



**Bent Sørensen**

## **Democracy and Sense**

alternatives to financial crises  
and political small-talk

**Secantus**

*Democracy and Sense* questions practically all that happens in society today. Its aim is to raise a debate on the most urgent problems of economy, democracy, sustainable conduct and the framework for industry and business. A number of untraditional solutions are suggested, but without support to either rightwing or leftwing politics. In fact, one of the key points is that political parties have reduced democracy to one day of voting followed by four years of oligarchy. To regain a functioning democracy we must strengthen direct democracy and make the distance between population and government shorter.



*Extraordinary valuable  
Unique!*

(Walt Patterson, Royal Institute  
of International Affairs,  
Chatham House, London)

Bent Sørensen is an interdisciplinary researcher and political debater. His work has laid the foundation for new perceptions of economic science (the scenario method and life-cycle analysis) and energy research (100% renewable systems). He has worked at universities in Japan, France, Denmark, Australia and the US (Yale and Berkeley), been advisor to governments and international organizations, technical director in Denmark's largest consulting company, a lead author in the intergovernmental climate panel IPCC, the recipient of honors and prizes, and he is currently professor emeritus at Roskilde University, Denmark. Among his more than 30 books, "Renewable Energy" is considered the foundation work defining the field.

## Other books by the author:

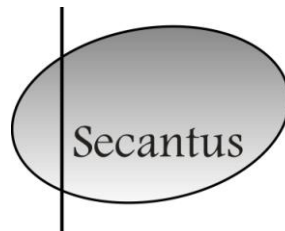
- Energy, Resources and Welfare – exploration of social frameworks for sustainable development*, 2016
- Folkestyre og fornuft – alternativer til politikerlede og finanskriser*, 2015
- Solar Energy Storage*, (editor), 2015
- Energy Intermittency*, 2014
- Artwork*, 2014
- Physics Revealed Book 1: Physics in Society*, 2014 (previous editions 1989, 2001)
- A History of Energy. Northern Europe from the Stone Age to the Present Day*, 2011/2012.
- Hydrogen and Fuel Cells*, 2<sup>nd</sup> ed., 2011/2012 (previous edition 2005, Chinese edition 2015/16).
- Life-Cycle Analysis of Energy Systems: From Methodology to Applications*, 2011.
- Renewable Energy Reference Book Set* (editor, 4 vols.), 2010
- Renewable Energy – physics, engineering, environmental impacts, economics and planning*, 4<sup>th</sup> edition, 2010 (previous editions 1979, Bulgarian edition 1989, 2000, 2004)
- Renewable Energy Focus Handbook* (with Breeze, Storvick, Yang, Rosa, Gupta, Doble, Maegaard, Pistoia og Kalogirou), 2009
- Renewable Energy Conversion, Transmission and Storage*, 2007 (Chinese edition 2011)
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- Blegdamsvej 17*, 1989 (reprinted 2001, 2014)
- Superstreng*, 1987 (Dutch edition 1989)
- Fred og frihed*, 1985
- Fundamentals of Energy Storage* (with Jensen), 1984
- Energi for fremtiden* (with Hvelplund, Illum, Jensen, Meyer og Nørgård), 1983
- Energikriser og Udviklingsperspektiver* (with Danielsen), 1983
- Skitse til alternativ energiplan for Danmark* (with Blegaa, Hvelplund, Jensen, Josephsen, Linderoth, Meyer and Balling), 1976

More information on the author and his publications in art, music and science may be found at [www.secantus.dk](http://www.secantus.dk), [energy.ruc.dk](http://energy.ruc.dk), or [www.amazon.com/author/Sorensen](http://www.amazon.com/author/Sorensen)

Bent Sørensen

# Democracy and Sense

alternatives to financial crises  
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## Preface

This book not only reminds you what is wrong with current politics and economic rules aimed to increase inequality, but it also discusses a long list of possible remedies, ready to be implemented anywhere. However, on condition that a majority wants to do so and takes the necessary steps to accomplish the change. For this reason, my hope is to stimulate a broad public debate on the interwoven questions of democracy, governance, as well as the social and economic arrangements of our societies.

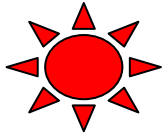
I do not bring you a new political manifest but just ideas for discussion. The ideas are founded on solid data, published sources and calculations, new as well as old, all documented with detailed tables, diagrams and references in my scientific account of this work: *Energy, Resources and Welfare – explorations of social frameworks for sustainable development*, published by Academic Press and Elsevier in London and New York.

By the end of 2015, I published a general audience version in Danish. The present book is not a direct translation as it has replaced many Danish examples with international ones. The book gives an overview of both historical attempts to redefine economic and political behavior, and also a number of new suggestions for debate, along with one concrete example of a complete restructuring of current constitutions to reflect human rights and obligations, as well as rules for economic and social behavior in non-exploitative and sustainable communities of the world society. Agree or disagree! This book offers the munition.

*Bent Sørensen, Gilleleje, December 2015*

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## **Weariness towards politicians and political parties**

We currently witness an increasing weariness and lack of trust directed towards the way in which politicians behave. Few feel compassionately represented by their elected politicians. The politicians may make a stream of decisions, get many laws passed in parliament, but most citizens do not see the issues they feel strongest about on the agenda.

Instead, we are governed by preconceived opinions and claims regarding what is “economically necessary”, often whispered into the ears of the politicians by lobbyists representing but a tiny elite, or conceived as response to yesterday’s newspaper headlines, rarely worthy of new legislation.

The problem is that politics has become a lifetime bread-and-butter occupation for the politicians, always focusing on their next reelection, trying to “show results”, if only by shady compromise legislation passed after nightly political horse-trading. Up to each election, the politicians promise money and better lives for everyone, often without being clear about who is going to finance the expenses. Our experience tells us that even the best politicians fall into rather barren routine after too many years in the profession, if not becoming corrupt and favoring certain friends or lobbies, or spending money inappropriately in the gray-zone between private and public life.

As a matter of fact, more legislation should not be needed in a society that functions well: The constitution and laws that have been in effect for decades can only need change if the society has changed in major ways or if external conditions are altered radically. The role of government is to administer existing laws and rules. It should be a rare exception for a government to have to pass a new law.

On the contrary, each government nowadays wants to add its heavy fingerprints on the rules governing society, through a stream of new legislation, and if coalitions required for majority allow, with a taste of the ruling party’s own program and cherished issues, in the hope of conveying an impression of efficient governance. As a result, the behavior of society is being swayed a little to the right or to the left, but less so in recent years, where it has become difficult to distinguish the main political parties from each other. All seem to listen to the same economic advisors and the same business leaders, as well as to the citizens that happen to be interviewed for a television comment.

Citizens reply cordially to the question posed by television journalists, but had they been given more than ten seconds to reply, they might have been able to bring much more important issues before the viewer’s eyes. Journalists set the agenda for a large part of public and political debate, and often their selection of questions is more a reflection of what they personally think is important than representative for the entire population. Similarly, one often feels that journalists forget to put follow-up questions when a politician evades or directly answers in contradiction to facts to the first question. Maybe the

politicians aligned with the journalist's own political stand get more "easy" questions than other politicians. Of course there are exceptions but there is a long way between them, despite the education in decent journalist schools stressing the aim for objectivity and "letting all opinions be heard".

When politicians seek reelection, their campaigns are often characterized by cosmetic and sometimes eloquent attempts to make a good impression, saying little more than the truisms of the election posters and what the spin-doctors have made them rehearse. They mention positive plans that may make people's lives better, but not the cut-backs and reductions in welfare that in recent decades have become standard ingredients of the behavior of nearly all governments. The issues mentioned are often those where different political parties do not disagree substantially, and the differences highlighted during the debates are often of only peripheral importance.

It is rare to see politicians discuss basic rights and obligations in society, despite the obvious fact that these are not even adhered to by the political parties and governments themselves: According to the UN Declaration of Human Rights, all benefits should be for the whole society and not just for a small segment of ambitious individuals, and attack wars on other nations should only be conducted in defense against an invader or by a clear decision in the UN. Furthermore, sales-ambitious companies should not be allowed to invade the privacy of citizens on the Internet by selling and buying secretly collected personal information and by spamming the citizen's email accounts, to mention just a few common offenses. When govern-

ments and political parties condone violations of human rights, they usually try to hide it (in case some voters care), thinking that dubious decisions are better swept under the carpet than exposed to democratic scrutiny.

It is disturbing that over 90 percent of current parliament members seem to agree to govern on the basis of the economic mantra called neo-liberalism. Some 30 years ago, we had right wing and left wing political parties with different economic outlooks. No longer so! Politicians across the board tell us that we can no longer afford the welfare model of free education, free health services, and help to all in need, whether by illness or unemployment. At the same time, we are told that the economy has never been in better shape than under the current government. Both statements cannot be true.

Exactly what the problem is will be analyzed in the following chapters and it will be revealed that the main cause is a flawed economic policy based on a wrong measure of growth, having lead to greatly increased wealth for the top few percent but an impoverishment of the entire middle class. In some countries, even more poverty is imposed on the already poorest, while in other countries, they are kept away from the gutter by public support, putting even more strain on the middle strata of the economic wealth distribution.

Most nations in what is loosely identified as the Western hemisphere are conventionally called democracies. This term has been used since the French Revolution to describe a form of governance where a reasonable sample of the population is allowed to elect representatives to a par-

liament where legislation has to be passed in order to gain validity. The selected part of the population allowed to vote has generally increased, from men only to both sexes, and with downward adjustment of age criteria. In some countries, election procedures are based on the “winner takes all” principle, where the votes of even sizeable minorities are lost.

The term “representative democracy” indicates that those elected, say for parliament, should represent the people who voted for them. A basic principle would seem to be that all votes should count the same. However, this is not always the way in which election is staged. In countries such as the UK or the US, constituencies are accorded a fixed number of representatives in parliament, so that even if the distribution was fair when this was originally decided, it may have developed into a very disproportionate way as the result of population developments.

Election prescriptions have in a few countries been shaped in such a way, that distribution problems appear to be minimized and votes rarely wasted. The Dutch method first proposed by d’Hondt and used in some European countries supplements the constituency-based representatives by a number of compensatory seats in parliament, given to parties in proportion to the otherwise lost votes received above the average number of votes required for a constituency seat, or on candidates not elected.

This signals a replacement of the original individual representation concept by giving political parties a central role. Most constitutions still state that members of parlia-

ment are only bound by their conscience, once elected. However, group pressure and party rules have changed this so that currently, few parliamentarians dare to vote against their party. The compensatory seat arrangement only cements the role of political parties, and conscience is no longer on the agenda.

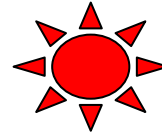
Election campaigns are increasingly being left to spin-doctors and commercial media-manipulation companies, and candidates are often discouraged from expressing individual opinions. The representative feature is also losing terrain, because local communities have in many countries lost the independent administrations they had earlier, in the name of lumping local communities together, claimed to lower administration costs. The times are gone, where you meet your parliament representative in the local supermarket and chat with him or her. Today, few voters personally know the persons they vote for, and it is not they but political parties who select the topics to be debated up to an election.

Party rule in parliaments and in governments selected by the parties or party coalitions amount to a form of representative democracy with effectively three levels between the voters and the actual rulers. The term oligarchy would seem more appropriate than democracy.

I am certainly not the first to draw this kind of conclusion. Jean-Jacques Rousseau in 1762 wrote in *The social contract*, that representative democracy is one day of democracy followed by four years of suppression. The expression “weariness of politicians” appeared in John Stuart Mill’s book on representative democracy in 1861. More recently,

in the book *Ruling the Void* from 2013, the Irish researcher Peter Mair summarizes a lifelong investigation of political parties in the European Union countries by stating that party-based democracy no longer is an acceptable form of democracy. He is seconded by the American economic scientist Richard Katz, who sees party-politicians as people putting their own political career above anything else, concluding constitutional requirements. Being a politician has become a lifetime profession like that of carpenters or accountants, and this is not furthering real democracy, representative or otherwise.

Thus our attitude to politicians, ranging from uncomfortable to one of disdain, is very well founded. We must find ways of changing the system and the rules by which it is implemented. In the following I investigate what remedies have been proposed in the past, assess the extent to which they have worked in practice, and what extensions may be required, in order to arrive at a comprehensive alternative for discussion and possible implementation.



## Direct democracy

Representative democracy is not the only possibility. The other known form of democracy is direct democracy. It originated in ancient Greece and has for centuries been used by Swiss cantons. It was long held that direct democracy could only work in city-states or small areas, but after World War II it has become increasingly common to use general referenda to decide important questions, for example altering the constitution or entering coalitions such as the European Union (EU).

New technology in the form of pirate-proof electronic voting over the Internet could make it even more attractive to use direct democracy for a larger selection of decisions. Strong opposition to this view has come from the EU, accepting only democracy through representatives. But then, the EU is not really a democracy itself. Its parliament has no function other than to approve the total monetary appropriation for the Commission and the Commission is a body consisting of civil servants but assuming the role of a government, as well as having the right to propose new EU legislation. The EU has never departed far from the original Coal and Steel Union and still to many appears only as a forum for coordinating the lobby activity of the European industry.

A manifestation of this emerges from a proposal from some new EU member states a few years ago, that a mil-



lion Europeans could raise an issue they found important for electronic vote across the EU. The commission succeeded in throwing in the additional condition that it should approve the subject of such a referendum, and although several proposals have gathered the necessary number of signatories (benefiting from Internet communication), the Commission has turned every single proposal down.

In reality, there is hardly any nation in the current world that can claim to be democratic. At most, there are a few examples of grass-root movements succeeding in defeating politicians, such as the Danish nuclear power protest movement getting nuclear energy off the list of acceptable energy sources, after a seven year continued debate starting in 1974 had failed to weaken the popular support behind the protesters, and despite the fact that shifting governments and a unanimous parliament favored the use of atomic energy. The example shows that party politics is shaped in such a way that it can easily avoid reflecting majority points of view held by the population.

One may wonder if party politics has not today managed to avoid repetitions of such defeats. There are hardly any independent media left. Newspapers have been taken over by commercial and financial interests, and even national television providers have been constrained by politicians linking their funding to not criticizing the government, as suggested in the recent conflict between Tony Blair and the British Broadcasting Corporation, BBC.

The political spectrum has in many countries become narrower, with all but small wing parties heralding the same

neo-liberal ideas. Also public education has moved towards more uniformity regarding the views presented to students on economic methods and power structures.

Still, although our democracy may be partial, it is not incapable of incorporating change if a popular majority should choose to raise their voices and express their demand for change. This is not to say that direct democracy through referenda should be used indiscriminately. It would not make sense to have a referendum on whether the population would like a higher or lower level of taxation, without at the same time asking what measures of welfare should be offered or reduced. But it would make sense to ask if people want to reduce inequality by making the wealthiest pay more tax. The fact that such questions are not posed in public referenda, where they would be rather certain to gain a majority, may be taken to indicate that party politicians see it as their duty to protect the concentration of wealth in a few percent of the population.

