

21st Century Will Be Reconciling or It Won't Be

The Bucharest reunion of 1972 was dedicated to the study of future, upgraded to being a science. It means *future science*, a rather ambiguous name. It was too ambitious of a name because even if prospective studies use many scientific methods, they are significantly different from science, which operates with immediately verifiable truths. However, if the calculus of probabilities is a science, then so is the prospective study. Moreover, it uses another partially subjective measurement unit, the utility, which captures the level of interest of an objective, subject, theme, activity or a problem.

The name *study* or *research* was eventually maintained, a multidisciplinary call that covers, indeed, a coherent activity with issues that need to be addressed. Aurelio Peccei attended the reunion, together with many members of his newest creation: The Club of Rome. His intention was to mark the Club among the main centers of futures studies. In 1972, the famous *Limits to Growth* report had already been printed, but it had not been acknowledged yet. Actually, the book spoke about the future of mankind in respect to its limited resources. Both the developed and underdeveloped countries were restrained in their reactions and feared that their industrial activities will be held back, hence Peccei became more cautious. He stopped underlining the disastrous path the global economy was taking, an economy he thought of as being in a never-ending crisis, nor did he continue stressing the flaws of a society for which his argument was built. I collaborated with him for ten years and I learned a lot from the unique experience of the most informal and non-bureaucratic entity in the world. Last time I met him it was at the Club reunion in 1982, in Tokyo. Peccei gave me his latest book, in French, with a statement title very much future research oriented, *Cent pages pour l'avenir*¹, which consisted of the President thoughts and a new report of the Club. In this book, which has largely remained unexplored due to the author's death, Peccei's stated his sincere opinions uninhibited from the tactical restraints, with great candor and proposing the following idea, which I was able to infer after having explored the book many times.

In order to frame the agenda of the future, you must look into the unhealed wounds of the present. Peccei ruthlessly does that in *The Syndromes of Decadence*

¹ Aurelio Peccei, *Cent pages pour l'avenir*, Economica, Paris, 1981.

chapter, where he denounces the ambiguities of science, the decline, drift, traps and delusions of economy, which led him to a vision for the future. He designs for this future the global strategies for preservation, nutrition, energy, planning and others, highlighting the human factor and education for „a humankind that retrieves its humanity”.

We should hold on to his clear, almost medical, statement: do not try to bet on health and stamina prescriptions for an organism that is full of unhealed and neglected diseases. Hence, for the moment, we should put aside many projects of the Prospective Studies which lack the urgent treatments for the great illnesses that are haunting mankind.

It is not difficult to make an inventory of these illnesses. We know now that there are inseparable opposites which function simultaneously and in equilibrium: such as cooperation and rivalry.

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I spoke with Professor Adrian Curaj, the organizer of the present Bucharest conference, and I came to realize how interested he is in meeting the society’s interests using the public-private approach and how much experience he gained from blending those two. That is the reason why I chose these two fundamental concepts which had been either balanced, or imbalanced for four centuries. We are talking about the tension between state and economy, state and market, in a nutshell, public and private.

For the economy science it all began in 1776, when Adam Smith published *An Inquiry into the Nature and Causes of the Wealth of Nations*. He adds another postulate to the one regarding the individual interest as the driving force for wealth creation one regarding the nonintervention of external factors, such as the state and its laws. The mainstream economic thinking at that time was the represented by the physiocrats. It flourished under Louis XIV of France who relied on talented men: Colbert for economy, Molière and La Fontaine for culture and Pascal and Malebranche for science. In an absolute monarchy, where the king proclaimed that ”I am the State”, it was obvious that the economy was entirely controlled and regulated by the state.

The idea of nonintervention and freedom of economy has led to a new economic trend. The slogan was „*Laissez faire, laisser passer*”. It is interesting to find out how this slogan came into being. One day, in April 1751, Mr. Colbert gathers many representatives of trade to ask them about measures for supporting trade. One of the participants, bored of all the discussions and all the actions of the authorities said the words: „*Laissez-nous faire*”. That means: leave us alone, let us find the solutions, it is our job to come up with them. And that is how the slogan of private liberalism was born in an official state chamber.

In the following centuries, the economy develops its capacity to innovate and act, without turning against the protective state, still fundamental for opening new markets through its foreign policy tools. It is to be noted that states were completely aware of the traders' capacity to open up the road for their political expansion. This happened in an unusual manner. States created private societies and launched them in the wide world. The benefits were manifold: why should their competition lead to wars when they can win by using some anonymous individual's activities? Why should they conquer their source of wealth instead of earning it through trade? Why should states always be rivals, rather than interested in partnerships and alliances?

