

Alan E. Singer

A Student's
Guide to **Right,**
Left and *Truth*



Political Science and History

NOVA

POLITICAL SCIENCE AND HISTORY

**A STUDENT'S GUIDE TO RIGHT,
LEFT AND TRUTH**

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POLITICAL SCIENCE AND HISTORY

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POLITICAL SCIENCE AND HISTORY

**A STUDENT'S GUIDE TO RIGHT,
LEFT AND TRUTH**

ALAN E. SINGER



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The current polarization of politics had created a pressing need for centrist dialogues and a recognition of enduring facts about humanity. Alan Singer condenses these debates and issues to their core. I highly recommend this book.

Jari Eloranta
University of Helsinki, Finland

Alan Singer bridges the political divide using humor and history to enlighten readers. This is again a fun read, at times reminiscent of Malcolm Gladwell's best work.

James Westerman
Appalachian State University, USA

The world is inundated with a terrifying avalanche of fantasy news, fishy news, fabricated news, and fake news that may well destroy our democracy. This is coming from the Left and the Right. Read the book, get wiser, and use objective facts when fighting for our democracy.

Adam Lindgreen
Copenhagen Business School, Denmark

The chapter on truth seems very timely in the age of fake-news and spin. The book has a very readable style, taking its readers easily into philosophers' territory.

Peter Earl
University of Queensland, Australia

Alan Singer's inspiring book is an invaluable guide to those who are attempting the hard balancing act between power and truth.

Harold Paredes-Frigolett
University Diego Portales, Chile

Dr. Singer has an outstanding ability to step back from polarized political discourse and present a harmonizing vision. The book navigates stormy waters but ultimately comes across as calming and optimistic.

Paul Knott
University of Canterbury
New Zealand

Alan Singer offers an unbiased insight into the contemporary political divide and convincingly makes the case for the golden-mean in economics and politics. The need to revitalize centrist policies at all levels is increasingly apparent, so now is the time to read this book

Achinto Roy
Deakin University
Australia

The chapter on hopes in particular is very nice, beautifully written. If the whole book is anything like this, it should be a great read!

Milan Zeleny
Fordham University
NY, USA

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PREFACE

This book is an augmented adaptation of the author's 2018 book *Understanding Left and Right* (Nova). It further reinforces the message that sustained truth-seeking leads people toward the political center. Each chapter offers divide-bridging discussions of issues such as regulation, taxation, corporate-strategy and personal identity, along with the very ideas of knowledge, truth and goodness. Selected chapters from either work would fit easily into just about every college level course across the spectrum of business studies, social sciences and humanities, almost certainly provoking lively comments. This might seem like an exaggerated marketing claim for any serious book, but readers are strongly urged to try it...and see what happens!

Chapter 1

SHADOWS: PROJECTING LEFT AND RIGHT

Anyone who has taught basic mathematics in schools and colleges knows that some of the students don't like it. A few have formed an aversion to the whole subject, because they have experienced feelings of failure from low marks or from the stress of staring too long at unfamiliar symbols and statements. Even when drawing attention to basic statements like Pythagoras theorem about right-angled triangles one can often witness this reaction. Some students think to themselves that 'this is a math class so I won't get it anyway and I hate it.' A few students don't like triangles, in much the same way that one might dislike pictures of spiders. Some resent abstract statements with symbols like 'a' and 'b,' thinking 'This is nuts, it's not the way any of my friends talk.' Some students simply dislike the teacher: she talks too loud, he's not like any of my friends, or whatever. Yet, despite all the dislikes, feelings and emotions *every* student in the class can *eventually* see for themselves that Pythagoras theorem is true and correct (see chapter 2).

All they have to do is pay attention for long enough.

In almost exactly the same way, if anyone pays attention for long enough to any reasonably thorough collection of well-formed arguments about a political matter (tax rates for example) they will also eventually see for themselves that each argument is partly true, or true under specific conditions that can be also be stated or researched. Those ‘political matters’ might involve anything from traffic lights (they reduce accidents, but they restrict freedom) to regulations (they reduce harms, but restrict enterprise) to taxes (they pay for public goods, but might seem like a disincentive to work) and so on. When a full collection of statements like these are put on the table, board or screen, almost all political matters can be settled by seeking a balance or a reasonable compromise, provided only that the people (students or voters) *pay attention for long enough* to the entire collection. Cognitively, the settlement process is quite like ‘seeing’ Pythagoras theorem: although instead of one brief true statement (or let’s say, 99.99% true) you simply have to attend to a medium sized collection of partial truths. Emotionally, everyone discovers that there is no need for fussing and fighting. To experience this discovery process and see *these* facts for yourself, you might like to skip ahead to chapter 11 (on taxes) which several critics said they enjoyed.

None of the statements in the above paragraph has anything to do with the author. They are quite like Pythagoras theorem in that their accuracy and believability has nothing to do with Pythagoras personally: his nationality or character. As it happens, however, the reason I (the author) happen to *know* all of the above is that I taught mathematics for several years in high schools and in business schools but later on I taught the politically-infused subjects of business strategy and policy for 35 years (1982-2016) and an even more political Business Ethics for 31 years (1988-2019). So I have had more than enough time to see all the above things for myself: from Westminster to Wellington, Appalachia to Santiago and beyond.

Most business schools prudently avoid any overt discussions of politics in the classroom or in public events. However, whenever students

have a good understanding of the politics of Left and Right, they are usually able to put *all* of their college courses into a wider context. The same applies to anyone who has partial knowledge: in the absence of broader understanding there can be trouble. This obviously applies to college courses such as Business Ethics (topics like managing diversity, product safety, stakeholder theories, insider trading, etc.) but also to business-as-usual courses such as finance, economics, marketing, entrepreneurship, strategy and organizational behavior, not to mention law (see chapter 10). It also applies to subjects throughout the social sciences, philosophy, arts and even mathematics: Albert Einstein himself has urged math students to attend to ethical issues¹. Some students of course might not *like* the idea of putting anything in a wider context. Many (like me at times) understandably want nothing more than a degree and a well-paid job for themselves, as easily, safely and cheaply as possible. However, it is just as true as Pythagoras theorem that:

Just because you like something doesn't make it good.

... And just because you like a statement doesn't make it true.

ORIGINS

In 1988, the year in which I began to teach ethics in business, Leonard Cohen began to sing that:

“Everybody knows the fight is fixed, the poor stay poor and the rich get rich.”

This is a nice example of a partly-true political statement: almost everyone knows that some poor people do indeed get rich, whilst some rich people end up poor. Many also know that Cohen's statement comes

¹ Einstein wrote: “The concern for man... Never forget it among your diagrams and equations.” (Goldsmith et al. 1980 p12).

from the Left side of the political divide where it sometimes motivates a desire for social change. Many conservatives on the Right prefer the statement that the poor can get rich through their own persistent efforts. Some correctly regard their own life as a good example.

Relatively few people, however, know that the labels ‘Left’ and ‘Right’ in this context originated in Paris in 1789. In the French National Assembly, supporters of the common people (Cohen’s ‘poor’) sat to the left of the house-speaker, whilst those who wanted to retain privileges for the ‘rich’ nobles and Catholic churchmen sat to his right. This history was reported by several contributors to a 2006 special issue of the magazine *The American Conservative* dedicated to the question of ‘What is Left, What is Right?’ One of the contributors, John Derbyshire, wrote that:

‘I have some (mathematics) books showing five-dimensional solid figures projected down into two dimensions so that they can be printed on an ordinary page. That’s the kind of thing we do when we talk about Left and Right. Like those geometric projections, it’s not very satisfactory; but it’s not useless, either’ (Derbyshire 2006).

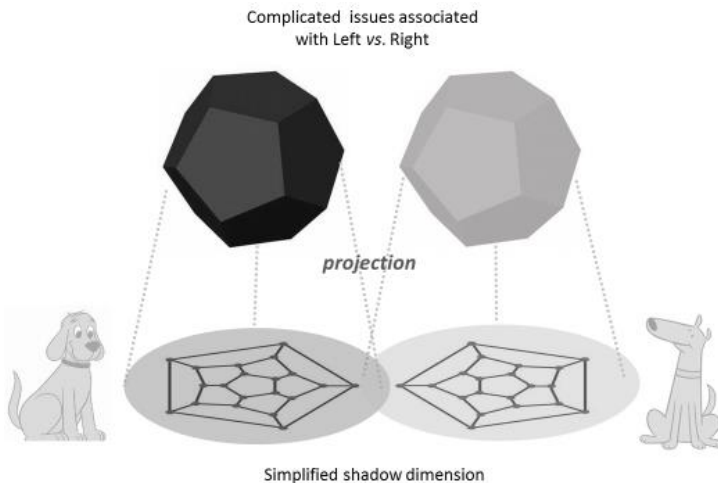


Figure 1.1. Left vs. Right as a projection.

Derbyshire's metaphor is indeed quite useful when reading this book (Figure 1.1). Although many issues and motives are concealed within the Left and Right polygons and in the minds of the two cartoon dogs that symbolize Left-leaning and Right-leaning minds throughout the book, the central idea of a Left-Right *dimension* endures and retains much of its original meaning. It is quite like a shadow that you might see on an ancient sun-dial in that it won't disappear permanently nor cease working anytime soon.

OVERVIEW

This book draws attention to some of the very solid substance that lies beneath the 'shadows.' It is not a collection of opinions. It is quite like a mathematics textbook: it contains many statements whose truth can be accurately assessed by the reader provided that they pay attention for long enough. The opening chapters duly discuss truth itself followed by the *known* nature of what is good for humans. The various human-goods (freedom, wealth, justice, friendship etc.) are 'known' to be good (in some measure and some mixture) much the same way that Pythagoras theorem is known and potentially knowable by everyone. The concept of a reasonably balanced mixture and distribution of the human goods (RBMDHG) is then discussed (it is a *meta-good*). Chapter 4 is all about 'likes' and preferences. Some economists have said truthfully and correctly that '*there is no accounting for tastes,*' meaning that people do indeed like and dislike all sorts of strange things; but everyone also knows that *just because you like something doesn't make it good*. For example, some people would quite like to reduce the World's population by about 90% but they *know* that such mass destruction of human life is bad. Chapter 5 duly turns to moral philosophy and ethical theories. Some of the known theories or forms of moral reasoning broadly support the political Right whilst other forms underpin the Left. Then there is the

question of moral-timing (chapter 6): should you try to be a good person now, or later, or always, or perhaps never?

Chapter 7 discusses the related idea of several ‘forms of capital.’ These include the financial forms (savings, assets, leases, etc.) but also the human, social, political, cultural and ecological ‘capitals.’ The political Left like the idea that these latter ‘forms’ are not for sale; the Right simply prefer the statement that everything has a price. Groups of people duly fight over things like tribal lands *vs.* real estate development, but *anyone* who attends carefully to this chapter on capitals can see why they should calmly design a compromise and settle. Chapters 8, 9 and 10 are easy to understand and they lie at the heart of the book. The several *known* limitations of market-based systems (KLMBS) are listed, together with their logical implications for good regulation and taxation.

Business school students taking courses on strategic management, organizational behavior, social responsibility, business and society, social entrepreneurship or business ethics should carefully attend to the subsequent chapters on strategies, dynamics and intentions. The concluding chapter on ‘distractions’ turns at last to *identity politics*: the sort of thing that many people strongly associate with the political divide. Identity politics is all about likes and dislikes, rather than Pythagoras-like known facts. In light of what has been said so far, everyone should avoid statements about ethnicities, genders, nationalities or religions, because many will *never* see-for-themselves that they are true; but focus instead on Leonard Cohen’s ‘rich *vs.* poor’ where the facts are accessible. This is like a mathematics teacher ‘suggesting’ to the class that they should stop staring at their *i*-phones and start looking at Pythagoras theorem or other verifiable statements. Here’s one to start with:

The current gender-related pay gap in the USA is around 43%. The office-cleaner-to-CEO pay gap in some cases stands at 500,000%.

Yup, that’s 100% true and correct: half a million for economics and class (rich *vs.* poor) compared to forty-three for identity and gender; not

to mention that the ‘cleaner’ might be a man from Northern Europe. It is also true (everyone can see) that the politics of identity *intersects* with the economics of inequality; but it is important to scan the whole picture and establish priorities accordingly. As discussed in the final chapter, it is quite ironic that the venues for much of this ‘teaching,’ the colleges themselves, have not really done this. I hope that many readers will pay sustained attention to the many statements and diagrams in this short book, until they see for themselves that they are almost all correct.

Chapter 2

TRUTHS: VOTING AGAINST PYTHAGORAS

In '1984' George Orwell wrote about an all-powerful authoritarian state where Citizen Winston (possibly named after Winston Churchill) warned his friend that

' $2 + 2 = 5$ if the party says it is.'

These days ' $2 + 2 = 5$ ' might be called an alternative-fact; but could it be true? The answer to that question is not quite as simple as it might seem. Like France in the time of the Roman Empire, the answer has three parts:

1. *YES* it might be true if the party is simply dictating the symbols (the syntax) that 'the people' can legally use. If the party has ruled that the symbol 5 (not 4) must be used whenever one is referring to a collection of what we used to call four things (****) it is not so hard to comply.
2. *NO* it cannot be true if the party is declaring (and the declaration is understood to mean) that the party has the real-world power to create a real physical fifth object such as a rock out of nothing,

as if by magic, every single time that two rocks and then two more are gathered together by anyone. No political party can possibly arrange for that to happen...and that is something that everyone can agree on².

3. *YES* it might also be true (an accurate description of an experienced world) if the ‘party’ together with all the people and all other perceived ‘objects’ like rocks exist in a bizarre virtual reality. It might be a computer game where a fifth rock can indeed be made to appear, as if by magic, every time that two objects and two more are gathered together in the game and hence in the mind of the player.

What about mathematical statements that are slightly more complicated such as Pythagoras’ theorem? Can there still be alternative facts here? Around 2500 years ago Pythagoras (or his followers) discovered that if a , b and c refer to the lengths of the sides of any right angled triangle (Figure 2.1), with c being the long side (the hypotenuse), then

$$a^2 + b^2 = c^2$$

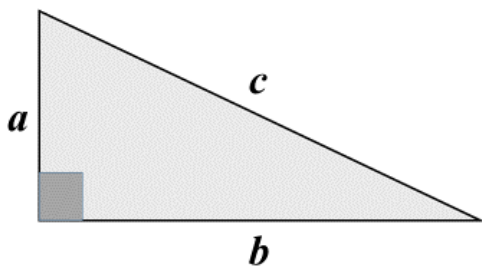


Figure 2.1. A right-angled triangle.

² A similar point applies to the natural language statement ‘5 is a prime number’ where ‘5’ means (*****). An autocrat, can easily approve some other word for ‘prime’ but no-one, no actor, could ever arrange 5 rocks into 2 (***) or 3(****) or 4(*****). Equal-size groups-of-rocks without actually splitting one or more of those rocks.

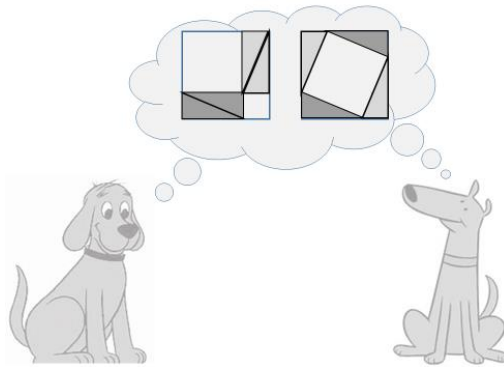


Figure 2.2. A truth that any mind can see.

Is *that* statement true? Can the party alter it? To answer those questions one does not need to think about rocks nor gather any rocks in any real or virtual landscape. However, one does have to *attend to* and think about (or gaze at, or contemplate) the squares and triangles that appear in Figure 2.2.

Each of the two biggest squares in the picture is partly covered by exactly four (4) small-but-same-size grey triangles, but nothing else. Any parts of the big squares that are not covered are showing up in white.

If anyone (or any dog for that matter) attends to Figure 2.2 for long enough, they will eventually see that the amount of white area within the biggest square on the right must be the same as in the biggest square on the left.

... because there are exactly four (4) non-overlapping grey triangles within each big square. In the context of this book about the political divide, it does seem significant that some people see such truths almost immediately, but others take quite a while. This is generally due to different cognitive capabilities and styles, but also to different emotional states and motivations.

All of the small-but-same-size grey triangles in Figure 2.2 are zoomed-down (and sometimes rotated) copies of the triangle in

Figure 2.1. So, in the big square on the left of Figure 2.2, we (meaning everyone who is attending to this) can see a small white square in the lower right corner, whose sides are of length ‘a’ (look again at Figures 2.1 & 2.2). The area of this small square is $a \times a$ or a^2 . We also have a *medium* size white square in the upper-left corner with an area b^2 (as the monkey said in the *Lion King* movie: *look again* at Figure 2.1). So, the total white area within the big square on the left is:

$$a^2 + b^2$$

In the big square on the right we have one medium-sized tilted white square, whose sides are...’c’ (*look again* at Figure 2.1) and whose area is c^2 . But according to the italicised statement above, the two white areas are the same. So ‘we’ have a true statement that

$$a^2 + b^2 = c^2$$

No party or person (or dog, or robot) could possibly change that in the real world, although it is again possible that some clever and malevolent virtual reality software engineer could create a crazy virtual world where all displayed triangles were unstable and where Pythagoras theorem can’t be seen.

So, what is the relevance of the above discussion to the political divide? It is indeed relevant in several ways that are also very well-worth thinking about, as follows:

1. Many people who gaze at the statement $a^2 + b^2 = c^2$ take quite a while to understand it.
2. In order to teach the theorem effectively, a sensitivity to each student’s (or voter’s) state of mind is helpful³. For example, some

³ Richard Dawkins, author of *The Selfish Gene* (1976) which was recently described as ‘the most influential science book of all time’ famously sticks to the scientific facts. The US scientist Neil Tyson has reportedly suggested that when describing scientific facts to some groups it

students might be blind, others might be afraid of looking stupid, others might be frustrated (perhaps thinking ‘This is ridiculous...what does ‘a’ mean?’)

3. Anyone who tries to teach the theorem probably wants other teachers to do exactly the same thing. They all want the theorem to become universal knowledge as quickly as possible.
4. Everyone who understands the statement *knows* that it is true because they have seen it for themselves. This is more than a mere sense-of-knowing it is a certainty of knowing and understanding it, but also *a certainty that anyone else can know it too*. Furthermore, it did not become true just because Pythagoras (or any other teacher) stated it.

A fifth reason why Pythagoras theorem is highly relevant to politics is that some people actually *like* or enjoy the process of inquiry and their personal discovery of the theorem (they are enjoying reading this chapter, for example), but many others do not. Strangely enough, some people actually feel that they *like the theorem itself* in the same way that they might like a work of art, whereas others dislike it: for this second group of people the statement of the theorem evokes some negative emotions and associations. They might think to themselves that it’s pointless, or it’s not relevant, or that ‘it’s not the way me and my friends talk’ and so on. More generally, knowing that something is true (or good for that matter) is not at all the same as liking it. Simply put:

Liking a statement doesn’t make it true.

Disliking a statement doesn’t make it false.

Indeed, one might imagine carrying out a referendum (Figure 2.3) to gauge the level of liking of or support for Pythagoras’ theorem in any

might be more effective to say ‘Here are the facts...and here is some sensitivity to your state of mind.’

state or a nation. One plausible result is indicated in Figure 2.3. The Pythagorean proposition was rejected and not supported (one might compare this with the political *Brexit* vote). Some voters simply liked the look of ‘5.5’ whilst there were others who knew something about the background but generally dislike Greek men, and so on.

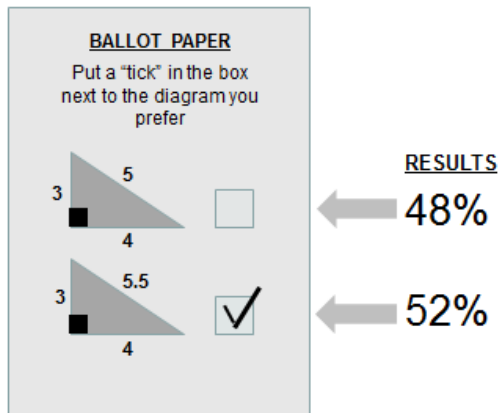


Figure 2.3. Voting for and against Pythagoras' theorem.

There are yet other ways in which the careful study of Pythagoras' theorem might cast light on the political divide. It is obvious that the theorem is useful for many practical projects, in construction for example. However, as with almost all political and scientific statements, there are some minor *caveats* (i.e., limitations, assumptions or conditions) that should be acknowledged and explained. For example, the sides of triangles in the real world, or what appear to people to be triangles, are actually arcs due to the curvature of the Earth (some people might also have to study the Earth carefully to see for themselves that it is indeed quite spherical). The theorem is not absolutely accurate because ‘truly’ accurate calculations to 1000’s of decimal points, for what we think of as triangles in the real world, would require complicated spherical geometry. A similar caveat might be stated for the equations of Newtonian Physics. These do not yield absolutely accurate predictions either, because, as is now known to those who attend very carefully to such difficult things, accurate calculations involving time,

distance and velocity require Einstein's Theory of Relativity or other more advanced theories of Physics including some that speak to the nature of human consciousness.

When it comes to bridging the very-down-to-Earth political divide perhaps the most importantly point about Pythagoras' theorem is that its truth and the potential for agreement with it is entirely independent of anyone's personal identity. There is no reference within the proof, nor in any of the *caveats*, to anyone who drew the diagrams or wrote the formal statements. Everyone knows that the description of Pythagoras himself as a dead Greek white man is irrelevant. Pythagoras never spoke as a Greek nor as a representative of any national, ethnic, religious or gender-based group. As if to amplify that very point there is ample evidence that 'Pythagoras theorem' was known to the ancient Egyptians, thousands of years before Pythagoras. The website '*African Creation Energy*' cites⁴ the Greek philosopher Plutarch (in *Moralia* Vol. 5) as follows:

'The upright... may be likened to the male, the base to the female and the hypotenuse (5) to the child... and so Ausar (Osiris, a male god) may be regarded as the origin, Auset (the goddess Isis) as the recipient and Heru (Horus the son) as the perfected result (parentheses added, see Figure. 2.4).