In history, there have been a number of negative episodes related to direct democracy, e.g. in antique Athens and during the French Revolution. They have to be analyzed carefully, if we want to avoid repetitions in case we modify our system to accommodate more direct democracy. For this reason follows a short review of experiences with different forms of democracy:

By around 600 BC (*Before Current* conventional year zero), the Greek city-states launched a debate on ways to avoid being ruled by an autocratic tyrant. Not all Greek rulers were tyrants and some were open to changing the rules of

governance. One of these were Solon, who introduced a two-chamber system, where all men were eligible to what today would be called the House of Commons, while the Upper House corresponded to the earlier council of aristocrats, except that they were now to be admitted on the basis of their fortune, not their status at birth. This two-chamber system was charged with legislating and appointing judges and governments. In order not to be suspected of wanting to expand his own power, Solon voluntarily stepped down when the constitutional changes were adopted.

However, soon after, Solon's laws were altered to again allow dictators. One of these went as far as exiling the richest Athenian citizens in order to confiscate their fortunes for personal gain. This was too much for the city government and he was in 508 BC overthrown and replaced by Cleisthenes. Cleisthenes changed the constitution in such a way that although the Upper House could still suggest legislation, the House of Commons also had to pass all laws to make them valid, and he altered the representative government to a direct democracy where all (men) wanting to could join the House of Commons and vote. All they had to do was to show up. Administrators, who with the terms used today would be the ministers and civil servants, were selected by lot.

However, this constitution was during the following years used to pass quite arbitrary laws and to exile a number of persons that the citizens showing up in parliament did not like. An improvement mending some of the shortcomings was subsequently carried through by a government led by Pericles from 461 to 429 BC. Pericles

introduced additional changes in the constitution, giving the courts the possibility to limit the power of the House of Commons by declaring passed laws at variance with the constitution or unconstitutional. In a famous speech held in 421 BC, Pericles announced that the Athenian constitution now ensured just treatment of high and low, to the benefit of many rather than few, and that disagreement would be dealt with in mutual tolerance and with equal rights to all.

These ideals faded away after the death of Pericles, and at the same time, Athens was weakened by wars with its neighbors, notably the city-state of Sparta. Sparta had chosen a layered representative democracy with very limited freedom for its citizens: Everyone had to dress similarly and eat the same food in city soup kitchens, and all children had to receive the same education.

The Athenian House of Commons passed a death sentence to the generals who had succeeded in repelling the Spartan navy, on the basis of the claim that the generals should have consulted the Athenian parliament more frequently during the battle and should have saved seamen drowning from sunken ships. Both these death penalties and a number of additional ones (such as that of the philosopher Socrates) were clearly unconstitutional, as it was the courts and not the parliament that had the power to issue penalties, and moreover because the accused were not even allowed a defense. But citizens trying to protest over the death penalties in the House of Commons were silenced by threats of exiling. The Athenian direct democracy had developed into mob rule, and that is how it will always go, said the philosopher Plato some years later.

Plato's early works from about 380 BC use an elegant literary style, where his thoughts are put into the mouth of Socrates and his friends, gathered in what is described as booze parties. Although Plato in this way manages to describe several different points of view, it is clear from his later works that he personally prefers an oligarchic governance, and best with philosophers such as himself in power. This power elite, says Plato, should be free to lie to the public if they think that would benefit the country (present-day politicians must really like Plato for this view), and in any case, the only role of the common people should be to serve the state.

Other remarks by Plato suggests that those in government and their civil servants should not have any personal property or wealth, should be married by force to suitable spouses (as judged by the interests of the state) and be separated from the education of their children (an idea later taken up by Mao in China).

In reality, at the time of Plato, the democracy in Athens had after a number of disruptions been modified in the direction of more representative democracy and a strengthening of the role of the courts, and the members of the House of Commons were now salaried, based first on voluntary contributions from the rich and later on a progressive taxation. Plato's pupil Aristotle therefore thought that the Athenian democracy was rather well functioning, as measured by his around 326 BC introduced concept of "happiness" for measuring the welfare of people.

Aristotle agreed with Plato that parents should play a limited role in educating their children, because education in a representative democracy must be unprejudiced by inherited or imposed opinions.

With the clarity of hindsight we see today that the reason that the Athenian democracy did not work was the fact that there was no underlying foundation of human rights and obligations. The voting of the attending or elected citizens at the People's Assemblies was made according to random influences and without any deeper insight into the matters decided upon. Daily decisions and lawmaking by the parliament and the government could not be held responsible to basic constitutional prescriptions not being open to change at the whims of changing moods. The underlying constitution must be a document that cannot be changed by simple majority, and not before having been in effect and tested over a reasonable length of time.

As a minimum, the ancient Greeks have taught us that knowledge (based on minimum educational requirements) and moral principles (stated in a declaration of human rights that is part of the constitution or a free standing document) are necessary prerequisites for democracy, whether it is representative or direct.

In 322 BC, Athens lost its independence and its democracy in a sequence of military defeats, and although the writings of Plato and Aristotle were later (54 BC) revisited by Cicero in Rome, he concluded that monarchy as far as he could see was the best form of governance.

It was not until the formation of medieval city-states in

Europe, notably in Switzerland and Italy that discussions over democracy again surfaced. Implementation was often in republics and employing a mixture of direct and representative democracy, where local councils would be elected by direct vote, regional assemblies by the local councils, and judges by the regional assemblies.

A king or an emperor typically governed the new quite large countries, now called nations, that had come into existence in Europe after the fall of the Roman Empire, sometimes by merging several provinces. Perhaps the ruler found it useful to consult with influential groups in society, such as aristocracy and religious leaders, but in reality the form of governance was dictatorship, or oligarchy in cases where the nobility had a realistic possibility of replacing a king they disliked.

The disparity between rich members of the population (typically those in possession of land) and the common people (of which most worked at farms) increased substantially, but it was not until the Renaissance and Period of Enlightenment that the stratification of societies became more complex. The reason was that many new professions emerged, particularly in cities where large numbers of people lived close to each other and could assemble and discuss their lots. Those non-farming occupations already established in Medieval times were for example blacksmiths, forest workers, carpenters and shipbuilders, most of which were scattered in a way not inviting political organization. In cities, nearness and improving education, also for the common people, facilitated the formation of discussion groups, sometimes drawing on theoretical deliberations of researchers at universities (another

emerging profession) and similar institutions. Eventually, the time became ready for revolt and attempts to change the power structures in society.

This happened with the French Revolution and the formation of the United States of America, based upon debates on democracy carried out in France and England. Important insights were provided by Jean-Jacques Rousseau in his books *Discussion of the origin and foundation of inequality* from 1755 and *The social contract* from 1762. Rousseau advanced the opinion that inequality had to be fought by insisting that all citizens owed their loyalty towards the common welfare, that is welfare reaching all members of society, rather than just being to the benefit of a small group of wealthy citizens, and that this had to walk hand in hand with abolition of private property and meaningless wars. In England, Thomas Paine declared in his book *Common sense* from 1776 that if there was no majority for a democratic republic in England, then there certainly was in the American colony.

As a matter of fact, England had left it to selected private enterprises to rule over and manage courts in what later became the United States, and these had early on introduced popular assemblies where all (men) over 20 years of age could (and later had to) participate. However, the questions addressed in these town meetings rarely addressed constitutional questions but rather daily issues of civil law and construction of communal facilities.

Already in 1647, the Christian Puritan proponents in England had suggested (as recorded in William Clarke's *Puritanism and liberty*) that a moral-based concept of liberty

should be introduced, replacing the war-prone behavior of British kings, in order to create a society with expanded equality. This line was continued by Puritans in the USA in the form of an unlimited concept of freedom, contrasting with the direct democracy of the Swiss cantons that was based upon liberty but bound by respect for the local society and tolerance towards minorities and dissenters.

Together with Thomas Jefferson and Benjamin Franklin, visiting from America, the French revolutionaries formulated in Paris the Declaration of Human Rights and the new constitution defining the democratic republic. The documents are largely identical in France and the United States, but the French democracy lasted only to 1799. By that time, the revolution had been taken over by a mob executing personal enemies in the guillotine, in a veritable rerun of the Athenian mob rule some 2000 years earlier.

The lesson is again that democracy only works if balanced by a set of general rules, which cannot be changed from day to day. This highlights the role of the declaration of human rights and the basic constitution, and calls for establishment of independent agencies with the right to veto irresponsible decisions made in parliament or by public referendum by a popular majority, if they are found in breach of the constitution. Such agencies may be the courts or an ombudsperson (overseer), elected on the basis of high demands on personal integrity. The power vested with such an overseer function, to reassess suspect legislation or at the extreme to dismiss corrupt members of a government, is such that extreme care has to be exercised in the election of overseers, say by public referen-

dum and with a requirement that candidates have demonstrated an outstanding career of service to the community.

In addition, a working democracy is dependent on the citizens knowing the issues involved sufficiently well to be able to cast a meaningful vote, and that every voter grasps the connection between the particular issue at hand and the general requirements of the constitution and the basic declaration of human rights. In other words, concrete requirements are demanded in terms of education and insight.

A second revolution was in 1848 carried through in France, again using banners of *Freedom, equality and brotherhood*. "Freedom" or "liberty" comprised both personal freedom and the wish to be freed from government interference, "equality" was mostly about equality before the law and less about equal status, say between women and men, and "brotherhood" was often disappearing from the agenda of actions. Several people engaged in a debate on whether "equality" might be interpreted as "equal opportunities", noting that abilities and qualifications of individuals could never be made equal.

The provisions of the French and American Human Rights Declarations and constitutions are copied to many current constitutions in other countries, as well as to the 1948 UN Declaration of Human Rights, but there are shades of difference. For instance, the original French constitution used a concept of "natural rights", comprising the right to personal freedom, security, property and the right to use arms to defend these rights. The concept of a

“sovereign nation” was introduced and given the sole right to use arms or to delegate their use to specific groups of people, as well as to delegate other authority. Notably, the concept of freedom reached a formulation retained by the 1948 UN declaration, requiring that everyone be allowed to perform any act not physically damaging or reducing the rights of other people.

A crucial feature of the constitution of the new French republic was that it sets limits to what legislation any sitting parliament can pass: Laws must have their origin in the consideration of general well-being and cannot forbid things which do not clearly hurt society. Laws and regulations cannot discriminate among citizens, and citizens cannot be arrested or jailed without a court order. Everyone is innocent unless proven guilty by a court. Freedom of expression pertains to all issues, such as religious or political statements, and is unlimited as long as nobody is physically hurt. The state is granted the right to collect taxes to cover its expenses, but on the basis of full openness about the disposition of the collected money and a budget appropriation approved by the parliament, or by direct referenda. All public servants, including government, civil servants, the parliament and those working in the legal branch, are obliged to full openness about all administrative dispositions.

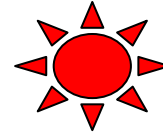
Nearly all these rules have maintained their validity at present, but this does not mean that violations do not occur, even in some countries considering themselves democratic. Fighting terror is a standard excuse for hiding information from the public, to an extent that by far exceeds what can be attributed to any real threat, but secrecy has

also been associated with selling strategic government enterprises during the recent decades of privatization waves, usually releasing no details to the public regarding terms and money paid.

The concept of national sovereignty has to an extent been diluted after World War II, through the formation of entities such as the European Union and by making transnational agreements, e.g. for trade or war, with a loss of national decision-power regarding certain aspects. The NATO alliance expects member states to intervene if any other member state is attacked, and the UN expects national military forces to be put at the disposal of the UN organization, whenever an action is approved by the General Assembly and the Security Council (such as for punishing Iraq for its invasion of Kuwait in 1991). Most countries are reluctant to yield sovereignty, and the UN has not been given the mandate to intervene in “internal affairs” such as the abuses of human rights occurring within a country (for example the Turkish government’s treatment of Kurdish minorities or Assad’s murdering of civil citizens in Syria).

Passing elements of sovereignty to international organizations should of course be weighed carefully, as it may entail both advantages and disadvantages. A concern is whether the possibility that future decisions by the international organization may compromise the rules of democracy (say for protecting people and the natural environment) is larger than that this could happen due to local governance. For example, the European Union has for decades set environmental standards suiting a majority of its member nations, which by those individual countries

that already had higher requirements were seen as a “lowest common denominator” choice. However, with shifts in the governments of some of the countries that originally had high standards, the EU standards have subsequently been seen as a welcome backstop that has prevented a national government from abusing the environment by scrapping previous protection.



## **We and them**

The Human Rights Declaration of the UN was formulated in 1948, shortly after countries such as Sweden and the United States had readily received a large number of Jewish refugees fleeing from the Nazi-occupied countries in Europe. With this background it is hardly surprising that the declaration in addition to the human rights that already appeared in the French Revolution documents also added the right to move to any other country and settle there.

At present, it is easier to see that there are limits to how much moving around is possible in our heavily populated world. Suppose that the 1.3 billion inhabitants of China during Mao’s Cultural Revolution had decided and been able to migrate, and that they had chosen Denmark as their traveling target, considering the welfare society there as one they could easily identify with. This would have raised the population density in Denmark to 30000 people per square kilometer, which even enthusiasts of high-rise buildings would probably have found excessive.

A sober approach to the problem is to accept that people who are concretely threatened or persecuted in their homeland, by a dictatorial regime conducting mass culling, war-like activities, imprisonment or execution of opponents, and people expressing views fully allowed by the freedom of speech paragraph of the Human Rights Declaration, should be welcomed in our countries. The

rest of the world certainly has enough room for accommodating all such qualified refugees.

The issue is not as clean-cut for claimed refugees motivated to travel to another country chiefly by seeing a higher living standard in the chosen country. Why do these people not instead contribute to improving the living standard in their own country? Why do they pay mafia-gangs to sail them to Europe or Australia in old tubs or sieves? Could it not be that their fellow country-people staying back home because they cannot afford or do not want to use the criminal gangs to flee could actually have more cause to escape?

In addition to refugees there are also emigrants. These are people with particular qualifications that may be in demand in other countries. For example, many European countries have a shortage of good doctors or engineers and are happy to receive immigrants from countries producing a surplus with the desired kind of education.

Both emigrants and refugees may face a difficult period of adaptation in the new country, due to differences in conditions such as the physical climate, the rules of social conduct or of displaying religious tokens. This has made some suggest that persecuted refugees are best helped in the neighboring areas of their own country. However, this in many cases causes difficulties because the neighboring countries often have problems similar to that of the country being fled from, and may not be able to offer jobs to a massive influx of people. For this reason, depositing refugees in camps in neighboring countries should be seen only as a temporary solution.

Seen from the point of view of international aid, the obvious remedy is to do something about the problems that the refugees run away from. This is rarely possible today, because international organizations such as the UN are not allowed to interfere with the internal matters of specific countries. If this is not changed, the refugee problem will stay with us forever. We need to stage referenda across the world, asking the citizens to approve an expansion of the role of the UN to comprise action against violation of the human rights within a country, not just by conflicts between countries. This means ceding sovereignty to the UN, of course with clear rules for when UN can use the option of interfering inside a country, such as approval by both the General Assembly and the Security Council. If this or similar international control is not established, refugees will soon find Antarctica the only place not opposing immigration.

