growing abundance of sustainability books and journals, and the growing number of sustainability organizations (with their own reports, papers, pamphlets, newsletters, and videos) is a welcoming trend. But at the same time it leads to a fragmentation quite similar to that found in the early 1970s (22), despite a great number of organizations using the “S-word.” Somehow, somewhere, a “portal” to this burgeoning world is needed, bringing all sustainability-related information together in a coherent way, while highlighting the most important ideas, data, and actions. (23) Chart 2 highlights the type of important “gray” literature produced by sustainability organizations, much of it readily downloaded for free.

“We are currently increasing human life by some .2 to .3 years per year. With the genomic and synthetic bio revolutions and the nanotechnologies, some are projecting major increases approaching eventually one year per year.” – Dennis Bushnell

9. (POPULATION/TECHNOLOGY). Due to many new biomedical advances that will enhance and extend human lifespans, world population growth may once again become a serious concern.

Population growth in the US and the world was a major concern in the 1960s and 1970s, e.g. the Commission on Population Growth and the American Future report in early 1972, which suggested slowing down the rate of growth. (24) More alarmist was **The Limits to Growth** report to the Club of Rome in late 1972, which devoted its first two chapters to “The Nature of Exponential Growth” and “The Limits to Exponential Growth”. Special attention was given to “the exponential growth curve of world population” (p.34), noting that in 1970 world population totaled 3.6 billion, and the doubling time at the current 2.1% per year growth rate would be 33 years, or 2003. Fortunately, the growth rate has slowed, so that the doubling did not occur until mid-2014, when the total was at 7.24 billion. Further decline in the growth rate is expected, such that the mid-2014 projection for 2050 is 9.68 billion (25).

Curiously, Jørgen Randers, one of the original **Limits to Growth** authors in 1972, forecasts in his recent and ambitious report to the Club of Rome that “global population (will) reach a maximum of some 8.1 billion people in the early 2040s” (p.62), with total population then declining by 1%/year and reaching 7 billion by 2075. (26) “Exponential growth” proved to be a rather poor forecast in 1972, however, and I think that the Randers forecast of population peaking in the 2040s (based on the UN low projection) and then declining *may* also be off the mark. In contrast, I have noted a “projection creep” over the past decade in the PRB Data Sheet, such that, in several years, the projection may well be at an attention-grabbing 10 billion—quite a difference from 9 billion that is still widely cited by some casual observers. (27)

Indeed, there is so much uncertainty today that four scenarios are needed: of Sharp Decline (due to war, pandemic, or major environmental catastrophe), Slow Decline (the Randers forecast), Slow Increase (current conventional wisdom), and Sharp Increase (which would bring the population issue front and center again, and drive attention to sustainability matters). The reason to consider slow or perhaps even rapid increase is the growth of biomedical research that may conquer or control some or many major afflictions, and perhaps even halt or reverse the aging process. The possible impact of new technology for better or worse is a subject that demographers won't touch. However, Dennis Bushnell, chief scientist of the NASA Langley Research Center, has recently noted that "we are currently increasing human life by some .2 to .3 years per year. With the genomic and synthetic bio revolutions and the nanotechnologies, some are projecting major increases approaching eventually one year per year." (28)

Just as an early outline of this paper was being completed, two magazines both arrived at my home on Valentine's Day (a day of presumed heightened affection and copulation), each with a cover feature on anti-aging: *Bloomberg Businessweek* focused on Swiss pharmaceutical giant Novartis, which "has begun taking the first steps to position a version of rapamycin as the first true anti-aging drug" (16 Feb 2015, p46), while *Time* magazine offered "Dispatches From the Frontiers of Longevity" and a cover photo of a baby which "could live to be 142 years old" (23 Feb 2015). If many babies do so, the growth curve of global population aided by techno-capitalism could shift from convex back to concave (i.e. the "exponential growth once feared by Club of Rome), and population will again become a prominent concern. Perhaps the greatest anti-aging project of all will be Google's Calico project for "curing death" (29), lustily announced in 2013.

10. (EDUCATION/LEARNING). We all have much to learn about sustainability and how to advance it. To make serious progress toward this goal, we need a new paradigm of "third-stage scholarship" to integrate the many integrators.

A largely forgotten 1979 Report to the Club of Rome, **No Limits to Learning: Bridging the Human Gap**, argued that complexity was a "mounting challenge" and that we must face the human gap, or "the distance between growing complexity and our capacity to cope with it." (30) As was common at that time, the authors also noted "global over-population" as a "major and fundamental problem," as well as rapid degradation of tropical rain forests, the advance of desertification, and an "accelerating extinction of animal and plant wildlife" (31), which is still accelerating 35 years later! These problems remain, and others have been added, such that the human gap now seems wider than ever. Botkin *et al.* made a "plea for interdisciplinarity," synthesis to overcome disciplinary fragmentation, and "anticipatory and participatory learning" using "holistic approaches." And similar pleas are still being made. But interdisciplinarity and holistic approaches alone won't help to close the learning gap. Infoglut must be explicitly faced head on with a new paradigm for scholarship.

The path out of the expanding knowledge jungle is suggested by a 1990 Special Report to the Carnegie Foundation for the Advancement of Teaching, **Scholarship Reconsidered: Priorities of the Professoriate**, by Ernest L. Boyer. A "new vision of scholarship" was

proposed, identifying four kinds of scholarship: the conventional Scholarship of Discovery, the Scholarship of Teaching, the Scholarship of Integration (making connections across the disciplines, placing the specialties in larger context, bringing new insight to bear on original research), and the Scholarship of Application (responsible application to consequential problems...scholarship in service to the nation and the world). Boyer wrote that “At no time in our history has the need been greater for connecting the work of the academy to the social and environmental challenges beyond the campus.” (33) Arguably, this need is even greater today, similar to the growing “human gap” identified in the Club of Rome report.

“The obsolete economics of the industrial era and the 20th century is not appropriate for the 21st century and sustainable development, where human capital and natural capital are increasingly valued and traditional estimates of wealth, national product (GNP) and human happiness are increasingly questioned.”