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Hence, England challenged the other great powers with a silk glove, and created the East India British Company. At first the whole Eastern hemisphere was targeted, but India was the most lucrative location from 1600 to 1858. Its businesses and its deep infiltration through its regional branches had transformed it into an institution of power, peacefully winning the competitions, even though calls for military force were not entirely missing. After two years, the Netherland - England's greatest rival in the battle for naval supremacy - created the East India Dutch Company. It manages to keep a tight hold on the English and Portuguese, refusing them access to Indonesia, Malaya and Ceylon. The Dutch Company also reaches Africa, at the Cape of Good Hope. The French joined the game in 1664, creating the East India French Company. But it won't last more than a century, due to a French attempt to unify India under its control, baffled by the English military which was protecting its own Company.

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This historical parenthesis is important because it illustrates the interrelation between the state and commercial companies, asymmetrical indeed, as the State is the one that profits the most and the one that commands. In time, the relationship will become more balanced, involving larger, more influent and more autonomous corporations. But the process in which they best affirm their role is the initial colonization, started by the Portuguese and Spanish once they perfected the science of navigation, also stimulated by the industrial revolution. We say that the XIX century was a century of modernization, but we forget that it was, just as much, the century of colonial powers. The private factor was always present when empires expanded or consolidated their realm.

History underlines the spirit of cooperation, and the existence of balance between political and economic interests. This balance was preserved even after the dissolution of the empires: six colonial empires vanished from the world map after the end of the Second World War (England, France, Spain, Portugal, Holland and Belgium). The new great power, America, who militated at the end of the WWII for an opening doors policy, hence for freedom of trade, used its corporations to impose its recently acquired supremacy.

The last reference to the cooperation between State and economy is represented by a phenomenon which has lasted until today. We are talking about protectionism, the state involvement in the private economy, by hindering certain imports that would handicap its own products when competing to other states' products. Obviously this created a dilemma between the desired free markets which still benefited from the intervention of a protective state.

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We can mention the following occurrence from the XIX century. In France, in 1840, the National Assembly receives a letter from a manufacturing sector which asks for protection from a foreign rival that defies and threatens him. They are manufacturing

lamps, candelas, street lamps, but they are also producing fuels: petrol, alcohol, resin and tallow. Who is this rival? The initiators of this endeavor will say it is the sun, which is dominant and penetrating, producing light cost free. So what should the state do? Make everything possible that all windows, curtains and shutters are closed and start a massive campaign against natural light and promote the resin trees cultures.

The initiative is not a reproach against the state. It is a satire on the fact that liberals are not only asking the state for protection, but they are also requesting for a weather forecast when the solar energy will be a major objective for the human societies. This tension between the state and the market, which had lasted for centuries, led to a diversity of cooperation patterns and an equilibrium that restored the specific tasks of each actor and eliminated the chance of weakening or abolishing one of the two poles.

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Indeed, communism, an important doctrine which had become a state policy, dissolved the private property and gave the whole responsibility of managing the economy to the state institutions. Destroying this secular balance resulted in the disappearance of the whole system, after having proved its inability to function and later on, imploding.

A new in-house threat appeared on the horizon. Neoliberal doctrines had extreme requests regarding the total elimination of the state from important areas in economy, finance and trade. This idea came from a vilification of the state, considered to be an obsolete, bureaucratic and costly institution, a source of conflicts and revenges. We find the content of a prestigious magazine belonging to an academy, extremely eloquent for these fashionable ideas: *Nation-state Diminished, A Study on the Loss of the Economic Power, The Flawed State, The New Global Order, Rise of Businesses and the Decline of the Nation-State, Powerful States in Bankruptcy, The Fragile State*².

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² În engleză titlurile sunt: *The Diminished Nation-State: A Study in the Loss of Economic Power, The Defective State, The New World Order Incorporated, The Rise of Business and the Decline of the Nation-State, Subverting Strong States, The Insecure State.*

The anti-state movement was officially acknowledged when President Reagan said the following words: „The state does not solve a problem. The state is a problem“. Also, Margaret Thatcher was nourishing the relationship and was encouraging the coryphaei of the new radical doctrine. They had Nobel prizes and claimed they owned scientifically proved truths. One of them was that the market adjusts itself. This myth was built on the mathematical fixed-point theorem. When the market invalidated this thing and its supporters were held accountable, the mathematicians claimed it was nothing else but a statement with abstract definitions and it does not apply, under any circumstances, to the market.

Challenging the fiction presented as law, would not have occurred so categorically, had it not been for the 2009 global crisis. The moment that had caused the crisis were the ill-founded requests and the unauthorized actions carried on by the economic circles which declined any control that might have hindered their goals of unlimited, rapid and sure earnings. The eradication of control and the destruction of any balance, together with caution, moderation, clear knowledge, led to a global cataclysm. Mankind is still holding on, in 2013, but it is trying to fix the wrongs with huge efforts.

During the crisis, positions towards the state changed. The bankrupted private economic institutions asked the Western states to intervene and help them. This actually happened, to the surprise of a population subject to an ascetic regime. The concept of the rescuer state reentered in the political-economic vocabulary.