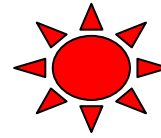
The attitudes against refugees held in different parts of the world of course affect the refugees themselves and their views of the global society, and it also affects ourselves because an unresolved refugee problem blurs our position to concepts of humanitarian compassion, solidarity and help to fellow human beings in need, attitudes that ought to be self evident.

Division of people into “we” and “them” seems easy when the others have another skin color, religion or culture, or in other words all that the Declaration of Human Rights tells us should not be used for discrimination. However, also within our own society there may be individuals qualifying as “them”, such as people out of work, drug addicts, socially excluded persons, vocal or strident



citizens, or just people not having the right fashion clothes or devices with names starting with an “i”.

This phenomenon has been rising during the latest decades, where the regard for the public good has been replaced by simple egoism. The rising generation of people seems to use the word “I” ten times as often as their grandparents. The paragraph in the Declaration of Human Rights telling us that our actions should benefit the whole society appears to be forgotten. Everything is about individual success, individual achievements and individual possessions. In the chapter about money, I will try to investigate how it has come to this.



## **Just one Earth**

All communities created by humans depend on a number of resources. Some of these are physical and based on natural commodities such as agricultural soil, forests, fish in the waters surrounding us and cows grazing the pastures, or on minerals and fossils (coal, natural gas and oil) collected by mining or related technologies. Others are manufactured products created by craft or industry, such as dwellings, roads, furniture, machinery, tools, vehicles for transportation across land, sea or air, appliances, computers, smart-phones and so on. Finally, there are intellectual resources such as technical and humanitarian knowledge, works of art and good ideas.

These resources can be divided into two groups: Those which are perennial, renewable and sustainable, and those that are not, because they perish after a time by being converted in ways not allowing restoration of the original form. I use this somewhat cryptic phrasing because nothing is really created or destroyed. In daily talk, we call the deposits of oil finite, but of course we know that new oil could be made by compressing and fossilizing plant material, provided that we can wait the millions of years needed before the new oil is formed. Similarly, burning and combusting fuels do not destroy the atoms in the resource but only transform the hydrocarbon fuel into carbon dioxide and water. Yet to capture the carbon dioxide and extract the carbon for new synthesis of hydrocarbon fuels is a process that is expensive and may use more

energy than it creates.

One possibility to make the energy balance acceptable is to use solar energy for the most energy-consuming part of the process. Plants assimilate carbon dioxide and transform it (together with nutrients collected by the roots) into new biomass, which may be used to form new synthetic hydrocarbon fuels. It is only during the growth period of the plant that more carbon dioxide is captured than released by withering and decomposing microbes. To produce energetic fuels from the combustion emission of our exhaust pipes and chimneys we thus have to increase the area of forests, which is rather the opposite of what is happening today.

What is meant by saying that we “use” a resource is that we transform or convert it in such a way that reuse is unlikely to be possible or economic. The resources we call finite, exhaustible and incapable of sustaining usage forever are those that by our use will transform or dilute into a different form, from which recovery does not pay. This concept may of course change with time, particularly if alternatives remain more expensive than the original resource in the form that is running out.

The situation is quite different for a number of minerals used today in industry, such as iron and platinum. These metals can be recovered, and often at prices similar to those paid for the same minerals extracted by mining operations. This requires collection of manufactured items when they are discarded, followed by separation of those minerals it is desirable to reuse. Even after combustion in incinerators, the concentration of certain minerals in the

ash and tar residues may be as high as in some of the ores used for mining. However, the economy of recycling is generally better when the waste has been sorted at the consumer discarding the waste, than if the waste goes through a community incineration plant.

In addition to consumer products of relatively short lifetime, there are more durable products such as buildings, bridges, railway lines, and so on. In any case, lifetime is a fairly elastic concept, because it depends on how much maintenance and repair we are willing to put in and pay for. Together with non-physical resources, such as intellectual creations, the following chapter will discuss how they figure in the bag of assets we leave to following generations.

Here, I shall try to go a bit deeper into the situation regarding natural resources, available if not forever then at least as long as the climate of the Earth is not changed too much. It should be obvious that destructing or degrading such resources to a form not readily available for utilization is a very serious matter that may substantially limit the options open for future generations. That is, for instance, the case for release of toxic waste and radioactive material to the oceans. There are already species of fish that it is no longer advisable to eat more than once a month. This was the case for swordfish in the Pacific Ocean already during the 1970ies, due to mercury content above the limit set by health authorities in the USA. Swordfish are at the top of a long food chain from micro-organisms over bottom plants to first smaller, then larger prey fish and finally to the swordfish.

The same was the case for reindeer meat in Lapland, following the radioactive fallout from the Chernobyl nuclear accident that had been taken up by the mosses and lichens grazed by the reindeers. Also the large production of spices in Southern France was affected, due to radioactive deposits on hills facing the direction of the complex motion of the Chernobyl emissions across Europe, reflecting changing wind directions and patterns of precipitation. Current radioactive contamination is lower, due to decay of the more short-lived species. In the case of toxic substances such as mercury, they are moved around by waterways and may eventually settle on the ocean seabed.

Clearly, the case of toxic soil contamination is similar and may make land less suitable for growing food crops for extended periods of time. Some pesticides take quite long times to disintegrate in soil, but may be moved around by ground water and reach streams and rivers. It is therefore often difficult to say how long time a piece of land cannot be used for food crops or livestock grazing, and the current waiting time requirements for obtaining a certificate allowing cultivation by ecological or organic agricultural methods may well be too short.

Many of these issues were covered by the news media when they were news, but subsequently they have faded from the focus, while not diminished in the real world.

Because a piece of land, be it a plot, a field or a forest, can continue to produce goods for mankind indefinitely, as long as exploitation remain ecologically balanced, that is for fields as long as nutrients are returned to the soil by the practice of rotation with periods of animal grazing

and deposit of manure between periods of planting different crops, and for forests as long as new trees are planted after felling, then the value of land is infinite.

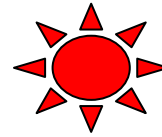
The market theory used by economists values a commodity based on its accumulated utility. This works fine for say automobiles, which are depreciated until their value becomes zero, because repair costs have become too high. Because the utility of properly kept land does not diminish, it should not be depreciated and its accumulated utility and hence value therefore sums up to infinity. To use a depreciation rate and assign any finite value to land is simply wrong.

Because the true value of land is infinite, no one can afford to buy or own land. Sensible economists have of course realized that, and, for example, the economists of the World Bank state directly that any finite value attributed to land must be understood as a rental value, not a property value. More precisely, the market value by which land is shifting hands should in reality be considered the cost of renting the land for a specified number of years. The number of years a renter can use the land is then a fictive depreciation time, such as on average a half farmer's working life or 25 years, and that is the "value of land" used by the World Bank.

These simple considerations have far-reaching consequences. The concept of property right can no longer be used in the case of land, since no one can afford to own land. Actually, this is not too far from the realities at present, because nearly all land is mortgaged or put up as collateral for consumption credit. However, it means that

signs like “private – no admittance” or other claims for property ownership are fundamentally unjustified, despite the lyrics on the inviolability of property in many constitutions. That this is so has been stipulated through history, from Plato and Aristotle over Rousseau during the Time of Enlightenment to 19<sup>th</sup> century socialists like Proudhon and Marx.

Discussing property rights related to land is important for enabling a smooth generation shift in farming, because young people desiring to work in agriculture nowadays often cannot afford the current prices of land unless they have a sizeable inheritance. As a result, the option of just renting the land has become increasingly acceptable. More aspects of the problems associated with generation shifts will be the subject of the following chapter, and the possibility of replacing ownership by renting also for other types of property than land will be discussed subsequently.



## Depreciate grandchildren?

Interest rates play a role in several circumstances. Money we loan to build a house must be paid off in installments including interest, and likewise money for consumption beyond our disposable income. Usually, the interest rates are higher, the less collateral we are able to put up to guarantee the loan. In recent years, interest rates have been historically low; in fact lower than they have been during the past hundred years.

Interest rates express how much better it is to have a sum of money now rather than to be promised to get it some years into the future. Because life is finite, being promised a sum of money at a time where we might be dead is not as attractive as having it in the pocket now.

At the same time, interest rates constitute a tool for prioritizing investments. If there are only few people that have money left to invest, relative to the number of projects seeking investors beyond what the project-makers themselves can raise, then interest rates will become high. The present low interest rates thus tell us that our societies are running out of good project ideas, and that at the same time there is a considerable number of people with heaps of surplus money that they would like to see grow.

The low interest rate is therefore far from something we should be happy about. It plainly tells us that education and creativity-creating activities in our society are lacking

quality or being insufficient to provide people with enough imagination and skill to secure the future for our society.

It should be no surprise that moneylenders demand security for getting their money repaid, in the form of collateral such as a concrete buildings. However, from the late 1990ies, the amount of money available for investment became so large that banks and other loan-providers started to ignore security. In many countries, a housing-bubble helped this development on the way. The highly inflated real estate prices gave the banks an alibi for issuing large loans, and at the same time, the control of bank and loan institutions were weakened in many countries, notably by neo-liberal governments.

Many house-buyers and -owners used this situation to expand their consumption, using borrowed money first to finance larger houses than they needed, then larger cars as well as luxury commodities, encouraged by the ease of loaning money. Even poor people were urged to overspend by smart advertising campaigns, and many did so even if they had no expectation of being able to repay, even at zero interest rate.

Common sense should have told both consumers and banks that real estate prices may increase or decrease, and that a ceiling on putting up a house as collateral should not entitle the owner to borrow more than say 80 % of the public appraisal value made in many countries for taxation purposes, or a similar independent assessment of an average market value.

In countries that have a public citizen ID number and a similar land registry number there is a saying recently used to comment on the bank managers causing the most recent financial crisis, that people with soil in their brains should have their ID number replaced by a land registration number.

In any case, the housing bubble of course burst after a few years, and a financial crisis ensued in all countries having neglected proper regulation of the financial sector. Governments handled this crisis by providing large monetary subsidies to the banks, using funds taken from the taxpayers. In order to avoid raising taxes, the bank saving operation was in many countries financed by cuts in public services, ranging from education to hospitals.

Not only was the public sector affected, but also key private institutions such as those administering pension funds in many countries found their assets strongly reduced, because their boards had been encouraged by the difference in returns on shares and bonds to invest the pension money in quite risky shares. The negative consequences of this will be felt for a long time.

While the governments were quick to save the banks from bankruptcy, they failed to clean up the financial sector and establish legislative conditions for the sector that could help avoid the next financial crisis. Instead, we have seen the salaries of bank managers double, evidently with the reasoning that their previous compensation was too low to spur reflections regarding the adequacy of the requirements for obtaining loans.

There are other kinds of interest than the one a private individual has to pay on loans. The discounting rate of national banks is a long-term interest rate used to assess societal investments, and researchers formulating scenarios for the development of societies generations into the future use what is called an “intergenerational interest rate”. It reflects the value we assign to future generations. If we value our grandchildren as highly as ourselves, the intergenerational interest rate should in principle be zero.

Such interest rates are important for deciding what to do, for instance, with a plot of polluted land. Shall we clean it now or leave it to be dealt with by our grandchildren? Based on the private economic interest level or the discount rate of the national banks, it would appear a good idea to pass all the mess to our grandchildren, because the sum we have to deposit in the bank today in order to pay for cleaning the plot of land a hundred years from now, when the money has earned interest and compound interests, is much smaller than what cleaning up would cost today.

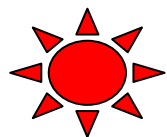
Using a positive interest rate implies that we depreciate our grandchildren. If that is not what we want, we cannot use a positive interest or discount rate for problems stretching over several generations.

The intergenerational interest rate should be zero, but I added “in principle”. The reason for that is that one might cultivate a broader view at the relationship between the current society and the future one: We pass many assets to the following generations. Most of them are hardware that may have lost much of its utility in a hundred years,

but some buildings and similar things may still have a value. More importantly, we leave cultural assets such as ideas, knowledge, art and science to the future societies. These things must count positively and push the intergenerational interest rate upwards. On the other hand, we also degrade nature, as mentioned by making the world oceans less useful as pantries for the people following us, and our pollution of nature comprises greenhouse gases that will have a negative influence on climate for several hundred years, even if we were to stop emissions now. These are negative contributions to the intergenerational interest rate.

All in all, it is difficult to say if the net contribution to following generations will be positive or negative, and the neutral intergenerational interest rate of zero may well be the most appropriate one to use in assessments requiring use of such an interest rate.

One already discussed example of this is natural resources that do not perish, including land used for agriculture, forestry or recreation. To use an intergenerational interest rate of zero means that these resources are not depreciated over time and thus have a utility value summed up to be infinite, precisely as argued in the preceding chapter.



## Income, wealth, and inequality

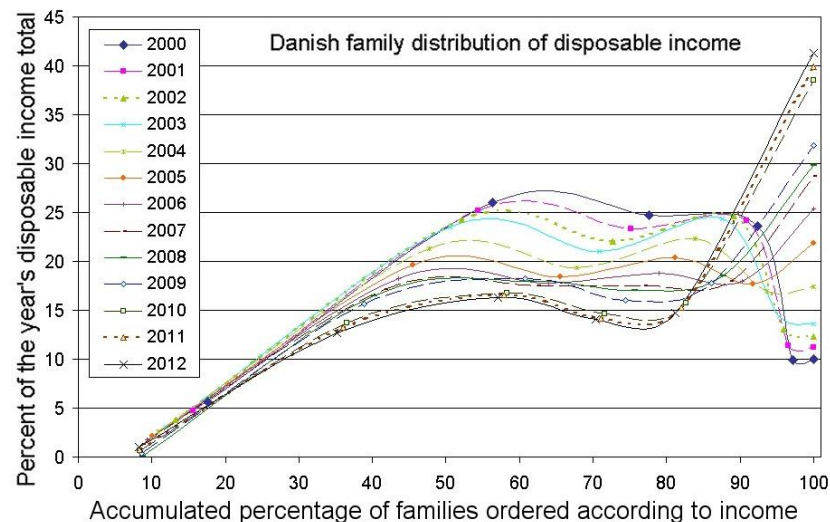
Considering the distribution of income between the citizens of current societies, a substantial change has developed from the early industrialization to the present. At first, a little group of primarily factory owners earned most of the money circulating and the factory workers suffered worse conditions than the farm workers toiling at estates before industrialization. A striking way of seeing this has been provided by the Danish historian and forensic scientist Pia Bennike, who studied skeletons from the Stone Age to the present and determined the variations in body height. She found that the body height increased until about 2000 year ago, then dropped a bit through the Medieval period and reached its lowest value at around 1850, after which it increased to present values higher than ever before.

By the early 20<sup>th</sup> century, an increasing solidarity had in many Western countries led to new programs of assistance to the poorest, e.g. reducing the fraction of deaths caused by tuberculosis from 35 % in 1835 to under 0.1 % in 1920.