Unfortunately, Boyer did not make specific proposals for the new paradigm of broadening scholarship to include the scholarship of teaching, integration, and application—what I suggest might be called “Second-Level Scholarship.” I will make seven explicit proposals to illustrate what is needed and to further develop understanding and effectiveness of the emerging sustainability macro-system.

1. *Connect the Reports of the Club of Rome.* There are now some 35 of these reports, but I have never seen all of them listed in any report. Every new report should list all previous reports, briefly abstracted, and be encouraged if not mandated to make reference to at least several earlier reports. The failure to connect the reports, many of which still have much to offer, nicely illustrates the fragmented state of conventional scholarship everywhere, which has resulted in so much wasted and duplicated knowledge, even when addressed to multidisciplinary topics.
2. *Study the Formation and Operation of the Alliances, Coalitions, Consortia, Networks, and Partnerships that Address Various Aspects of Sustainability.* This important development, similar to streams merging into a broader river (or consolidation in the automobile and airline industries), requires critical inquiry as to what works well and what doesn't, and how to enhance effectiveness of these alliances beyond the mere exchange of logos. Arguably, these alliances and consortia (40 have been identified so far in the S&S Guide) are the new post-industrial equivalent of labor unions, potentially providing “countervailing power” (a term proposed by John Kenneth Galbraith) for the well-being of “the 99%” non mega-rich, the poor and middle class, and workers everywhere.
3. *Create an Energy Information Portal that Surveys Progress and Prospects for All Energy and Energy-Saving Alternatives.* This function may already be largely performed by the International Energy Agency in Paris, but new outlier sources of energy such as cold fusion should also be considered, as well as simple new technologies such as the “Solar

Puff” rechargeable and portable lamp that could displace unhealthy and widespread kerosene use in developing countries. Unlike IEA reports, this information should be made easily available in several formats.

4. *Create a New Economics Information Portal that Surveys Progress for All New Economics Thinking.* The obsolete economics of the industrial era and the 20th century is not appropriate for the 21st century and sustainable development, where human capital and natural capital are increasingly valued and traditional estimates of wealth, national product (GNP) and human happiness are increasingly questioned. (34)

The best recent book, and an outstanding overview, is **An Introduction to Ecological Economics** (Second Edition) by Robert Costanza, Herman Daly, and five others (CRC Press, Jan 2015, 337p, \$99.95), with chapters on humanity’s current dilemma, planetary boundaries, the need to reintegrate ecology and economics, human and social capital, measuring welfare (GDP vs. the Genuine Progress Indicator), ecological tax reform, and the need to create an international consortia of universities—a MetaUniversity—to facilitate online synthesis courses on real-world problems. (35)

5. *Create a “Portable Lecture Series” on Sustainable Development Topics.* Most universities do not have the resources or the intellectual will to address the full range of sustainable development topics. The World University Consortium (and/or Costanza *et al.*’s “MetaUniversity”) should create a speaker’s bureau of several dozen scholars worldwide on a dozen or so sustainable evolution topics. Interested universities can arrange a lecture series on, say, any 6-12 topics, inviting listed speakers who are willing and able to participate. This can be good publicity for WUC, and a money-raiser.
6. *Create a Series of Televised “Great Debates” in Every Country, to Explore Pros and Cons of Sustainable Development Topics.* Universities are supposed to promote “debate” but this seldom ever happens. Rather, silos re-widespread, even within departments. The new 21st century debate format should encourage evidence-based argument, a search for common ground, and consensus on needed research. Each debater must provide a list of 5-10 relevant articles to appear on the Great Debates website, and a list of 5-10 books for further reading. This new and much-needed institution could bring Realos and Fundis together, as well as Sustainability thinkers, their critics, and others who think they have all the answers!
7. *Create a Portal for All “New Paradigm” Global Agendas, Past and Present.* Last but by no means least, an ongoing assessment is needed of various agendas, both for their similarities and differences. The starting point should be the 17 Sustainable Development Goals with 169 targets, to be adopted by the United Nations in late 2015. This should be contrasted with past and present reports of the Club of Rome, notably Ervin Laszlo *et al.*, **Goals for Mankind** (1977 update, 374p) which articulates goals for Global Security, Global Food, Global Energy and Resources, and Global Development. (NOTE: The “Post-2015” SDGs mention “peace” but do not consider broader Global Security goals). The most recent report to the Club of Rome by David Korten (Feb 2015) outlines elements of a “Living Economy for a Living Earth.” Some important historical overviews to consider should include **A Blueprint for Survival** by Edward Goldsmith *et. al.* of *The Ecologist* (1972); Dennis Gabor, **The Mature Society** (1972); Dennis C. Pirages and

Paul Ehrlich, **Ark II: Social Response to Environmental Perspectives** (1974), calling for the “planned evolution of a new culture”; Lester W. Milbrath, **Environmentalists: Vanguard for a New Society** (1984), which contrasts the New Environmental Paradigm with the Dominant Social Paradigm; Federico Mayor and Jérôme Bindé, **The World Ahead: Our Future in the Making** (2001), which calls for a new social contract, natural contract, cultural contract, and ethical contract; James Martin, **The Meaning of the 21st Century: A Vital Blueprint for Ensuring Our Future** (2006), and many more.

What do these seven proposals have in common? All of them are horizontal, explicitly promoting an *integration of the integrators*—which might be called “third-stage scholarship,” in contrast to the over-generalized calls for more multi-disciplinary problem-oriented scholarship, and Ernest Boyer’s 1990 “new vision of scholarship,” which could be seen as “second-stage scholarship.” And all of these proposals, if realized, can accelerate sustainable development.

