

# Book Preview and Invitation

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*Economic Theory and Community Development* will be published soon (I attach some endorsements). Here I would like to anticipate some of its key ideas. Feel free to share this preview with others. Better yet, write a critical comment we could post on our website.

I will try to preview some main points of a 464-page book in fewer than 2,500 words. This short intro will not follow the sequence used in the book itself, but instead this sequence:

1. WHY HUMANITY IS IN A TRAP IT CANNOT GET OUT OF
2. HOW TO GET OUT OF IT
3. ECONOMICS AND LAW

1. Why humanity is in a trap it cannot get out of.

Humanity cannot get out of the trap because social democracy, in the forms tried so far, does not work.

After World War II it was widely believed that the formula for peace, dignity, and sustainable prosperity for every sister and brother in the human family, had been discovered. The formula was often called “Development.” Its ingredients included the steady advance of the rule of law, the steady advance of human rights including the social

rights declared in the Universal Declaration of 1948, and –crucially -- mixed economies like those pioneered in Scandinavia. Further, as in, for example, India, Tanzania, and Indonesia, true development would synthesize human rights, a gift of the West, with the best spiritual ideals of ancient traditions, gifts of the East and South. Development was not just economic growth. Nevertheless, it *was* economic growth.

Now the dreams of 1948 have turned into the nightmares of 2021. It is not only that humanity is under attack by the forces of climate change, by new mutations of viruses, by growing mountains of unpayable debt, by stagnating living standards, by the exponential growth of precarious low paid employment in some places, by no employment at all for youth in other places, and by uncontrollable waves of migration of the economically desperate and the politically persecuted. It is that humanity is in disarray. Nobody knows what to do. The formula of 1948 failed. Why?

My book with Joanna Swanger, *The Dilemmas of Social Democracies* (2006), charted in detail the downfalls of the post-World War II Swedish model, of successive buds and half-blooms of social democracy in Spain, of the temporarily successful but unsustainable Austrian model, of the immense disappointment in Mandela`s South Africa when the end of *apartheid* failed to be the beginning of social justice, of the bloody end of Sukarno`s non-aligned Muslim social democracy in Indonesia, of successive disappointments in Venezuela, and of the philosophical evolution of the World Bank as it deployed its formidable resources of money and of knowledge in unsuccessful efforts to prevent the dreams of 1948 from becoming the nightmares of

2021. A reviewer wrote that there was nothing new about our book. We simply agreed with neoliberal conservatives like Friedrich von Hayek and Milton Friedman. They said social democracy does not work. So did we.

Indeed, it is true that attempts to govern the economy doing what must be done to adjust to physical reality; or to redistribute wealth and power from the few to the many; or to honour human rights to medical care, dignified employment, and security in old age; regularly lead to what Karl Popper famously called “unintended consequences.” Typical unintended consequences include disinvestment, soaring prices, shortages, inflation, intolerable tax burdens, insolvent governments, unemployment, and violence.

But the reviewer missed our point. Our point was that social democracy does not work *because* social democracy was and is incompatible with *the basic cultural structure of the modern world*. That is why the dreams of 1948 evolved into the nightmares of 2021. Social justice fell apart. Peace within and between nations fell apart. The governability that might have been –so necessary to achieve the compliance of our species with the natural laws it must obey to survive—was not to be.

Joanna and I did not propose to resign ourselves to the impossibility of peaceful, inclusive, rational, and functional solutions to social and environmental problems. We did propose cultural action leading to culture shifts. “Culture shifts” is here a name for transforming the mechanisms of structural frustration. They are, as Ludwig Wittgenstein would say, a way out of the fly bottle. What is

impossible because of the BCS, can be made possible by transforming the BCS. The empowering culture shifts would include shifts to ethics of care, shifts to community development, and shifts to unbounded organizing.

A theoretical construct, *basic cultural structure*, one that overlaps with *basic social structure*, and *basic legal structure*, thus emerges in our 2006 study as a name for causal powers that are hypothesized to be more decisive as determinants of the course of history than other causes whose impacts changing the course of history are more obvious and perhaps easier to understand, such as who wins wars, who wins elections, population growth, new technologies (the printing press, the atom bomb, robotics, artificial intelligence, ...), and so on.