In the Scandinavian countries, social democratic parties introduced a welfare model during the 1930ies, partly as a measure aimed to avoid conditions such as those seen in the USA after the 1929 financial collapse. It provided a safety net of social benefits for anyone in need, comprising free health care and education as well as support for

people losing their job or being unable to work. These benefits later spread to many other European countries and recently in a small way to the USA. Today, the welfare model is under attack from the neo-liberal political parties and their supporters, but it is still functioning reasonably in most places.

As a result of the welfare policy, the countries based on this paradigm went through a period of diminishing disparity of incomes, continuing until about 1990. With some delay, also wealth distributions became more equitable. No clear picture appeared during the 1990ies, but after year 2000, the situation turned around and the inequality in income again increased dramatically, as illustrated graphically below, for the case of Denmark.



*Change in distribution of disposable income among Danish families from 2000 to 2012 (based on Statistics Denmark data).*

It is seen that the income redistribution is massive: The part of the total disposable income reaped by the wealthiest few percent of families has risen from ten to over 40 percent. There is little change for the poorest (although this may change as neo-liberal policies become more aggressive), but the large middle class segments have seen their income share diminished from over 25 % of the total to about 15 %. The disposable income includes all types of income, including social benefits and an estimated equivalent rental value for owned homes, but excludes taxes and interest paid.

The neo-liberal persuasion has characterized all Danish governments during the period depicted, including some led by the Social Democrats (Labor) and some by a conservative party that with historical irony calls itself "The Left". The latter was in 2015 again put in charge by the voters, demonstrating that the party had successfully hidden the nature of its redistribution efforts from most of the voters. A large part of these voters were from the sizeable middle sections of society that have been and will be hardest hit by the shift of income to the very richest, indicating that many people have voted without acquiring sufficient knowledge of what the election was about and just listening to the advertising firms that currently run election campaigns for the parties. The public media did not help them by showing and explaining the numbers found in the statistics collected by Statistics Denmark.

A similar development in income distribution, towards more inequality, can be found in many other countries and has recently been described in work by the World Bank and by the French economist Thomas Piketty.

What is neo-liberalism, the ideology that now has taken over the political scene in most countries? What is the difference between liberalism and neo-liberalism? It is easy to tell what liberalism is, because this market theory is described in clearly formulated written form by its originator, the Scottish economist Adam Smith, in his book from 1776, *The Wealth of Nations*. According to Smith, a functioning market may build up wealth, provided that three conditions are fulfilled:

- All actors in the marketplace have about the same size and clout.
- All decisions made by the actors are rational.
- All actors have full access to the knowledge that is required for making rational decisions.

None of these conditions are fulfilled today, not even approximately. The size of business and industrial enterprises vary strongly, from family businesses to multinational giants. The companies are brooding over what they see as "commercial secrets", fearing that competitors might use such secrets, but without access to relevant information, the other companies of course cannot make rational decisions. In other words, liberalism is a consistent theory that, however, cannot work in the economies of the present world due to their demonstrable neglect of fulfilling the necessary conditions.

Neo-liberalism is not in the same way academically founded or supported, but according to its adherents, it is based on requiring companies and governments to simply follow the rules of liberalism, even if the conditions are



not fulfilled. Opponents claim that neo-liberalism plainly seeks to concentrate all power and wealth at a few percent of the population, by setting a framework for trade and earnings designed to move as much money as possible from the many to the few, and by using (or taking over) media and advertising outlets to make simple-minded people believe that everything is to their advantage. The graphics above shows that this is exactly what has been happening in Denmark.

Perusing other parts of the income statistics from Statistics Denmark and those of several other countries one sees that income increases with the level of education, and particularly so for the highest levels. For this reason it is strange, that several neo-liberal governments have cut funding for universities, which can only imply a future with less qualified doctors and engineers (to name some relevant professions), i.e. hurting precisely the group of people likely to achieve the highest salaries in society and to join the elite supposed to be favored by neo-liberalism. Could it be that neo-liberal political parties are afraid to create too many highly educated citizens because they may be particularly able to look through the dubious election propaganda and political statements?

The education sector has become a battleground for political ideologies. For years, various political constellations, not unequivocally right or left wing, have watered down the curricula not only of university courses but also of high school and even primary school requirements related to quantitative correlations and numbers crunching. Multiple choice topic selection has been introduced at several stages along the educational system, allowing students to

steer around precisely the subjects allowing them to see through incorrect quantitative political statements and poor logic in political arguments. These issues will be taken up again in the chapter on the need for lifelong education.

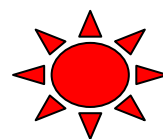
The Danish data show that until 2012, the lowest income group was nearly unaffected by the neo-liberal reshuffling of income. In Denmark, this group derives half its accumulated life income from transfers (housing benefits, unemployment benefits and other social benefits). So far, the neo-liberal politicians have lived with this, presumably because this group of citizens is seen as more impressionable by advertising campaigns, especially when all media are owned or controlled by people with neo-liberal sympathies.

The distribution of wealth is believed to be similar to that of income, but is less easy to derive from statistical sources, especially in countries that do not have a general taxation of wealth. Partial taxation, say of land, buildings, vehicles or shareholdings, can often be used to get a rough idea of wealth, and estate inventories at death has similarly been used as a proxy for estimating wealth.

A peculiarity in the Danish data available through special wealth investigations for selected years is that over half of the population has a negative wealth, meaning that they owe more money away than the value of all their assets. This is one clear indication that the ordinary Danish citizen still believes in the welfare economy, assuming that the state will indemnify everyone that cannot get by on their own, whether due to age, sickness or other causes.

When such citizens presently vote for a neo-liberal party they exhibit their failure to connect issues logically and demonstrate that they can be swayed by distorted campaign statements, or maybe just that they cannot find an alternative voting option.

One action of the neo-liberal governments has been to dispense with much of the earlier control on pension scheme investments, which today play with high-risk shares prone to substantial loss of pension funds, as it happened in the US after the 1929 financial crash. A positive action made by the European Union some years ago was to force governments to guarantee ordinary people's bank deposits up to 100 000 euro, anticipating the possible demise of banks, prompted by the change in the banks' risk taking that became evident from the late 1990ies.



## Growth

We are born with a positive attitude towards growth. The baby in the crib wants to be like the bigger sister or brother capable of tripping around, and the bigger sister or brother wants to extend the radius of action by bicycling. Small children envy bigger children and look forward to love and sex, to forming a family and to acquire their own place that they can put their stamp on. No wonder that it is so easy to sell growth as the goal we all have to strive for.

However, growth has more than one meaning. The child's longing to become adult is not the same as wanting the economy to grow, and particularly not if economic growth is measured by the gross national product (GNP), as politicians like it to be. The gross national product is a measure of all the activities in society that are associated with handing over money. Some of these are desirable like the childhood dreams of growth, but other are basically superfluous or directly harmful.

It is without direct consequence (but certainly not without indirect consequences) when the finance sector moves money around by currency transactions, roulette games with hedge funds or by buying and selling shares. The finance sector earns money on every such transaction, but because no real values are moved there are no immediate contributions to human utility, happiness or welfare, although there may be subsequent negative effects in case

the new owner of an asset decides to change its usage.

Even more absurd is the fact that increased pollution and destruction of resources count as positive in the gross national product, when in reality such degradation lowers the quality of life for many and makes the society that we are able to pass to future generations poorer. In summary, the gross national product (and a series of related concepts which differ in the treatment of for instance foreign transactions) is not a measure with any sensible use, and in particular it is totally unqualified for guiding our economy and political behavior.

Despite this, we see day after day references to growth and to the gross national product, both from economists and from politicians. An explanation is offered by the well-known economist John Galbraith in his 1976 book *The affluent society*, where he provides the sarcastic description of his own profession as people who would rather be associated with a highly respected error than with a less recognized truth.

There are alternatives to the gross national product, which we could use to measure growth if we wanted to. I have on several occasions, including the recent books *Energy Intermittency* and *Energy, Resources and Welfare*, suggested a simple solution.

It is based on an alternative use of the input-output data tables provided by most national statistical offices. Input-output databases distribute all economic activities on a number of sectors and types, which, if they are detailed enough, will allow a full life-cycle analysis of the positive

and negative aspects of the activity. The outcome of this will allow each activity to be assigned a weight factor depending on whether the activity contributes to desirable growth (in which case it is attributed a positive weight factor), does not contribute one way or another (zero weight factor), or damages health, environment or other assets (negative weight factor).

In many countries, the available input-output tables are at present insufficient for determining the weights correctly and thus have to be improved. For instance, ecological (organic) and chemical agriculture may not have been separated, or energy use by renewable and fossil energy sources may not have been separated. Such shortcomings will have to be mended, in order to make the data ready for calculating the proposed indicator that I have called a “measure of desirable activities” or “MDA”.

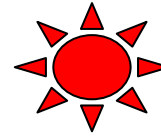
The need for replacing the GNP by a better indicator is fairly generally agreed by progressive economists. There have been efforts to create a “green national account” by including certain environmental costs and subtracting costs when renewable energy sources are employed, but this does not capture the positive or negative impacts of each economic activity separately, which is needed in order to influence the concrete choice of activities to promote in society and eventually establish legislation to see that only those contributing most positively to the MDA are embarked on.

The need to make data available on a very detailed level can readily be seen. Consider for example combustion of biomass. If wood scrap is combusted in large power

plants with high chimneys and particle filters, the environmental impact is modest, but if the wood is burned in small wood stoves connected to low chimneys, the pollution is very substantial.

Replacing GNP by MDA will shift the ranking of countries' economic performance. Countries that in recent decades have decreased toxic industrial emissions and dangerous releases to waterways from agriculture, and have made a transition to high shares of ecological food production and large use of renewable energy sources will be assigned a high growth by the measure of desirable activities, MDA, while countries like China with high GNP growth but an even higher growth in pollution and environmental side effects will fare less well.

One of the first to advance the point of view that unsorted growth is incompatible with environmental concerns was John Stuart Mill (*Considerations on representative government*, 1861), who also favored economic democracy (shared ownership of enterprises) and like Aristotle suggested that desirable growth should be measured by a concept of happiness. His method is called *utilitarianism*.



## Consumption

The remarks on positive and negative forms of growth made in the preceding chapter have parallels in the assessment of consumer goods. There are some with a value beyond doubt, but others where the value can be questioned. From debates on developing countries, we know the concept of "basic needs", covering necessary food, shelter and clothes. Of course, these are no less basic in developed countries, but the supply of goods is larger, so that one will have to distinguish between subcategories before deciding what is a basic need: Food may be the cereals and vegetables recommended by nutrition experts, or it may be a nutritionally less fundamental Strassburg pâté or a Viennese meringue cake.

The division between basic and derived needs is in principle determined by the difference between not-negotiable needs and needs that may be debated. The latter may vary between people, between cultures and with time.

The recent several decades have seen an accelerating shift from free leisure activities to paid activities fulfilling the same needs but at the same time moving money about. All human beings have a need for exercising that in addition to manual work can be met say by walking or bicycling trips, but increasingly these ways have been replaced, after pressure from "friends", peer groups or commercial advertising, by paid exercising in a fitness center, a yoga center or perhaps a bicycle club.

The same is the case for sport that used to be an amateur activity aimed at maintaining a healthy body. Today, sport is a spectator-paid show, where the performers for high salaries expose themselves to systematic destruction of their bodies through injury and overloads.

The consumption orgy surrounding all of us is more than a bad habit. As mentioned, the social outlook has changed from an altruistic one to pure egoism, which makes it easy for the advertising profession to make it appear attractive to own one or more cars faster and more expensive than those of the neighbors, to fancy fashion clothes, excessive dwellings filled with designer furniture, and kids with expensive toys, game tablets and smart-phones. There is no unique connection between such things and welfare, and even less with happiness, if such a concept can be defined.

As the income-providers of families have to work harder or longer to be able to afford all the things believed necessary, there will of course be less time for human time together and play with the children. Anyway, such activities are frequently deselected because the advertising media tell us that it is better to pay for canned entertainment. In other words, a quality analysis and assessment of any activity involving purchase of goods or services is needed in order to counter the undifferentiated praise offered by the advertising industry.

At present, between 5 and 50 percent of the price we pay for a product is used to cover the seller's advertising expenses. The highest percentage is for products such as

cosmetics for ladies. One may roughly divide consumer goods into daily conveniences such as food and hygiene products with a short durability measured in weeks, more durable products still with a relatively short life, such as clothes, batteries, garden plants or toys, and durable consumer goods such as household appliances, cars, cycles and computers with an expected life of 15-25 years.

In all these categories, merchandise is sold that does not even live up to the mentioned lifetimes characterizing the better ones of current manufacturers. Most countries have consumer protection legislation and rules for proper marketing behavior, but often, warranties are of much shorter duration than the lifetime that a consumer would expect for the merchandise in question, and pre-sale information is often misleading or falsified, e.g. by hiding any negative properties of the product offered.

As an example, passenger car sellers are in many European countries required to state the energy efficiency of the vehicle, based on concrete tests performed by accredited, independent testing organizations. These would be comparable, because they test the cars along a by the European Union defined standard route with a prescribed mix of urban and highway driving. However, it has become more and more common to see automobile advertisements where the energy consumption instead of being stated according to the EU prescribed driving cycle is only stated in terms of something like "15-35 km per liter", which is not helpful to anyone.

Another example is food products, where the packaging according to EU legislation should inform the consumer

about all ingredients ordered by declining weight. Some producers do this properly, with indication of the actual weight percentages, others only lists the ingredients, and some only give EU catalogue index numbers or Latin names that do not register well with an average consumer without academic education. Other useful information such as energy content and nutrient distribution appear only on some products.

When it comes to non-food products such as cosmetics or soaps, many of these are absorbed through the skin and may damage the body as easily as ingested food. Yet, there is no legislation requiring declaration of these ingredients, and the industry is particularly weary of giving any information, said for reasons of industrial espionage. A particularly unpleasant example is the French cosmetic lotions and make-up products that likely enhances ageing of human skin and thereby enables the manufacturer to follow up by offering the customers special crèmes claimed to counteract wrinkled, dying skin.

There are some web places allowing you to compare certain products before purchase, indicating not only prices at different vendors but also a reasonably sober list of ingredients and functionality. The information is still delivered by the manufacturer or seller, and the websites are privately owned, meaning that only those sellers who have paid for the service will be included. The information may still be wrong or incomplete, and there may be other producers of products with similar functionality who do not want to market their products in this way.

The following is a suggestion for providing a tool that

does not have the shortcomings of the present options, for guiding consumer purchases in each of the categories mentioned above, that is daily necessities, short- and longtime consumer goods, as well as items with more-than-25-year usability, such as dwellings.

All forms of advertising are forbidden. Instead, manufacturers wanting to sell a product in the marketplace must obtain approval from an independent Consumer Agency. A fixed fee of 5 % of the sales price is paid for this service, that comprises a full declaration and any test results obtained to be posted on a public consumer information website, based on required information from the manufacturer, who must also put at the disposal of the Agency samples of the product allowing the Consumer Agency to have independent tests made to verify the functionality of the product, its declaration, absence of non-permitted substances, and by enhanced ageing to test the durability of the product. The manufacturers must inform the Consumer Agency of any changes and updates in the product.