Conclusion: Avoiding more of the same

Sustainable development must be broadly considered in time and space, as illustrated by ten propositions from different perspectives:

1. Historically, sustainability did not appear in any book title until 1976, but there were many similar ideas in the 1970s without the “S-word” and many still deserve consideration. Indeed, one might ask if there has been much of any progress since the 1970s, or just a shift in focus and language.
2. A major transition to “Sustainability” and coping with climate change is now underway, with roughly five thousand books and some five hundred organizations calling for sustainable development.
3. This burgeoning movement still has a long way to go. Many battles are being won, but the overall war may still be lost as the planet heats up and tensions mount.
4. The leading organizations that promote sustainability are in cosmopolitan cities and countries furthest along the path to sustainability. Laggard countries and regions are heavily invested in oil and gas, or coping with immediate demands of security.
5. Major differences among sustainability groups discourage any coherence and dilute political efforts. Divisions between “Realos” vs. “Fundis,” generalists vs. specialists, and scientists vs. activists can potentially be narrowed to some degree.
6. The United Nations, formed after World War II to promote security, has been a major driver of sustainability in recent decades. Another major driver is climate change, which drives sustainability thinking but may eclipse it, especially if there is wide-scale methane release.
7. The broad realm of national and global security is a barrier to sustainability, but also a potential driver. We cannot have security without sustainability, nor sustainability without security. The two realms are beginning to overlap, and more is needed.
8. Infoglut is a major barrier to realizing sustainability. Better information management is needed to identify relevant information, highlight that which is most important, and get it out into the public arena. (36)

9. Population growth was a major concern in the early 1970s, but interest has waned; it may well pick up again as new biomedical advances enhance and extend human lifespans, thus raising further concern for sustainability, resources, and space on Earth for *homo sapiens*, the ultimate invasive species!
10. We all have much to learn about sustainability, especially elite adults. But cross-disciplinary integration is not enough because there is already too much of this “second-level scholarship.” What we now need is “third-level scholarship” that integrates the integrators! Seven explicit proposals are made that can further the sustainability macro-system, as concerns Club of Rome reports, alliances and consortia, energy information, new economic information, a portable lecture series, televised series of Great Debates, and a portal for all “New Paradigm” agendas.

“A major theme for future inquiry should be “waste”—not only waste of energy and food, but waste of financial and human resources, and of knowledge.”

These ten propositions regarding sustainability could be expanded to include insights from Governance (autocratic/plutocratic/technocratic trends diminishing freedom and democracy), Criminology (especially corruption and Transnational Organized Crime) (37), Law (environmental crime is emerging as a major concern, as well as environmental justice reparations for pollution), International Economics (the persisting threat of another Great Recession—or worse—is quite possible in the years ahead), Technology (many advances that may enhance or inhibit sustainability), Urbanization (obviously underway, and perhaps a driving force for sustainability thinking), Capitalism (and whether it can be seriously green and how to get there), Higher Education (most of which is still trivial and inappropriate; serious rethinking is only beginning), Work (how to ensure decent livelihoods for all, as many jobs get automated), and Green Cost-Benefit Analysis (a compelling case can be made for the many co-benefits of climate policy; see Alison Smith, **The Climate Bonus**). (38)

In other words, many more tasty and nutritious ingredients can be added to the sustainability stew, with different recipes and proportions in different times and places to satisfy different cultures. We have much to learn about how to do this. And the sooner the better, as the uncounted costs and waste of our post-industrial era running amok continue to mount. A major theme for future inquiry should be “waste”—not only waste of energy (39) and food, but waste of financial and human resources, and of knowledge.

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 9. Ugo Bardi, **Extracted: How the Quest for Mineral Wealth Is Plundering the Planet**. A Report to the Club of Rome. Foreword by Jorgen Randers. White River Junction VT: Chelsea Green Publishing, 2014, 277 pages. Naomi Klein also has much to say about the "below-the-surface" extractive industries (oil, gas, coal, and minerals), and how they resist climate change action.
 10. Hans Joachim Schellnhuber *et al.*, **Turn Down the Heat: Confronting the New Climate Normal**. Washington: World Bank Group, Nov 2014, 320 pages. This third report in the "Turn Down the Heat" series, prepared by the Potsdam Institute for Climate Impact Research in Germany, warns of a "40% chance of exceeding 4oC warming above pre-industrial levels by about 2100," which would commit the world to much higher warming levels exceeding 6oC or more in the long term. In other words, we're cooked.
 11. Anders Wijkman and Johan Rockström, **Bankrupting Nature: Denying Our Planetary Boundaries**. A Report to the Club of Rome. London & NY: Routledge/Earthscan, Nov 2012, 206 pages. Wijkman is a WAAS Fellow and former Policy Director of UNDP, while Rockström is Executive Director of the Stockholm Resilience Center, co-chair of Future Earth, and lead author of two planetary boundaries articles in *Nature* (461, 2009, pp. 472-475) and *Ecology and Society* 2009; www.ecologyandsociety.org/vol14/iss2/art32. This important concept that goes beyond climate change is discussed by Jeffrey Sachs in **The Age of Sustainable Development** (Chapter 6, pp.181-218) and in **State of the World 2013: Is Sustainability Still Possible?** (World-watch Institute, Chapter 2, pp.19-27).
 12. William Halal and Michael Marien, "Global Megacrisis: A Survey of Four Scenarios on a Pessimism-Optimism Axis," *Journal of Futures Studies*, 16:2, Dec 2011, 65-84. This is followed by a Symposium of 13 essays responding to the Global Megacrisis scenarios, and essays by Halal and Marien responding to the critiques (pp. 95-167).
 13. Jorgen Randers, **2052: A Global Forecast for the Next Forty Years**. A Report to the Club of Rome Commemorating the 40th Anniversary of *The Limits to Growth*. White River Junction, VT: Chelsea Green Publishing, 2012, 392 pages. This brave and provocative forecast by one of the original LTG authors considers population, energy, food, ecosystems, declining consumption, stronger government, more focus on local solutions, less fixation with economic growth, collective creativity, and "numerous cases of overshoot and decline before 2052." See Michael Marien Review in *CADMUS*, 1:5, October 2012, 53-61.
 14. Jeremy Caradonna, **Sustainability: A History**, p.13.
 15. Giacomo D'Alisa, Federico Demaria, and Giorgos Kallis (eds.), **Degrowth: A Vocabulary for a New Era**. London & NY: Routledge, Nov 2014, 248 pages. Degrowth advocates shrinking of production and consumption to achieve social justice, ecological sustainability, and a steady-state economy.
 16. David C. Korten, **Change the Story, Change the Future: A Living Economy for a Living Earth**. A Report to the Club of Rome. San Francisco: Berrett-Koehler, Feb 2015, 169 pages.
 17. Ian Scoones, Melissa Leach, and Peter Newell (eds.), **The Politics of Green Transformations: Pathways to Sustainability**. London & NY: Routledge, Jan 2015, 220 pages. The editors sensibly state that multiple green transformations are required, and they must be both "top-down" involving elite alliances between states and businesses, as well as "bottom up," pushed by grassroots innovators and entrepreneurs and part of wider mobilizations in civil society.
 18. Anders Wijkman and Johan Rockström, **Bankrupting Nature**, p.117.
 19. CNA Military Advisory Board, **National Security and the Accelerating Risks of Climate Change**. Foreword by Michael Chertoff and Leon Panetta. Washington: CNA Corporation, June 2014, 37 pages (www.cna.org).
 20. Michael T. Klare, "War, Weapons, and Sustainability in the Post-Cold War Era," in Dennis C. Pirages (ed.), **Building Sustain-**