In any social setting if you were to say, write, or draw a picture showing that 'the hypotenuses is the *child* of the other two sides' it is bound to win you friends and make people feel happy, quite unlike stating 'the square on the hypotenuse....' which many people simply don't want to hear about. Anyone can decide to dwell upon and believe *in* the ancient child-hypotenuse story because they like it. However, that same person is also quite well aware that:

1. They have indeed chosen to believe (in) the story; to *assume* or to suppose that it's true.

⁴ <http://africancreationenergy.blogspot.com/2014/12/the-ptah-horus-pythagoras-theorem.html>.

2. They can admit to themselves or to others at any time that indeed it might *not* be true. Such doubts of course accompany all types of theological assumptions: “I thank the Lord a thousand times that he let me become an atheist” wrote Lichtenberg 1742-1799 (quoted by Stern 1959 p300)⁵
3. They know that the story is *not* a thing that ‘anyone can see for themselves’ and indeed many others do *not* believe it.
4. Anyone’s sense and level-of-certainty of knowing that $a^2 + b^2 = c^2$ is qualitatively different from their sense of knowing that ‘the hypotenuse is a child’ even for the person who firmly believes in African Energy.
5. The math formula is fully understood to be testable and verifiable in the (ultimately assumed to exist) real world but the child story is obviously not. The believer knows that they will never observe a real Horus ‘out there’ even if they gaze forever.

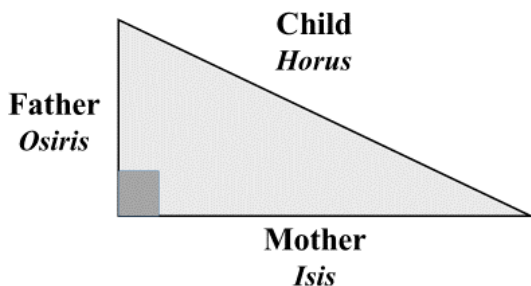


Figure 2.4. An Egyptian story about right-angled triangles.

These exact same five points also apply to other politically-significant beliefs like ‘Osiris, Isis and Horus really exist’ even though the deities *only* appear to all of us in pictures, stories and imagination. Finally, but perhaps most significantly of all, many people in the World today have never even heard of Pythagoras’ theorem, not to mention

⁵ Stern JP (1959) *Lichtenberg: A Doctrine of Scattered Occasions*. Indiana Univ. Press: Bloomington.

those Egyptian deities. In fact, only a small percentage of humans, maybe 10% know the theorem and far fewer can remember how to prove it⁶. Even fewer have realized the community-reunification potential of sustained gazing at the entire world (as Iris Murdoch once wrote) including the world of symbols and statements, but especially including the ones that they don't like. Some thirty years ago the American writer Allan Bloom wrote in *The Closing of the American Mind* (1987) that 'The real community of man ... is the community of those who seek the truth,' meaning truth in the Pythagorean sense, where one has to gaze and contemplate. This understanding of real human community almost certainly remains the key to resolving political disputes and re-uniting artificial communities.

⁶ In other words 'behind every argument is someone's ignorance' to quote US Justice Louis D. Brandeis.

Chapter 3

GOODS: FREEDOM, JUSTICE AND MORE

What would that special issue of the *American Conservative* on ‘What is Left, what is Right?’ mentioned in chapter 1 have looked like, if it had debated the much simpler question of

‘What is one, what is two?’

It would be thin: if anyone picks up a single solid rock they have one rock; if they repeat the action to pick up another, they have two. As indicated in the preceding chapter, the labels ‘one’ and ‘two’ or ‘1’ and ‘2’ vary with natural languages around the world, but the plain truth of the statement ‘you now have two,’ correctly translated, is universal and never changes. In this context there are no alternative facts, nor fact-free statements, nor *post-truth* language games.

How about “What is good, what is bad?” A special issue on that topic would be longer; but there is still a rather concise correct answer. First of all human-life *per se* is good: it is part of the very meaning of ‘good’ because it both activates and gives meaning to all of the other classically known-to-be-good things like happiness, friendship, wealth, pleasure or enjoyment, as well as various forms of justice and freedom. These are all

known to be good in the sense that almost all humans have *eventually* come to realize that they are good, when experienced by self and by others in some mixture. Of course there might be times when they don't *like* some of them, or become aware that they have too much of them.

The complete set of stable forms of the good (a term first used by Plato about 2500 years ago) can be partitioned into three sub-sets (Figure 3.1). Some of the goods, such as happiness, pleasure, health and aesthetic-appreciation are primarily psychological or psycho-physiological states⁷. Others such as wealth freedom, dignity, friendship and (various forms of) justice refer mainly to circumstances experienced by persons or by groups of people. A third sub-set contains human-goods that are primarily personal character-traits such as kindness and caring, charitableness and sociability, respectfulness and nobility or high mindedness. These are known to be good for society as a whole but also for the person or character in question.

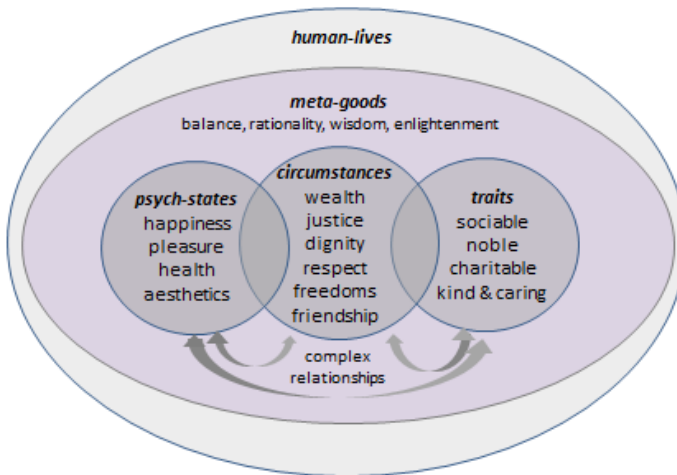


Figure 3.1. The human goods.

⁷ The last of these forms, beauty (or aesthetics) is distinctive in that its primary qualities identify it not only as a psychological state (in the eye of the beholder, with other neurophysiological correlates) but also as an objective circumstance (e.g., the golden-ratio, or in patterns having moderate levels of complexity, incongruity and novelty, etc.).

In addition, there are several stable and known *meta*-goods, involving mixtures or distributions of the basic (object-level) human goods. These include balance and reasonableness or rationality, wisdom and enlightenment. Nobody thinks that any of these things are bad, even if they themselves sometimes behave greedily or stupidly, or with too much emphasis on one particular good such as wealth. It is also a fact, very much like $1 + 1 = 2$ that humans flourish personally and in groups when they experience, or are immersed within, a reasonably balanced mixture and distribution of these human goods (RBMDHG).

It might seem odd to have a list of the human goods that does not mention love. So what is love? In the 1970's stage play *Fiddler on the Roof* the *Topol's* wife replied: 'for 25 years my bed is his, if that's not love what is?' Everyone knows that that statement is an incomplete description and that the 'love' involves a combination or mixture of several human-goods (Figure 3.2). It is a psychological state involving pleasure, happiness and aesthetics (perceived beauty) but it is also a social circumstance involving friendship, care, respect, charity and freedom (i.e., liberation, emancipation). The command or imperative to love your neighbor is therefore simply encouraging you to co-produce more of these things, in some reasonably balanced combination.

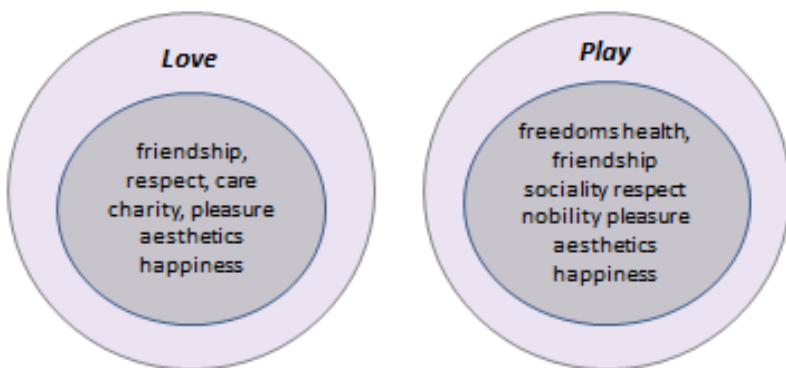


Figure 3.2. Love and Play.

What about play as one of the human-goods? Arguably, human culture and civilization, including market based systems, depend upon playing and a spirit of playfulness (i.e., the classical *homo ludens*, the playing man). Everybody knows and agrees that play as an activity often produces happiness, pleasure and health, whilst fostering respect, friendship and sociality (sportsmanship). Whether play qualifies as a fundamental human good is an ancient but un-settled question, however.

The same is sometimes said about the opposite of play, namely work. What is the good (or point) of work in the 21st century? Now we move into a politically infused arena where, as Leonard Cohen might have said ‘nobody knows.’ To the extent that work is the opposite of play it must surely be referring to something that is not-so-good and maybe even bad. What everyone can agree on, however, is that any type of work yields some mixture of HG-gains and HG-losses, both to the worker personally but also to other people. The relative emphasis or priority put on these various HG-gains and losses from work then gives us our first *component* of the Left-Right political divide.

Right-leaning statements tend to characterize work in ways that prioritize the human goods of *wealth* (the creation of wealth, regardless of who eventually owns it), as well as the *charity* and *dignity* involved in creating a job for someone (Figure 3.3). They also emphasize the good of working on behalf of, or for the benefit of shareholders or the other stakeholders of a business in any capitalist society. They also emphasize the known fact that work can sometimes develop the character, social skills and good personal habits of the worker (i.e., their *positive freedom*).

Everybody knows or can accept that these are indeed accurate descriptions of *some* work situations or jobs; but they also know very well that not all jobs are like this; perhaps not many. In other words the above Right-leaning statements are only partly true and nobody really knows how big that part is. What everyone does know, however, is that it is in the narrow self-interest of any wealthy person in a capitalist society to state the good things about work in general. All the more so if that person considers that they themselves have worked their own way to

wealth. Such statements can persuade others about the merits of a system that further benefits that wealthy speaker. In due course, the speaker comes to believe in those claims (more in the Egyptian *Horus* sense than the Greek Pythagoras sense) in part because it is usually easier to say something in public when one has frequently said it to oneself, or mentally-rehearsed it. This is what it means to say that a particular person takes a Right-leaning position or “is a conservative” as regards ‘work.’

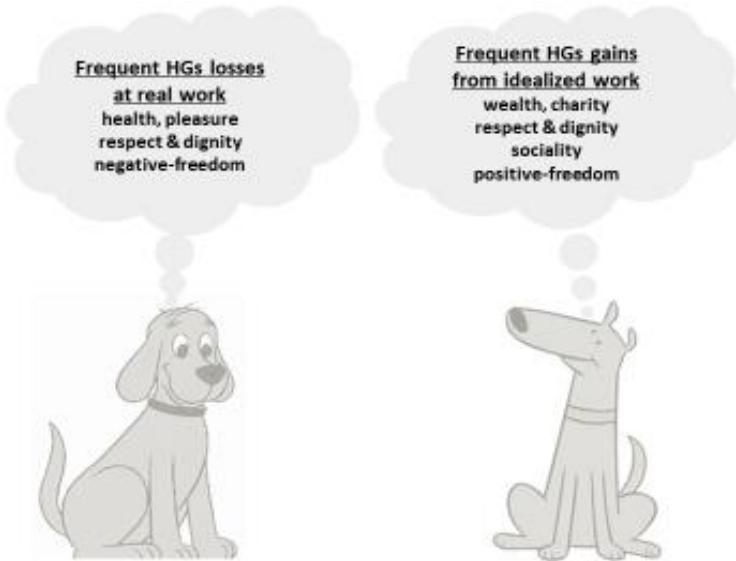


Figure 3.3. Emphasized human-good gains and losses from work.

A Left-leaning position also acknowledges the potential for HG-gains from work, especially the dignity of regular work for pay, as contrasted with unemployment. Indeed, many people would very much like to experience all of the above-listed work-related HGs as actual benefits; but currently they do not, or else they accurately observe that many others do not. Accordingly, the Left sometimes speak out about the frequently-bad work conditions in capitalist democracies. These are bad in the sense that they involve specific HG-losses: of pleasure, health, sociality and respect, whenever the workplace is oppressive or

demeaning; as well as a frequent loss of work-life-balance. Most importantly, there is often a very significant loss of negative-freedom (i.e., freedom from undue constraints imposed by employers or bosses, as contrasted with governments). On this latter point, one Left-leaning writer wrote over 30 years ago that:

‘Work makes a mockery of freedom. The official line (i.e., in any capitalist democracy) is that we all have rights and live in a democracy. Other unfortunates who aren’t free have to live in police states.... the authorities keep them under regular surveillance...informers report regularly to the authorities. All this is supposed to be a very *bad* thing. And so it is, although it is nothing but a description of the modern (i.e., capitalist) workplace.’ (Bob Black 1985; parentheses and gaps added).

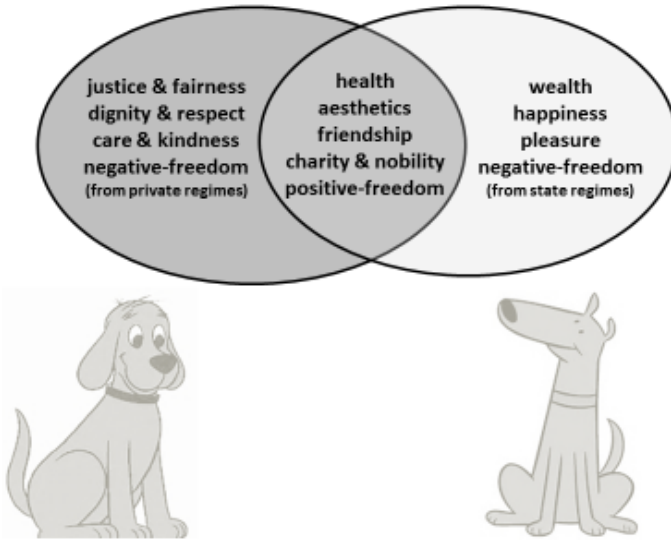


Figure 3.4. The human-goods usually emphasized by the Left and the Right.

The Left also speak up about the HG gains often derived from working in a charitable or caring way within public agencies or state-owned enterprises. Here employees are specifically assumed to be working on behalf of the entire community, or perhaps a nation state, or even all of humanity. This is contrasted with working for or on behalf of

a small group of already-wealthy private shareholders, or an abstract circuit of capital. Since about 1985, concerns arising from HG-losses associated with the latter situation have become increasingly serious and widespread, indeed Global; but almost nothing has been done about it.

This description of various good and bad aspects of ‘work’ points to a more general component of the Left-Right political divide (Figure 3.4). A Left-leaning position on work generally emphasizes the lack or potential loss of some of the human-goods. These ‘goods’ are also called the *value-priorities* of the Left and they include:

justice & fairness, dignity and respect, care and kindness, as well as negative-freedom specifically from ignoble private regimes, as described above,

The HGs emphasized by the Right (i.e., supporters of capitalism) on the other hand are:

wealth, pleasure and happiness, as well as negative-freedom: but this time specifically from state regimes, especially communist-like police-states.

Many other HGs are frequently mentioned by both sides (as depicted by the overlap in Figure 3.4) but usually with different contexts and distributions in mind (e.g., in or outside of work; for self or for others, etc.). These jointly-emphasized goods include health and aesthetics, as well as friendship and sociality, charity, nobility, but especially positive-freedom. To state that ‘positive-freedom is a human good’ is to assert that human beings ought to be free to express their authentic selves and that social circumstances should somehow be arranged to foster this. This is not an opinion; it is a known Pythagoras-like fact and is accordingly a telling example of the oft-concealed common ground and understanding enjoyed by the Left and Right.



Figure 3.5. The Left and the Right both emphasize positive freedom.

The 19th century philosopher Karl Marx who wrote the Communist Manifesto *and* the author Ayn Rand who wrote several 20th century novels in praise of *Laissez-faire* (un-regulated) Capitalism *both* emphasized this important human good of positive-freedom: not just for themselves, but for everyone. Karl was a European Jew who lived in London. He was very-understandably concerned about the condition of many industrial workers under the 19th century British system of Capitalism. He observed that factory workers were often trapped in bad jobs by their bosses, much like the work described by Bob Black (above) over a century later. He accordingly proposed ways that these workers might free or emancipate themselves from the constraints imposed by private (capitalist) regimes.

Later, in the 20th century, the strongly-Right-leaning author Ayn Rand was concerned about totalitarian government restrictions on personal initiative and how to ensure personal freedom from state regimes, especially communist police-states. This is not surprising, because she was a Russian Jew who escaped from the USSR in 1930 to arrive in a thriving NYC. Her father once owned a shop in Russia but it was confiscated by the state; but at the point when the officer (policeman or bailiff) turns up at the door, this is not so very different from, say, losing one's home to foreclosure by a privately-owned bank under

Capitalism. In the world today one continues to witness homes and livelihoods being destroyed by authoritarian states and by the global forces of private capital.

CLAIMED RELATIONSHIPS AMONGST THE HUMAN GOODS

All over the world there are magnificent libraries full of books on politics, economics, sociology, history, and philosophy, including several written by Rand and Marx. Each book sets out or assumes some distinctive framework of ideas, or some fresh evidence, whilst offering persuasive arguments about the general *relationships* between some selected human goods (for example, between wealth and justice, or charity and happiness). Which human goods are more important? Which ones can be relied upon to produce the other ones? Even if one doesn't read any of those books, there are numerous media channels and websites that can be attended to and that duly serve to reinforce particular arguments and frameworks (i.e., ideologies) in the minds of the listeners and the content-creators themselves. Each listener finds some of those arguments to be emotionally satisfying and they might 'feel' that they are correct. Such arguments may be a source of pleasure (a human good) in that respect; but that does not make them true.

If, however, we now ask what is the actual *true* relationship between, say, freedom and justice; or between friendship and happiness; or between kindness and pleasure; or if we simply ask how to produce more of any of them, we soon find that these relationships are *not* known. No such relationships have ever been established in quite the same way that Pythagoras theorem, nor in the way that each human-goods is 'known' to be good (except in excess). Accordingly, two people might contemplate the full set of human goods and then *never* agree with each other on what is the best or ideal mixture: but they can quickly strike a reasonable balance or compromise amongst themselves.

Fortunately, it is known in the Pythagorean sense that attending carefully to arguments and evidence on *both* sides (e.g., Rand and Marx) is *itself* a good thing. Paying attention to, or looking more closely at, statements from both sides of the political divide is an activity that is almost certain to produce some sociality: an increased capacity for civil dialogue, respect and friendship, which is itself a known human good (Figure 3.6). Paying attention to the entire set of the human goods and thinking carefully about it, like in a challenging mathematics class, in turn produces more of the known *meta*-goods such as understanding, balance and wisdom. All of those goods, in turn, elevate the quality and extend the likely duration of human life which is the transcendent good.

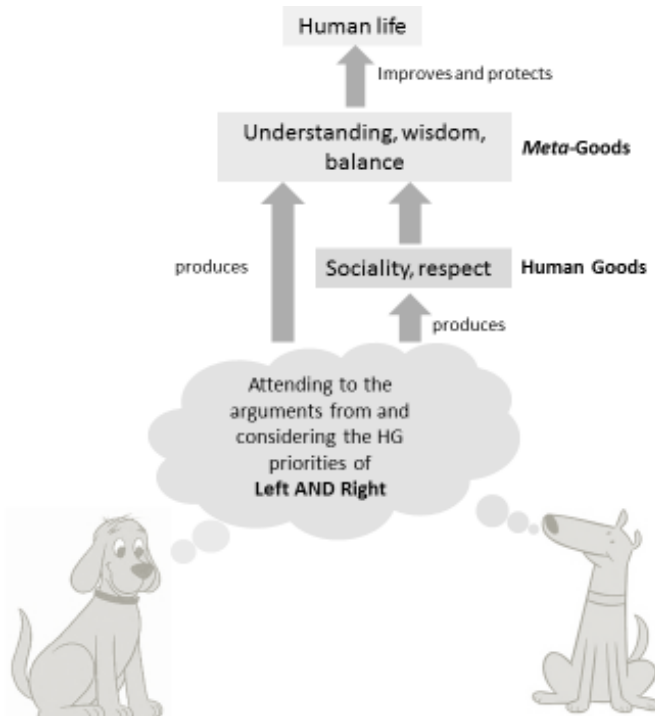


Figure 3.6. Attending to Left and Right arguments improves human life.

Chapter 4

LIKES: THE ART OF THE CHEESEBURGER

Part of the shadow of Left vs. Right involves reflection: levels of thinking. Some actions or statements are knee-jerk reactions; others follow from careful consideration. When people act impatiently it often indicates their own superficial desires and *likes* (I'd like to punch you in the face); but if they take the time and effort to reflect they can eventually see for themselves that those 'likes' are not good. In this case, the 'likes' result in increased pain and reduced pleasure (a human good) especially if all the foreseeable or expected consequences are taken into account.

The classical Greek philosopher Plato (*circa* 450BC) advanced the idea that the leaders of any nation or state or city should focus on implanting and cultivating the human goods: particularly health, justice and friendship. The leaders' intentions should be to increase the overall well-being of the people. Plato also insisted that these goods *should not to be confused with what the people may desire*. Many feel that Plato was being arrogant and undemocratic; but it's nothing to do with Plato: *everybody knows* that all people sometimes desire or wish for things that are bad for themselves and bad for others.

Plato's recipe for well-being is Left-leaning because it is the opposite of the commercial (Right-leaning) business-as-usual principle of 'giving

the people what they want' (bread and circuses, *Fox News*, etc.). It seems very fair to say that the ever-changing technical language of global capitalism has obscured this important point. For example, courses and books on marketing almost always refer to the 'needs' of customers, when they usually mean 'likes' or 'desires' or 'passions' if language were used in a more normal way⁸. It is a basic marketing tactic to try to create demand pressure ('likes' or revealed-preferences) for a so-called 'market-offering' (goods or services) whilst arranging to supply it for profit. This strategy for profit is endorsed in business schools and in economics courses all over the World. Previously, the famous USA *Federalist Paper No 68* by Alexander Hamilton spoke to a very similar point in the context of voting. He saw that voters' preferences can be influenced by 'talents for low intrigue and the little arts of popularity'; which can work against the wellbeing of voters and nations as a whole, essentially when the 'preferred' policies reduce or unbalances the mixture of the human goods.