Five years later (in 2011) the evolutionary biologist D.S. Wilson's book *Darwin's Cathedral* proposed a concept similar, if not identical, to BCS: *moral system*. Wilson wrote of biologists doing a Darwinian analysis to explain which forms of life adapt and survive, and which do not adapt. When it comes to applying such an analysis to *homo sapiens*, Wilson suggests, the appropriate unit of analysis is not the individual. It is not the group. It is the moral system. "Moral system" is an accurate and illuminating name for that which adapts and survives or does not adapt and does not survive.

An initial inkling of what *basic cultural structure* (BCS) might mean can be gleaned from considering common uses of the three words that compose the phrase. *Basic* refers to institutions that meet basic human needs, such as those Plato referenced when he wrote in the second book of *The Republic* that the true architect of our city is our

needs, and the first and most basic of our needs is food. *Cultural* refers to the ecological niche of the human species. *Homo sapiens* possesses capacities for creativity and cooperation. It passes on new learnings from one generation to another. It can reprogram its behaviour more rapidly than species that change behaviour much more slowly, for example by mutation and natural selection. *Structure* refers to organization. The same component parts often have different causal powers when they are organized differently.

More hints regarding the meanings and uses of the BCS concept are given below as by-products of a short list of practical ways to transform the BCS of the modern world.

## 2. How to get out of the trap.

Here are some things you and I can do and can urge organizations we are part of to do.

**Pledge to act in such a way that, if everyone acted as we do, dignified human life could flourish sustainably in harmony with nature.** Perhaps most importantly: pledge to share our surplus money, time, property, expertise or whatever we have but do not need (if we have any surplus –many people do not). Move resources from where they are not needed to where they are needed.

**Create, or help create, dignified livelihoods that do not depend on sales.** The BCS of the modern world can be regarded as a moral system whose centrepiece is what André Orléan calls “*séparation marchande*,” and whose characteristic form of human relationship is what many call “patriarchy.” These two main features of the BCS

already imply the two main findings of J.M. Keynes *General Theory*: (1) A chronic insufficiency of effective demand (the fact that we need to sell our labour power for a wage sufficient to lead a human life and support our family, does not mean there is effective demand for it in the labour market), and (2) the weakness of the inducement to invest.

With just these few considerations, without going into more detail here, the answer to the following questions is perhaps already becoming clear. The questions are: “Will a day ever come (given the BCS) when there are enough long term investors who find it profitable to hire people, and to pay them good wages out of the revenues generated by the sale of the goods or services that the people hired contribute to producing? Can this approach create sustainable dignified livelihoods for everybody?” The correct answer is: “Not bloody likely!”

Therefore: Dignity for all requires flows of resources that do not always come from selling what the employees produce and using some of the funds generated by those sales to pay wages. It requires thinking and acting outside the box of the BCS, as is done, for example, at the showcase sites of South Africa’s Community Work Programme (CWP). Here is a second example: I review my budget and I find I have no surplus time, but I do have a thousand South African Rands every month that I do not need. I donate it to a non-profit. My donation combined with donations from others creates a dignified livelihood for somebody.

How many examples would it be possible to give? The concept of *unbounded organizing* offers answers to many questions and this is one of them. The answer is: an unlimited number.

N.B. The correct answer to the questions, “Is racism going to end while the total number of decent jobs is inflexible, so that more good jobs for people of one ethnicity necessarily means fewer good jobs for people of other ethnicities?” and “Will sexism end while more good jobs for one gender necessarily means fewer good jobs for other genders?” is also “Not bloody likely!”

**Talk the talk.** It is not enough to walk the walk. Be an organizer of necessary conversations, facilitating the inner coming to voice of other people. A working hypothesis: if the facilitator can succeed in breaking the ice, encouraging people to be simultaneously more introspective and more communicative, then people will of their own accord overcome their unconscious resistance to facing the bad news about humanity`s probable future. They will themselves see what is obvious to whoever opens their eyes: *inter alia*, the need to replenish the social capital that the extreme individualism of the BCS has depleted. They will join with others to save people and planet, volunteering of their own accord to design and implement action for change.