This proposal will greatly improve the customer's ability to evaluate purchasing choices. Some substandard products will never reach the marketplace, and if false information from manufacturers is discovered, there should be reprisals from fines to market exclusion in the worst cases. The Consumer Agency is not required to make deep-going tests of every product, but can do so if it wishes.

Because 5 % of the product price is often less than what today is spend on advertising, the cost of goods should generally decline, while at the same time, competition between manufacturers continue to play the role it has at

present, however making the competition take place on the basis of the actual properties of the products, rather than the properties that smart advertisers can fool people to believe that the products possess.

There have been examples of marauder companies consciously trying to bypass consumer protection legislation and warranty requirements. A tricky practice has been invented by software providers, by claiming that the software is not sold to the customer, but leased on the basis of a license agreement and still owned by the seller. This form of trading has existed internally among companies, but the consumer legislation should not allow the consumer to be less protected just because the seller uses an inventive scheme of marketing in the regular consumer market. Some software sellers seem to realize this, since they add, at the end of a license agreement removing many rights from the consumer, "if the above is at variance with local law, then the local law takes precedence".

The strange marketplace behavior of computer operating system and software companies sometimes includes other peculiarities, such as stating in the license agreement that the user allows the software company at its liberty to extract personal information and pass or sell it to third parties. This is made possible by the fact that most software today frequently interacts with the manufacturer over the Internet, sometimes several times a day, claiming to help fight hackers and malware intrusions, and to furnish program updates. Suspected receivers of the personal information ranges from intelligence outfits such as the United States National Security Agency to sale-promotion units of companies subsequently spamming the user with in-

sulting or trivial sales talk.

Many products offered for sale today do not live up to reasonably expected lifetimes. It may be due to lack of technological insights by the manufacturer, to use of sub-standard materials, or in some cases to purposely built-in ageing, expecting the consumers to buy new replacements again and again, helped by making the products particularly difficult to repair. Inspection of many current products, including microelectronics-based items, shows an assembly often quite impossible to take apart or exceedingly costly to repair, due to having made simple replacements, say of batteries, require disassembly of many layers of dense print-boards and other components in order to get to the battery site.

This tendency has also caused the number of companies offering repair of consumer products to decline. It would be in the interest not only of consumers, but also of anyone concerned with resource usage and environmental impacts, that all products offered in the marketplace use the best technology available at present. It does not make sense having to buy 6-8 e-bikes over a 15-year period when the lifetime of one ought to be the same 15+ years that finally has become the norm for cars.

This attitude was broadly held 30 years ago, but new technologies such as personal computers and mobile phones for a while developed so fast that the consumer could get improved functionality by replacing the device after just a couple of years. However, this only lasted a short while, and at present, the products mentioned should not be replaced more frequently than an electric

range or refrigerator, despite the assurance of the marketing people that each model is better than last year's, a statement of the same quality as the arguments made during the 1950ies by the US auto-industry for replacing your car every year. Like then, most improvements are merely cosmetic, just as with the computer operating systems, where each new version marketed over the past ten years by many users are seen as one step forward and two steps back.

Yet the consumers of today seem predominantly to chase the cheapest product, although a look at the price and lifetime together would have lead to a different purchase. Teaching the citizens how to make product comparisons on the basis of total costs over equal periods of use ought to have been completed in primary school.

A few years back, a discussion took place in Germany over the suggestion that all manufacturers should be obliged to take back the products they had sold to consumers, when the products were ready to discard, and ensure a maximum of reuse or recycling.

That would for instance induce carmakers to reduce the number of parts and make it easy to disassemble retired cars. If all products were designed with reuse and recycling in mind, the incineration plants would be called upon less often, as they offer only partial recycling. Obliging firms to take their products back after use would have to be accompanied with provisions for smaller firms without sufficient technical knowledge of material's recovery or with a short presence in the market. This may be accomplished by an insurance arrangement securing the costs of

recycling independent of the survival of the manufacturer. In any case, the cost of recycling would either be included in the price of the original product or recovered by selling the re-extracted materials.

A logical extension of this line of thinking would be to extend the warranty period to the full lifetime of a product, as regards flaws or errors in the product's construction, but of course inform the buyer of her or his need to pay for maintenance, repairs and replacement of parts, but preferably with an up front notification of the likely interval between such problems, and eventually with an insurance-based option for coverage of all expenses during the life of the product. In case the maintenance depends strongly on the way the customer uses the product, the insurance pathway would probably be unsuitable.

Industrial manufacturing has been changing over the past several decades, from assembly of parts from a small number of subcontractors or from divisions of the main manufacturer to a considerably more open process, where not only parts but also specific process steps (such as surface treatment) are outsourced, and in most cases to countries where manpower is cheap. However, it is more difficult to maintain a high standard in such a distributed manufacturing process, especially if some of the manpower used have a poor level of education.

One crucial factor in seeing an advantage in shipping parts around the world, often not just once but several times, along the chain of process steps involved in producing a certain product, is low costs of intercontinental shipping. Such shipping mostly makes use of large con-



tainer vessels, which is also the most energy efficient vehicle of transportation. Still, even these emits CO<sub>2</sub> and polluting substances that would make the shipping costs much higher than today, if the damage costs associated with the emissions were included in the shipping price.

Most European countries domestically impose a tax on fossil fuels motivated by the associated environmental and greenhouse warming damage, but international air and sea transport is exempt from such tax, by decree from the World Trade Organization, which many see as US controlled. This does not appear reasonable, considering that the effects of greenhouse gas emissions constitute a global problem.

As a few additional examples to round off this chapter, let me look at some areas where labeling and regulation already is in effect, but where these should be improved in societies seeing it as attractive to move in the direction of a more sustainable pattern of consumption.

As mentioned above, lists of the fuel efficiency of passenger cars have been published for some years, in Europe and the USA, based on a fixed trajectory of mixed driving circumstances, such as an urban-rural itinerary, constant wind resistance, no hills, etc. The outcome is how many kilometers the car can drive on a liter of gasoline or diesel. My proposal is to instead furnish a general energy efficiency of performing a transport task, expanding the study to all types of vehicles, including vans, small and large trucks, buses, trains, ships and airplanes. The measured result would then be expressed as energy (in megajoules, MJ) per kg moved and per kilometers driven.

The kilos moved comprise the weight of all passengers and freight (i.e. the payload, for which there is usually a maximum allowed, set by the authorities), while the corresponding energy use is in the common MJ energy unit that can be used for both gasoline, diesel, biofuels, muscle power, aviation fuels as well as electricity for electric and fuel cell vehicles.

Performing this kind of evaluation one finds that ocean transport by large ships is by far the most energy efficient way of moving cargo. Then follows trains and large trucks, considerably more efficient than small trucks and vans, particularly if these drive with less than the maximum allowed payload. This is often the case for craftsmen, distributors and other service businesses, and still worse in terms of energy use are passenger cars being driven by one person when they are designed for five.

Until now, public display of the efficiency of automobiles has only served to guide the customers. In view of the importance of the transportation sector in determining the total energy use, one should contemplate setting minimum requirements, just as many countries do today for another important sector of energy use, the building sector.

It is already several decades ago that the European train services lost most of the freight market to the road-transport firms. Trains were operated inflexibly while the trucking companies were quick to introduce new technology with rapid container loading and running GPS-based information systems enabling customers to follow their merchandise as it traveled through each continent. It might

be possible to reverse this trend in order to regain the energy advantage of train services. On-time services, quick cargo transfers between local lorries and long-haul freight trains, and improved customer service may do the job.

Turning to building energy use, current building codes are imposed only on new buildings (and in some cases for major renovation work), but there are no general requirements to improve existing inefficient buildings. Some countries have introduced new codes demanding very low energy use and high sustainability for buildings to be approved after 2020, whereas older houses, including those from before the 1973/74 energy-crisis, are still bought and sold as if nothing has happened.

In Denmark, it is required to state the energy class of a permanent dwelling (originally labeled A to G, but with later additions of A+, A++ and A+++), in any advertisement for selling a house, and perusal of local newspapers show that the average performance is just under “D”, corresponding to about 180 kWh (kilowatt-hours, one kilowatt-hour being 3.6 MJ) per square meter living area and per year. For 2020 low-energy houses, the energy use may not exceed 15 kWh/m<sup>2</sup> during a typical year.

Honest building firms say straight out that it does not pay to attempt renovating a house with energy label below “D”, as it is cheaper (seen over the remaining usage time) to tear the house down and build a new one according to the upcoming building code.

This is another example of the need for anyone living in current societies to be able to compare all direct and indi-

rect expenses over the lifetime (or remaining lifetime) of a product considered for purchase, such as here a dwelling, or at least know where to have such a comparison made. As stated earlier, making such assessments should be a key primary school topic.

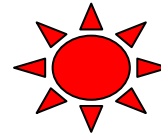
A reasonable suggestion would be to create or extend legislation to make energy standards a requirement for both new and old buildings, and for both whole-year dwellings and other buildings occupied most of the year. The rule for improving the energy standard of existing buildings could be imposed only when a building changes user. This is a convenient time to do work, and the cost can be incorporated in a fair setting of the house price. For instance, upgrading to level “A” could be required when a building changes owner or user, and the public price assessments that in some countries are used to calculate taxation, should be adjusted accordingly.

Because this is not done today, and because energy consumption does not seem to play a role in the public assessments, many houses are traded and bought by people who overlook the future energy costs, even in cases where tearing the house down would have been the best solution. To make this obvious, the public valuation of the house would have to be set at about zero, implying that banks will hesitate to accept the building as collateral for a loan. There is absolutely no reason to welcome the fact that house prices are again beginning to rise after the most recent financial bubble collapsed.

The two examples of vehicle and building energy use given here are just examples of ways to mend clear market

failures. Similar situation can be seen in nearly all marketing of products to private consumers. The prices signposted do not reflect a number of indirect costs, although these may in some cases be decisive factors in shaping the future economy for the consumer who contemplate buying the items in question.

Also in offerings of daily commodities one observes similar omission of key cost components: Vegetables, fruit, milk products and meat from ecological (organic) farming are competing on price with similar products derived from chemical agriculture, without inclusion of the health and environmental cost of pesticide use and administration of antibiotics to much too densely kept livestock. Leveling the playing field could be achieved by simply requiring that all agriculture should use ecological practices in the interest of the global environment. No advantages can be derived from offering consumers a choice between polluting and non-polluting products.



## **Expensive medicine and cheap books**

Of the many areas where the market mechanism has failed, the medical industry provides a striking case.

Anyone who frequent pharmacies know that medicine can be frightfully expensive. In my country, pharmacies are required to tell customers if there is a cheaper product with the same function, say from another manufacturer than the one appearing on the doctor's prescription. Since this regulation was introduced, there is always one of the parallel products on sale at a price lower than the others, but two weeks later, it is another one that is on sale, and so on. It would seem that the companies simply share the market by this trick, and the sliding up and down of prices in any case indicates that medicine prices are fairly abstract quantities.

Neo-liberal politicians often quote medicine prices in order to "prove" that we no longer can afford the free health services of the welfare state, which in Scandinavia have been in effect since the 1930ies. Fancy new medicine used in treatment of single patients with particular diseases costs several hundred thousand dollars or euros in each case, which has made the politicians question if a life is worth that much. Apart from the moral aspects of such statements, one could point to research projects in both the EU and the USA that finds the loss to society (looking at both lost work services and social coherence contributions) by the death of one of its members as being 3-4 million euros on average (over people and over age at death).

The excuse of the medical industry for the high prices is that it is very expensive to develop new drugs and that the effort is sometimes unsuccessful and in any case extended tests are required before the medicine can be released for use. Some diseases are rare so that there are few patients to pay for the research and development, which may amount to no less than for medicine aimed at more common illnesses.

Some simple responses to these remarks immediately present themselves: First, research is best performed at universities and not in profit-based private enterprises. New medical ideas should originate in universities and other public research institutions, as they also do partially today. But secondly, also a large part of the concrete drug development and certainly the testing after a medicament is believed to be market-ready is best performed outside the private industry, in order to avoid any suspicion of playing up benefits and playing down side-effects.

What remains for the medicine industry is, like for any other industry, the transplanting of research results into a viable product, and the market price set for the product should be the cost of this transplantation and subsequent production plus a mark-up profit, usually some 5-25 % of the expenses involved. Actually, the high-end mark-up prices are mostly seen for products requiring high advertising efforts in order to interest the consumers, so if the suggested abolishment of advertisement is carried through, the cost of medicine should not stick out from that of other industrial products. This would be particularly true if a public supervisory authority is formed to

assess the justification of medicine prices. To exert such control would appear fully justified, considering that, at least in countries having a public health service, the majority of drug purchases are made by public hospitals or prescribed by doctors but paid for by public health insurance funds.

A practice preventing fair competition in the medicine (and several other) fields is that the manufacturers take out scores of patents for each small step of progress in their research and development of a new drug. The purpose of patents is or should be to prevent competitors from stealing a good idea and beat the inventor in the race to reap the profit from a new market. However, patents are used today to screen out all the other producers for decades and thereby eliminate competition. This is not even consistent with the liberal market paradigm, because without competition, there is no way the market can work to provide the optimal pricing for both consumers and producers. A remedy would be to limit the validity of patents to 6 or 12 months, which is enough time to give the inventive company a deserved head start, but without locking competition out permanently as it happens today. There are even cases in recent history where patents are taken out only to prevent others from using an idea, without any intention by the patent-filing enterprise to market a product using the idea itself.

Another example of a business sector where the market mechanisms appear to have failed to function is book publishing. The typesetting, printing and bookbinding once was a profession requiring highly skilled workmanship and thus justifying high prices. Current technology

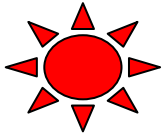
allows printing directly from a word processor manuscript, adding cover, bonding and cutting the edges by use of fully automated machinery. One novel feature of this is that the economy of scale has largely disappeared. Using this print-on-demand procedure, the cost of printing one book has become as low as the price per book of printing 500 or 1000 copies, and manufacturing the book is completed the day after the order is received. The implication is that publishers and booksellers no longer have to guess how many copies of a book they may be able to sell (and sometimes having to scrap books for which the demand had been overestimated), or to maintain volumes of storage space for their book inventories, and for the authors it means that if they want, they can skip the traditional publisher middleman, no longer having to plea with editors over the importance of their book and no longer having to wait a half or whole year to see the book in print.

The book you have in your hand (if you opted for the print version) has cost \$ 2.60 to print and bind. Adding profits for the printer, the market distributor and the author, the price has risen to \$ 5, to which comes package and freight if you bought it over the Internet. This is for the print version. If you selected the e-book version, the cost is only for the description of the book on Internet sales outlets, plus possibly the author's royalty (which for this book he did not claim as he has an adequate pension after depositing 15 % of his income to a pension scheme throughout his employed life).

If you go to a bookstore or a web shop, you will see that most books offered are much more expensive than the

estimate made above for a book of around 150 pages, and even more surprising, you see that e-books are often as expensive as the printed versions. This should surprise you, considering the following difference in efforts to produce an e-book and a printed book.