- able Societies: A Blueprint for a Post-Industrial World.** Armonk NY: M.E. Sharpe, 1996, pp 133-147. Klare argues that unless the “epidemic of armed conflict subsides, it is likely that international efforts to address the environment and other global problems will be subject to repeated setbacks and disappointments.” (p.133), while also noting that without sustainable development, “deterioration of the global environment will accelerate...thus ensuring the further proliferation of ethnic and regional conflict...Clearly, we will have to make progress on both fronts simultaneously if we hope to make progress on either.” (p.145)
21. *Bloomberg Businessweek*, 9 February 2015, p.14.
 22. See Michael Marien, **Societal Directions and Alternatives** (1976). The difference between mapping sustainability books and sustainability organizations for the “S&S Guide” is much like the difference of directing a museum, where the objects are static, and a zoo without cages, where the occupants are dynamic and mingle together in various combinations.
 23. Michael Marien, “Infoglut and Competing Problems: Key Barriers Suggesting a New Strategy for Sustainability,” in Doug McKenzie-Mohr and Michael Marien (eds.), **Visions of Sustainability**, *Futures* Special Issue, 26:2, March 1994, 246-256. Also in Dennis C. Pirages (ed.), **Building Sustainable Societies**, pp. 299-311. Suggested strategies for improving social marketing of “sustainability” include more crisp messages aimed at broad audiences, debate with anti-environmentalists, a nationally syndicated green columnist, an annual “Top Ten Greenlist of Books,” green Nobel prizes, widespread multi-age civic education, and a new sustainability-related labeling scheme for nations of the world to replace misleading Cold War and economic labels (e.g. instead of First World/Third World and Developed/Developing, grouping of strongly progressing nations, somewhat progressing nations, non-progressing nations, and regressing nations).
 24. Commission on Population Growth and the American Future, **Population Growth and the American Future**. Washington: U.S. Government Printing Office, 1972, 186 pages. NY: NAL Signet Edition, March 1972, 362 pages. No convincing economic argument was found by the Commission for continuing national population growth. The Limits to Growth report did not appear until late 1972, and did not take off, I believe, until after the OPEC oil shock of early 1973.
 25. Carl Haub, 2014 World Population Data Sheet. Washington: Population Reference Bureau, August 2014. This valuable annual compilation provides projections for 2025 and 2050 for all regions, sub-regions, and nations of the world.
 26. Jorgen Randers, **2052: A Global Forecast**, p.62.
 27. Carl Haub e-mail to Michael Marien, 26 December 2013, where he confirms my observation about “projection creep,” adding that “The projected 2050 population has indeed been creeping upwards over the years and not by a little. PRB’s 2050 population, projected annually, rises ahead of the UN’s biennial series.”
 28. Dennis Bushnell e-mail to Michael Marien, 12 October 2014.
 29. As of September 2014, the Google-backed life extension company, Calico, is partnering with pharmaceutical giant AbbVie to develop new drugs associated with old age and perhaps “curing death.” Each partner has committed \$250 million, with an option to add another \$500 million each.
 30. James W. Botkin, Mahdi Elmandjra, and Mircea Malitza, **No Limits to Learning: Bridging the Human Gap**. A Report to the Club of Rome. Elmsford NY: Pergamon Press, 1979, p.6.
 31. *Ibid.*, pp.2-3.
 32. *Ibid.*, pp.135-137.
 33. Ernest L. Boyer, **Scholarship Reconsidered: Priorities of the Professoriate**. A Special Report. Princeton, NJ: The Carnegie Foundation for the Advancement of Teaching, 1990, p.xii.
 34. Michael Marien, “New and Appropriate Economics for the 21st Century: A Survey of Critical Books, 1978-2013,” *CADMUS*, 1:5, October 2012, 86-102, covering 118 books and 10 organizations.
 35. Robert Costanza *et al.*, **An Introduction to Ecological Economics**. Boca Raton FL: CRC Press (Taylor & Francis Group), Jan 2015, pp.284-287.
 36. A simple common-sense scheme to deal with information overload is “Operation BASIC,” representing Bibliographies, Abstracts, Surveys, Indexes, and Copies. The “Copies” problem has been largely overcome, but the first four treatments for information are all greatly needed—together. See Bertram M. Gross, **The Managing of Organizations**; The Free Press, 1964, Volume II, pp.857-860. Also Bertram M. Gross, “Operation Basic: The Retrieval of Wasted Knowledge,” *Journal of Communication*, 12, 1962, 67-83. This should be combined with the proposal by H. G. Wells for a World Brain, an “adequate knowledge organization...(for) a great new world struggling into existence...a depot where knowledge and ideas are received, sorted, summarized, digested, clarified and compared.” See H. G. Wells, **World Brain**. Freeport NY: Books for Libraries Press, 1938, pp. 66-69. Many present enthusiasts view the Internet as today’s “world brain,” but it is far from the humanly wisdom-managed “depot” envisioned by Wells.
 37. See Jerome C. Glenn *et al.*, **2013-2014 State of the Future** (17th Edition). Washington: Millennium Project, April 2014. This overview of many trends and proposals is largely devoted to 15 Global Challenges, including Transnational Organized Crime, a major concern (as well as corruption) that is ignored by all writers on sustainability that I know of.
 38. Alison Smith, **The Climate Bonus: Co-Benefits of Climate Policy**. London & NY: Routledge, Jan 2013, 408pp. This highly detailed book described 37 benefits from cleaner air, greener land, safe and secure energy, less waste, a stronger economy, and better health and well-being. These positive returns from sustainability investments need much more publicity.
 39. Ernst Ulrich von Weizsacker *et al.*, **Factor Five: The Promise of Resource Productivity**. London: Earthscan, Dec 2009, 448p. Arguably, the same sort of thinking might be applied to much greater knowledge productivity in producing human benefit.