**Join the legal revolution.** It is not illegal to choose to use the powers that come with the ownership of property to serve other people and the common good. It is legal to form labour cooperatives and other businesses where the workers and the owners are the same people. If we are working in the public sector, we can serve the public,

as we ought to be doing, defying Gary Becker`s empirical finding that public servants commonly serve their own interests more than the public interest. It is legal to abolish neoliberalism in our own hearts and in our own corner of the world, by being mission-driven instead of profit-driven. It is legal to defuse the growth imperative created by the BCS by reducing, reusing, and recycling. Nobody has ever been arrested for planting trees to combat global warming and donating to a neighbourhood food bank, instead of spending the same money on a luxury vacation.

The more people deliberately serve the common good, and the more customs change so that conventional behaviour serves the common good, the more the BCS is transformed.

**Small is beautiful.** Social democracy got off to a good start in western Europe after World War II, but by 1970 it was becoming clear that globalization was killing it. The BCS gave globalization its ethic – individual before community, named “perfect liberty” by Adam Smith. The BCS gave globalization its jurisprudence –property and contract. Assuming these premises mainstream economics deduced that almost unrestrained globalization was equivalent to maximizing efficiency, rationality, and welfare. In practice globalization has been a global race to the bottom. Nations compete in racing to relax environmental protection, to lower wages, and to lower taxes. Why? To attract investment and to deter capital flight.

Already in 1973 E.F. Schumacher read the handwriting on the wall. Given the BCS and the global social and legal structures the BCS fostered, social democracy was not going to work. Schumacher



countered with economics “as if people mattered.” Starting from an ethic of care rooted in Buddhism and other great religions, Schumacher deduced that the global race to the bottom was “institutionalized irresponsibility.”

Today, when a pandemic has taught everyone that it is dangerous to be dependent on long and complex global supply chains, we have great opportunities to transform the BCS by doing local community development.

**Practice ethical reflection. Big is beautiful too.** Dewey and Tufts (*Ethics*, 1908) traced the early history of moral systems back to tribal customs. Without customary morals our ancestors would not have survived. Nevertheless, Dewey and Tufts write “... the rules which sum up custom are a confused mixture of class interest, irrational sentiment, authoritative pronunciamiento and genuine considerations of welfare.” (position 5483)

“Morals” and “ethics” are often treated as synonyms. Here it is important to distinguish them, treating “ethics” as the rational reconsideration, justification, and improvement of morals. Practicing ethical reflection, we critically examine the globally hegemonic BCS, and we also critically examine what Shiv Visvanathan calls “the defeated epistemologies.”

Both the BCS and local morals, as history has bequeathed them to us, too often serve hardwired emotional tendencies inclining toward “us versus them” --love our tribe, hate our tribe’s enemies. A famous piece of evidence for the hardwiring of hostility to “them” is Muzafer Sherif’s Robber’s Cave Experiment (1954). Twelve-year-old boys were

*randomly* assigned to two different groups. In a few days, the groups became so aggressive toward each other that the experiment had to be discontinued.

Going forward from 2021, our survival as a species depends on ethics understood as the improvement of morals. Practicing ethical reflection, we can find our way out of the trap. Our minds become reasonable, “adopting a reasonable standpoint, that of the common good.” (position 5261).

The context of humanity’s common good is one big habitat, earth. There is only one big atmosphere, and only one big biosphere. Evelin Lindner concludes (2021) that we need one big love.

**Spirit, soul, mental health.** Fritz Schumacher used to say that the place to start building a mosaic of global fraternal cooperation among resilient local economies was our own “inner work.” We should not assume that you and I are pure in heart while deep anger and fantasies of revenge, are found only among the approximately 7,899,999,998 other human beings on the planet. We should practice and recommend self-improvement.

### 3. Economics and Law

Unlike the book itself, this short intro says little about economic and legal issues. But it does briefly express a main conclusion of the book itself: We need, humanity needs, culture shifts at the level of basic ethics.