The larger point is that personal choices in the marketplace or in the voting booth might inflict self-harm, carelessly and impatiently, while also harming others. Alternatively, those choices might *knowingly* cultivate well-being. This dichotomy is yet another *component* the L-R divide. It is a part of the shadow and another important way of understanding it. To consider it further, it must first be acknowledged that emotions and the human *psyche* can drive people (consumers and citizens) into dark spaces where they make choices or behave in ways that are not only against their own interests, but are also well-understood to be such: even by that same person at the same time.

An everyday example might be when someone is upset or angry and smashes something that is valuable to them, such as a phone or an ornament or perhaps another person (as above) but then very predictably feels bad or unhappy later on. A marketplace example might be when

⁸ Several books and websites have referred to a late 20th century 'slaughter of language' and have attributed this to the spread of global capitalism and information technology.

someone chooses to buy a used car ‘as-is’ simply because they like the color (bright yellow) whilst the sales agent does not disclose that the car is mechanically hopeless. Another marketplace example might be a decision to repeatedly purchase and consume items like narcotics or extra-large cheeseburgers, pizzas and sodas that are known to harm consumers in specific ways. An example in politics might be when very poor people vote against policies of downward re-distribution of wealth and subsidized healthcare, or even vote for an upward re-distribution (e.g., tax reductions and subsidies for the rich). They might have formed an emotional predisposition to (i.e., like) the idea that government is almost-always bad, or that they simply want to be left alone, or perhaps they like putting themselves and others at risk. They have probably not paid much sustained attention to the thousands of episodes of poverty alleviation where good governments around the world have directly assisted citizens or enabled them to help themselves. Yet actual recipients of direct government assistance (e.g., social-security) almost always see for themselves that it is good.

This self-harming behavior of denying assistance is ultimately frustrating and anger-inducing. It is quite similar to the ‘Stockholm syndrome’ whereby the victims of kidnappers began to show loyalty to their captors. There might be an emotional desire to submit to power, or to acknowledge one’s humble or lowly status. On other occasions, acceptance of impoverished circumstances might be a rational decision intended to please an authority, in expectation of a favor later on; it might be a (quite high-minded and Buddhist-style) decision to consciously limit one’s own desires so that they fit in with one’s actual current circumstances. The classic example of the latter is the story of *Ulysses and the Sirens*, where Captain Ulysses ordered his men to tie him to the mast of their ship, so that he would not be lured onto the rocks by the seductive Sirens’ singing.

Self-harming behavior can also be understood with reference to the distinction between ‘ethics now vs. ethics later’ (see the next Chapter).

The voter or consumer knows that a self-harming but pleasurable action is likely to create high costs for themselves and for others later on. It then becomes possible to make a somewhat disingenuous claim that

1. The immediate perverse hedonic pleasure (the high or the buzz) from smashing something or consuming narcotics, or triple cheeseburgers, or from voting *for* poverty and personal risk, together with
2. The enjoyment of the temporary freedom-of-expression to do so, ...is judged (by the 'smasher') to be sufficient to compensate for all the longer term harms to self and others. In politics, a similar 'buzz' might come from expressing nasty sentiments in the voting booth, or from protesting against an unsatisfactory status quo whilst not paying much attention to the alternative that is being voted for.

Many thoughtful economists, psychologists and philosophers have inquired into this damaging aspect of human behaviour and have developed theories or models-of-mind that incorporate multiple levels of thinking with recursive (i.e., self-referential) relationships. For example, in *Humanistic Economics*, Lux & Lutz (1988) drew a distinction between three types of human-preference:

1. A revealed preference (i.e., for what the person actually buys, such as a cheeseburger or a donut),
2. A reflective preference (i.e., for what a person might eventually buy if they thought about it or studied it for long enough, such as a stick of broccoli or an apple), and
3. A *meta*-preference (i.e., a higher-level preference for either 1 or 2 above).

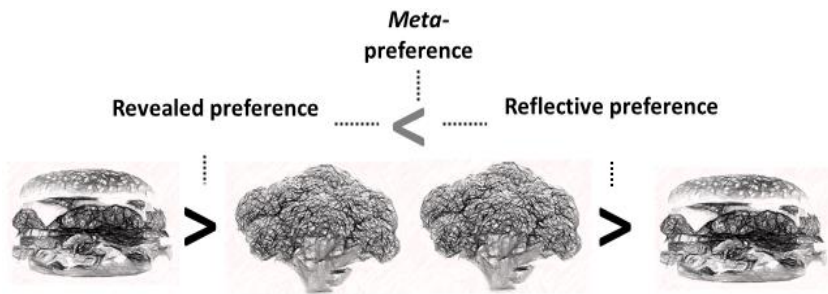


Figure 4.1. Three types of human preferences.

The latter idea, *meta*-preference, can be expressed by everyday statements or thoughts like ‘I wish I liked broccoli more than burgers’ (Figure 4.1) or ‘I really want to quit drugs,’ or ‘I wish I could just stop buying gasoline or electricity from coal,’ all of which amount to an acknowledgment or realization that health and life are human goods. In a book titled *The Moral Dimension* (also published in 1988) the eminent sociologist Amitai Etzioni described this type of reflective thinking as a ‘deontological position’ whereby human beings ‘pass moral judgement over their urges’ (see chapter 6).

Chapter 5

HOPES: FLIGHTS AND SONGS

Soon after the hopeful dawn of the 21st century the Economist Milan Zeleny detected an early sign of a plague to come. He noticed that ‘industrial-era public-relations departments’ were routinely providing ‘spin that no longer relates to the public’ and that was misleading many young people into ‘flying around the flashing lights of empty promises of hope until they end up totally exhausted with their wings already burned’ (Zeleny 2005).

What was it, exactly, that those young people might have been hoping for? Indeed, what have people hoped for throughout human history and what do they still hope for now? Many people simply hope for some personal salvation: to have a bad or painful situation resolved. On the positive side, many hope for personal prosperity: financial wealth or (more wisely) the experience of some reasonably balanced mixture of the human goods. Hopes for salvation and wealth-for-self, in turn, characterize a generally Right-leaning state of mind. It need not be entirely selfish because it necessarily entails some consideration of a surrounding community, or a host nation.

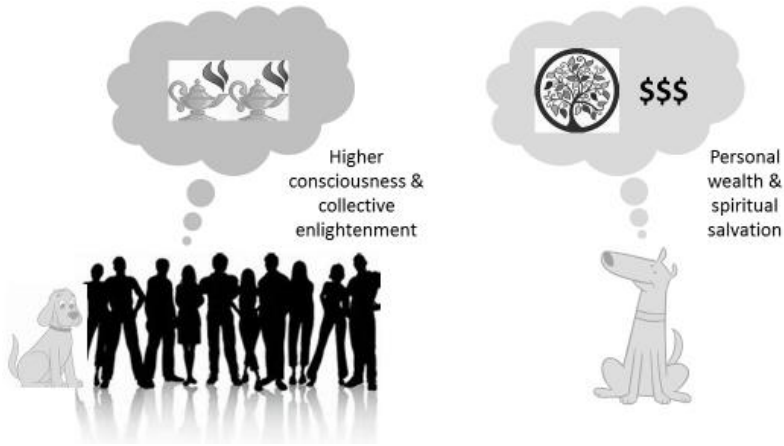


Figure 5.1. Hopes for enlightenment and salvation.

In contrast, the idea of hope on behalf of all humanity, or hoping for the whole world to flourish, is characteristically Left-leaning and perhaps quite idealistic. It is certainly *not* a typical priority for the political Right, anywhere in the World, at least in modern times. Indeed when such universal concerns are expressed and advocated by the Pope himself and the Catholic Church (the original ‘Right’) it is sometimes described (perhaps by fake news) as far-Left communist talk.

On the Left authentic (real) hope still exists for, or on behalf of, the whole world: a world in which everyone’s personal (and perhaps collective) consciousness becomes more elevated and where wisdom prevails (Figure 5.1). It might be that this is hopelessly naïve and impractical. Nonetheless, it does remain the primary hope of many enlightened, reflective and empathic people (or minds) and it is implicit in many Left-leaning media reports. Here there exists a shared desire or collective will to co-create not only a reasonably balanced *mixture* of the human-goods, but also a reasonable *distribution* of those goods over all humanity.

In the late 19th century Marxist writers (on the Left) alluded to the idea of a ‘false consciousness’: a mental state associated with all

ideologies⁹ but that particularly arises from any prolonged immersion in a capitalist system. In other words, it arises from ‘false promises’ and from routine exposure to PR ‘spin.’ Over a century later that idea found an echo in Richard Sennett’s notion of the ‘corporatization of character.’ It is understood throughout that the wider social system can induce a ‘false’ and sometimes dysfunctional mental state in many people. False promises, the false consciousness of capitalism and the corporatization of character are all bad: an obvious reason for this is that they arise from an excessive (imbalanced) focus upon personal wealth and salvation, as distinct from thinking about the collective well-being.

Accordingly, the Left still tend to believe that hopes and aspirations for or on behalf of the common (public or global) good still do count for something in a world that is very far from perfect and that obviously needs repair. The Right, on the other hand, tend to regard such hopes as ‘hopelessly’ naïve, unrealistic, impractical or even unnatural and dangerous. Often, they do not *like* the idea, just as others do not like Pythagoras theorem. However, anyone who pays attention for long enough to the very idea of ‘hope’ can eventually see the truth about this matter for themselves: if higher hopes and aspirations are routinely dismissed, or if too many people lack ‘*the audacity of hope*’ where ‘slaves sing freedom songs¹⁰’...on behalf of everyone, there indeed remains little hope of any collective progress or betterment. There would, for example, remain little hope of building the ‘moral-communities’ that Adam Smith (in *The Wealth of Nations*) described as necessary if market-based systems are going to operate in ways that serve the global common good.

⁹ The term can be found in ‘Marx and Engels Correspondence: Engels to Frenz Mehring 1893’ www.marxists.org/archive. Engels wrote that part of false consciousness is that ‘The real motives impelling (the ideologist) remain unknown to him.’ (‘Ideology’ itself can be thought of as a framework of ideas that explains value priorities or the emphasis place on each of the human goods).

¹⁰ In ‘The Audacity of Hope’ (2006) ex-president Obama wrote of ‘the hope of slaves singing freedom songs.’

Chapter 6

ETHICS: THE GOLD THAT RULES

One reason why arguments about business and politics can be hard to resolve is that each side thinks and feels that it occupies the moral high-ground. In fact, both sides occupy some of the elevated terrain; but there are two hills. The people on the Left hill feel that the human-goods of care, love and restorative justice are more important than other goods; the Right hill is inhabited by adventurers and their followers for whom wealth, negative freedom and pleasure are the main prizes.

The two tribes can easily see and talk to each other but there will always be differences about what they regard as a reasonable mixture and distribution of the human goods. Another way of characterizing the Left-Right political divide involves various moral-philosophical theories (Figure 6.1). Quite like Pythagoras theorem and the human-goods themselves, each of these theories is an enduring and stable chunk (or domain) of knowledge. As we saw with Pythagoras' theorem, when *any* well-functioning mind attends to any one of these theories it can eventually *see for itself* a potentially useful way of assessing the goodness, morality or ethicality of any given action or policy.

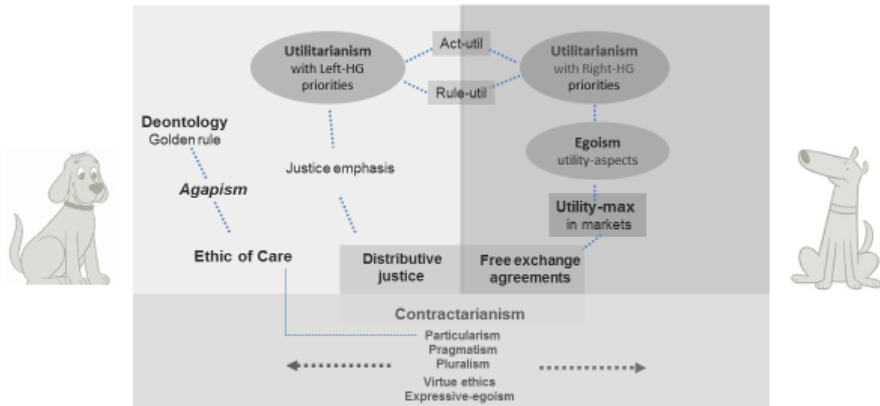


Figure 6.1. Moral theories on the Left and Right.

The several theories are also referred to as ‘forms of moral-reasoning’ and ‘approaches to ethical decision making.’ Many discussions begin with the theory of *Utilitarianism*. Here morality is characterized as seeking the greatest good for the greatest number. That phrase is notoriously vague but the central point is that one ought to consider all the expected good and bad consequences of any proposed course of action: consequences, that is, for as many people as possible (i.e., the-more-the-merrier). If ‘good’ is then understood as referring mainly to the Left-leaning human-goods (e.g., care, distributive justice) we have a Left-leaning version of Utilitarianism. It is sometimes called ‘Utilitarianism with Justice’ (abbreviated U+J). If ‘good’ is then understood to refer mainly to Right-leaning human goods (e.g., wealth, pleasure, negative freedom, etc.) we have a Right-leaning version that ignores some aspects of justice (U-J). Everyone can see that neglecting distributive justice (a just or reasonable distribution of the HGs) can be harmful and nasty, because there are many situations where harming many people, even killing them, is likely to be compensated for by benefits for many other people. Examples include:

1. slave-workers building the pyramids in ancient Egypt, whilst bringing some kind of aesthetic pleasure to millions of travelers through the ages;
2. killing anyone deemed to be involved with narcotics (or murder) in order to reduce drug related crime and illness (or more murder) in a country.

Everyone knows that people disagree about the morality of these kinds of actions and policies. The (Pythagoras-like) fact is that distinctive moral-reasons can be stated for and against them. If everyone takes the time to pay attention to a large sample of those reasons on both sides, then compromises such as better working conditions and more informed judicial processes become easier.

ETHICAL EGOISM

This is another form of moral reasoning that involves expected consequences. It endorses the idea of seeking the best consequences for *oneself*. Whichever hill you are standing on, this must seem like the very opposite of ‘ethics’ as that word is normally used (e.g., at a minimum, showing consideration for others). Everyone can also see, however, that ethical-egoism is a serious moral philosophy, for the following reasons. Those ‘expected consequences for oneself’ might include:

1. The long term consequences, so that one’s reputation for being altruistic or simply being a good person are expected to eventually pay off, and
2. The deeper satisfaction of living authentically and ‘according to your own lights’ as the economist Milton Friedman once put it (referring to talents, priorities and a sense-of-self).

These are amongst the reasons why those occupying the hill on the Right like the philosophy of ethical-egoism. However, it should not be forgotten that Karl Marx on the Left *also* emphasized the human good of authentic living and self-expression as described earlier (in Chapter 3) and as indicated in Figure 6.1 where ‘expressive egoism’ spans the partition.

Another reason why egoism is on the Right is that it seems similar in some ways to the economic principle of utility-maximization in free markets. ‘Utility’ refers to a quantity or parameter that is assumed to be maximized when a person chooses to buy or sell something. This technical assumption opens up a distinctive way of thinking about peoples’ economic behavior; no-one is claiming that the maximization of utility is the result of an actual conscious calculation in the buyer’s mind, indeed there are many evidence-based arguments to the contrary. Also the utilities referred to and deployed within this type of economic analysis do not need to have any obviously-moral content (as noted for example by Amitai Etzioni, 1988). People are also assumed to maximize utility when they buy unhealthy food or torture instruments, or vote against Pythagoras because the number ‘5.5’ makes them feel happy (chapter 2). On the other hand, when anyone pays attention to the technical ideas of utility and revealed human preference they are inclined to also think about the seriously likeable idea of autonomous market participants enjoying their negative freedom, whereupon Right-leaning human-good priorities once again come to the fore.

DEONTOLOGY

Deontology (mentioned in the previous chapter) is often compared and contrasted with Utilitarianism and Utility-maximization. It is a form of moral reasoning where principles of good behavior are derived logically but without having to consider any expected consequences. It is

also essentially Left-leaning as will soon become apparent (although the German philosopher Immanuel Kant, who is most closely associated with this theory, was in some respects quite Right-leaning). For example, a reason that one should not steal, that *anyone* can see for themselves regardless of their personal identity or likes, is that if everyone steals then property-rights would be undermined, whereupon the *very idea* of ‘stealing’ loses its *meaning*. Much the same argument applies to lying: if everyone lied often enough, language itself would lose its function and so the very idea of a ‘lie’ vanishes. Arguments like these resonate with *everyone* who pays attention to them for long enough. There is nothing much political so far in this theory, although the reference to ‘everyone’ maybe has slight leftish-overtones, just as any talk of property is inclined to the Right. However, when Kant wrote at length about Deontological moral reasoning he concluded that for people to be moral they must always follow the following two rules, ‘the categorical imperative(s)’ which do seem to be Left-leaning:

1. Only act according to a *maxim* (principle) that you want to be *universalized* (i.e., you would like everyone to follow that rule)
2. Never treat other people purely as a means to an end. Always treat others *partly as end-in-themselves* (i.e., their flourishing is important).

These first rule reminds us of the *maxim* that guides mathematics (or Science) teachers who are trying to teach Pythagoras (or Newton, or Einstein) whilst ‘wanting’ all other teachers to teach the very same thing. There is a clear suggestion here of a universal concern for the good of all humanity. (It is no coincidence, therefore, that in the UK the overwhelming majority of scientists oppose *Brexit* and other apparent expressions of nationalism). The second rule is even more obviously Left-leaning in the contemporary context because it warns against employing someone ‘purely’ (only) to make a profit from their labor;

perhaps on the questionable assumption that they have freely chosen the job. This violates the second rule (or ‘imperative’) and it can very obviously lead to the kind of bad work-situations that were described earlier in Chapter 3.

THE GOLDEN RULE

When people attend to Kant’s first rule about universalizability, many say that it reminds them of the biblical or theological Golden Rule (*do unto others...*). This is significant in politics. One often hears conservative (Right-leaning) business executives claiming that they try to follow the Golden Rule in all their business dealings. However, this often appears to mean something like ‘I’ll do this deal if you will, with honor and without deception’ or ‘I’ll try to leave you alone, because I want you to leave me alone.’ Those good thoughts express a liking of negative freedom and respectfulness, but they do not capture the essence of the Golden Rule, which is to:

1. Treat others as you would want them to treat you ...*if you were in their situation.*

Suppose for example that you were a cleaner being paid around \$1000 per month on a zero-hour contract whilst cleaning the offices of a for-profit corporation. The CEO in the same office block is being paid \$50million p.a. which is some 500,000% more than you (that number was mentioned in chapter 1 and is discussed further in chapter 15). It would take you more than 10 years of office cleaning to be paid what the CEO receives in one day (perhaps her day-off, or a sick day). If that CEO were indeed obeying the Golden Rule then some very big changes would be due: perhaps she would tip you a couple of *mill*. If she were following the ‘leave me alone’ interpretation of the rule then she might be busy

lobbying for regressive income tax reductions or searching for tax avoidance schemes. When *anyone* attends to this very real situation they can see for themselves that:

2. ‘The golden rule (really is) against the gold that rules.’

This is a statement of fact not unlike the mathematical Pythagoras theorem. It also happens to be the motto of the little-known *Christian Socialist* newspaper (without the ‘really’). Anyone on the Economic-Right who attends to this statement for long enough is quite likely to shift towards the center. It is no coincidence that much the same can be said of anyone who teaches mathematics (like Pythagoras) and science (like Newton): a recent survey of STEM professors and Business-School professors in the USA duly found this group to be about equally Left-leaning and Right-leaning, basically in all the senses described in this book.

CONTRACTARIANISM

The above-mentioned idea that ‘I will if you will’ agreements are in some way ethical, lies at the foundation of yet another (mainly *non-consequentialist*) form of moral reasoning called Contractarianism. Here, ethics and morals are deemed to be based on un-coerced agreements or exchanges. This is a Right-leaning attitude to the extent that it fits well with the entire history of trade and economic progress, as well as the principle of utility-maximization in markets. In *The Theory of Justice* (1972) the philosopher John Rawls used a Contractarian approach to carefully derive two distinctive principles of distributive justice, but these in turn have some Left leaning aspects (as indicated in Figure 6.1). The principles are:

1. We should strive to maximize liberty “subject to” (provided that we maintain) equal liberty for all, and
2. Inequality is acceptable, but only if the processes that generate it also lift the least well-off (i.e., alleviate poverty).

The emphasis on liberty (negative freedom) in the first principle is somewhat Right-leaning, but the references to equality and processes that alleviate poverty are Left-leaning. The Right often refers to the possibility that people might lift *themselves* out of poverty. They might think that they would be able to do this, or have already done it, or would want to be left alone to do this if they themselves were poor. This in turn is often a reflection of their own self-knowledge: their own strengths, weaknesses, preferences and sensibilities. More generally, any person’s political leanings are influenced by their thinking about the ways that they themselves would probably behave, or would want to be treated, in other people’s situations (Figure 6.2). It is quite like the song ‘*if I were a rich man....*’ However, people frequently do not know what it is *really* like to be that particular ‘other’ person.



Figure 6.2. Imagined situations for oneself often influence one’s political views and leanings.

ETHIC OF CARE

This branch of philosophy was developed within feminist studies during the late 20th century. The main contributor, Kathy Gilligan, was a student of an even more famous but quite controversial developmental psychologist: Lawrence Kohlberg. The overall message of the ethic-of-care is that we should try to look after each other in much the same way that mum cared for us when we were young, if we were lucky. This is regardless of how talented or rich we may currently be. Competent care givers pay detailed and sustained attention to other people; they sympathize (i.e., understand their pain) and respond to the perceived needs in ways that recognize the cared-for person's overall circumstances and contextual details.

Quite similar advice can be found in many diverse literary sources on human ethics and leadership. To give just two examples:

1. In the classic *'Art of War'* (not exactly a feminist text) the Chinese author Sun Tzu prescribed that a leader should make sure all the troops are comfortable in their tents before he retires for the night.
2. An English poet, Ellen Wheeler-Wilcox wrote: 'So many paths that wind and wind, but just the art of being kind, is all this sad world needs.'