Book Review

by **Michael Marien**

Director, Global Foresight Books;
Fellow, World Academy of Art & Science

An Introduction to Ecological Economics (Second Edition).

Robert Costanza (Professor of Public Policy, Australian National University), **John Cumberland** (Senior Fellow, Institute for Ecological Economics, University of Maryland), **Herman Daly** (Professor Emeritus, University of Maryland; Former Senior Economist, World Bank), **Robert Goodland** (deceased, 2013; Former World Bank; World Resources Institute), **Richard B. Norgaard** (Professor Emeritus of Energy/Resources, University of California-Berkeley), **Ida Kubiszewski** (Senior Lecturer, Australian National University; Co-editor, Solutions magazine), and **Carol Franco** (Virginia Tech University).

Boca Raton FL: CRC Press (Taylor & Francis Group), Jan 2015, 337p., \$99.95.

As we rush headlong into the Anthropocene age, when humans dominate and disrupt the earth and its natural systems, governance of evolution becomes increasingly imperative. “Sustainable development” of some sort will be necessary, as well as new economic theory to back it up. “Ecological economics” is a prime candidate for titling this new economics.

This introduction is provided by several long-time leaders in the field—notably Robert Costanza, co-founder of the International Society for Ecological Economics in 1989 and author or co-author of over 500 articles and 27 books, and Herman Daly, who has touted “steady-state economics” for more than 40 years. It not only offers a compact overview of the principles of ecological economics, but an outstanding survey of planetary boundaries and the troubled human condition, an illuminating historical view of the co-development of economics and natural science, and a long concluding section on needed institutions and policies.

If there is a single take-away idea from this important book, it is the necessary transition from “Empty-World Economics” (relatively few people and abundant natural capital) to “Full-World Economics” (many billions of people and increasingly scarce resources). The details in each of the four long chapters are well-worth outlining.

Chapter 1: Humanity’s Current Dilemma

“Severe anthropogenic damage began when humans learned to apply highly entropy-increasing technological processes to agriculture. This was sharply escalated by factory production in Europe during the Industrial Revolution.” (p3) Early public policy responses were feeble to non-existent, allowing polluters to emit wastes into the common property resources of air and water. Today, there are four basic problems that need innovative policies and management instruments: 1) large and growing human populations that exceed Earth’s

carrying capacity; 2) rapidly increasing inequality within and between nations; 3) new technologies that deplete the Earth of its resources, and whose unassimilated wastes poison air, water, and land; 4) land conversion that increases soil erosion, destroys habitat, and accelerates loss of biodiversity.

The authors neatly summarize the evidence of global limits and planetary boundaries:

1. **Human Biomass Appropriation:** increasing deforestation, urban encroachment on agricultural land, blacktopping for roads and parking lots, pollution, and desertification.
2. **Climate Change:** nine out of ten of the hottest years on record occurred since 2000 [NOTE: 2014 topped them all]; economists are still “almost unanimous in persisting in externalizing the costs of CO₂ emissions”; there are few positive exceptions to offset the negative impacts of global warming.
3. **Ozone Shield Rupture:** the global sink capacity to absorb CFC pollution has been exceeded; the single Antarctic ozone hole has now gone global, and the global ozone layer is thinning far faster than models predicted; every 1% decrease in the ozone layer results in 5% more of certain skin cancers; potentially more serious is the depression of our immune systems and upsetting normal balances in natural vegetation.
4. **Land-System Change:** land has been degraded by civilization for thousands of years; over the past 40-50 years, the scale has grown to about 0.8% per year, and the degradation is largely irreversible; some 40% of cultivated land is experiencing soil erosion, overgrazing, or reduction in fertility.
5. **Biodiversity Loss:** the majority of the world’s most species-rich habitats, such as tropical forests and coral reefs, have been destroyed or significantly impacted; the extinction rate has increased 100 to 1000 times that of background levels, and is projected to increase another tenfold by 2100.
6. **Ocean Acidification:** the rate of acidification is at least 100 times faster than at any time in the last 20 million years, affecting coral and other marine organisms, due to dissolution of some 25% of human-emitted CO₂, which increases acidity of surface seawater.
7. **Freshwater Loss:** humans have altered almost every river worldwide, and some 25% of global river flows never reach the ocean due to alternative uses; also, groundwater aquifers are quickly being drained; some 20-50% of water that flows through rivers is needed for functioning of critical ecosystem services; crossing thresholds may include collapse of regional hydrology cycles, shifting or shutdown of the monsoon system, or conversion of the Amazon rainforest to savannah.
8. **Nitrogen/Phosphorous Eutrophication:** the majority of new nitrogen produced to enhance food production via fertilizers ends up in waterways and coastal zones; inflow of phosphorous into oceans exceeds natural background levels by 8-9 times, leading to anoxic dead zones of marine life; interaction between nitrogen and phosphorus can cause abrupt shifts in Earth subsystems.
9. **Atmospheric Aerosol Loading:** aerosols have a critical effect on both the climate system and human health at regional and global scales; they also lead to crop damage, forest degradation, and loss of freshwater fish.