The price of a printed book comprises felling forests, transporting the wood to a paper factory, producing paper (often with considerable environmental impacts), transporting the paper rolls to a printer, printing the book (often with further environmental impacts from ink handling, etc.), binding the book (with impacts from glues), transporting it to the publisher, paying rent for storage space, more transporting to the bookseller, more storage, more transportation to the customer, all with profits added. The e-book has none of these expenses.



## Money

Nearly all transactions in society today have been monetized, that is connected with exchange of money. Some countries still have a national bank, capable of regulating economic behavior through revaluation or devaluation of the country's currency relative to those of trade partners. The Euro-zone countries let go of this option by introducing a common currency, despite the fact that the member countries are at quite different states of economic development. Before establishing the euro, tough conditions were imposed, stating that to be included, countries had to have a healthy economy and a very modest foreign debt. However, not even France, who had pushed the idea of a common currency, was able to fulfill the requirements, so they were plainly ignored. As a result, countries miles away from economic stability were accepted into the euro-zone.

This is reflected in a number of European countries that today are deprived of the possibility of devaluating or otherwise using monetary policy in dealing with their economic problems.

The core of the problem has been the uncontrolled access to loan-taking by private companies and governments before the financial crisis in 2007/8, amplified in Greece when the EU forced the Greek state to take over most of the private debt.

The colossal issuing of loans during the period up to the financial crisis were basically instigated by the private banking sector, and as mentioned was due to the large amounts of idle money available and seeking interest. No collateral were demanded, and neo-liberal governments had weakened public control of the banking and financial sectors across the world. When the crisis appeared, these governments found it more important to save the financial sector rather than the ordinary citizens, who were asked to pay the deficits from missing repayments. The rich minority having harvested the loans in the first place found ways of avoiding the negative effects of the crisis.

What we may learn from the financial crisis is that it is necessary to put the financial sector under strict public administration or at least pass legislation so confining that the bubble-economy does not return in a few years. At this point it is useful that we remind each other of the role that the financial sector should have in a society.

It follows from the discussion of interest rates in the chapter on depreciation of grandchildren, that there are different types of loan-taking and other transfer of assets. A simple private loan offers a natural way to deal with the shortness of a human life. Instead of having to save money for 30 years to afford a house with a bit of garden and playground around it, a family can borrow the money, move in and enjoy these amenities while the children are children.

The loan security is in order because the credit institution or bank providing the loan owns the house and garden as long as there are still outstanding repayments with inter-

est, and an up-front payout secures both the borrower and the bank against future fluctuation in the market price of the collateral asset.

Similarly, the craftsman may borrow money for tools and materials and industries and businesses for machinery, production facilities and office space. All these loans are connected with tangible collateral, and the interest rate will as mentioned be determined by the amount of reasonable projects relative to the surplus of money that investors want to be paid interest on, e.g. to secure a pension for themselves.

Mediating such loans was the core work area of the financial sector, and that is what it ought to be again. Other current activities are based on speculation and passive moving money around and they should be eliminated by law. If the private banks and other financial institutions do not wish to play along, the state must through its central bank take over all loan administration, but if the private sector is willing to operate under the new conditions, these should be rooted in clear legislation setting the ground rules for issuing loans and for performing other financial transactions.

Setting the priorities for which investments that should be placed highest on the list of the projects eligible for loans must be based on how each project benefits the overall society and not just a minority represented by the private financial sector.

Financing some of society's necessary investments, plus other ones less necessary or even harmful, by means of

shares subject to trade at stock exchanges is not the only way of arranging financing.

One possibility would be to treat all investments in a way similar to public investments, without necessarily having the public take over the role as project maker. This could be by public-private collaborations where private companies finance, build and operate roads, hospitals and other public facilities. Some private pension companies are already doing this. As a result, the public only pays a rent and is relieved from having by taxation to raise money for the initial investment. An even more general solution to a financing setup without recurrent collapses is the following.

Consider a money-less society where all transactions are made electronically. This is already in place partially in most countries, but could be optimized. Each citizen is in certain countries required to have an account in a bank, where all payments to and from the public go through. This bank could be the central bank, in order to avoid the private banks that occasionally go bankrupt (and will with higher frequency than today, if governments stop bailing out the private banks). To such an account goes foreign and domestic deposits and withdrawals to companies in case of selling and buying, and from such accounts are salaries to employees paid and business expenses paid to cover bills from inland or foreign providers or business partners.

If an account goes into a negative balance, payouts will have to wait for the outcome of a loan application to a committee under the central bank, judging it with consid-

eration of whether granting it is in the interest of society or not.

One could go one step further by requiring for all significant payments an approval after investigating benefits to society, even in case the company has enough funds on its own account. This would also help avoid misuse of funds for bribing, undeclared work or other shady transactions. Many examples can be quoted, such as craftsmen going broke one day and reemerging the next under a new name, leaving customers and creditors with losses.

Passing all financial transaction through a central bank also decouples payment of salaries from the economy of the business, so that employees will be paid their earned salary even if the employer goes out of business. Also inappropriate transfers of money abroad will be more difficult, no matter whether a company owner tries to use this method to milk a company for funds by moving it (and himself) to some Caribbean tax-shelter, or if a multinational company tries to move money earned in one country to another with lower taxation.

None of this presents a barrier for honest enterprises to operate in another country but just adds a verification of the legality of transfers. Organizing the financial sector in the way suggested here goes well together with the mentioned desirability of getting rid of property rights to land, in favor of rental agreements between the user and the state. Rental agreements and payments are monitored by the central bank, and no transactions are in a gray zone. The farmer rents the land he cultivates and the detached house owner rents the plot on which his dwelling

stands.

The notion of heritage is narrowly connected to the property right and was likely introduced along with agriculture in the younger Stone Age. The motive is clear: Having seized a piece of land, plowed and tilled it for a lifetime, it would be a shame to see it dispersed after the user's death. Inheritance rights ensure that the stratification of society is frozen from generation to generation.

Heritage is plainly in violation of UN's Declaration of Human Rights that states that all men are born equal, and it also is incompatible with maintaining a democracy based on the notion that all citizens have equally much to say. On the other hand, heritage is fully compatible with the neo-liberal type of society, where inequality is a condition and more inequality is the goal.

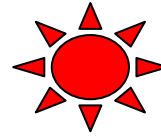
For this reason, it is a heretical suggestion to want to change the finance sector so radically as to replace the property right to land by a rental agreement, and to remove the long-time cementation of inequality by abolishing heritage (of course with a minimum clause for a reasonable amount of items of affection value).

The advantages of these proposals are, however, massive. The rental value of real estate (no longer real estate property) would be determined by public assessment rather than by arbitrary ripples on a nervous market. The considerable transaction expenses currently associated with buying and selling real estate will be reduced, as will the worries over whether the land and buildings on it can be sold at prices above the loan obtained earlier. Young peo-



ple wanting to establish a household or starting an education (even if education is free, subsistence during studies will cost) would be on equal footing.

Naturally, transitional provisions should be made, so that people who have already paid their real estate debt back do not have to pay rent during their remaining stay on the premises, or will have their rent reduced in proportion to the already reached ownership fraction.



## Lifestyle

Many large cities, in Europe from Scandinavia to Italy, as well as in a number of other places, are today dominated by bicycles, and in many of them, private cars are not permitted to enter except for those living in the city.

This is in stark contrast to the situation outside city centers, where it appears to be a favored pastime to sit in car queues moving only in small jerks, and where parking spaces at supermarkets and fitness centers have bays for hundred cars and ten bicycles.

From a technical point of view, it is a bad idea to do daily shopping by cars rather than by bicycle. Cars are least energy efficient at cold start and short trips, and those capable of bicycling get a healthy daily exercise supplement. Those not up to stepping on the pedal may use an e-bike or an e-scooter, and only when very large goods are purchased may it be a good idea to use one's own or another car to bring the merchandise home. Most vendors presently offer a delivery by van option. This is true for supermarkets, web-traders, furniture outlets, etc., and small shops not fit to tackle delivery themselves use professional transport firms to deliver the goods purchased to the home of the customers.

A lifestyle consideration will probably come to the same conclusion: don't use the car for local trips. Not only is the bicycle trip to the supermarket healthy, it could also when

time permits be extended to a drive around some surrounding rural or suburban area, often with a rewarding experiences of colors changing with season. Bicycle paths along roads or with their own itinerary greatly increase the comfort of bicycle rides. Rain and cold weather rarely constitute a problem, provided the right clothes are worn.

The amount of goods fitting into the bicycle basket is smaller than what can be accommodated in the trunk of a car, which may not always be a disadvantage. At least not if the shops learn to deliver their goods in reasonable packet sizes, so that you do not have to purchase ten bags of frozen shrimps or 50 kg of organic garden fertilizer.

A more ambiguous area is delivery and picking up of children from nursery homes or kindergartens. A sleepy child in the morning or an overtired child in the afternoon may be easier to tow into a car than into a bicycle trailer, and if mother or father anyway have to get on to their working place far away, the car would seem the best solution.

However, one should realize that there are more than one way in which to arrange commuting to and from work and children's institutions or schools.

Consider the proposal to make it the employer's task to collect and return their employees between homes and working places. This would greatly change the situation. Partly the incentive to allow more employees to carry out their work from home would increase, and partly the employer would likely arrange the commuting much more efficiently in case it was contributing to the company's

economy rather than that of the employee.

It would be in the employer's interest to hire as many people as possible from the neighborhood of the working place as it is possible to find with the right qualifications. If the employer has to look further away for people with special skills, he is in the position to arrange efficient transportation, using buses, minibuses or taxis, through a department responsible for this in larger firms, and through external transport companies in the case of smaller firms.

Of course, transferring transport expenses to the employer should be accompanied by a fair salary adjustment. This is one example of the benefits for both employer and employee deriving from a company caring for its employees. There are many other ways of showing interest in the well-being of the staff, such as also helping with establishing conditions that will remove the stress of delivering children to institutions in combat with the watch, or helping married couples with different professions by arranging for spouses to get jobs fairly close to each other. Such arrangements exist, e.g. in Canada.

Lifestyle is not just attitudes to work and organization of work life, a subject further discussed in the following chapter. It is also the question of how leisure time is used, on how social relations are established, and on what people are eating and drinking.

Important components of leisure time activities are sports, culture, entertainment, insight and curiosity for what is happening in the world and how things are connected,

participation in training and education programs, in social and political debates and similar activities.

I have already stated a preference for physical activities such as walks or bicycle trips in nature, or pursuit of amateur sports rather than the paid versions of exercise and competitive sports. Regarding culture, most human beings have a need for music, reading, movies and pictorial art, dance and theater. Some of these wants need to be satisfied every day, while others are covered through special excursions to concert halls, theaters, museums or to places of natural beauty or interesting features. Many cultural activities have at present been moved from cinemas and other community locations to television, from gaming halls to computers, from books to the Internet, with the difference that the supply has become larger and the quality threshold lower.

A common factor is the wish of the business community to make culture something that customers have to pay for. This may also have been the case for the earlier cinemas, theaters and museums, but most of these were focusing on the service involved, sometimes with modest or no profit, notably in case the activity was in public hands, whereas today, the profit is more important than to offer culture to as high a portion of the population as possible.

Privatizing cultural life has, more than ever, caused the consumer to be spammed with advertisements for spending money on the corner of culture selected by the dominating commercial providers, which does not necessarily comprise the most valuable cultural manifestations.

A multitude of TV stations broadcast the same kind of amateur competitions on exhibiting most lack of talent, comedies of poor taste, panoramas of the interior decorating choices of the rich, offerings to the yawning viewers to guess the sales tags of very forgettable antiquities, topics drawn from the lives of newly rich citizens with a surplus of capital for investment but no idea of how to do it sensibly.

Clearly, the number of TV channels available by far exceeds what can be filled out by quality programs. The reason that we watch them anyway probably is just that we are too tired at the end of the day to leave the couch and do something more creative. It is a question of lifestyle but certainly also of whether our work arrangements are reasonable, when their shadow even stretches into our leisure time and prevent us from getting the most out of it.

Television also presents selected news, interviews and commentaries by journalists. In particular, the interviews with political figures in many cases leave much to be desired. The journalist's own views shine through by the choice of questions asked and maybe even more by those not asked. Evasive or wrong replies by the politician being interviewed are often not followed up by the journalist, either to avoid exhibiting the shortcomings of the politician or his party, or because the journalist has not prepared him/herself well enough to spot the invalid statement or reply.

This causes the political debate, as depicted on TV, to proceed along the path agreed to by the political parties, ra-

ther than trying to explore the attitudes in society towards important issues and choices facing the community. Very rarely are fundamental question about the direction of social development asked, and too often the issues taken up and debated in election campaigns are selected by spin doctors and advertising companies running the campaign for one or another political party. To change this, a new moral codex appears to be needed and applied to both political candidates and political journalists.

When was it last discussed in a political debate, whether primary schools should have a clear obligation to teach students to perform simple economic comparisons between goods offered for sale with different lifetime but serving the same purpose, and to be able to use mathematical and statistical reasoning to dissect political statements such as that no cuts were made to a given sector, by assessing whether inflation was taken into account and corrected for in the numbers provided by the politician.

There was a time, when people would meet in their neighborhood hall and discuss political and other issues. The shift to television and computer games as channels of entertainment and information gathering has changed the quality of these activities from active participation by the citizens to chiefly a one-way communication. The magnitude of the associated lifestyle alteration is quite frightful.

Children are from kindergarten age growing up in an environment of commercial entertainment based on extreme levels of violence. Watching violence does not harm children, says selected "experts". I do not believe that is true, and equally important, young people are more and more

rarely involving themselves in debates on the direction of development in their society. They may receive information on climate threats and multinational control issues, but like the adults they often see no way they can influence the world-spanning decisions that are needed to remedy such problems.

Also the printed media have increasingly let their readers down. There was a time where all journalists shared a set of ground rules, stating that the journalist themselves wrote concise articles of events and facts and interviewed decision-makers and other interesting players with a critical objectivity, while readers were invited to supplement with opinions and raise issues that the journalists had overlooked. If the journalist had a personal view she or he wanted to voice, it would have to go into the queue of reader's letters or a special column. Today, at least in some countries, journalists write page-long texts expressing their own or the newspaper publisher's attitudes, and input from readers is only admitted sporadically.

The Internet may still seem open for broad debate, but it is increasingly being taken over by advertising agents, making factual web pages drown in commercial content. Companies pay Google or other search providers to be displayed on the first page coming up in response to your search.

High culture has rarely been able to get by without financial help. Except for a few particularly successful writers and artists, public support is needed if the work that will enthrall following generation shall get a chance to emerge. There must be a political will to support current artists

and other carriers of cultural life, just as the recognized performers and creators of last century's cultural work are heralded in museums and exhibitions. There is fortunately still considerable public interest in visiting displays of high culture, despite the ease of just watching the selections made by program hosts in television.