The ethic of care prescribes that our entire way of life should be based upon this art of being kind. It is very obvious, however, that many people do not follow that prescription. It is quite likely that they have neither attended to it nor studied it for long enough.

Returning briefly to the classical writings, one can see a link between the ethic of care and the older secular and theological ethic of love, or *Agapism* (See Figure 6.1). In chapter 3 on the human-goods, 'love' was described as a psychological state and a social circumstance. *Agapism*

places love (or the sense or experience of love) at the very center of human life. The human soul, which is knowingly-assumed to exist, is regarded as the source of love; whilst the act of showing love for others becomes an overriding moral imperative, quite like the categorical imperative. Love is also considered to be the foundation or the point of origin of all the other human goods (e.g., friendship, justice, charity, even wealth).

THE SPANNING THEORIES

Various other moral-philosophies span or transcend the L-R divide (as depicted in the lower section of Figure 6.1). These spanning-theories include: particularism, pragmatism, pluralism and virtue-ethics, as well as the expressive aspects of ethical-egoism. The first one, particularism, de-emphasizes moral rules. Instead, it is argued that:

1. Morality actually does *not* have any distinctive structure (like the map in the Figure 6.1),
2. Any suggested principles are often misapplied in practice, and in any case...
3. Any morally sensitive person (like a care-giver) does not need predetermined general principles.

Accordingly, people should become skilled at identifying any morally-relevant features of each situation that they encounter, whilst remaining mindful that the 'features' are likely to vary greatly between cases. The second spanning theory, philosophical-pragmatism (due to William James, John Dewey and Charles Peirce) emphasizes the process of inquiry itself: everyone is seen (and duly encouraged) to be engaged in a personal search for an often-elusive truth, or to be part of a community of truth seekers. For example, after seeing Pythagoras

theorem, one naturally turns to contemplating its limitations, then onto an inquiry into circles and Pi (Figure 6.3) and so on.

Yet another spanning theory, Virtue-Ethics, has it that ethics should be understood with reference to human character. A person of good character strives for excellence and integrity: but this includes knowing how to integrate (or synthesize, or balance) ideas, including the moral theories and the human goods. Finally, the spanning-philosophy of Pluralism specifically prescribes that a decision-maker should consider the entire set of forms of ethical reasoning, precisely as we have done in this chapter and as depicted in Figure 6.1. People should also attempt to reach a cognitive-equilibrium: a sense of balance and a sense of knowing, through their sustained attention to the forms and to the situation currently at hand. To some extent, this entire book endorses pluralism because readers can eventually see for themselves that it bridges the divide and keeps the peace. Importantly, by paying sustained attention to Figure 6.1 and this chapter, anyone can also see for themselves that *all* the moral theories are good and reasonable: they all provide guidance that ultimately sustains life. This revelation is very much like attending to the geometric proof of Pythagoras' theorem (in chapter 2) until one sees that it is correct.

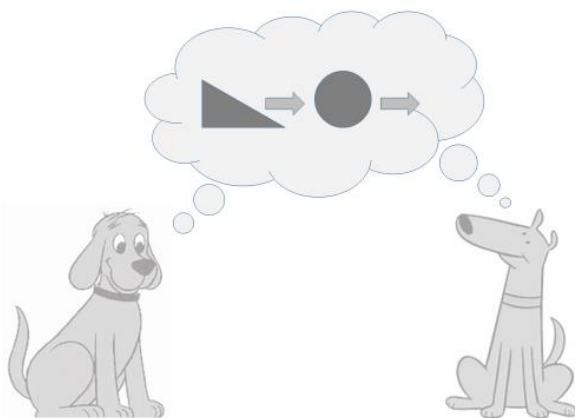


Figure 6.3. Pluralism, pragmatism and peace.

Chapter 7

TIMING: WORRY ABOUT THAT LATER

A leopard doesn't change its spots. When we think about someone's character we often see something that endures. However, observing a person at different stages of their life can be quite like seeing different people (or leopards, or dogs). Preferences, priorities and purposes often change over time, for there is indeed a

‘...time for every purpose under heaven...a time to plant, a time to reap.... a time to love, a time to hate.’

That Biblical quote (*Ecclesiastes* 3: 1-8) has been attributed to King Solomon the wise; but many people heard it for the first time in the 1970's in the folk song *Turn, Turn, Turn* by the folk group Peter, Paul and Mary. In line with the song, many people sense that there is indeed a time to generally follow Right-leaning purposes (and Right-leaning moral philosophies) and then another time to 'turn' to the Left, or *vice-versa*. This is a dynamic version of the moral pluralism described in the previous chapter. A person implicitly follows some selected goods and philosophies now, with different ones later on.

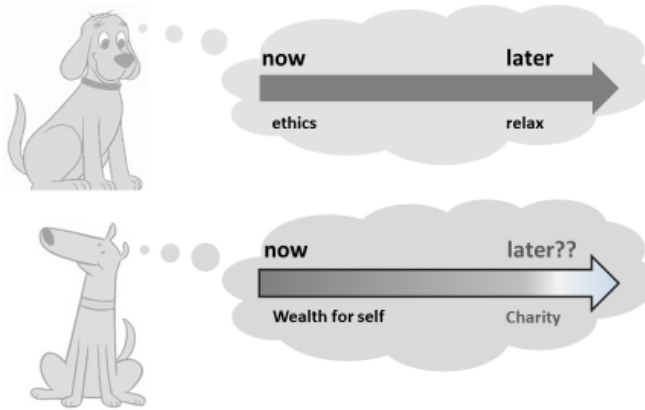


Figure 7.1. Political differences as ethics-now vs. later.

This is particularly evident in business contexts where entrepreneurs often prioritize their financial stakeholders and customers in the early stages of the growth and development of a business; but in the mature phases...of the enterprise or of the entrepreneur...priorities sometimes shift towards social or philanthropic projects (Figure 7.1). One might think of Andrew Carnegie who notably advocated 100% estate tax in his auto-biography written shortly before he died, following decades of monopolistic profit taking or ‘appropriation.’ There are similarities here with James Goldsmith, Bill Gates, George Soros, Warren Buffet and perhaps also Mike Bloomberg, to mention a few. On the other hand, many people lean to the Left when young, but shift towards the Right as they grow older.

More generally, the view from the Right sees that financial capital or wealth should be accumulated *first* through the efforts of enterprising individuals who deserve to be the primary beneficiaries, but that enterprise also has a net benefit for the entire economy or society. Some duly see and say that a successful business is a social good. A similar argument from the economic-Right is that if anyone really has some more-obviously-ethical purposes, such as poverty-alleviation or repairing the world, these might be achieved later: perhaps by some expected or hoped for trickle-down of wealth. This type of argument has

been deployed to support national austerity policies that are genuinely intended (by some) to be a temporary means for a nation to accumulate financial capital. The Right also often argue that leaving money in the hands of the wealthy is good for society because those wealthy people and corporations seem to know how to handle it and make it grow (even if that is primarily for their own additional benefit).

The political Left (which can be thought of as a bundle of ideas, or as a crowd of people, or as a person at a particular stage of their life) duly emphasizes the very opposite: there is a moral-imperative of ethics-now (i.e., the Golden Rule or an ethic-of-care). There is a fierce urgency of lifting the poor and repairing the world now, rather than doing it indirectly or hoping for it later on. The Left also argue that supplementing the income of the poor (*via* taxing the rich) is likely to directly benefit the entire economy, especially consumer-driven economies, because any extra money in the hands of the less-well-off is quickly spent. Psychologically, this Left-leaning position is sometimes a form of moral-licensing: you do something obviously good or moral first (e.g., helping the poor) and then later one might feel more entitled to relax and indulge. The economic policies of the Right turn this around: let's do some sort of good by making money first (wealth, work) but be aware that later on we *might* spread the money around.

In any case, this basic idea of politics-as-timing can go a long way towards bridging the Left-Right divide. It is easy to deploy in almost all discussions of economic policies and business strategies, because it skirts around sensitive personal questions of current political identity, whilst it is easy to understand and can be quite persuasive either way.

Chapter 8

CAPITALS: SACRED COWS AND OTHER FORMS

There is another way of thinking about timing in relation to the political Left and Right: it involves the idea of distinctive *forms of capital*: not only financial capital (money and assets) but also the concepts of social, human and ecological capital. In some places, people continue to measure their wealth and display their status by counting the cows that they own or control. This can still be seen in some rural communities, but also in historical ‘Western’ movies like *Lonesome Dove* set in the 1880’s. The word ‘capital’ is duly derived from the Latin *capitis* which means ‘of the head’: head-of-cattle, that is. Under normal current usage ‘capital’ refers to money or assets that have been accumulated; sometimes including borrowings. In the specialized language of business, however, the phrase ‘forms of capital’ usually refers to various types of financial instrument, not only cash but also shares (with specified rights), bonds (US) or debentures (UK), as well as leased assets and derivatives contracts (options, futures, etc.).

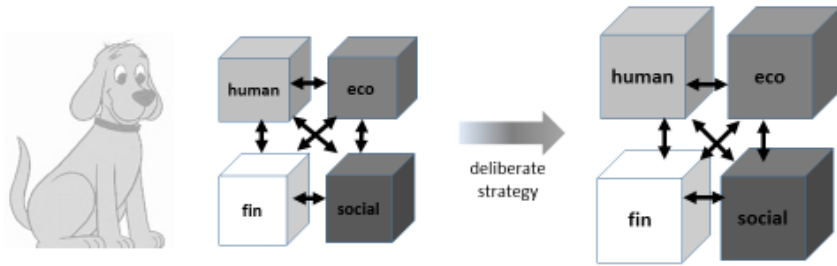


Figure 8.1. The deliberate simultaneous co-production of distinctive forms of capital.

This financial *language* might itself be described as a Right-leaning: it communicates and reinforces a commercial culture and way of thinking in which monetary values are pervasive and dominant. A different culture and language-community that is broadly Left-leaning is used in many academic discussions. Here, the very same phrase ‘forms-of-capital’ refers instead to concepts like social-capital and human-capital, along with the ecological, political, cultural and moral ‘forms.’

In this mildly Left-leaning language-community, these forms of capital (human, social, etc.) are usually deemed to be distinct and separate, although it is well understood that they are interrelated (Figure 8.1). Most importantly the ‘forms’ are not entirely reducible to money, nor to any singular abstract measure of utility. It is considered to be misleading and potentially harmful to regard the ‘forms of capital’ as being directly exchangeable; it is bad (misleading, corrupting) to say that everything has its price. For example, human beings should not be exchanged for cows. Similarly, there is a specific loss of cultural or ecological capital when native tribes are displaced by commercial activity, regardless of any monetary compensation. That is one of the reasons why many people oppose the destruction of the Amazon rainforest in order to make money.

According to this mildly Left-leaning multi-capital view of the World, we should *not* routinely *assume* that the forms of capital are fully exchangeable for money (financial capital), even though this assumption might be thought provoking and create some intriguing lines of inquiry,

as in some Economic theories. People should think instead about how each distinctive ‘form’ might be nurtured, developed or co-produced to yield a balanced or harmonious system, as depicted in Figure 8.1.

This idea of distinct non-substitutable forms of capital is quite similar in spirit, with similar practical implications to:

1. The prescription in parts of this book to work towards a RBMDHG (a balance of human-goods),
2. The multi-stakeholder model of business and corporate strategy, or the stakeholder variant of capitalism, as discussed later in chapter 12 on strategies (and in the 2020 Davos meeting),
3. The accounting practice of triple-bottom-line reporting, where corporate accounts explicitly refer to measured social and environmental contributions, as well as financial position.

The multi-capital model and triple bottom line accounting both express the truth that human-beings, societies, cultures and ecologies exist and flourish to some extent outside of any market-based system. Accordingly it is understood that ‘human capital’ refers to a person’s skills and other good qualities that have been gradually accumulated in a way that is *metaphorically* like (but not reducible to, nor exchangeable with) money. A person’s human capital does not mean the same as what a person might be sold for, as in a slave market; nor is it necessarily equal to the total amount spent or invested on developing that person (the past investment or sunk cost).

Similar points apply to the social, cultural, moral and political forms. A society that recognizes this partial-truth about the human condition would strive to develop the forms separately, in ways that relate to financial capital but are not always subservient to it (Figure 8.1). Anyone who lacks the ability to pay (see the next chapter) should still be able to accumulate reasonable levels of the various non-financial forms of capital, which in turn might eventually foster improvements in their

financial position. All such ideas and practices are broadly aligned with the political Left. On the Right they are often held to be impractical or undesirable.

There is, however, a Right-leaning version or variant of the multi-capital model. Here it *is* assumed that everything *can* indeed be commodified and does indeed have a price (Figure 8.2). This seems cynical but is also substantially true. ‘Human capital’ refers specifically to the \$-value of a person or a group, perhaps in their capacity as employees or as officers in a for-profit business. The skilled employee of any business is now regarded as a money-generating asset owned (in a sense) by the business, quite like any machine or a computer. One might also consider the ‘deprivation value’ of the human capital: how far would the \$-value of the business fall if everyone quit? Whilst this way of thinking about people seems disrespectful and demeaning (but perhaps useful) a somewhat limited moral justification can be constructed:

1. With reference to any of the distinctive moral philosophies that broadly endorse financial-capitalism (such as ethical-egoism, or Right-leaning variants of utilitarianism)
2. Pragmatically; because (as mentioned earlier) it has opened up an intriguing line of inquiry: the technical *assumption* that all forms of capital can be subsumed under a singular measure: an overarching utility function¹¹ which has indeed led to some interesting Economic theories. Those theories, however, can be abused when taught or studied in isolation because (unlike Pythagoras’ theorem) they can draw attention *away* from what many see as the more sacred aspects of human social and natural life. According to Amitai Etzioni this amounts to ‘*mis-education.*’

¹¹ The Czech Economist Milan Zeleny has criticized the use of an ‘overarching utility function’ in this context, whilst sociologist Amitai Etzioni advocated a ‘multi-utility’ framework, similar in spirit to the multi-capital model.

Perhaps the most persuasive justification for the Right-leaning ‘everything has a price’ model is that it can be quickly put into reverse, so to speak. As discussed in the previous chapter on timing, the conservative Right likes the idea that financial forms of capital (money) should be accumulated first (Figure 8.2), possibly by exploiting or consuming all the other forms; but later on, that same money *might* be spent in ways that replenish all the other ‘forms’ (Figure 8.3). This is a good idea, except that the follow-up phase might never happen (as with ‘ethics later’) and the assessment on the Left is that it probably won’t happen.

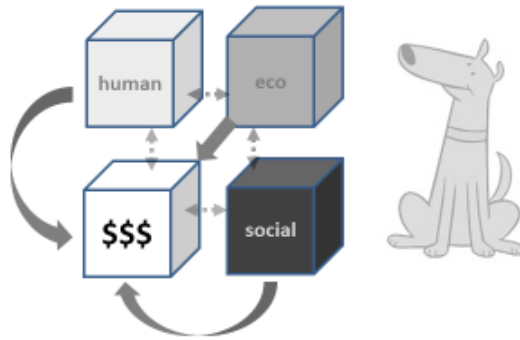


Figure 8.2. The flipped multi-capital model with financial-capital first.

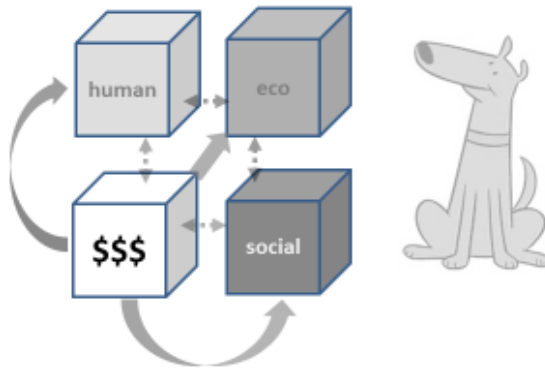


Figure 8.3. The flipped model later showing financial-capital depleted to replenish the other forms.

When comparing these models, it is well worth noting that if the period of time between ‘now’ and ‘later’ is steadily reduced in the mind to zero (quite like the idea of taking a limit in calculus) the two-part flipped model (Figures 8.2 & 8.3) is transformed into the original multi-capital model (Figure 8.1). The question in reality, therefore, is simply ‘how long must we wait?’¹². Finally, it also seems worth mentioning that when any public speaker or management consultant speaks mellifluously of ‘human capital,’ ‘cultural capital’ or ‘ecological capital’ it often remains *unclear* as to which of the two interpretations (the Left or Right one) is intended. Are they saying that one should be free to buy or sell everything (people, forests, etc.), or that one must always recognize and respect the more sacred aspects?

¹² The tribal musical band *Lapochka* asked ‘How long must we wait ‘until the mountains of avarice turn blue.’

Chapter 9

LIMITS: THE KNOWN LIMITATIONS OF MARKETS

Over thousands of years, human minds have formed the abstract notions of collective advancement and the *common* good; some have envisioned societies progressing towards some reasonably balanced mixture and distribution of the human goods, which includes private and public goods (see chapter 3). In the 18th century the Scottish philosopher Adam Smith warned about the plans of ‘merchants’ who try to reduce competition and achieve a monopoly: such schemes, he wrote, are against the ‘*publick*’ interest. In the 20th century the Right-leaning economist Frederick Hayek echoed that warning.

Both of these notables were documenting a Pythagoras-like fact: that trading-corporations can sometimes acquire market power and then use it to harm the public in specific ways, even though they might benefit some people in other ways, or at other times. This ‘harming’ process is just one amongst several *known* limitations of market-based systems (KLMBS). Limitations, that is, with respect to the achievement of a RBMDHG. The descriptions of the limitations are not opinions or

sentiments; they are Pythagoras-like facts. Apart from monopolistic tendencies, the other KLMBS are the ...

1. Tendencies of individuals (consumers, citizens) to like (desire, buy or prefer) things that are expected to reduce their own well-being or that of others (as described in the chapter on 'likes'),
2. Complexity of human motives for productive activities, including the aesthetic and expressive motives,
3. Limited information available about the items being exchanged in any deal and about the processes used to produce and distribute those items,
4. Absence of some aspects of distributive justice and the associated exclusion of some people from the system due to their lack of ability to pay,
5. Frequently-harmful effects of unpriced externalities (e.g., pollution, habitat destruction, climatic effects, etc.)

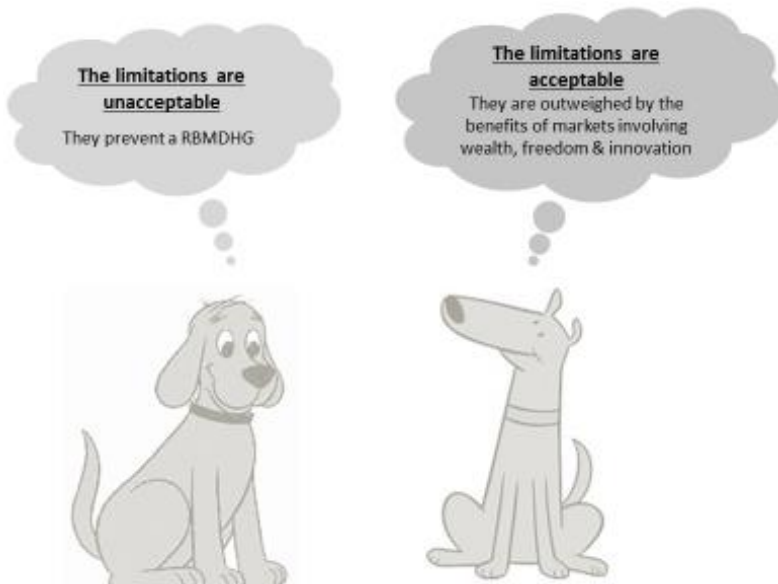


Figure 9.1. Left and Right attitudes towards the limitations of markets.

6. Above-zero pricing of non-rival goods (i.e., intellectual property that could very well be free to all)
7. Harmful aspects of some speculative investments, and
8. Failure of market-based-systems to produce and protect public goods (rivers, parks, traffic lights etc.) in the absence of private charity or specific political action.

Unless all of these limitations are themselves held in check or compensated for to some extent, they are almost certain to prevent a market-based system from delivering a RBMDHG. However, an emphasis on the Right-side human goods suggests that we (i.e., the people, the nation or everyone) should be willing to put up with all the ‘limitations’ because the various harms that they allude to are judged to be collectively outweighed over time by the

1. High level of total *wealth* (believed to be) created by markets and the private profit-motive, regardless of who owns it,
2. Human-good of negative *freedom* from the state, as well as,
3. The benefits to the public that follow from market-driven *innovation*, the ‘driving forward of the industry of mankind,’ as Adam Smith also wrote in *The Wealth of Nations* (1776).

Accordingly, the political-Right often argue that for-profit businesses should be free to *exploit* the limitations and should even be encouraged to exploit some of them, because that is how an existing business achieves higher (‘above normal’) profitability. The political (far) Right duly support the weakening of *anti-trust*, product safety and environmental regulations in industries such as technology, aviation, forestry and mining, for example. Of course, such ‘support’ can also be motivated by any individuals’ personal expectations of financial benefits.

The Left oppose any such efforts and want to see all such laws strengthened. They find all of the above KLMBS to be unacceptable and

consider that they are too destructive of the human goods, including life itself (Figure 9.1). The Left duly argue that the KLMBS must be constrained or *compensated* for, in some way. At the very least, for-profit corporations should try to *refrain* from exploiting some of them (Figure 9.2).

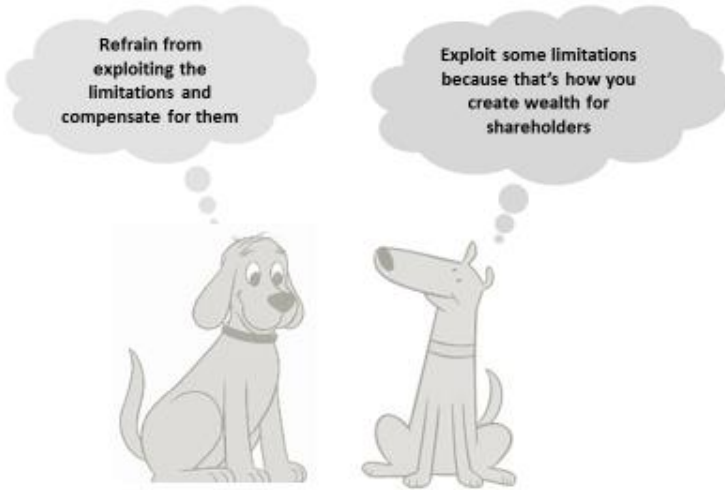


Figure 9.2. Prescribed responses to the limitations of markets.