10. **Chemical Pollution:** major forms of chemical pollution include radioactive compounds, heavy metals, and a wide range of organic compounds of human origin; of the 80,000 chemicals in commerce, 200 are known to be neurotoxic in humans, and 1000 are known to be neurotoxic in experiments.

In sum, “A large part of the problem lies in the way we have organized our intellectual activities. The problems outlined earlier are global, long-term, and they involve many academic disciplines... The academic disciplines are today still very isolated from each other and this contributes to the difficulty of addressing the questions posed here. But it was not always so. Until roughly the beginning of the 20th century, economics and the other sciences were relatively well integrated.” (p.24)

The following chapter “traces the early, pre-fragmentation history of economics and the natural sciences as they continually interacted with each other.”

Chapter 2: Historical Development of Economics and Ecology

Discusses pros and cons of early pioneers: Adam Smith (1723-1790) and the “invisible hand,” Thomas Malthus (1766-1834) and his model of population growth and collapse, David Ricardo (1772-1823) on how landlords receive a rent from land ownership, Sadi Carnot (1796-1832) and Rudolf Clausius (1822-1888) on the first and second laws of thermodynamics, Charles Darwin (1809-1882) and the evolutionary paradigm, John Stuart Mill (1806-1873) and the steady-state metaphor, Karl Marx (1818-1883) and the ownership and control of resources under capitalism, W. Stanley Jevons (1835-1882) on efficient use of resources that can result in increased total use, Ernst Haeckel (1834-1919) on ecology as the study of the economy of nature, Alfred J. Lotka (1880-1949) on looking at systems from an energetic point of view, Alfred C. Pigou (1877-1959) on market failure seen as costs and benefits not included in market prices, and Harold Hotelling (1895-1973) on the efficient use of resources over time and conditions where conservation occurs.

By the time of renewed environmental awareness in the 1970s, economics had become highly specialized, and isolated from the natural resource (i.e. land) component of the classic triad of land, labor, and capital. Various mid- to late-twentieth century pioneers in reintegrating ecology and economics are then discussed: Ludwig von Bertalanffy (1901-1972) on general systems theory, Garrett Hardin (1915-2003) on the tragedy of the commons, Elinor Ostrom (1933-2012) on common pool resources, Howard T. Odum (1924-2002) on energetics and systems, Nicholas Georgescu-Roegen (1906-1994) on the entropy law challenging belief in economic progress, Kenneth Boulding (1910-1993) on the economics of the coming closed-system spaceship earth, Herman Daly (1938-) on steady-state economics as an antecedent of ecological economics, C. S. Holling (1930-) on adaptive environmental management, and Paul Ehrlich and Peter Raven on coevolution of ecological and economic systems.

Chapter 3: Principles And Objectives Of Ecological Economics

Ecological economics is a dynamic, constant changing set of questions, advocating “a fundamentally different, transdisciplinary vision of the scientific endeavor that emphasizes dialogue and cooperative problem solving. It tries to transcend the definition and protection of intellectual turf that plagues the current disciplinary structure of science... It is not a

question of ‘conventional economics’ vs. ‘ecological economics’ but rather conventional economics as one input (among many) to a broader transdisciplinary synthesis.” (pp. 87-88)

1. **Basic Points of Consensus in the Ecological Economics Vision:** Earth as a thermodynamically closed system with the human economy as a subsystem; need for a sustainable planet with a high quality of life for all humans and species; recognition that some processes are irreversible thus requiring a precautionary stance; appreciation of other modes of thinking and actively seeking a constructive dialogue because the subject is too big and complex.
2. **Three Basic Interrelated Problems:** sustainable scale, efficient allocation with relative prices determined by supply and demand in competitive markets, and fair distribution among present and future generations (such that the degree of inequality is limited within some acceptable range, by policy instruments such as taxes and welfare payments).
3. **From Empty-World Economics to Full-World Economics:** “the human economy has passed from an era in which human-made capital was the limited factor in economic development to an era in which remaining natural capital has become the limiting factor” (p.93); policy should thus be designed to increase the productivity of natural capital and its total amount.
4. **Why This Turning Point Has Not Been Noticed:** the world has rapidly gone from relatively empty to relatively full, but “there has not yet been time for empty-world economists to die; meanwhile they have been cloning themselves faster than they are dying by maintaining tight control over their guild...(and) full-world economics is not yet accepted as academically legitimate” (pp.94-95)
5. **Complementarity, Substitutability, and Fundamental Limits:** “productivity of human-made capital is more and more limited by the decreasing supply of complementary natural capital” (what good is a fishing boat without fish, or a sawmill without a forest?).
6. **Ecosystems, Biodiversity, and Ecosystem Services:** ecological systems play a fundamental role in supporting life on Earth at all hierarchical scales; they form the life-support system without which economic activity would not be possible (the 1994 value of ecosystem services, ranging from \$16 to \$54 trillion a year, was estimated by Costanza et al. in 1997; in the 1997-2011 period, we have lost >\$20 trillion in the value of ecosystem services due to land use change).
7. **Defining and Predicting Sustainability in Ecological Terms:** definitions of sustainability are usually predictions based on actions that one hopes will lead to sustainability, but no system has an infinite life span.
8. **Growth vs. Development:** growth destroys natural capital and beyond some point will cost more than it is worth; development, or qualitative improvement, is not at the expense of natural capital; “there are clear economic limits to growth but not to development.”
9. **Sustainability and Maintaining Natural Capital:** To achieve sustainability, we must incorporate natural capital, and the ecosystem goods and services that it provides, into our economic and social accounting, and into our systems of social choice.

10. Population, Carrying Capacity, and Well-Being:

Ecological economics is unequivocal about limits to the carrying capacity of the Earth for human populations. But there are questions as to the number of people that can be supported, their standard of living, and whether food production will be adequate. Better measures of well-being and health of both economic and ecological systems are critical.