Before the crisis, especially at the end of the previous millennium, a significant event happened while the economy was fighting for supremacy. Great corporations increased their efforts and ambitions. They had been obedient assistants to the state so many times, why not surpass it and make the state their subordinate? Why not shift their thrive for power in the political realm? The first neoliberal had tried this. They obtained control of some states, ensuring a wealthy dominant layer of people, surrounded by a mass of people living in misery. The transformations following the dissolution of the Soviet Union, provided them with raw material and with a big number of new states on the verge of becoming a blank terrain for imposing the new active economic system, especially that they were politically chaotic. There will be a facade of democracy, under which the economic oligarchy will effortlessly thrive. It is not difficult

to understand how these countries have overcome the economic crisis. „Corporations are now governing the society, more than governments do”. „Corporations have only one duty: to promote their own interests and the interests of their owners”. „The idea that there is a public interest, a common good that transcends our own individual interests, vanishes”. These are citations from 2004, proving a wider spread opinion regarding the negative consequences of a public-private equilibrium where the latter prevails. Joseph Stiglitz, a Nobel Prize winner, bemoans the laws that allow an immense discretionary freedom in managing corporations solely to their own benefits.

However we do receive some calming news. We noticed that a new category of states, called *emerging*, reacted better to the crisis than the developed ones. They are called emerging because they managed to cross the threshold that was separating the developing countries from the developed ones. There are plenty of emerging states, scattered all around continents, but especially in Asia, which surpass the Western developed countries. We can find them in the statistics from *The Economist*. We can identify them on the increase of their gross domestic product (between 3.5% and 8.5%). China is on top with 8.5%, followed by India (6,5%) and Indonesia (6,4%), while USA has 2% and the worrying EURO zone has -0,2%. None of the emerging states have dismissed the predominant role of the state. On the contrary, all the good strategies and the necessary authority to apply those strategies are coming from the state. None of the critics from the West, according to which they are autocratic and lacking democracy, have managed to change their approach and their attitude. They rely on the classic distinction between authority and power, the former representing the ability to gain the people's trust and to promote their rights and vital interests, common or public. The crisis has done nothing else than strengthening their stand.

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So far we have seen that contemporary history is fixing the image of a state that has been exposed to great hardships for the last three decades. It is not enough. We need a correct and fair understanding of the concept for the studies that look into the humankind future. How do we use it in our thinking and analysis?

Many researchers have tried to answer this question. There is a new American school that often resorts to the idea of awakening, meaning to replace the wrong and fictional assumptions with real and pressing statements. Authors, such as Jeffrey Sachs, do not tackle the future of capitalism, which they consider a general admissible solution. At most, it needs a cleansing, in order to get rid of its harmful abuses. What is important is to repair a lost balance between the state as an institution that deals with the general, public and common interest and the private economy which is involved in a competition in order to meet a particular interest. The state has been lately weakened and denigrated and it has been hindered from entering its obligations. The situation has become troubling and alarming. USA lost its dominant positions in education, research, health, non-altered nature and nonrenewable resources, healthy air and comfortable environment, because the main manager was hit and damaged. The solution is to restore a much needed balance, a middle path of the wise men and give them both the respect they deserve.

This is an essential, rational and conscious solution. It is not a plea for the state supremacy, but a mere balancing of an abnormal situation. Someone took away the bridge between two different fields and, now, others reestablish the traditional links and mediate a fake and damaging disagreement. The separation is old, the tension is variable but cooperation is much needed. To say that one of the two actors does not exist, is nonsense. To say that we are now neglecting the one that has been previously favored is madness.

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We can see that there are chances for healing the public-private relationship. There are even actions that consolidate it. What is left, are the broken bridges which require urgent intervention.

A list of those cleavages could consist of: equality/inequality; developed/underdeveloped; great powers/little powers; war/peace; democracy/undemocratic governances; renewable resources/limited resources; integration/diversity; civilization/culture.

The issue of inequality has come out due to an abusive claim that its discussion would contradict the premises of capitalism and the freedoms of its values. The subject is now being discussed beyond the barriers of political doctrines, together with the public problems that have been affected. Stiglitz's book, *The Price of Inequality*, enjoyed a warm welcoming and echoes in the governing circles. Other issues are being addressed by researchers and require authority, competence and imagination from the today-society and especially from the tomorrow-society. They are all solvable and some of them in the near future.

Not all the subjects of prospective research come under the form of inseparable poles. Contemporary science aims at resolving some issues which hold an important position in the development of human society. The research of the large infinite (space), small infinite (cell), functioning of the brain and mind, mentalities and collective moods, the increase use of peaceful methods and the new energy sources are valid subjects of research. Most of them are essentials for an imperative reconciliation.

Including these in the agenda of the prospective researchers and improving the methods they use, will lead to the idea that creating bridges between the cleavages that affect humankind is an urgent and possible action. The result will be the healing of humankind from the traumatic shocks of the horrid experiences, crisis or wars, a restoring of its capacity to ensure its survival in a dignified and effective way.

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