Particularly public television companies have a tradition for providing educational programs, documentaries on science, technology and humanistic research, in addition to staging discussions on subjects dealing with social science and practice. However, the quality is extremely variable. "Watch and wonder" documentaries are much less rewarding than programs dealing with the same issues with the purpose of providing concrete insights, on a general rather than a specialist level.

The media should exhibit the fact that most scientific problems can be understood by lay people at a level sufficient, for example, to vote on related issues, such as whether or not to use genetically modified crop varieties or to use DNA profiles for commercial purposes, whether or not to allow collection of personal conversations by advanced surveillance techniques in your home or anywhere you go with your mobile phone switched on.

Media should help people reject the imposition that issues involving science are too difficult to grasp for the common people and that in consequence, decisions regarding use of this kind of technology should be left to experts, so do not "worry your little brain with such problems". More on the requirements relevant for education in a changing world will follow two chapters ahead.

Lifestyle is also what we eat, whether at home or when visiting restaurants, which for most people is a fairly rare event, for obvious economic reasons. Diets have in many countries changed during the latest decades, towards more healthy food with fibers in the bread, less and more lean meat, more fruit and vegetables. Although not everyone has followed this trend, there is a clear indication from the increasing average life expectancy.

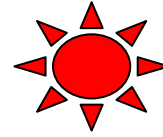
Restaurant menus have also changed. Exotic dishes and new French cuisine with appearances mattering more than the volume of food have replaced the fat soup-fish-roast-dessert meals of yesterday. But at the same time, the cost of eating out has increased much more than the consumer index generally, and restaurant cooks are often accused of looking more to the attraction of a Michelin star than to the taste of the customers. Eating out has become a status symbol like having a BMW in the carport or fashion clothes from Karl Lagerman or Balmain in the closet.

It is positive that food stores have extended their offerings, even if it may still be difficult to find the right chick-peas for your hummus. The possibilities for getting healthy and varied food and drink have increased, but we must make an effort ourselves. Once more, one may suggest that the development in lifestyles has more of the same flavor as the shift that has happened in political mantras, that is to cultivate the self in a culture of egoism rather than of community spirit.

In a previous chapter, I suggested prohibition of advertisements. Should we also prohibit gratuitous violence in

movies and computer games? Censorship, some would say, but as society seems to have reduced the human rights declaration to only “freedom”, understood as my right to do as I please and ignore the rights of others, then it would seem that countermeasures would be in place. Such measures should counter the attempt by neo-liberalists and company advertising campaigns to invite more use of elbows, which in essence appears to be the covert purpose of violence in entertainment.

As the direct channels for consumers to influence such economic behavior are becoming blocked, the use of regulation and legislation must unfortunately be necessary. The question is of course, whether the present rules of democracy allow citizens to demand exercising such stewardship, a question that will be addressed towards the end of this book.



## Meaningful occupation

For some, work is something that they have to get through in order to enjoy the leisure activities made possible by the work salary. For others, work is a central part of life providing meaning and self-esteem. In effect, life is shortened by some 7-8 hours each workday, if work is only done in order to acquire the things we want, whereas a working life felt meaningful constitutes a worthy part of human existence.

To many, the distinction between work and meaningful occupation is not waterproof, but employing the two concepts still clarifies the position that the quality of our lives will be better when the work that gains us the earnings to cover living expenses is also delivering sense and satisfaction in life.

The organization of societies have through time pushed the borderline between jobs satisfying people and jobs that just have to be done back and forth. Several generations ago, most people in our societies were employed in agriculture. The work was hard but the meaning clear. Then came the industrial “revolution” introducing monotonous factory work that soon became synonymous with *work* for the majority of the population. Factory work was not necessarily harder than work in agriculture, but it had to be performed at the pace chosen by the machines, because machines were expensive compared with the salaries that factory workers had been made to accept. The

British researcher Peter Anthony has (in his book *Ideology of Work*) highlighted the protestant Christian Church as assisting the factory owners in making workers adapt to the new work conditions by preaching that “idleness is a sin!” and like previous religions claiming that an afterlife will compensate the poor people who have toiled at minimum salaries in their life before death.

It is interesting that studies of now disappearing tribal people in Africa such as the *!Kung San* tribe have found a well-functioning society with high levels of equality and coverage of all identified needs, achieved by a daily work period of only two hours. Our societies may be more sophisticated and the many gadgets we surround us with take more effort to produce, but on the other hand precisely the advances in technological ability should allow the additional “needs” to be furnished by the invented machines and without having to increase the number of human working hours.

It would seem that employing humans to do robotic work is the result of forcing worker salaries to be lower than the cost of robotic production and thereby creating an apparent economical advantage to the factory owners. Was that the goal we aimed at when heightening our educational standards and encouraging ingenuity, to put half the new technologies into the drawer in order to maintain low wage work?

It would rather seem that we are forced to work more than two hours a day because the industrial and political leaders do not want the redistribution of the fruits of technological advances that would allow everyone to en-

joy the benefits of the common progress, but rather wish the proceeds to all go to the small minority of investors and already highly salaried top leaders. The suggested abolition of financing by shares and the proposed bank and financial sector reform would be one way of changing the situation in the direction of a more equitable distribution of the profits from advances made in societies.

There will still be tasks that cannot be given to robots or other kinds of automation. However, these jobs are often precisely those that gives most satisfaction to those performing them, be it knowledge based activities or activities requiring artisanship.

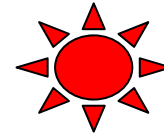
Industrial machinery requires software, as do administrative tasks in a complex society, but there are also the tasks associated with building and infrastructure creation and maintenance, and these should be characterized by high levels of craftsmanship taking into account energy efficiency, environmental impacts and user comfort.

All these challenges to deliver the highest level of quality are what make the associated work activities demanding and exciting to perform, no matter whether they are carried out in private or public enterprises. Private firms occasionally cut corners in order to maximize profits, while public enterprises may slip into routine, lack of user friendliness or in the worst case to condescending bureaucracy. The optimal solution may be in the middle, like resurrecting the concessioned companies with whom it was earlier common to see strategic tasks confined (for example postal services, electric utilities and telecommunication facilitators).

This does not mean that one should not make use of competition, including public-private rival companies, each wanting to perform better and give a better service than the other one.

An example of this is the building sector that has been the cause of recurrent bubble-economy events followed by finance sector collapses of varying severity. To reduce the risk of repetitions, governments could form a public building company, offering to renovate existing buildings and bring them up to present-day energy and indoor environmental standards, and to offer to build a range of new building types, all with guaranteed time of completion and fixed price, and giving a lifetime warranty.

The current private actors such as building companies and independent craftsmen would not be touched or prevented from competing on price and quality, but there would be a backstop against arbitrary price increases and delivery delays.



## Continued learning

There was a time when a young person was educated to a profession and then lived by this education for the rest of the working life. Clearly, this is no longer possible. For all kinds of employment, several decades have seen a development where supplementary education has been essential. The unskilled worker has become a semi-skilled worker who at intervals must go through courses and other learning paths to get new knowledge on methods and materials. The skilled worker similarly has had to learn to use new technologies and to acquire insights, for example in environmental impacts associated with the work performed.

Those with higher or the highest levels of education have at least the same extent had to recognize that their fields develop at a pace making it impossible to deliver useful service without continuing education. Who would consult a medical doctor who does not annually participate in courses on new progress in the field or do not read at least a couple of scientific magazines and journals every week, in order to know about new options in progress or about older practices no longer being recommended.

Unfortunately, the current educational systems around the world do not appear capable of delivering the required basic and follow-up adult education in all situations where it is called upon. The problems start already in primary school, where fundamental qualifications for



coping with the challenges of current society are not taught (such as the mentioned need to be able to compare prices of goods with different lifetime, or to include inflation when comparing figures for different years). Generally, the primary school is the place where students should learn to distinguish the properties of goods from the rhetoric of advertisements, should acquire knowledge of the role of banks and other financial entities, and should be given a thorough understanding of human rights as well as their country's constitution. If this were achieved, political lies, half-truths and cover-ups would face a real challenge.

Going to the intermediate level of education, things turn out to be as bad. High schools and other bookish secondary educations allow students to steer around subject that are essential for benefiting from any kind of future continued learning in areas that already now can be seen to be of broad importance. Non-bookish studies also fail when they focus on concrete skills instead of on methodology and problem solving ability.

The main objective of any kind of education should be to allow the pupils or students to solve problems they have not seen before with minimum help, and to be able themselves to seek new knowledge in areas they haven't visited before. This may involve services such as Wikipedia on the present Internet, an encyclopedia far more complete than any commercial offer, but one that demand from the user a developed critical sense that allow the user to see the difference between party postings and objective entries. Therefore, sharpening of such critical sense is precisely what should be the aim of education, on each level

with the refinements opening up at that level.

To develop this kind of logical sense, a combination of mathematical, natural, humanistic and social sciences is needed, more directed at strengthening the ability to associate dispersed knowledge than exercising rote learning of names, theorems, doctrines and formulae.

It follows that it is a very bad idea to give to schoolchildren and high school students any choice between subjects. The role of these (in many countries obligatory) levels of schooling as part of the upbringing of children and young people are best served by a unitary school with a common curriculum for all. No one should be allowed to deselect subjects perceived as difficult. Clearly, not everyone will leave these school levels with the same ability as a problem solver, but this is certainly better than to leave a group of students with no skills at all in regard to independent tumbling with problems.

Such a reorientation of the school system will also place new demands on the education of teachers. An example is the pedagogical methods necessary for handling groups of students where the students in the group are on different levels, without inducing disparagement.

The highest levels of education are directed at adults over 18 years of age, and they are necessarily often specialized. This is fine as long as the previous education has been general, because there are certainly tasks in society that requires deep specialist knowledge. Yet it does not exclude, that some students can choose to acquire knowledge at university level that spans over several sub-

jects. Interdisciplinarity is as necessary as specialist skills in solving many kinds of problems in society. Again, it is more important to learn the basic structure and ingredients of a subject and then train the ability to be able to expand the studies in the field on one's own as needed, than to master a fixed curriculum. This should be obvious in a world where everyone will meet challenges requiring the ability to learn more.

Sharpening the critical sense needed for spotting false statements and propaganda from politicians is also a continued process starting in primary school but continuing to the highest level reached by a given person. Precisely the analytic tools learned at university and other higher levels of education will allow a deeper professional investigation of statements from politicians, financial gurus, employer's, worker's associations or other lobby groups.

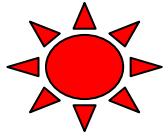
Being able to see through the information disseminated by media should be a skill that is not just for the few with highest education.

As a matter of fact, the role of the media needs some scrutiny. A specific responsibility must be imposed on journalists and editors, to deliver balanced and objective information. Anyone reading newspapers or watching television can see that such a responsibility is not always at the forefront of the brains of media presenters, although it should have been drilled in the high schools offering journalist education. The receiver of media information must insist on receiving a clear separation between objective information and opinions from partial angles.

No matter whether the media are public or privately owned, such a moral codex must be present, if necessary through legislation, and it must state the freedom with responsibility as well as the obligation to hear all major views and let them be voiced in the media. A journalist may not become a political figure with an own agenda, and should not utilize being a known face in the media to launch a personal political career. You probably know as many bad examples as I do.

In practice, there are several ways to organize continuing education, from providing to every employee a four-week contiguous annual leave for attending courses, paid by the employer, or instead setting aside half-a-day a week for learning, depending on the nature of the needed upgrading of knowledge or skills. These in-service knowledge-upgrading periods should comprise a measurement of accomplishment, in order not to become one-way communication. It could be by a project of practical or theoretical nature, for which a report should be written and be presented (to colleagues or invited peers) for critical assessment.

In some cases the learning upgrade may be achieved by personal reading of relevant literature, combined with discussions in a circle of colleagues in the company or institution. For small enterprises or one-person businesses without this possibility, such self-study is also a possibility, but may have to be supplemented by external courses with evaluation requirements, in order to ensure that qualifications are indeed updated (e.g. for practising doctors, automobile inspectors, etc.).



## Safety nets

Safety nets for people not being able to reach at least a basic level of life quality by themselves are in most countries offered and usually by public entities. However, both the level of assistance and its concrete content vary between countries, due to cultural differences and due to differences in the economic situation.

Many countries have reduced the level of assistance to citizens in need during the past decades. Explanations given have included the financial crisis, but inspection of income statistics often shows (as in the Danish example in the chapter on income, fortune and inequality) that the total sum of money in society has not diminished and that the real reason is to further a redistribution of money to the advantage of the already richest few percent of the population. Political statements have often underplayed the cuts in assistance by not counting inflation and not telling about the changes in the size of the share of expenses going to administration and top executive salaries.

The bottom line is that welfare safety nets, where they existed earlier, are increasingly being impaired, but also that they have not been eliminated but are only being shrunk. Even the political parties most in favor of neo-liberal ideology do not believe that seeing too many people in the gutter will help their cause.

The question is if the welfare services may be organized

differently, with less administrative overhead and in a way that gives the recipients less feeling of being given alms that they should feel ashamed of needing. For instance, most countries having an unemployment compensation also have requirements for the recipients regularly to show up in a public office to show that they are ready to take on any job, even when it is clear that none exists. This degrading practice is called “being at the disposal of the job market”. It would be so much easier to send the unemployed person a letter or an email when a suitable job appears and an interview with the potential employer can be arranged.

For most countries in the world, the total wealth today is higher than it has ever been. On this background it is strange to hear politicians repeatedly state that “we can’t continue to afford welfare”. In view of the altered wealth distribution and its concentration at the top, the correct statement is that there is a minority of citizens that is unwilling to share the money that for good or less good reasons have ended up in their pockets.

Alternative ways in which to arrange societies so that inequality is diminished and welfare shared has been proposed at many occasions. The Renaissance writer Thomas More called such ideas *utopias*. The labeling of utopias as ideas that cannot be realized was added later by opponents who did not want them realized. Many utopian writings appeared over the following centuries, such as for example the Norwegian writer Ludvig Holberg’s tale *The subterranean journey of Niels Klim*, where the main character falls into grotto near the city of Bergen and discovers what looks like an ideal society. Of direct interest

for the current debates are the basic income proposals from the early 20<sup>th</sup> century, made by Bertrand Russell and by Dennis and Mabel Milner in 1918.

The idea is that all citizens receive a sum every month without any requirement for providing work in return. The sum shall be sufficient for a simple life. Those who wants more can assume paid work that, like today, is taxed and thus provides funds for the basic income (that has also been called a “citizen’s wage”).

In 1943, the labor politician Juliet Rhys-Williams proposed a basic income scheme to the British House of Commons, and in 1975 a governmental low-income committee did likewise in Australia, both being unsuccessful. Subsequently, the idea has spread to many other countries, being debated in public meetings but not in parliaments, and today there are grass-root basic income movements all over the world, from USA to Ukraine and from Germany to Namibia.

In the book *Energy, Resources and Welfare*, I have compared the expense of introducing basic income with the estimated savings in social services and administration. The results for Denmark, used as a case study, are that if the citizen’s wage is put at 10 000 US \$ (2015 level) per year, and is non-taxed, then the cost precisely balances the current safety net expenses and administration of them that would be saved by introducing a basic income not requiring the current screening of citizens for eligibility and for setting the magnitude of each of a range of possible subsidies. 75 % of the saving is from avoided subsidy and 25 % from avoided administration.