“A new model of the economy consistent with our new full-world context would be based clearly on the goal of sustainable human well-being (p.160).”

- 11. Gross Domestic Product and Alternatives:** GDP is widely seen as a sign of a healthy economy and of human well-being, but this “reductionist view of reality” measures only some aspects of welfare. Discusses “Hicksian income” as a better measure, the measure of economic welfare (MEW) proposed in 1972 by Nordhaus and Tobin, and the Index of Sustainable Economic Welfare (Daly and Cobb, 1989; renamed in 2007 as the Genuine Progress Indicator). Charts of GDP and GPI per capita from 1950 through 2010 are shown for 17 countries; the GPI indicator generally shows little or no progress.

- 12. Toward a Measure of Total Human Welfare:** GPI provides a far better measure of economic welfare, but “falls far short of measuring total welfare (GPI measures how much is produced and consumed, tacitly assuming that more consumption leads to greater welfare). A different approach would look at actual well-being, e.g. Manfred Max-Neef’s nine categories of axiological human needs (1992): subsistence, protection, affection, understanding, participation, leisure, creation, identity, and freedom. “A new model of the economy consistent with our new full-world context would be based clearly on the goal of sustainable human well-being.” (p.160)

- 13. Technological Optimism vs. Prudent Skepticism:** Current economic policies are based on the assumption of continuing and unlimited material economic growth. An opposing line of thought assumes that technology will not be able to circumvent fundamental energy and resource constraints, and that unlimited growth eventually becomes cancerous. Malthus’s predictions have not come to pass yet for the entire world, but many parts of the world are now in a Malthusian trap. Will new sources of energy and techniques of conservation step in and save the day, and keep economies growing? The optimists say yes, while the technological skeptics say no. “Ultimately, no one knows. Both sides argue as if they were certain, but the most insidious form of ignorance is misplaced certainty.” (p.174) Whatever the case, a more ecological approach to economics and a more economic approach to ecology will benefit our life-support systems. Given high uncertainty about this issue, and the enormous size of the stakes, we should not bank on technology’s ability to remove resource constraints. “If we guess wrong then the result is disastrous.”

- 14. Problems of International Free Trade:** It is widely assumed that trade liberalization leads to win-win solutions. From the broader perspective of ecological economics, free trade and free capital mobility raise many issues not acknowledged by conventional economists. It conflicts with basic national policies of getting prices right, more just

distribution, fostering community, controlling the macroeconomy, and keeping scale within ecological and sustainable limits. “Sustainable development means living within environmental constraints of absorptive and regenerative capacities.” Trade among nations or regions offers a way of loosening local constraints by importing environmental services, which can become destructive.

Chapter 4: Institutions, Instruments, and Policies

A survey of some general and specific policy ideas that flow from the previously-stated principles, and instruments that may be useful in implementing these policies. “What is needed is deep discussion and consensus about long-term goals, not constant quibbling over short-term details.”

1. **Need for a Shared Vision:** “If humanity is to achieve a sustainable and desirable future, we must create a shared vision detailing what we as a society want to sustain... This vision must incorporate a diversity of perspectives and be based on principles of fairness, respect, and sustainability.” (p.199) “Developing this shared vision is an essential prerequisite to generating any movement toward it. The default vision of continued, unlimited growth in material consumption is inherently unsustainable, but we cannot break away from this vision until a credible and desirable alternative is available.” (p.215)
2. **Scenario Planning:** Scenarios are needed for dealing with uncertainty, based on assumptions that the future is unlike the past and shaped by human choice and action, that exploring possible futures can inform present decisions, that there are many possible futures, and that scenario development of possibility spaces involves rational analysis and creative thinking. Examples are the Great Transition Initiative of the Tellus Institute and four futures for New Zealand. [Also see “Scenarios for Australia in 2050” by Robert Costanza and ten others, *Journal of Futures Studies*, March 2015, pp.49-76.]
3. **Urgent Need for a New Development Paradigm (NDP):** Rapidly urbanizing areas are a critical focal point for NDP implementation, due to increasing concentrations of populations, assets, and economic activities. Urban areas are the key drivers of global consumption and production, and are most at risk from global environmental change. Multiple changes across legal and regulatory frameworks will be necessary to mainstream the NDP.
4. **Ecological Tax Reform:** Shift the tax base from value-added labor and capital (which is something we want to encourage) to entropic throughput of resources extracted from nature (depletion) and returned to nature (pollution). This internalizes external costs and raises revenue more equitably.
5. **Limit the Range of Inequality in Income Distribution:** Complete inequality is unfair, as is unlimited inequality. We can see fair limits with a minimum and a maximum income within a range of, say, 100. “When rich and poor are separated by a factor of 500, they become almost different species” (p.205).
6. **Technology Assessment Policies:** “Technological laissez-faire may have been appropriate in a relatively empty world... (but) we no longer can afford to let survival depend upon the benevolence and wisdom of naïve technological enthusiasts” (p.228).

Before adopting new systems, it would be desirable to examine the full life cycle of the technology—an elementary precaution to save us from disasters. A comprehensive tracking of wastes is also needed before adopting new systems.