These contrasting attitudes towards the KLMBS can be expressed, endorsed and propagated by all types of political actor: by individual citizen-voters (as suggested by the cartoons in Figures 9.1 & 9.2) by civil society groups (NGOs) and by governments (as laws). For example, in 2017 the government of China reportedly began an ‘ecological civilization’ project in apparent response to limitation-5 above. Attitudes towards the KLMBS can also be expressed by for-profit corporations themselves in their ‘socially-responsible’ or stakeholder-oriented communications, policies and strategies. In all cases, the act of paying *sustained* attention to the full sets of the *known* limitations and the human goods is bound to nudge anyone’s attitude towards the political center.

Chapter 10

WELL-REGULATED CAPITALISM

There are precisely three ways (as in $1+1+1 = 3$) for any society to overcome the known limitations of market based systems (KLMBS). They are as follows:

1. *Socialization*: a revolutionary change to some sort of *non*-market-based system where there is substantial state or communal ownership and control of all types of production and distribution.
2. *Regulation*: some actor that is outside the market (*exogenous*) such as a government regulates the market-based system in ways that effectively reduce the level of exploitation of the KLMBS.
3. *Compensation*: various actors work to promote a 'more-obviously-moral' culture of co-production of a RBMDHG. Accordingly, there is less of a tendency by private actors to exploit the KLMBS and some willingness to refrain or compensate.

The political Left in the 21st century is mainly interested in the second and third ways. Regulation aimed at overcoming the KLMBS is a top-

down (TD) approach. It has to involve some sort of central coordinating authority such as a good government ('good' in the sense of promoting a RBMDHG). That government tries to reduce the level of exploitation of the KLMBS by all actors, but it can also compensate citizens directly for some of the effects of exploitation (Figure 10.1).

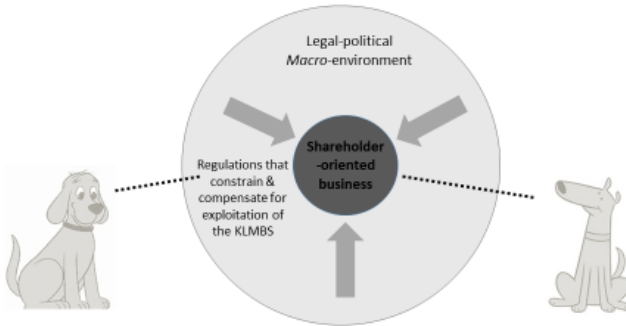


Figure 10.1. The regulation of for-profit businesses that exploit the limitations.

Top-down regulation aimed at overcoming the limitations and implanting a RBMDHG (option 2 above) is quite different from traditional Socialism (option 1). When language is used in a normal way, any such system of good regulation would be called '*Well-Regulated Capitalism*'. That phrase quickly invites comparison with '*well-regulated militia*' which is familiar to most American citizens. Many people have a clear idea of what a well-regulated militia looks like (e.g., the USAF or RAF, not a rabble) but they are not so sure about markets. References to '*regulations that overcome the KLMBS and promote a RBMDHG*' can be used to entirely clear up that confusion. Facts about '*well regulated capitalism*' are quite like facts about triangles. You have to pay attention, make a sustained effort to see these facts for yourself and then remember them.

The third way to overcome the KLMBS is '*compensation.*' It involves co-creating a more-obviously-ethical political and business culture in which productive strategies are intended to benefit all stakeholders. This notion was discussed at Davos 2020. The intention is

to balance the interests of all those involved (i.e., a multi-stakeholder-oriented strategy). It is a matter of logic, not politics, that any for-profit corporation or its senior officers can choose to either:

1. *exploit* any particular limitation, with the intention of making a profit and capturing an above-normal return on capital for the shareholders, or else
2. *refrain* from such exploitation, or else
3. *compensate* for that known limitation.

Strategies of compensation, in turn, can be either direct or indirect (Figure 10.2). For example, a business might provide healthy market offerings and inform customers of this, in order to compensate *directly* for the ‘preference vs. well-being’ limitation: the fact that many people like cheeseburgers more than broccoli. A business might lobby for stronger *anti-trust* law or actively assist a swarm of small collaborators in order to compensate *directly* for the ‘monopolistic tendencies’ warned against by Adam Smith. An example of *indirect* compensation is where a business such as *Exxon-Mobil* knowingly creates some environmental pollution but at the same time supports community health clinics in areas where it operates. Of course such compensatory mixtures can change over time but by comparing Figures 10.1 & 10.3 anyone can eventually see that:

... the greater the frequency of business-level compensatory strategies, the *less* the need to regulate the market-based system in order to achieve any RBMDHG.

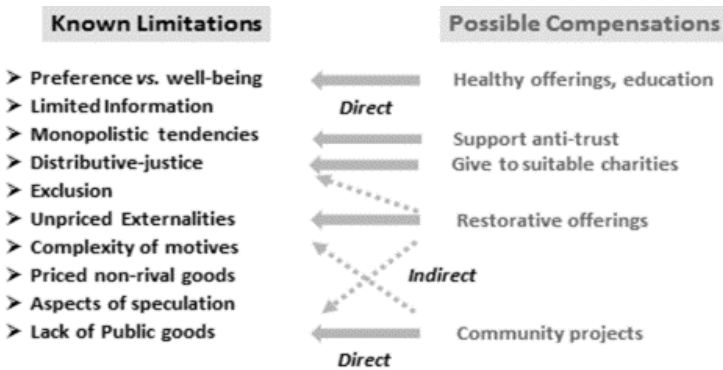


Figure 10.2. Market limitations and compensatory strategies.

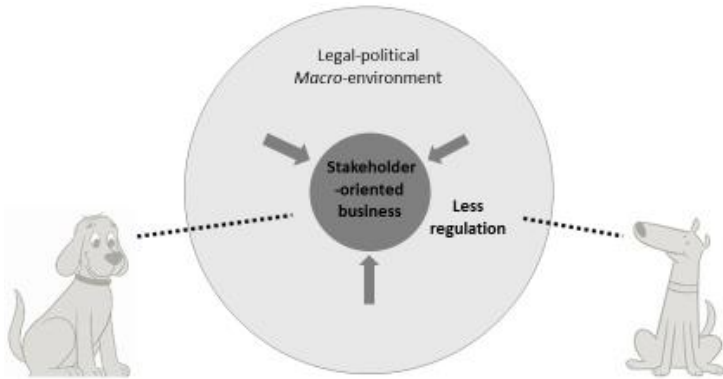


Figure 10.3. Regulation should reduce when businesses deliberately refrain or compensate.

So, if you don't like regulation then start to behave well and set an example, perhaps by reducing greed. All who pay attention can eventually see this for themselves. It is quite like the statements that make up systems of arithmetic, geometry and physics. It is not a new observation either, because Karl Marx wrote long ago that the 'state' (i.e., government and regulations) can 'wither away' under some conditions. That's correct: the author of the *Communist Manifesto* envisioned *small* states, not big ones. Those 'conditions' are that citizens (or corporate-persons) behave in ways that are generally caring and kind. The need for regulation then logically reduces, whereupon everyone can enjoy more

negative-freedom. Put differently, the arc of the moral universe might bend towards justice and freedom (in some mixture) but only if people behave themselves.

Chapter 11

TAXES: LOOKING HIGH AND LOW

People often say things like ‘I’m a Conservative so I like low-taxes’ or ‘I’m a Liberal, so I support progressive taxation.’ The truth is, however, that it does not matter who the speaker is. What does matter is the possibility of achieving a Pythagoras-like understanding of the economic and social conditions that promote human flourishing. Anyone can achieve this understanding by studying carefully for long enough, starting with this book.

STATEMENTS

That quest for understanding will lead to many statements about ‘conditions for flourishing’ that are subject to *caveats* or conditions. For example, in the USA *ex-president* Obama recently said that ‘democracy and co-operation...could only work (in future) *if* the rich paid more in tax.’ In assessing that statement, one might consider that successful corporations in Japan used to maintain a pay-ratio of about 30:1 between their highest paid officers and lowest-paid employees. It seemed healthy

at the time and perhaps it still does; similar in some ways to having one teacher for every 30 children. In the USA today, however, one finds pay ratios of 3000:1 and more. For example, in 2017 the McDonalds CEO received ‘\$21.8 million, which is 3,101 times more than the typical McDonald’s employee’ (Pizzigati 2018). Everyone, including that CEO, can see that this ratio presents a challenge, not only to justice and democracy, but also to co-operation and human flourishing. It also easily explains why the highest-income 10% of taxpayers pay most of the tax¹³.

Since about 1980 there has been a steady increase in economic inequality. When conservative ‘Right-dog’ hears this, he often growls that inequality does not matter, unless perhaps the poor are getting poorer. He might add, truthfully, that a dislike of inequality is often due to envy, which is a bad thing. In any case, there has generally been strong economic growth since 1980 whereupon a rising tide lifts all boats and wealth trickles down. Left dog immediately barks back that:

1. Many people *are* getting poorer and wealth does *not* trickle down,
2. Since 1980 wealth has mostly gushed up to the top 1%.
3. If anything, it is poverty and homelessness that ‘trickles down.’

Rising house prices in some cities illustrate the latter. They have squeezed out first-time-buyer dual-income households, who continue to rent rather than buy, which in turn squeezes out traditional single renters, some of whom end up homeless.

Our two growling dogs can easily understand and partly-agree with all of the above. Both also know that the last few decades have seen the

¹³ According to recent US Inland Revenue service (IRS) tables, the 400 *highest-income* individuals in the US reported an adjusted net income before tax of about \$1,000,000 *per day*, so they do pay a significant portion of all tax even when their average tax rate is quite low. If income above \$10 million p.a. were taxed in at a (1950’s style) top marginal rate of 90% then the extra revenue from just those 400 individuals would cover about 40% of all public college costs in the USA; but the taxed 400 would then have to manage on a take-home pay of around \$100,000 *per day*.

emergence of many winner-take-most markets (WTMMs). Professional sports such as tennis are a standard example. Everyone knows that Roger Federer has talent. Some might also know that he has accumulated about \$400,000,000 from brand endorsements and the creation of other TV images for the global TV-WTMM. In effect, Roger has received \$200 (after-tax) for every stroke he ever played in his official matches so far, including the few bad shots. Meanwhile, many not-quite-so-good players have received little or nothing. Roger flourishes, vast numbers are entertained, but once again, everyone can see that something is not quite right.

Suppose a progressive high-top-end income tax rate had slashed Roger's take-home pay to just \$20 *per* stroke. His accrued personal wealth would then be \$40,000,000. Would he have played any differently? Left-dog and Right dog generally agree that he would have played the exact same game. After all, payment of around \$170,000 *per month* is surely enough to motivate anyone. Left dog might also point out, again truthfully, that:

1. People have complicated motives for being productive, including aesthetics (or flow) and community or public benefits.
2. Psychologists often refer to an 'inverted-U curve' whereby the best human performance is often achieved when the \$-incentive or 'extrinsic motivation' is moderate, not extreme.
3. When so many people have nothing, accepting more than one or two million dollars *per annum* seems very greedy¹⁴. It might even reduce the rich person's happiness or trigger strange episodes, as in the ancient story of King Midas.

¹⁴ A UK colleague with City experience recently wrote "Several countries in Europe have tried to tackle wealth inequality by having very high taxes on 'excess' *wealth*. I think their system has worked. You have to persuade billionaires that it's in their interests to share their wealth...to do that, you have to overcome basic human greed."

Right-dog does not *like* any of these true statements. He might bark ‘spare me the psycho-babble,’ perhaps adding that ‘all people are entitled to the fruits of their labor.’ Warming to the theme, he might wish ‘best of luck’ to people like Jeff Bezos, the CEO of Amazon whose net worth in 2018 stood at around \$140,000,000,000 and who reportedly makes more money in one minute than the median-paid Amazon employee makes in a whole year. Left dog barks back quite loudly that many high-income people such as Jeff, Roger and Bill (Gates) have persisted in appropriating some of the fruits of *others’* labor. Furthermore, many high-income people do not ‘labor’ at all because their income is ‘unearned.’ Tennis players like Roger *co-produce* TV images in partnership with a vast global telecommunications industry. Without his happy band of co-producers, he would be much less wealthy, more like traditional Olympic athletes. Most hard working ‘band’ members, however, would probably have received less than 1/1000 of his pay. This bothers Left dog, but Right dog really does not care. His view of the moral high ground is to grab a tennis racket and start practicing. He also growls that things like technology, talent and the luck are all elements of an evolutionary process that necessarily creates winners and losers, life and death.

Right-dog sometimes tries another tack: he barks out clearly and truthfully that there is ‘no fixed pie’ to be shared out. He might also growl that whenever people like Roger, Jeff or Bill enlarge that pie (of supplied goods and services) they deserve to keep most of those extra slices. Like some 19th century pioneer clearing new territory, these enterprising men do not have any obligation to share the ‘fruits.’ Furthermore, in order to make the pie grow as large as possible there must be no limits on the financial incentives. Therefore, for humans to flourish, says Right-dog, people like Roger, Bill and Jeff must be left alone and free from government interference. Left-dog and many other people cannot see this at all (because it is not true) and might invite Right-dog to take another look.

Table 11.1. Summary of selected reasons for liking high and low income tax rates

LEFT LIKES HIGH BECAUSE...	RIGHT LIKES LOW BECAUSE...
30:1 pay ratios seem reasonable	Pay ratios should be set by the market
Inequality is too high & increasing	Inequality does not matter. Envy is bad.
Wealth gushes up, poverty trickles down	Wealth trickles down
WTMMs distorted the ratio, 'Federer effect'	Technology, talent, evolution creates losers
Complex motives, Inverted-U, greed	<i>Psycho</i> -babble, be free to acquire \$ billions
Others' labor, unearned, exploitation, luck	Appropriate fruits of one's labor.
Classroom rewards for performance	No classroom, only supply!
Some pie is tax-funded, strategies shrink pie	No fixed pie, maximize incentives
Rigged or unearned high incomes, lotteries	The market is fair and sets top pay
Many poor people have several jobs	Many poor people are lazy
Close loopholes using NSA-tech	Rich will always find loopholes
Few productive rich emigrate	Productive rich might emigrate
Increase tax to increase revenue (Laffer)	Reduce tax to increase revenue (Laffer)
More \$ for needy citizens & public goods	More \$ for me & my family
\$-to-poor lifts spending, creates growth	\$-to-rich lifts production, lowers inflation
Government programs reduce poverty	Charity reduces poverty
'The rich want out'	' <i>Noblesse Oblige</i> '
'No taxation without representation'	Flat-tax gives everyone 'skin in the game'

Returning briefly to that decent and comfortable old-style 30:1 corporation, our two friendly dogs might also consider the question of a fair or proper distribution of sweets in a high school classroom as a venue for 'pay for performance' on a math test: perhaps a test on Pythagoras theorem. Many teachers say it should be something like '3 for the top scorer, 2 for the runner-up and 1 for everyone else.' In other words a 3:1 ratio rather than 30:1 or 3000:1. Right-dog simply growls that the adult world is not a classroom. One must also consider 'who produced those sweets and why?' Left-dog growls again about co-production, perhaps repeating that:

1. Extra pie or sweets for adult winners often involve anti-competitive (monopolistic) practices that sometimes *shrink* the whole pie while enlarging a few slices,
2. Pay-consultants and board members often *collude* or ‘rig’ the system, and
3. Government contracts funded by *taxation* are a major source of revenue for many private-corporations.

As an example¹⁵ of that third point, Left-dog might note that Lockheed Martin Corporation in the US reportedly ‘took in \$35.2bn from taxpayers in 2017’ while their CEO ‘pocketed \$22,866,843 or about 800 times the average for US workers’ (Pizzigati 2018).

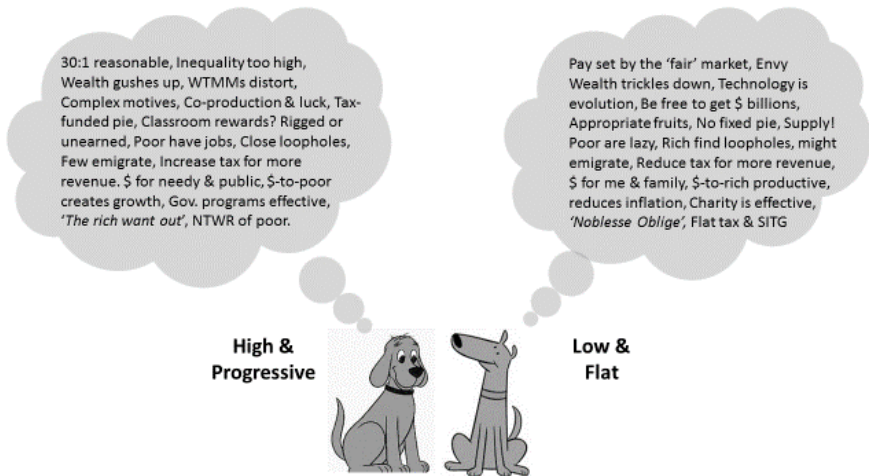


Figure 11.1. Two dogs discussing income taxes.

Left-dog has not finished yet. Much of the taxable income of wealthy individuals is unearned: property-rentals, interest, dividends and capital gains. Unlike Roger who at least sweats it out on the tennis courts, many

¹⁵ For some other examples see...Robert Reich (2019) “Trump offers socialism for the rich, capitalism for everyone else” *The Guardian* Mon 11 Feb 2019.

wealthy people do no work, at least in the normal sense. Right-dog might growl back that many of those rent - yielding assets were rewards for sweat in times-gone-by, whereupon Left dog growls about the lottery-like aspects of asset prices and real estate gains, or the so-called ‘ovarian-lottery’ of massive private inheritance (why bother with 3 sweets for performance in your classroom, if one of the kids just inherited \$10mill tax-free?). Right dog, now becoming quite agitated, barks back that many poor people are lazy, that high tax rates simply encourage the rich to find tax-avoidance loopholes or to emigrate to tax havens, taking their money with them. Left dog in turn growls that many poor people work actually very hard in several jobs, that governments should deploy NSA type technology to close those international tax loopholes.

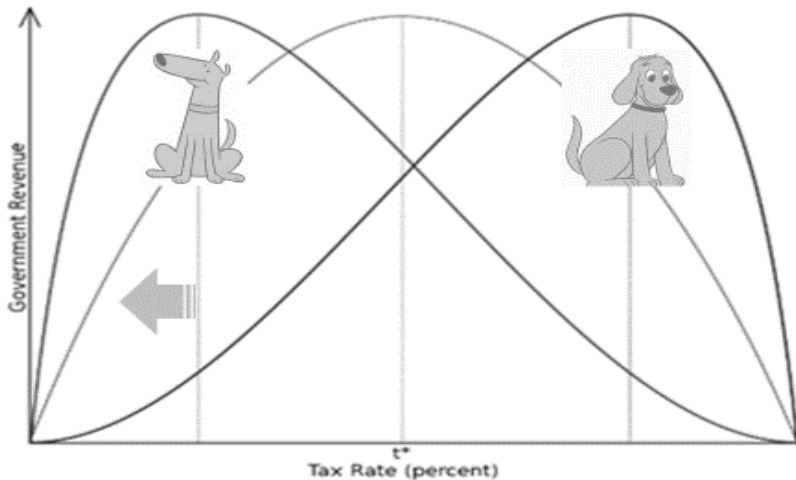
CURVES

That Pythagoras-like ‘no fixed pie’ true statement from Right-dog sometimes prompts calmer consideration of three more true statements about income taxes:

1. A tax rate of 0% would generate zero revenue to a government (in any country with a market-based economic system).
2. A 100% rate would also generate zero because no one would work; or perhaps a small amount from paid work done for communal or altruistic reasons. (A totalitarian government, in contrast, can sell products of citizens’ forced labor.)
3. Therefore, there must be a regime of tax rates somewhere in between 0% and 100% that maximizes revenues (in a market economy).

Taken together, these three truths do not imply that that tax *increases* generate more tax-revenue; nor that that tax *reductions* lead to more

revenue due to more ‘pie.’ The accuracy of those statements depends on the initial tax rates, but also on the *conceptualized* shape of the curve in Figure 11.2.



Source: adapted from commons. Wikimedia.

Figure 11.2. Laffer curves based on Right and Left preferences.

Left dog *likes* the idea that the curve peaks at a high rate (i.e., towards the right side of the curve). He can find several data-based studies that purport to ‘indicate, suggest, or show’ that high progressive taxation linked to downward redistribution creates economic growth from things like infrastructure spending and the fact that poor people quickly spend any extra dollars. Right dog immediately starts to growl about inflationary pressures. He prefers the idea that the peak of the Laffer curve (Figure 10.2) is at a low rate. He has collected some other studies that ‘show’ that low personal income taxes encourage productive business investment in the home country. Anyone who persists with the research for long enough, however, will find that the bulk of the more credible studies (e.g., the CBO in the US) support the Left side of this particular dog-fight. In fairness to Right-dog, one has to consider that he might be playing a bit of a deceptive trick here (indicated by the grey

arrow in Figure 11.2), perhaps even deceiving himself, because he has several other reasons for *liking* tax reductions. They:

1. Give him or his family more money immediately,
2. Tend to reduce the size of government social programs (because of the *lower* revenues and higher deficits that he secretly expects) and
3. Make the rich richer; which he likes because he is already rich or imagines that he will be one day.

As a result, Right-dog frequently growls that the optimal revenue-raising tax-rate is low, probably around 10-30%.

EFFECTIVENESS

Regardless of tax rates, our two dogs also disagree about the relative merits of tax-funded social programs in comparison with private charity. Right dog growls that low taxation and philanthropy (a human good) obviously reduce poverty and promote human flourishing. Left dog barks back that tax-funded government programs are often far more effective and efficient, potentially less corrupt and certainly *far* less selective than most private programs. In the US, for example, Social Security Medicaid and Medicare help the poor far more widely and on a larger scale than private charitable foundations. One reason is their massive level of funding: compulsory taxation for everyone raises *far* more than voluntary donations: many people do not donate at all, in part because they know that others don't. To use the language of Game theory, donors have an incentive to 'defect.' On top of that, these days, many of '*the rich want out*': to retreat behind their castle walls or other private spaces, or to overseas tax havens, without maintaining much sense of *Noblesse*

Oblige. The late Alvin Toffler, the insightful author of *Future Shock*, noticed in 1990 that the trend was already well under way 30 years ago.