7. **Redirecting Technology toward Sustainable Solutions:** Much R&D is now performed by corporations driven by economic incentives. In contrast, cooperative public sector investment made freely available for all would eliminate the costs of protecting intellectual property rights and focus on provision of public goods and green technologies. Many economists worry that some nations would free-ride on investments of others, but free-riding on technologies that protect the environment benefits countries that made the initial investments.
8. **Habitat Protection and Intergenerational Transfers:** Many options exist for selecting the stock of environmental resources (rainforests, wetlands, lakes, estuaries, coral reefs, etc.) to be passed along to future generations through purchase, easements, and gifts. “A major challenge will be gaining acceptance for large-scale current sacrifices that will produce uncertain benefits in an uncertain future.” Another complicating factor is the need for consensus on goals.
9. **Regulatory Systems vs. Incentive-Based Systems:** Most regulatory environmental control instruments now in place are characterized by inefficiency. Rather than casting policy instruments in terms of regulatory vs. incentive systems, it is more constructive to look for conditions where incentives yield better results. “The urgent need for alternative approaches to environmental management that are less costly and more efficient than traditional approaches has long been recognized” (p.239). Incentive-based instruments include taxes on pollution emissions, subsidies for pollution abatement, marketable permits for emissions, and creating economic incentives for acting in the common interest.
10. **Three Policies to Achieve Sustainability:** a broad natural capital depletion tax, the Precautionary Polluter Pays Principle to assure that full costs of outputs are charged to the polluter, and a system of ecological tariffs (to allow countries to implement the first two proposals without putting themselves at a disadvantage).
11. **Earth Atmospheric Trust:** Most resource allocation today is through markets based on private property rights. But many assets are in the commons sector. “A proposed Earth Atmospheric Trust could help to massively reduce global carbon emissions while also reducing poverty” (p.265). This system would comprise a global cap-and-trade system for all greenhouse gas emissions, with resulting revenues deposited into the Trust, for enhancing and restoring the atmosphere.
12. **Reducing Inequality:** A large body of evidence shows that large income differences within countries are damaging, reducing social cohesion, restricting social mobility, increasing crime rates, and compromising poverty reduction. Inequality drives personal debt and consumerism, while more equal societies promote the common good and score higher on the Global Peace Index. Income differences can be reduced by taxes, benefits, reducing differences in pretax incomes, and promoting cooperatives and employee ownership. Dealing with tax havens for the rich is essential.

13. **A Proposed “MetaUniversity”:** Our higher education system needs to adjust to a quickly changing world. A shift toward more interactive, problem-based courses in higher education is crucial. An international collaboration of universities could share online courses and teaching, which could “potentially move higher education to a new phase of development” (p.284). The MetaUniversity would facilitate production and maintenance of these courses, with peer review of all course content. The courses would be freely available to the public [e.g., the MOOC on “Planetary Boundaries” by Johan Rockström, sponsored by the UN Sustainable Development Solutions Network; www.unsdsn.org], but they could also be taken for credit with faculty involvement.
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- “A key problem, however, as stated at the outset of Chapter 4, is the “essential” need for a shared vision of sustainability, which has a variety of definitions.”*
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14. **Information as a Global Public Good:** A vast literature describes the economic market’s inability to efficiently produce and allocate information. Given the urgency of climate change and other critical problems that information can help solve, we should closely examine the effectiveness of markets, patents, and copyrights. Alternative institutions may be better equipped to manage the flow of information as a global public good, with publicly funded production and open access consumption. [NOTE: Ironically, consider the \$99.95 list price for this important survey of ecological economics, which surely restricts usage!] A global research consortium would also be useful for determining appropriate technologies for energy, agriculture, chemistry, and global well-being in general, with new technologies “copylefted” (i.e., freely available for anyone to use).
 15. **Strong Democracy:** “Solution of basic human needs requires a balance among social, built, human, and natural capital” (p.294). One institution that helps build social capital is strong democracy, where all citizens are free (and expected) to participate in all political decisions affecting the community. Good governance also requires Living Democracy (dispersed power, transparency, mutual accountability, cooperation, fairness, empathy), Deliberative Democracy (public deliberation of free and equal citizens, based on the belief that citizens need to be educated about issues that matter to them), and the six “Lisbon Principles” embodying the essential criteria for sustainable governance (responsibility, scale-matching, precaution, adaptive management, full-cost allocation, and participation).

In short, “we are in a race between educating ourselves about how the planet functions, and destroying it through acts of greed and hubris... Forging a new set of policies and tools capable of meeting these new challenges will require the new science of complex systems, the search for true economic sufficiency that acknowledges nature as an equal partner, and concern for fair and participatory democratic processes” (p.299). A path of sustainable development will also require a global social contract between North and South: the North should undertake to abandon mindless quantitative growth in favor of sustainable qualitative development, while the South should act to stabilize human populations and protect habitats for assuring species diversity. Making this transition “is the major challenge to humankind today” (p.299).

Now is the time of real choices: 1) attempting to continue business as usual; 2) attempting to achieve “green growth” as an environmentally sensitive version of BAU [see the Global Green Growth Initiative; www.gggi.org and the Green Growth Knowledge Platform, www.ggkp.org]; or 3) pursue a more radical departure of “sustainable human well-being” as the real goal—the only option for our finite planet.

COMMENT

A concise and well-documented integrative overview in time and space, backed up with a bibliography of some 650 references. A key problem, however, as stated at the outset of Chapter 4, is the “essential” need for a shared vision of sustainability, which has a variety of definitions. The authors make no effort to suggest how to attain a widely shared vision, let alone the equally daunting problem of “selling” this vision to policy-makers and citizens who elect them. They appear oblivious to the support for “Green Growth” by UNEP, OECD, and the World Bank, which, arguably, may be the only politically viable path for the near future. Once this relatively radical notion is accepted, the worthy goal of sustainable human well-being might then be seriously considered.

ALSO SEE a closely-related textbook, **Macroeconomics in Context** (Second Edition) by Neva Goodwin (Tufts University), Jonathan Harris (Tufts University), Julie A. Nelson (University of Massachusetts-Boston), Brian Roach (Tufts University), and Mariano Torras (Adelphi University). Armonk NY: M.E. Sharpe, Jan 2014, 441p, \$59.95pb. This excellent overview of “contextual economics,” written under the auspices of the Global Development and Environment Institute at Tufts (www.gdae.org/macro), describes the well-being goals of macroeconomics as improvement of living standards, stability and security, and financial, social, and ecological sustainability. Especially see Chapter 6 on alternative measures of well-being such as the Genuine Progress Indicator and the Better Life Index, and Chapter 18 on “Growth and Sustainability in the 21st Century,” described as “crucially important in terms of economic education for intelligent citizenship.” The authors have also published **Microeconomics in Context** (Third Edition) as a companion.

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