Many conservatives heartily agree with Left dog that wealthy individuals do indeed have an obligation to help others (i.e., *Noblesse Oblige*) but they prefer to leave it to private consciences rather than public policy. This preference is implicit in yet another significant line of thinking about income tax rates. The political Right sometimes argue for a low ‘flat tax’ with reference to the principle of ‘skin in the game’ (SITG). This means that anyone with a personal financial stake (the ‘skin’) in a project has an incentive to eliminate reckless risk-taking within that project. Accordingly, says Right-dog, if everyone paid the same rate of tax, it would help to discourage ‘reckless’ *government*. A flat tax would also be similar to a traditional Church Tithe (still common in the US) whereby congregants pay around 10% of their income to a church and the church-based community stays strong. Left dog gets agitated now: a low flat tax obviously worsens poverty, because under progressive tax regimes many of the poor receive refunds or ‘pay’ negative tax. Flat tax also means ‘low at the top’ so it would further enrich and empower the already wealthy. In fact, growls Left-dog, these metaphors of ‘skin’ and ‘tithe’ would only apply under a functioning one-person-one-vote system of direct control over government projects. The important thing, says Left-dog, is to ‘get money out of politics’ and to persist with the historical struggle for ‘no taxation without representation’ (NTWR).

NUMBERS

When the two tired dogs settle down and contemplate mainly their own arguments, they generally develop a liking for tax regimes similar to the ones shown in Figures 11.3 and 11.4. Left dog wants around 85 to 100% tax on incomes above about \$3,000,000 *p.a.* (with ‘100%’

amounting to a maximum wage). Some people further to the Left would prefer that ‘maximum’ to be much lower, about \$500,000 *p.a.* They seriously ask whether anyone really deserves or needs any more than that. Down the income scale, Left dog wants around 50% tax on income in the \$250,000 to \$500,000 range and no tax (perhaps some credit) on incomes below about \$20,000. Right dog prefers everything low and simple: 10% to 30% on all income, maybe 10-20% at the low end.

Under Left-dog’s 90% top-rate a CEO on \$10 million *p.a.* would pay about \$8.2 million in tax (\$195K on the first 500K, then 300K, 1400K & 6300K) and bank around \$150,000 *per month*. If that CEO stayed in the job for 8 years, he could quite easily save around \$14 million: enough to keep most people interested. With the 100% top rate (Figure 3) our CEO would take home \$92,000 every month. His gross pay would probably then reduce to \$3million, possibly freeing up some corporate funds for other purposes.

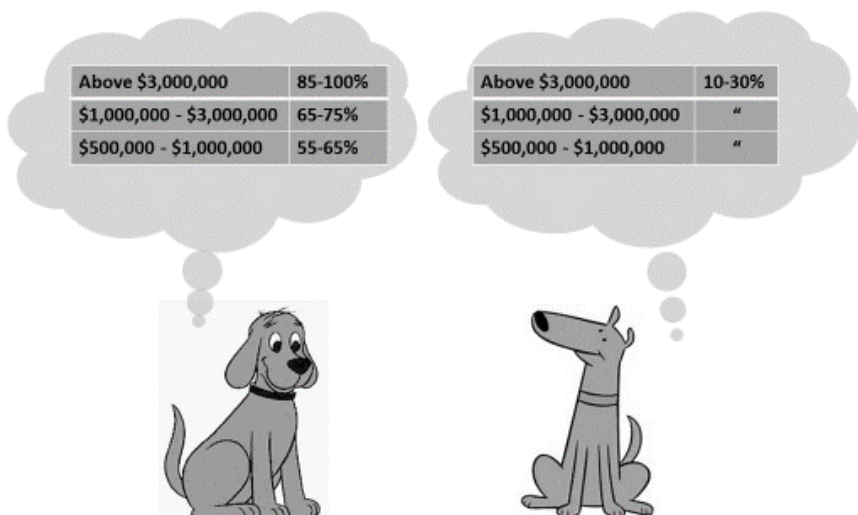


Figure 11.3. Preferred income tax rates at the high-end.

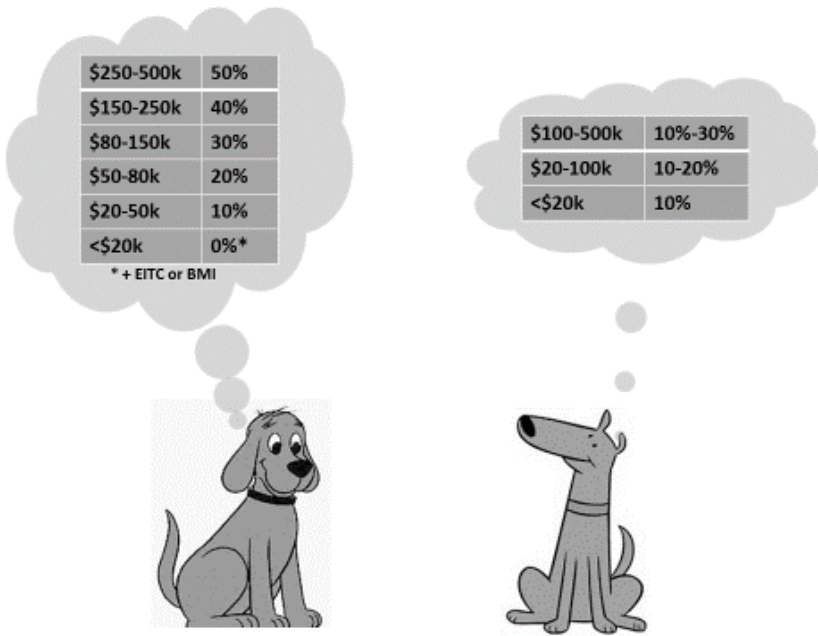


Figure 11.4. Preferred rates at the low-end.

Table 11.2. Golden-mean tax rates

INCOME BRACKET	MID-RANGE %	MID POINT %
>3mill	47.5–65*	56
1-3mill	38-53	45
500K-1mill	32-47	40
250-500K	30-40	35
150-250K	25-35	30

* i.e., $(100+30)/2$.

Left-dog might also like to give a special mention to the lucky CEO of *United Health* in the USA whose remuneration package in 2007 was reportedly around \$107,000,000, whilst some customers were being bankrupted by uncovered medical bills. Under a Left-leaning 90% top-rate, however, he would have kept only \$1million *per month*. In fact, both of the above mentioned CEOs did much better under the actual 2007 tax-

regime: our ‘10 million-dollar man’ banked around \$650,000 *per* month, whilst the *United* CEO was able to deposit \$6.5million *per* month (i.e., a cool \$78 million for that one year).

All things considered, which income tax regime is really most likely to promote human flourishing, *including* the wellbeing of the taxpayer himself? Everyone can eventually see for themselves that *every* statement in Table 11.1 and Figure 11.1 (earlier) is either partly, substantially or entirely true. This revelation of an almost-complete *set of partial-truths* is quite like ‘seeing’ the 99.99% truth of Pythagoras’ theorem, which also has its minor *caveats* and conditions. It really is obvious that we (governments, voters) should simply split the difference on all of these matters (Table 11.2). In doing this, we would simply be applying Aristotle’s ancient but enduring principle of The Golden Mean in human affairs, perhaps with some echoes of the wisdom of Solomon (just split the baby). Those principles have endured even longer than Pythagoras’ theorem and they are roughly equally reliable as a guide to good practice. The result is that our United Health CEO faces a tax rate of around 56% and banks \$4 million *per* month. Left dog still feels this rate is *much* too low, he doesn’t like it; but he also accepts that life is not fair¹⁶.

CAPITAL GAINS TAX

Some of those lucky CEOs’ remuneration came from their sale of shares. One therefore also has to consider the proper way to tax personal capital gains, such as shares sold by executives. Left dog wants those taxes to be high (say 30-50%) because they:

¹⁶ The *Washington Post* Oct. 8 2019 cited Saez & Zucman (2019) who calculated that “in 2018, the average effective tax rate paid by the richest 400 families in the country in 1960 was ...56 percent.

1. Tax capital, not labor (i.e., employees or workers), and
2. Are automatically progressive, because the wealthy pay much more: one report has it that the wealthiest $1/10^{\text{th}}$ of 1% 'report about *half* of all capital gains.' In the UK for example, about 70,000 residents share one half, while the other half goes to the remaining 66,360,000 with most of those getting nothing.

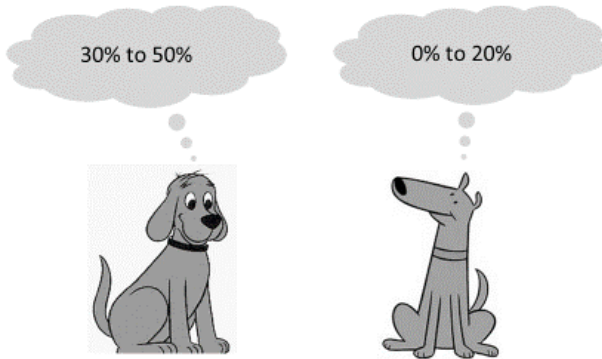


Figure 11.5. Preferred capital gains tax rates.

For these very same reasons (i.e., taxing capital and being progressive) Right-dog *dislikes* capital gains taxes (CGT) and wants the lowest possible rates (0-20%). In truth, most people who have enjoyed a capital gain dislike CGT too. Suppose that you (or grandad) had been in a position to purchase a brand new E-type Jaguar Lightweight Competition model in 1963 for around \$7500. For 54 years, you demonstrated impressive self-discipline by keeping it off-road in a clean dry garage. Then, in 2017, you made a capital gain of \$7.3 million: enough to live in luxury without ever working again; for, according to *Wikipedia*:

... a 1963 E-type Jaguar in near original condition ... sold in 2017 for \$7,370,000 at auction in Scottsdale, Arizona.

Should anyone be required to pay tax on that? If so, how much? Left dog growls that ‘it’s *obviously* ridiculous to tax hard-earned wages but not to tax such a huge personal windfall.’ He also notes, to the disgust of Right-dog, that revenue from CGT on such windfalls can fund public transport and bike lanes. Should we treat the whole gain on the Jag as taxable income in 2017?

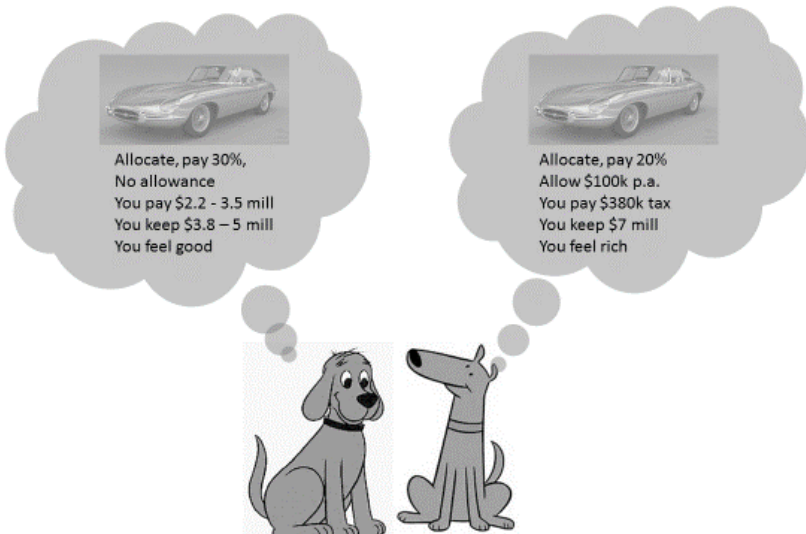


Figure 11.6. Preferred capital-gains-tax regimes.

The two dogs might be able to agree that taxing \$4.3 million of the gain at 90% or 100% seems excessive. Perhaps we should allocate the gain over the entire 54 years, call it \$137,000 *p.a.* and then apply an income tax rate of around 30% so you would pay around \$2.2 million. Since this approach would be difficult to enforce, it might be better to simply tax realized capital gains at a flat rate around 30-50% (Figure 11.6). You sell the Jag, pay around \$2.2-3.5 million and keep \$3.8-5 million. You realize that your tax payment helps meet other people’s needs, so you feel very good.

Right dog, however, is not feeling good: if we are going to have capital gains tax we should at least allow about \$100,000 *p.a.* tax-free. That works out at \$5.4 million of allowance over 54 years. You now only pay about 20% on \$1.9 million, which is \$380,000. If we have a flat rate CGT make it 10% so you pay 730,000. Either way you get to keep around \$6-7 million and you will feel even better, perhaps you or your family might flourish even more, or maybe buy more cars.

CORPORATION TAX

The politics of capital gains tax (CGT) and corporation tax (CT) are quite similar. CT includes elements of CGT because corporations pay tax on their profits from capital gains, namely:

1. Assets sold for more than the value previously recorded in the accounts (i.e., ‘realized gains’) or
2. Accounting or ‘book’ profits from assets that are upwardly-re-valued but not sold.

In addition, both taxes are progressive because they affect wealthy people more (the top 1% owns about 40% of all shares, not to mention other types of capital asset). Left dog accordingly likes a high CT rate (30-50%) and emphasizes all the arguments for it. Right-dog likes low CT (0-20%) and duly states the counter-points (Figure 11.7).

This particular dogfight often starts with the Right insisting that ‘double taxation is unfair and excessive.’ The ‘double’ refers to:

1. The CT paid by the corporation on its profits that in a sense belong to shareholders and secondly
2. Income tax paid by shareholders on any dividends that they receive.

Right dog might quickly add that many corporate dividends are received by charities that do good work. Left dog responds that there are many ways to compensate for double-taxation, whilst ‘dividends to charities’ are often shameless tax avoidance or political advocacy schemes. If CT is zero and the dividends are all paid to tax-exempt entities, then no tax at all is collected.

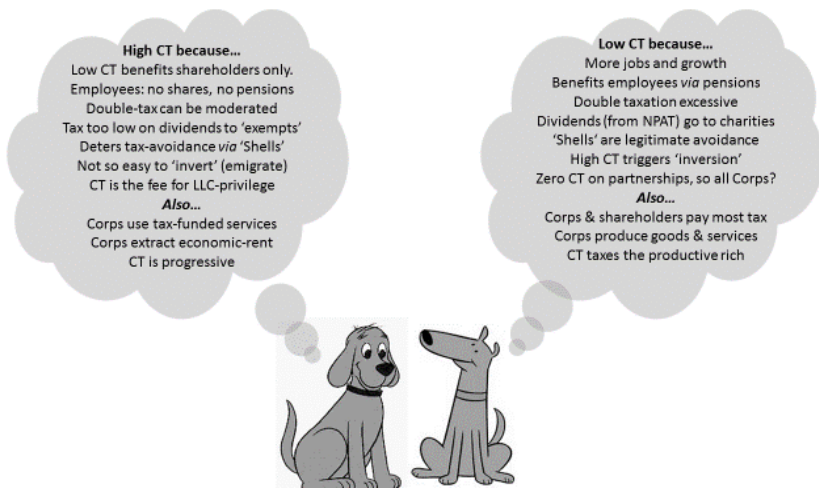


Figure 11.7. Two Dogs on Corporation Taxes.

Right dog, who likes zero or low CT (and small government) growls back that low CT attracts direct investment by multi-national corporations (MNCs), creates jobs, promotes economic growth and keeps billionaires in the country. It also benefits employees who have a stake in private pension funds. Left dog then barks that low CT overwhelmingly benefits already-wealthy shareholders and executives. Most employees do not own shares and many have no pensions. In any case, reductions in CT often trigger share-buybacks by corporations, lifting the value of shares held by executives, without adding to direct capital investment and jobs.

Left dog might then add that high CT would help to deter tax avoidance schemes involving shell corporations (in that jurisdiction) that

do not directly produce anything. Right dog responds that shells are just another legitimate avoidance method and that high CT often triggers corporate ‘inversions’ (like emigration). Left dog growls again about the need for international co-operation to close all those loopholes, adding that corporations should be taxed quite highly because they:

1. Use tax-funded public services (e.g., roads, water supplies),
2. Often extract ‘rents’ by making profits from property, rather than innovation and production.
3. Should pay a fee for their special privilege of limited liability and the now-infamous possibility of government bailouts.

Like the reader, Right dog is now getting quite tired. He barks one more time that it is those so-called wealthier shareholders who pay most of the taxes anyway, that those ‘privileged’ LLC corporations actually produce most of the pie and that all *businesses* should be treated equally (some business-entities such as partnerships are exempt from CT in some jurisdictions, so why not exempt all of them?). With his remaining energy, Left dog barks back his favorite true statement: CT is progressive; it helps to reduce inequality amongst *people* and accordingly promotes human flourishing³. Right dog might finally be provoked into throwing a wild Right-hook: that ‘all taxes are unjustified appropriations of private property’ which is obviously false. (Result: Top income tax rate = 56%, CGT = CT = 25%).

APPENDIX TO CHAPTER 11

The tax rates preferred by the two sides also depend on their assumptions about how the government will probably spend those tax revenues (see Figure 11.8 below).

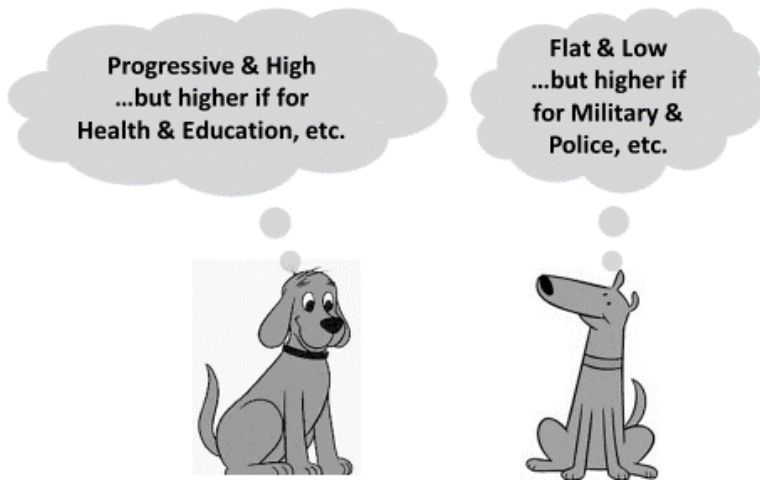


Figure 11.8. Preferred tax regimes also depend on assumed categories of expenditure.

- (i) If tax revenues are to be spent on the Military, Security and Police (generally, protecting property and the *status-quo*) then the Right might agree to somewhat higher tax rates, under the assumption that spending on those things would increase. The Left would prefer lower rates in this situation in order to reduce spending in these categories.
- (ii) If the money were to be spent instead on Healthcare, Education, Social Services, Arts and Public Spaces then the Left would generally prefer even higher tax rates, in order to increase spending on these things, whereas the Right would prefer even lower tax rates.

Chapter 12

STRATEGIES: TWO SIDES, MANY ARENAS

It is revealing to look at the political divide from the vantage point of a senior manager of a global for-profit corporation. That manager *might* have a personal authentic concern for the flourishing of all humanity. The manager can certainly strive to maximize profit, or more technically, the wealth of shareholders, by exploiting some of the known limitations of market based systems (KLMBS). Alternatively, he might argue for a more ‘Left-leaning corporate strategy’ that strikes a reasonable balance amongst the interests of, or human-goods experienced by, the various stakeholder groups. As mentioned in chapter 9 on ‘limits,’ a corporate strategy can exploit some of the limitations whilst compensating for others, but that mix can slowly change over time, quite like personal priorities.

RIGHT-STRATEGY

The typical Right-leaning (profit-maximizing) strategies of global corporations and their managers is perhaps best be described with

reference to the conceptual model of *hyper-competition* (HC). That model was first set out in a noteworthy book by Richard D’Aveni (1990). An augmented version of the model (Singer 2013) has it that global corporations execute profit-maximizing strategies in at least nine arenas (there were four in the original). To maximize profits, these arena-based strategies should be pursued relentlessly. The four arenas in the original version involve competitive markets, whilst a further five arenas involve various types of political activity. The four market-based ‘arenas’ are:

1. *Cost & quality* (CQ): the business tries to keep costs low along its entire value-chain but it also tries to maintain a high perceived quality and distinctiveness or differentiation of its market offerings.
2. *Knowledge & information* (KI): the company continually tries to improve all its business processes (i.e., coordinating action) including all its IT, intelligence gathering and analysis.

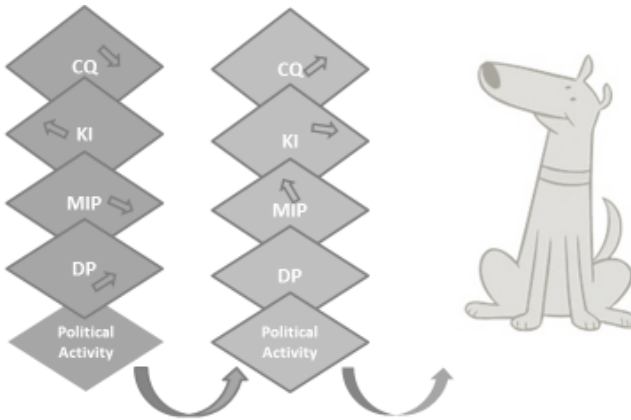


Figure 12.1. Hyper-competitive strategy in four market arenas, plus Right-leaning political activity.

3. *Market invasion and protection* (MIP). The business tries to fend off competition by building barriers-to-entry to its markets (i.e., monopolistic tendencies). This involves trying to achieve

economies-of-scale and scope (the number of markets served) through expansion, merger or acquisition (buying the shares of) competitors. Meanwhile the business protects its intellectual property and any trade secrets. It frequently considers entering or ‘invading’ new market-segments (demographic groups or geographic areas).

4. *Deep pockets* (DP). This arena involves seeking access to funds on favorable terms. Capital markets (e.g., Wall St.) are ideally supposed to be efficient, meaning that they should automatically supply adequate funding to all projects (or corporations) that are rationally expected to earn an above-normal rate of return (i.e., above ‘normal’ for the risk-class of that business). However, this ideal is rarely achieved in practice. Access to additional funds might be achieved by a debt-funded hostile takeover of a company that is cash-rich. Sometimes funding it is based on personal relationships with wealthy sponsors (i.e., a form of elite-social capital).

Figure 12.1 depicts D’Aveni’s prescription that corporations should make moves in the four market based arenas simultaneously and sequentially. In other words, gaming-for-profit is relentless. The ‘political activity’ arena (the lowest diamond in Figure 12.1) in turn conceals a further five sub-arenas (Figure 12.2) namely: tax-strategy, lobbying, political communications, relations with non-governmental organizations (NGOs) and corporate social responsibility (CSR) projects. Right-leaning corporate strategy thus also involves ...

5. *Tax*: an approach within the corporate group that *minimizes* its total corporation-tax liability globally, whilst also taking into account the personal tax positions of the controlling shareholders. This can be done by legal tax avoidance or by low-risk evasion. This is arguably by far the most important element

of corporate political strategy, but also of corporate social responsibility or lack of it, as indicated for example by the reports in 2015 involving the ‘Panama papers’ and the ‘Paradise papers.’

6. *Lobbying* or otherwise influencing the legal-political *macro*-environment. The intention here is to advance the narrow interests of the corporation (its shareholders and senior officers and arguably any loyal customers) by increasing global opportunities for exploitation of the KLMBS. This often involves lobbying to eliminate or to enable the avoidance of regulations that were originally intended by governments to compensate for the KLMBS (environmental and anti-trust regulations, for example).

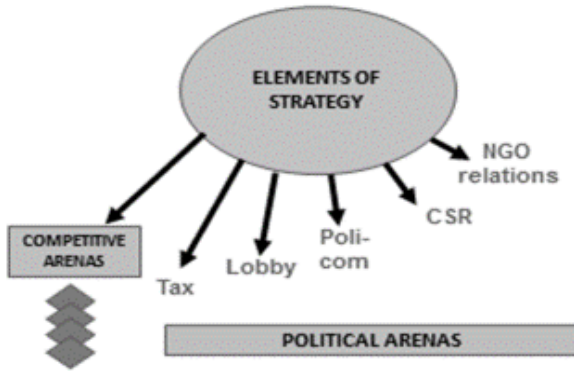


Figure 12.2. The political and competitive arenas in hyper-competition.

7. *Political advertising*. This can be done directly by the corporation (e.g., advertises with political subtexts) or indirectly by NGOs and political action groups that are funded by the corporation openly or covertly and that advance its strategic interests, whilst often lowering the corporation tax bill.
8. *CSR projects*: The Right-leaning hyper-competitive corporation might carry out CSR projects such as building or supporting community facilities that do indeed compensate for some of the KLMBS, but under the HC model this is strictly for the tactical

purpose of achieving a good *reputation* for the corporation, with a view to increasing corporate profit in the medium term.

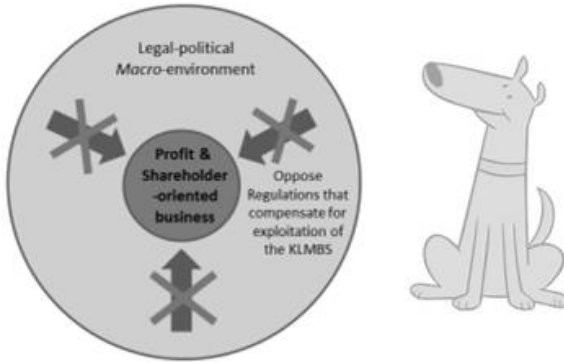


Figure 12.3. Right-leaning corporate opposition to regulations.

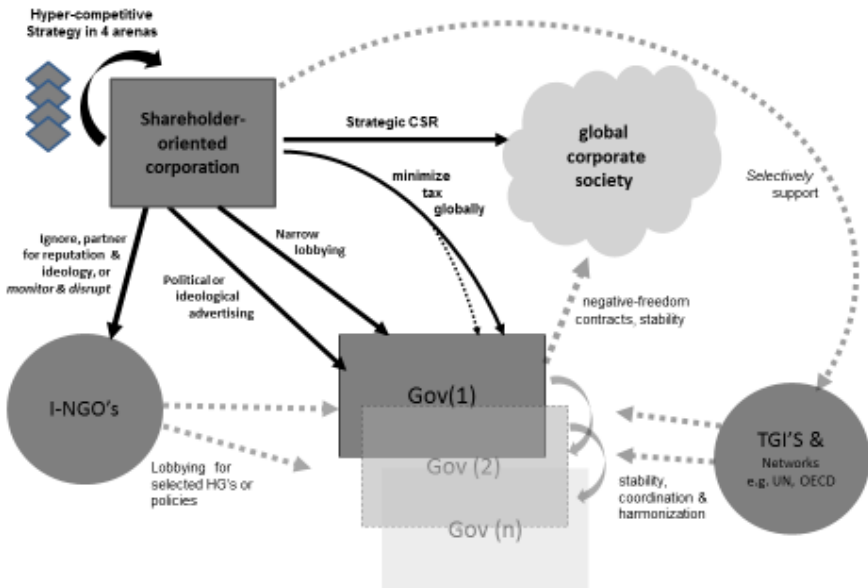


Figure 12.4. An overview of global hyper-competitive political strategy.

Finally, with regard to NGOs (the ninth ‘arena’) Right-leaning corporations sometimes partner with political organizations that oppose

regulations (Figure 11.4) and that champion negative freedom (e.g., *Business Enterprise Trust, Alliance for Worker Freedom*, etc.). The intention here is to persuade the public that they might benefit from deregulated global hyper-competition. Much of the public around the World does indeed benefit in some ways from lower prices enabled by deregulation, just as many in less developed countries (LDCs) benefit from jobs that pay wages and sometimes offer greater opportunities than the default subsistence farming. Whilst millions of people around the World have been lifted out of extreme poverty during the global hyper-competitive era (*circa* 1985-2017) it would be more truthful and complete to mention that there have also been great costs and harms, many of which could have been compensated for by good governments funded by globally enforced progressive taxation.

Right-leaning corporate strategy with regard to NGOs can also include

- a) Temporary engagements, partnerships or projects in order to assist with the corporate reputation,
- b) The disruption of any NGOs that are considered to be a political threat,
- c) Creating or partnering with NGOs that deliberately spread dis-information (e.g., casting doubt on science).

In addition, corporations might also support *supra*-national or *trans*-governmental institutions (TGIs) such as the UN precisely to the extent that these are thought to help create more favorable conditions for corporate projects, globally. These TGIs are often involved in building trust, helping to harmonize government policies and enforcing some stability. Figure 12.4 duly depicts the combined dynamics of all of these political activities, including the assumed role of the various actors and the indicated outcomes. Anyone who pays attention to this diagram can once again *see for themselves* that this type of global strategy, if widely replicated, is almost certain to culminate in a society that is substantially

controlled by the corporations themselves. This offers up the prospect of a dystopian future, perhaps like the one portrayed in the 2012 movie *Elysium* starring Matt Damon.

LEFT STRATEGY

Left-leaning corporate strategy assumes that governments are trying to regulate the entire market-based system in a capable and authentically benevolent manner. Under this possible *political-assumption of the corporation* (PAC) global corporations accept in a sportsman-like way that they have the opportunity to maximize their profits, but they want to do this within a legal framework that upholds the common good (see chapter on regulations). Such corporations are then free in the positive sense to do what they are skilled at, whilst willingly complying with the law. Such a system was perhaps visible to some extent in the USA during in the Roosevelt era (c.1950-60) and has been in place to some extent in several European and Commonwealth countries, at various times. It is broadly consistent with the policies currently being advocated in the USA by the more Left-leaning Democrats although it is potentially more accepting of free-trade (or at least low tariffs with the global protection of workers' rights).

Left-leaning *hyper-cooperative* strategy also involves a set of simultaneous and sequential moves by global corporations that are intended to *compensate* for the KLMBS. Figures 12.5 & 12.6 depict this ideal of several public-good projects all going at the same time in the arenas of public health, environmental-restoration and poverty-alleviation, whilst those same corporations might lobby governments everywhere to adopt similar public policies. These might be followed up (i.e., sequentially) by yet more CSR projects, perhaps involving emergency-assistance preparedness, education and community facilities, and so on. As with the extended nine-arena model of hyper-competition,

a Left-leaning corporate strategy also involves the five *political* arenas listed above namely taxation, lobbying, political-communications, CSR-projects and NGO relations, but the actions contemplated within each arena are now very different, as follows.

1. *A Left-leaning international corporate taxation strategy involves balancing or *optimizing* payments to various governments with respect to the common global good, rather than minimizing total global corporate taxes paid.

If any national government is expected to deploy its tax revenues in ways that contribute to a RBMDHG then the tax-paying corporation is simply pursuing its authentic good objectives in partnership with good government(s). At the same time, minimizing the amount of tax paid to any oppressive or harmful government in one country (e.g., by adjusting the prices charged for international transactions between divisions of a global corporation) might result in even *more* taxes being paid by the corporation to some good governments elsewhere.

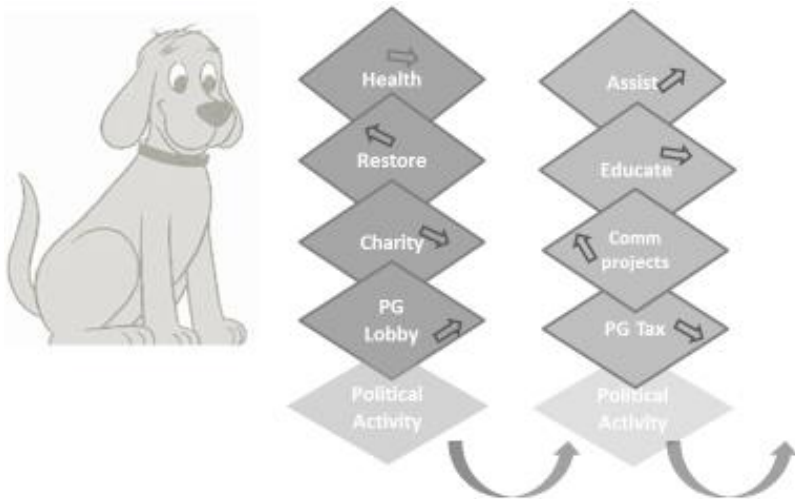


Figure 12.5. Hyper-cooperative Left-leaning stakeholder strategies.

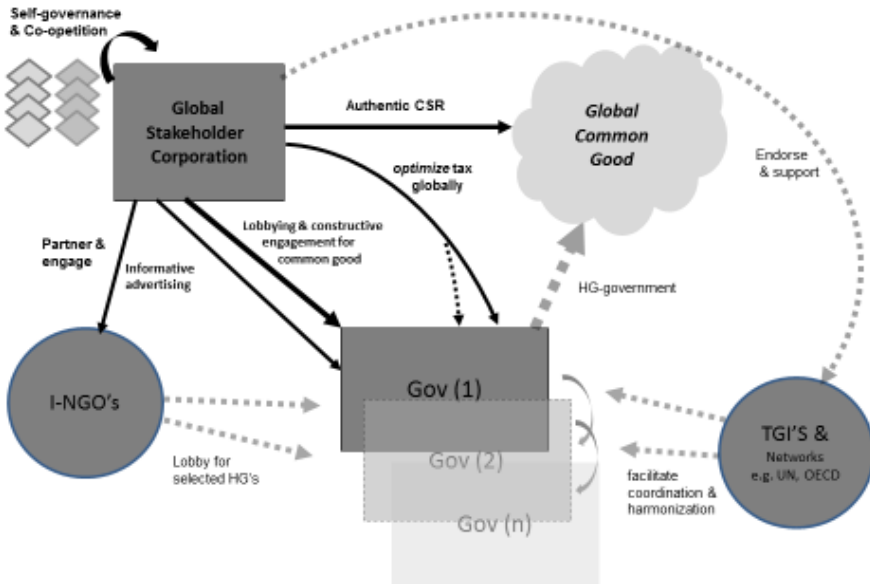


Figure 12.6. Hyper-co-operative global strategy.

2. *Lobbying by corporations does not have to be for narrow interests at the public expense (e.g., fossil fuel subsidies). It can be directly for the public good whilst also benefiting the corporation.

For example, a corporation or an industry-association might lobby for the removal of restrictions on an emerging technology that is genuinely expected to produce widespread benefits. A famous example from the 1990s was when BMW reportedly arranged for tougher vehicle emissions standards in Germany, knowing that they would be the only player able to comply. Corporate officers might also attempt to exert a benevolent diplomat-like influence upon oppressive or ineffective governments, thereby advancing the negative-freedom of people around the world: something that the serious Right should fully support.

3. *Left-leaning political communications can originate from a corporation directly or from any of the NGOs that it partners with.

In the US national context, Robert Reich prescribed in 2010 that ‘CEOs should actively support policies to relieve the economic stresses on the middle class’ by which he meant that CEOs in the USA at least should speak out in favor of policies that overcome some of the KLMBS, especially downward distribution or re-balancing that would almost certainly increase demand.

4. *For the Left-leaning corporation, CSR-projects are quite authentic. That is, they represent the genuinely benevolent intentions of corporate officers to contribute to the global public good, and finally
5. *NGOs can act as alliance partners in the implementation of public good CSR activities and in the pursuit of any corporate objective.

An example of the latter might be an alliance between Left-leaning corporations and a public-good scientific research institute, or an NGO that champions distributive and environmental justice (e.g., *Labor International Union of North America*, *Medecins Sans Frontieres*, *Friends of the Earth*, *Greenpeace*, etc.). Most importantly, by attending to various diagrams in this book anyone can see for themselves that the greater the frequency of compensatory and hyper-co-operative strategies, the *less* the need for government regulations, if the intention is to achieve a reasonable balance (a RBMDHG, see chapter 3). The state can indeed ‘wither away’...but the 99% (the Global many) would only benefit from this if global business were to become caring (i.e., Adam Smith’s ‘moral-community’). Unfortunately, the unconditional withering of the state is one of the stated objective of some politicians, one of whom reportedly wanted to ‘drown government in the bath tub’ while preserving global

hyper-competition. The result would almost certainly be a highly unbalanced and eventually collapsing system, quite like a city whose designed structures defy Pythagoras' theorem.

Chapter 13

DYNAMICS: THE EVOLUTION OF DEATH

The Right trusts the market more than governments. More broadly, they trust ‘bottom-up’ (BU) processes, such as millions of consumers making purchasing decisions, to deliver the kind of society they would like to live in: one with high levels of negative freedom, but low emphasis on distributive justice. They generally distrust ‘top down’ processes like government regulation. It might be argued on the Right that diffuse, emergent or evolution-like processes usually work better than any intentional or deliberate ‘top-down’ (TD) plans; but especially when the latter are the plans of governments.

Matt Ridley is a (conservative) UK-based author and frequent contributor to the *London-Times*. In 2015 he published a book-length defence of this idea. It is entitled *The Evolution of Everything*. In that book Ridley wrote that ‘bad news is man-made top-down purposed stuff, imposed on history,’ that ‘good news is unplanned emergent stuff that gradually evolves’ and that ‘...things that go well are largely unintended and things that go badly are largely intended’ (p317-8). Ridley offered many confirmatory examples.

Before mentioning a few counter-examples to Ridley’s conjecture, that support a more Left-leaning view of the world (including a few

examples that were suggested by Ridley himself, to his credit) it is perhaps worth noting that

1. Things created by top-down (TD) processes such as the actions of powerful governments or senior-layers of corporate management are not quite the same as *intended* things, and that
2. Things created by bottom-up (BU) processes such as unexpected discoveries or the evolution of biological organisms are not quite the same as *unintended* things¹⁷.

It might also be worth noting that an earlier book by Matt Ridley entitled *The Rational Optimist* was reviewed by George Monbiot, an eminent Sociologist and contributor to the Left-leaning *Guardian* newspaper. Monbiot described that earlier book by Ridley as simply ‘telling the rich what they want to hear’ which is not at all the same as being true; once again, just because you like a statement does not mean that it’s true. One might cautiously attempt to assess the actual truthfulness of Ridley’s 2015 conjecture by first setting aside the above-mentioned conflation of BU vs TD with intentionality, then looking (or gazing) around for some dis-confirmatory examples to place alongside Ridley’s examples, in a ‘good-bad x BU-TD’ matrix (Table 13.1) as follows.

For ‘emergent or BU as bad’ we need only look to what might be called the evolution-of-death. Charles Darwin himself described how larvae of *ichneumonidae* sustain themselves by consuming caterpillars from the inside; just as Ridley noted that baby cuckoos push eggs from their non-cuckoo foster-parents’ nest, or that auto-immune disorders

¹⁷ Some BU processes such as authentic democratic association involve the distributed intentions of many conscious minds that just happen to be located near the bottom of a hierarchy. Other BU processes are not necessarily guided by any conscious intentions, although observers might very well attribute some (e.g., creationist ‘beliefs’). Also, in many collective human projects TD or BU processes each seem to dominate in phases (similar in some ways to ethics now vs later); that is, there is a BU → TD → BU chain or pattern over time. Many political campaigns display this pattern.

often arise as an unintended result of excessive hygiene (p318). As Ridley conceded, it is a bit of a stretch to argue that these things have ‘gone well’ or that they are good, even though they might be only remotely connected to the evolution of human life.

Table 13.1. Some good and bad outcomes of deliberate and emergent processes

		Moral Quality	
		Good	Bad
Type of Process	Deliberate (TD)	FDA, FAA, EPA	Genocides Purges
	Emergent (BU)	Distributed innovation	Icheumonidae

For ‘emergent or BU as good’ we have the many distributed (BU) processes of innovation and discovery by humans that have frequently led to some unforeseen benefits when placed within a market-based system. As Ridley might have emphasized, these discoveries are almost-always productive of some of the human-goods (e.g., pleasure, aesthetics, happiness, etc.). However, they are also frequently bad for humans in other respects (e.g., externalities, unsafe products, destruction of traditional lifestyles, etc.). Accordingly, many examples of market-hosted and market-tested innovation *also* belong in the ‘emergent or BU as bad’ category.

For ‘intended or TD as good’ (the top-left cell in Table 13.1) one might consider any of the more benevolent or uplifting policies of Left-leaning national governments and the deliberate plans of authentic stakeholder-oriented businesses (see the previous chapter). For governments, Ridley (p318 of his book) conceded the example of the 1969 moon-landing. He might also have noticed that many millions of human lives have been saved over the last 70 years or so by the creation and maintenance of regulatory agencies in the USA such as the FAA¹⁸,

¹⁸ Some reports have linked the recent Boeing 737 Max air disasters, in which over 300 people died, to a politically motivated weakening of the FAA’s capabilities.

FDA, NHTSA and the EPA (row 1 in the Table), as well as the single-payer universal healthcare systems in many other advanced nations.

Last but obviously not least, for ‘deliberate-or-TD-as-bad’ we have the many infamous episodes, well-noted in Ridley (2015) of authoritarian projects by governments in the 20th and 21st centuries (e.g., Hitler, Stalin, Mao, Assad, etc.) including the militarization of economies, intentional purges and genocides, with many millions of human lives lost. He might also have mentioned the many authoritarian regimes installed or backed by the forces of capitalism, globally, during the last half-century.

THE EVOLUTION OF DEATH

The latter category of ‘TD as bad’ invites a more careful direct comparison with ‘BU as bad.’ If one casually searches the web to find reasonably credible sources for the numbers of people killed Worldwide since 1936, in ways that were reasonably attributable to TD state-planned actions (governments), one quickly finds the following overlapping categories: about 90 million people were killed ‘by’ the forces of communist regimes; about 80 million were killed in World War 2 (including the Nazi & Stalinist genocides); and about 23 million have died in ‘all wars *since* World War 2’ (Table 13.2).

Table 13.2. Approximate numbers of deaths worldwide since 1936 attributable to government plans

TD GOVERNMENT PLANS	NUMBER of DEATHS
Communist regimes	90,000,000
World War 2*	80,000,000
All wars since WW2	23,000,000
TOTAL (*c.30m overlap)	160,000,000 approx.

Table 13.3. Approximate numbers of deaths worldwide attributable to BU processes

BU or MARKET-BASED	NUMBER of DEATHS
Vehicle-related	1,200,000pa
Gun-related	300,000 pa
Illegal Narcotics	250,000 pa
Other product safety	50,000 pa
Difficulty accessing care	1,350,000 pa
Suicide (non-gun)	800,000 pa
TOTAL (4m x 80yrs x ½)	160,000,000 approx.

If one then consider the approximate numbers of deaths that seem to be broadly associated with or substantially caused by *non-governmental* activity: the purchase and use of the many market-offerings of private enterprises (which are in turn associated with BU evolution-like processes and emergent outcomes) one finds that most of the readily-available statistics are presented on an annual basis (Table 13.3). For example, the numbers of deaths Worldwide for the year 2015 alone were approximately 1,200,000 for vehicle-related deaths; 300,000 for gun-related deaths (partly enabled by Right-leaning organizations) as well as 900,000 estimated deaths from difficulties in obtaining *non-state* healthcare.

In addition we have some 250,000 deaths *per annum* from black-market narcotics, roughly 50,000 from other commercial product-safety defects (a guesstimate, including pharmaceuticals) as well as about 800,000 *non-gun* suicides (which are BU precisely in the sense used by Ridley, although they are in a sense intentional). This is a total of almost 4 million *pa*. If we then make the admittedly-heroic assumption of approximately linear-growth-from-zero over the relevant 80 year period from 1936 to 2015 we arrive at a grand total of 4m x 80 years x ½ which is, wait for it: 160 million. The two totals are equal. All this indicates that BU and TD dynamics are very roughly equally effective as destroyers of human life, which is the transcendent human good.

GOVERNMENTS AND CORPORATIONS

When all these examples are taken into account, it appears that the ‘TD vs. BU’ distinction or dimension relates to ‘Left vs Right’ in a quite disruptive way. This is similar to the way that negative freedom as a value-priority has to be sub-divided into freedom from state regimes vs. freedom from private regimes. The two disruptions or ambiguities can be brought together to make another quite telling point.

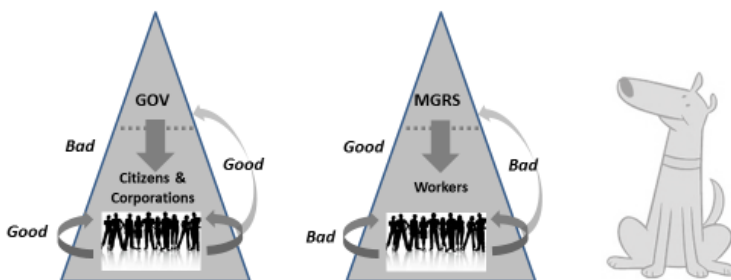


Figure 13.1. The Right-leaning evaluation of TD processes in states and corporations.



Figure 13.2. The Left-leaning evaluation of TD processes in states and corporations.

The general view from the Right is that:

1. TD regulation *of* corporations *by* governments is bad, whereas self-organizing enterprise and entrepreneurship is good; also, some BU influences by corporations and citizens are good (the left side of Figure 13.1).

2. TD control *by* managers *of* workers or employees is good, but self-organizing by groups of those workers (i.e., unions) is bad and worker representation (industrial democracy) is also bad (the right side of Figure 13.1).

The view from the Left, in point by point contrast, is that

1. TD regulation by governments of corporation and citizens is a good thing (see chapter 10), self-organizing by citizens for Left-lobbying purposes is good, but collusion and lobbying by corporations is generally bad (as noted by Adam Smith in *The Wealth on Nations*; see chapter 9). This is depicted in Figure 13.2 (left side)
2. The top-down control of workers by the managers of private corporations is generally bad and oppressive, whereas the self-organization of groups workers to form unions and to insist on worker–representation on corporate boards (i.e., industrial democracy, stakeholder strategies) are all good things (Figure 13.2 right-side).

Yet again, we can see that by patiently paying attention to the descriptions and value priorities on the Left *and* on the Right anyone can *see for themselves* that these are all incomplete and at least need to be combined. By simply gazing at both sides, all the statements about dynamics (like taxes, regulation, etc.) can be moderated, contextualized, completed and made more truthful; but one has to be willing to do that for long enough. Once again, this is not so different from paying sustained attention to the geometric proof of Pythagoras theorem when one is trying to understand it, rather than wasting one’s time by feeling angry due to the experience of cognitive dissonance, or evaluating the teacher, or shooting the messenger.

Chapter 14

INTENTIONS: THE ROAD TO HELL

The Scottish poet Robbie Burns wrote in 1785 that ‘The best laid schemes of mice and men...often go awry.’ Everybody knows that their own personal plans often result in something quite different from what they originally intended: they have seen this for themselves. Everyone also knows that when human intentions are sustained, they are more likely to be effective (...if at first you don’t succeed...) but all the more so when those plans include adaptable meshing sub-plans.

Exactly two hundred years later, in 1985, two American business consultants published a simple diagram representing the normal role of managerial intentions in ‘strategic’ business planning. That diagram (adapted in Figure 14.1) conveys the fact that only parts of any plan will become ‘real’ whilst other parts will remain ‘un-realized.’ This is due to the existence of emergent (i.e., unforeseen, unintended, unplanned or bottom-up) processes and events, like those discussed in the previous chapter. In every case however, the planned and emergent events combine to determine a real or ‘realized’ outcome.

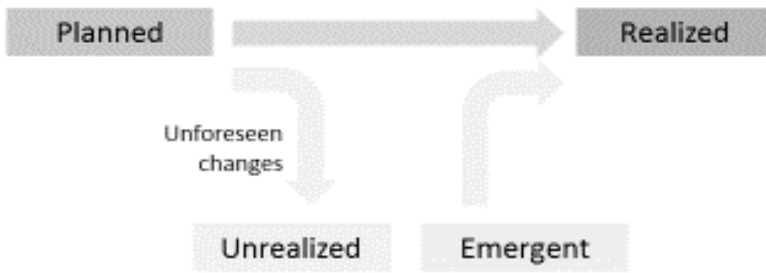


Figure 14.1. The partial effectiveness of business plans (adapted from Mintzberg & Waters 1985).

Another very general point about human plans and intentions is that some sub-plans (sections of the plan, contingency plans) might be intended to bring about an opposite result temporarily. To illustrate this, the Economist John Kay (2011) used the analogy of the Panama-canal, whilst pointing out that some things are better approached indirectly or *obliquely* as he put it (once again alluding to geometry). The major shipping route from Europe and Africa *Westward* to the Asia-Pacific region passes through the Panama Canal which actually moves Asia-bound ships from the West towards the East (look at the map). There is a psychological analogy to this ‘oblique’ dynamic: when trying to learn a new skill, such as understanding Left and Right for example, people often experience phases of reduced performance, a regression, before advancing further.

What about the direct *vs.* indirect achievement of goals in relation to those goals being good *vs.* bad? Is it possible that good goals are best achieved directly with bad goals best achieved indirectly? Or perhaps *vice-versa*? Should we cultivate the habit of aiming for something bad if we want to see a good result in the longer term? Nobody really knows the answers, so any statements about the *relative* effectiveness of good and bad intentions are speculative. Some say that ‘*the road to hell is paved with good intentions*’ but this is *not* a Pythagoras-like truth. It is merely a cautionary tale and a hawkish warning (e.g., disarming a nation can indeed sometimes be dangerous). To give just one rather obvious

counter-example, medical professionals frequently intend to improve their patients' health and they usually succeed in doing just that. In the context of market-based systems, however, the best-known historical statement about this matter is that...

“... by pursuing self-interest man frequently promotes the interest of society more effectively than when he directly intends to promote it.
(Adam Smith 1776).

Those indirect ‘interests of’ (benefits to) society are then frequently attributed to a metaphorical or imagined ‘invisible hand’: a phrase that Adam Smith actually used in a different context. The use of the word ‘frequently’ within the quote makes it almost a tautology. ‘Frequently’ is vague and imprecise and it might mean less than half of such episodes. Smith’s quoted statement is of course consistent with the general phenomenon of emergent outcomes, but also with the Pythagoras-like fact that labour-specialisation motivated by self-interest increases production and creates a surplus. However, the imprecision of the quoted statement about society (how ‘frequently’ does this really happen?) casts the whole argument about the relative effectiveness of self-serving *vs.* socially benevolent intentions back into the political arena.

A Right-leaning view on this question is that a primary intention to accumulate wealth-for-self is morally bad in some respects (e.g., selfish or greedy) but when it is universalized (i.e., everybody has this intention) it *usually* results in prosperity for the society as a whole (Figure 14.2). A system based upon the profit motive thus becomes quite a good bet. A Left-leaning view, in contrast, is that a specific intention to create wealth for others or for society as a whole (a general prosperity or a RBMDHG) will *usually* lead indirectly to prosperity-for-self. A similar analysis also applies to the two main contrasting ways of doing business within any market-based system: global hyper-competition *vs.* the stakeholder model (see chapter 12 on strategies), or traditional for-profit enterprise *vs.* social entrepreneurship. The traditional for-profit entrepreneur is motivated

primarily by wealth-for-self, ‘frequently’ to alleviate their own poverty. Distributive justice is considered to be secondary and achievable only indirectly, as depicted by the inner arrow in Figure 14.3.

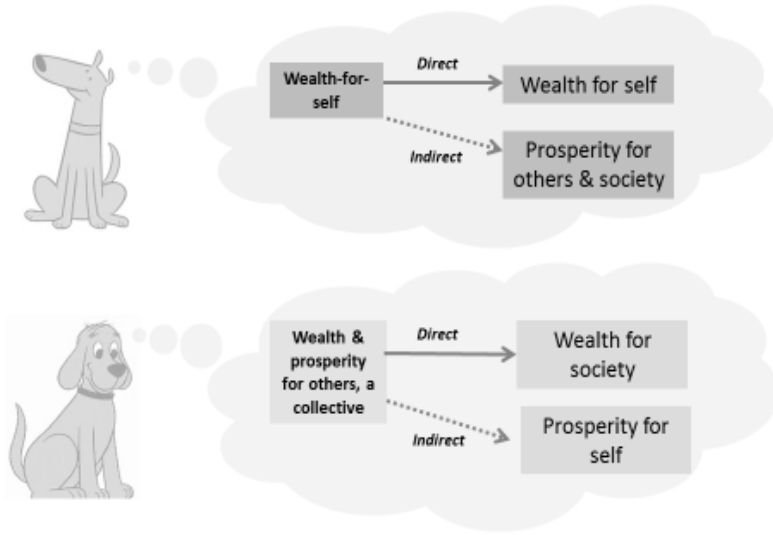


Figure 14.2. Left and Right views on direct and indirect economic goals.

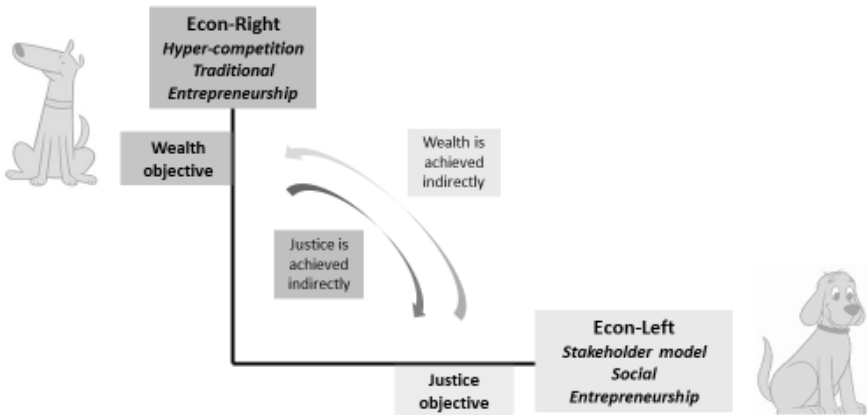


Figure 14.3. Indirect goals and ways of doing business.

The social-entrepreneur, in contrast, is Left-leaning, at least by appearance. The business-owners are primarily motivated by social justice ideals, the possibility of alleviating poverty in an entire community, or by participation in the co-creation of public goods. Wealth-for-self, or perhaps alleviating one’s own (financial) poverty is now deemed secondary and in any case it is judged to be more effectively achieved indirectly, as depicted by the outer arrow in Figure 14.3.

SUSTAINED DUAL-OBJECTIVES

What about a sustained dual-objective? Suppose someone has a sustained intention and plan to benefit self *and* society to a roughly equal degree (like a profitable but stakeholder-oriented business). Can they reasonably expect to be effective in promoting these two objectives at the same time?

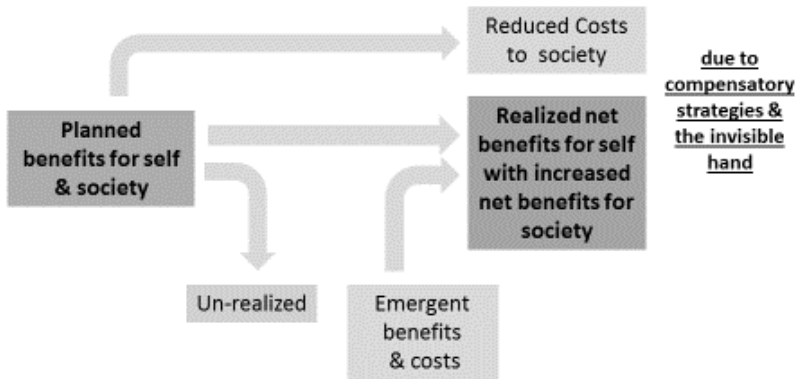


Figure 14.5. The effectiveness of dual objectives in market-based systems.

The correct answer is: ‘frequently.’ If any business develops and implements compensatory sub-plans like healthy-offerings or community projects (see the chapter on ‘limits’) then some harms or costs to society will almost certainly be reduced, whilst some of the

‘realized’ net benefits to society are likely to be increased (Figure 14.4). This is because the invisible hand and the compensatory strategies now work together. The main argument to the contrary is that managers and employees might feel over-stressed, with too many demands being placed on them. This is a solid reason why Milton Friedman, a very famous Right-leaning economist once bluntly asserted that ‘the social responsibility of business is to increase its profits’ (although as shown in chapter 11 he might have added ‘before tax’, to be more persuasive). On the other hand, when any hopeful entrepreneur knows that they themselves really are “just a soul whose intentions are good¹⁹” that type of authentic self-knowledge can itself be a source of additional personal energy: and that *is* well understood.

¹⁹ A line from an old hit song “Don’t let me be misunderstood” by The Animals (1965).

Chapter 15

DISTRACTIONS: 500,000 IS MORE THAN 43

In the early 1980's, after Ronald Reagan and Margaret Thatcher were elected, the political Left seemed to become distracted from the 'big issue': conditions of work and progressive taxation in order to fund public goods. Arguably, this was the worst possible timing for the Left's loss of focus; but what was the distraction? According to many critics, it was ethnicity, gender, religion and nationality. These, according to the critics, were small, secondary or derivative issues. What really counts for everyone in this life (as the merchant Shylock put it in the 1960 stage play *Oliver*) is simply having large amounts of money in the bank, regardless of your sense of identity or circumstances of birth. Some 50 years later (c.2011) the novelist Wilbur Smith endorsed a similar view:

'in the World today, if you have enough money you can do whatever you want and no-one is going to stop you.'

And that is indeed the way things really are now. Money is surely the most socially-relevant part of your identity, even if personally you might not *like* that fact. Money authorizes you to become a 5-star tourist on life's journey, rather than some homeless person or stateless refugee. It

implies that there is only one war: the rich vs. the poor (see chapter 1). While that war continues, anyone on the Left or on the Right who becomes distracted by identity politics is less likely to notice when the rich take all the money and run. That, by the way, is exactly what many have been doing for some time²⁰.

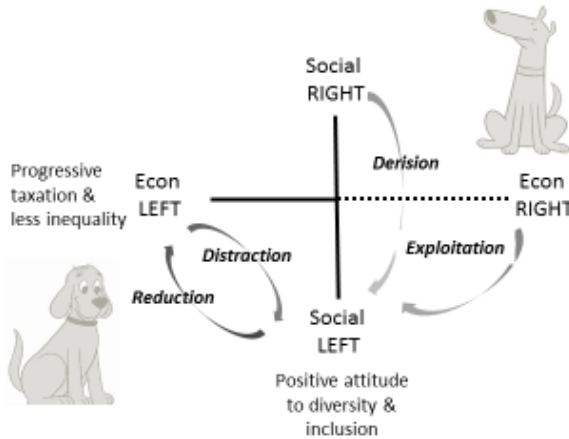


Figure 15.1. Identity politics and the distraction critique.

This critique of identity politics, from supporters of the traditional Economic-Left, has been called ‘the distraction-critique.’ It has not been effective (Figure 15.1). In 2017, four decades after Regan and Thatcher came to power (ironically, a biblical 40 years in the wilderness for the secular Left) the eminent *Guardian* journalist Thomas Frank was still trying to speak out against ...

“... the long-term migration of Liberalism’s (i.e., the Left’s) concerns away from matters of economics and class.”

²⁰ In 1990, Alvin Toffler the late author of the prescient book *Future Shock* (1970) wrote that ‘the rich want out.’ Over 20 years later, the movie *Elysium* (2013) depicted a future where a tiny ultra-wealthy elite living on a luxury space station, while everyone else labored under the dictates of a few corporations on a ruined and violent planet Earth.

Later, his colleague Zaid Jilani offered a similar opinion (in *The Guardian* 23 Dec. 2019) that:

“... we can and must adopt (policies) aimed at spreading opportunity to every corner of society, without adopting the fiction that people are defined by their race.”

So, what has been causing all the distracting, migrating and fictional story telling? It might be that the Left lacked confidence in its basic economic message as people became enchanted by profit-driven technology; perhaps it was the fault of colleges and universities, or maybe the media, or maybe a number of canny politicians on the Right. A very credible answer is ‘all of the above.’ In colleges, as in corporations and some political circles, efforts to promote positive attitudes to ethnic diversity and social inclusion have distracted many students and workers from economic injustices and persistent poverty; but especially from the truth that these can be overcome by good government and well-managed capitalism.

COLLEGES

If anyone pays attention for long enough to what’s been going on in colleges and universities in many countries in the 21st century, they will see quite widespread participation in the great distraction. Thomas Frank (above) put it like this:

‘Colleges have become...incredibly sensitive on matters of offensive speech (i.e., about gender or ethnicity) and...utterly callous on matters of basic economics.’

Some have removed historical monuments because they offend some people, whilst strongly opposing efforts by their own lowest-paid

employees to unionize. At the same time some colleges have been ‘doing fine favors for Big Pharma’ (as Frank put it) and for their other potential donors, whilst also paying multi-million-dollar salaries to their sports coaches or team managers. Accordingly, when colleges these days hold their annual celebrations of diversity and inclusiveness these specifically do not ‘include’ the poor. Meanwhile the big issue of progressive taxation and the funding of identity-blind public goods has barely been mentioned at any major college event in the USA since 1980.

Why might economics-and-class *truthfully* be a big issue compared to the more highly-celebrated diversity and inclusion? Let us once again look more closely. Several studies have reported that women in the USA (for example) earn about 70% of what men earn (i.e., the ‘pay gap’). Putting the numbers the other way around: men earn about 43% more than women. This is a serious issue that is explained in part by the lack of paid parental leave, at least in the USA. However, as mentioned in chapter 11 on taxes, there are quite a few CEOs in the US, including quite a few women and members of minorities, whose annual gross pay is about 500,000% more than that of the lowest paid worker in the exact same building, perhaps a cleaner. Think about that: some of the CEOs take home after tax around \$3.4 million every *month*. The cleaner would have to work every weekday for much more than 10 years to receive what that CEO gets in one day, maybe her day off, or perhaps a sick day. In some cases, moreover, the CEO and cleaner might swap jobs for one day and no one would notice.

It is a Pythagoras-like truth that anyone (and any dog looking at piles of biscuits) can very quickly see for themselves that 500,000 is a very big number and that 43 is very small, by comparison. Differences on that scale in the human world mean that the ultra-rich CEO ‘class’ can look down on everyone else without ever having to join them, quite like the scenario portrayed in the 2013 movie *Elysium*. Alvin Toffler, the author of *Future Shock* (1970) wrote 20 years later (c. 1990) that ‘the rich want out’ and that is essentially what they got. There now exists a ‘*glass floor*’ through which the rich can look down, or pretend to look. It is much

thicker than the proverbial ‘glass ceiling,’ although the latter remains an apt metaphor for the difficulties and biases in promotion that some employees encounter in some corporations.

MEDIA

In addition to the striking success of identity politics (on the Left and the Right) in distracting everyone from pressing issues of poverty and class (labor *vs.* capital), there also appears to be an enduring consensus amongst those who live above the ‘glass floor’ and on the Economic-Right to *exploit* and amplify that very same distraction (see the lower-right arrow in Figure 15.1). The media has played a huge supporting role in this cynical *ultra*-elite project. One striking example of bad media behavior in this context was reported by the Left-leaning *Democracy Now* TV program: during the 2016 US election both *CNN* and *Fox News* spent more airtime pointing cameras at an *empty stage*, waiting for candidates to arrive, than they ever spent discussing the candidates’ policies on taxation and public-goods. For-profit media companies are extremely well aware that emotional surprises, colorful personalities and stories of personal harassment²¹ serve to distract and entertain audiences; just as many people do not *like* thinking about numbers and economic policies: It turns off the people and their TVs.

With regard to the wider effects of deliberate distraction in politics, Professor Noam Chomsky once described the neo-conservative policies of the last 40 years or so as a ‘con trick’: the *neo-cons* are just cons. Later, in an article entitled ‘10 strategies of manipulation by the media’

²¹ When the US *public* broadcasting service (PBS) reported allegations of sexual harassment by an employee of *Fox News*, in 2017, there was a brief uncritical mention of his \$20,000,000 p.a. salary and \$25,000,000 golden parachute with no mention of greed and economic inequality: only a long discussion of the gender-related harassment claim. There have been many other similar episodes.

Professor Chomsky referred to deliberate efforts to ‘*Prevent public interest in essential knowledge.*’

This strategy is in direct opposition to the entire purpose of this book and to all other efforts to create a pragmatic global community of truth seekers. Strategies of ‘knowledge prevention’ (fake news) include appealing directly to emotions, but also, as Chomsky put it, making it ‘fashionable to be stupid and vulgar.’ Prior to that, he pointed out that the Right cannot win elections on their economic policies that ‘obviously favor the 1%’ so they have consistently shifted electoral debates away from that ‘big issue.’ They might talk *derisively* about a ‘cult of gender’ and ‘ideology of race’...on the *Left* (see the vertical arrow in Figure 15.1) thus distracting voters from inequality as well as the powerful identity politics of the Right. It doesn’t matter at all whether anyone *likes* Professor Chomsky or *likes* any of the above statements; they are all accurate Pythagoras-like descriptions of how things actually work. Anyone who pays attention for long enough will eventually see that for themselves.

REDUCTION

The Economic-Left sometimes argue that the identity politics of both the Left and the Right can be entirely *reduced* to matters of economics and class (see the lower left arrow in Figure 15.1). One such ‘argument,’ which is also a Pythagoras-like truth, is that...

‘tax-funded programs such as social security and Medicare (in the US) are explicitly and rigorously inclusive and non-discriminatory.’

The Social-Left nonetheless challenge the economic reductionist argument on the grounds that it appears to diminish the role of identity (gender, race, etc.) which is important. Put differently, dwelling *only* on the big issue (money) amounts to a form of commodification or

colonization that belittles any culture, religion or race-based sense of identity. The Social-Left also sometimes claims that economic justice can only be achieved *after* all gender and racial groups have come to be treated equally. This is a ‘promised-land’ type of argument and a variant of the other arguments about ethics-as-timing (see chapter 7). All things considered, there is every chance that things would work much better the other way around, with the strongest possible focus on *economic justice now*, so that everyone can pay their way in due course.

What, then, is the Pythagoras-like ultimate truth about money and identity in relation to human flourishing? It is absolutely true that aspects of identity, quite like the human, social and cultural forms of capital, cannot be entirely reduced to money²², but it is also true that no amount of money can guarantee an authentic and emotionally satisfying sense of self (...*Where do you go to my lovely?*). Both of these concluding statements are also part of the public’s ‘essential knowledge’ and any differences regarding these priorities (money *vs.* identity) are simply not worth fighting about.

²² In his book *Rationality in Economics* (Blackwell: Oxford) the economist Hargreaves-Heap (1989) constructed a mathematical proof (with diagrams) that identity-related *expressive* rationality cannot be entirely reduced to utility-or-money-related *instrumental*-rationality.

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