The current (2015) Danish subsidy to students and to unemployed without a private insurance ranges from \$ 4 000 to \$ 12 000 per year, after tax. If the basic salary of \$ 10 000 is given to all adults (above age 18) and supplemented by a smaller child allowance, then the taxation of income above the basic salary will not have to change from the present level (which in Denmark on average is 33 % of personal income paid as income tax plus 8 % of personal income paid as sales tax).

The balancing assumes that production is unaltered and that there are enough citizens wanting to supplement their basic income with paid salaries. This would appear very probably, due to the modest level set for the basic salary. When experience of the set-up has been gained, it might be possible to increase the basic salary payment.

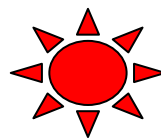
It is important that new housing price bubbles and financial crises do not undermine basic salary. For this reason, basic salary goes well with the suggestion of abandoning private property rights. Replacing owned dwellings by rented ones, the level of rents can be controlled and regulated in such a way that citizens with only the basic salary are not forced out of their home by some housing price fluctuation. In fact, everyone will benefit from not being tied to an owned house when their salaries or the house prices change so that moving away will bring in less money than the price of buying price of a new home or of the loans already taken in the old house.

The neo-liberal redistribution of money from common citizens to the top rich percents would also not be compat-

ible with the values underlying the basic income concept. More inequality makes the lower income citizens feel poorer than necessary, and the envy it creates fuels the spiral of unsorted growth.

One may therefore consider if there should be a ceiling for the earnings of an individual human being. If financing is reformed by having an MDA-based priority (cf. chapter on growth) set on investments in society, instead of issuing shares, then the income of individuals will be purely in the form of salaries, possibly supplemented by payments based on savings for pension or insurance arrangements. It may then be possible to set an income ceiling of say six times the basic income (before tax), constituting a very small impediment mainly stating that the work contribution of no one is worth more than some ten times (before tax) the cost of a basic life in welfare. This can perhaps be better expressed by saying that a factor of ten monetary reward ought to be sufficient to satisfy even the most ambitious notion of self-esteem.

A basic salary is a convenient way of reducing or avoiding derogatory attitudes towards unemployed or impaired persons, and it therefore works well with efforts to move in directions removing the unfairness of current economic and political ideologies. However, introduction of basic salary is not the only way to handle these issues, and a broad discussion of whether this is the preferred solution is certainly justified.



## Why do we wage wars?

Throughout most of world history, and certainly after the introduction of agriculture, humanity has made use of violence and war. Finds of skeletons with damage caused by weapons rise significantly from the Neolithic period, where property rights associated with land were introduced and where those now possessing land started to defend it by employing weapons. Extended wars presumably erupted over conflicts involving larger areas of land than a single farm.

The notion of power became associated with ownership or control of land areas. Large farmers became overlords and then kings and emperors, as the land areas fought over became larger, and kingdoms became nations, a new term involving expectations of loyalty and new demarcations of the “we versus them” type. The neighboring nation was the obvious target for violent assault (or soccer matches in more peaceful periods).

During each of the last 170 years, 0.073 % of the world population has on average died in wars or warlike actions (civil wars, genocides on political enemies, and so on). The average number of such annual war deaths was 1.5 million during the past 170 years. By comparison, the annual number of war-related deaths 4 000 years ago amounted to 0.013 % of the population at the time, showing that wars have become bloodier or more frequent in our epoch. There is uncertainty, particularly for the older

data, but not so much as to alter this conclusion.

Looking at the causes for war, territorial conflicts stemming from property rights dominate from the Stone Age and most of the subsequent time. The appearance of religions with their promise of compensation in a second life for the deprived possibility of unfolding in the actual life lead to religious wars, but only after some delay, because most religions first aimed at creating acceptance for inequality within societies, before they became missionary outside the borders of the initial country of operation.

The majority of religious wars through history have been caused by two religions, Christianity and Islam, but there were religious wars before these religions entered the scene: Some 3 350 years ago, the Egyptian cleansing of monotheistic adherents of former Pharaoh Akhenaten, and a number of Jewish conflicts with other religions, starting with the war against Baal worshippers 2 730 years ago.

With increasing death tolls follows the Christian crusades during the Medieval Period and Christian-Islamic wars in Spain, the European wars between Catholics and Protestants after the Reformation, the Islamic Ottoman Wars in Turkey and the Spanish forced conversion of South Americans to Christianity during the colonial period. The so far most bloody religious war is believed to have been the Taiping Revolt taking place in China 1850-1864, involving a Christian sect rebelling against the Qing Dynasty. Several wars in the present epoch have religious components but mixed with other motives. After World War II, most wars have had the nature of civil wars, but sometimes with the purpose of splitting a coun-

try and creating new nations from the pieces.

Considering other types of violence in society than war (from US school shootings and drug gangs murdering in South America to the right-wing extremist killing youths active in the Norwegian Labor Party), the frequency of death by such violence is currently 0.007 %, averaged over the world, but was only 0.002 % when agriculture was introduced some 5 000 to 12 000 years ago (depending on location).

Again, it is seen that the world has become more violent with time, making it plausible to blame the increasing inequality and declining human solidarity, recently enhanced by the prevailing economic paradigm. The fact that civilian death by violence has increased as much as war deaths tells us that the rise is not only due to developments in weapon's technology. Killing a fellow citizen can be done with a knife on a little frequented dark path, ingredients equally available during the Stone Age.

It is worth noting that warfare on average is claiming ten times as many deaths as all other types of violence. The last several centuries of history from Europe to China is one long recital of kings and other rulers throwing their countries into one meaningless war after another, with reasons so thin that it is often not clear today why the attacks were made. Dispensing with kings and emperors in some countries have not changed the situation much, as recent invasions from Iraq to Ukraine show.

Analysis of the mechanisms for getting trapped in wars cannot avoid focusing on the weapon's industry, in addi-

tion to the ideologically derailed political leaders who think that going to war will boost their image in the history books (known examples being Margaret Thatcher and George Bush Junior). Or maybe they just wanted to turn attention away from failures in domestic policy.

The lobbyism conducted by the weapon's industry, sometimes in collaboration with the military and selected political parties, has led to building up of weapon arsenals for the armed forces that are much beyond what by any stretch of imagination can be justified as defense against foreign invasion. Typical tools used by the lobbyists include inventing (mostly) false analyses of threats against a country and (invariably) false claims about how to best counter such threats.

In reality, piling up weapons and establishing advanced military systems, as it happens today both by countries with and without a tradition for belligerent behavior, as well as by all kinds of rebellious or terrorist groupings, cannot by a broad margin be claimed to be defensive. Middle-eastern dictators and oligarchs have for years been buying sophisticated weapons from suppliers in the West and in Russia, so it is very naïve to be surprised when they are subsequently used. The countries permitting its weapon's industry to sell weapons for this unbri-dled armament hysteria assume a clear responsibility. Each time that military hardware beyond any perceived defensive uses is piled up the level of safety drops, not only in neighboring countries but also in the country acquiring the weapons or other offensive military systems.

It is simply very difficult to see a world in peace without a

total ban on arm's trade, and without placing existing weapons under United Nations control. UN has a positive track record in judging when it is necessary to intervene: The 1991 assault by Saddam Hussein on Kuwait was judged to warrant intervention, the US plus allies assault on Iraq in 2003 and following years was judged to be based on false accusations of possession of weapons of mass destruction.

War as a method to solve international conflicts beyond the specific cases of unwarranted assaults is in contradiction to the UN Declaration of Human Rights. However, due to the way in which UN is currently set up, it has no jurisdiction over assaults occurring inside a country, no matter how much they violate human rights. Examples are Mao's order to Chinese farmers to let their harvest rot and instead go and collect nails on highways for the Chinese arms industry (termed "the great leap forward"), which led to death by starvation for millions of people, or Assad's current abuse of the Syrian civil population.

In order to make the prohibition of war of any type effective, the possibility of intervention in armed national and international violation of human rights must be delegated to the UN and only to the UN, where intervention in case of domestic genocide requires a change in the sovereignty accorded to the international organization by member states, stating the conditions under which UN can interfere into what is presently called internal affairs.

An intervention must of course be decided by the General Assembly and the Security Council, as today, and rather than having standing armies attached to the UN, forces

may like at present be put at the disposal of the UN each time an intervention is duly endorsed.

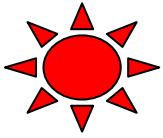
Just as war should be removed as a prime option for solving conflicts between or inside countries, then reducing the violence in civil society requires clear legislation stating the only the executive branch of a legally elected government (through its police force) has the right to possess and use weapons. Backwards-looking “aristocratic” citizens hunting the animals of forest areas as recreation or entertainment must be disarmed, just as should home guards, except possibly for countries having replaced their military defense by such decentralized arrangements (Switzerland). Objections to this exception may come from the record of home guard weapons having been used for crime or murder, by the owner or after having been stolen. The amendment to the US constitution called upon by gun lovers in that country was in reality only a temporary permit to ex-soldiers to keep their arms and act as the police missing after the civil war in many Western US territories.

A new type of warfare introduced in recent decades is cyber-warfare that may consist in hacking computer systems, say of another country, in order to disrupt vital functions such as financial, industrial or energy infrastructure. The first use of this form of warfare was Stuxnet, said to have been developed through a US-Israel collaboration and in 2012 used with the purpose of hitting nuclear installations in Iran. At present, the military in many countries are actively developing similar capabilities and debating strategies for cyber attack and defense.

This points to the need to forbid all forms of warfare and violence, and not just those using physical arms. Only the suggested world government, envisaged as an extension of the UN, may under specified conditions exercise violence, and only directed against nations or groups that themselves have violated the ban on war or warlike activities.

For the person-to-person violence inside a country, there are like cyber-wars between nations a number of offences that do not make use of arms but are equally deplorable, from rape and barehanded violence to computer hacking and spamming. However, with a ban on the possession of arms, the remaining violations should be amenable to handling like theft and economic fraud by criminal law, continuously extended as the need arises.





## Globalization – decentralization

The communication technologies presently available permit a high level of international interaction, exchange of information and collaboration across borders. Many of these possibilities are positive qualities and may contribute to furthering international understanding and tolerance. However, there are also negative aspects. Citizens in poor countries are constantly exposed to pictures of life in the rich countries, which may induce envy and occasionally a lack of appreciation of the work that has been done to reach the elevated status, and a lack of understanding of the fact that they themselves would have to contribute to the development of their own society over a length of time, before they can harvest the fruits of such a development.

Globalization also has an unflattering side, where multinational companies exploit weaknesses in the legislation of individual countries to circumvent environmental requirements, taxation and so on. It is in this connection disturbing, that the USA presently tries to weaken other countries' control over international trade, by suggesting free trade globally on terms set by the commercial enterprises, removing the right of individual countries to intervene if the trading companies infringe on national legislation. The idea is to introduce two free trade zones, TPP (*Transpacific Partnership*) for the Pacific countries and TTIP (*Transatlantic Trade and Investment Partnership*) for the countries on both sides of the Atlantic Ocean. Leading

economists such as Jeffrey Sachs says that the proposed agreement will harm the populations everywhere and only benefit certain financial corporations.

The fact the advantages of globalization are being sold by politicians and industrialists as if they were Christmas decorations has also weakened alternatives to globalization. The most obvious opposing choice is decentralization, carried by the conviction that decisions are best taken as close to those affected as possible.

Despite the rise of the national form of governance based on a parliament consisting of representatively elected members, it has until recently been acknowledged that the principle of subsidiarity or proximity offers an important guarantee of quality in matters without national implications. The term *subsidiarity principle* was invented by the European Commission, ironically the organization that more than anyone else has removed the possibility of local areas or regions or nations to influence the European Union's decisions.

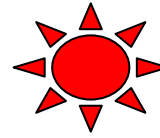
A general tendency has as mentioned earlier been a move towards larger "local" areas, which increasingly resembles the national political entities controlled by political parties. Earlier, local city and municipal councils often consisted of elected people not belonging to any established party, but only having an interest in the well-being of the local society and acting accordingly in the council.

The distance between citizens and their elected representatives in national governments have become larger in recent decades. There was a time, where any citizen could

walk into the parliament and talk to the politicians she or he had helped elect and therefore hoped would act as representing the citizens of their constituency. Ministers and parliamentarians have now begun to fear for their lives, expecting terrorists or opponents standing around any corner waiting to stab them, and in consequence they have barred entrances to parliament buildings and hired personal bodyguards. In reality, the minute possibility of terrorist attacks has always been present (cf. the German Baader-Meinhof Group during the 1970ies), but when using it as an excuse to drop all direct communication with the voters, democracy has been flushed out with the bathwater.

Having mentioned a number of negative effects caused by centralization, whether from local area to country or from country to world level, common sense tells us that there could be a range of advantages, if centralization and globalization were handled in a proper way. As a matter of fact, there are many challenges to societies that do call for coordinated solutions, and the balance between local and regional or global arrangements should be determined carefully with regard to the place on the decentralization-globalization ladder where the issue is manifesting itself.

A proposal for a new constitution is made a few chapters ahead in this book, precisely by considering the three levels of governance and discussing which political issues are best handled on which level.



## Elections and eligibility

Election procedures differ from country to country, among those subscribing to a representative democracy. It is, or presumably should be, a basic democratic principle that each vote cast shall count equally. However, this is in many cases not the case in practice. An approach often used is to divide a country into election areas, each being a constituency with a fixed number of representatives they can send to the parliament.

As mentioned earlier, the chosen distribution may initially have been fair, but it often is no more, as population density distributions has changed, both during the industrialization period and also currently in areas where job options for instance seem to be better in urban than in rural areas. In countries such as the UK and to some extent the US, the fixed attribution of representatives to constituencies is now poorly correlated with the actual way in which the population is settled.

As a remedy, closely related to the transition from personal parliamentary delegates to members selected by political parties, one has as noted supplemented the proportional representation by compensatory seats, given as in the Dutch method to parties according to how many surplus votes elected representative candidates (typically set at half the total) receive over what on average was necessary to secure a seat (see the opening chapter). The basic flaw in this arrangement is of course the assumption

that the voter does not care which member of a given party his or her vote goes to. If the setup is changed from party ruling to parliament members acting in accordance with their individual views and conscience, then the system with compensatory seats no longer works.

The pure constituency election is a “winner takes all” process. Large minorities of voters may be left with no influence at all in parliament. For functions considered important, such as presidential elections, some countries have instituted rules to avoid that a person is elected only with a modest backing from voters. This may be done by requiring that the winner obtains more than 50 % of the total number of votes cast, and if no one does, then a second election is held between the two candidates that got most votes in the first round. This is an improvement, but not a perfect solution, because the two top candidates may have strong opinions and no real backing from anyone except the minorities who voted for them in the first round, while a third candidate not making it to the second round might after all have been acceptable to a broader segment of voters.

If all elections were for individuals, the winners should just be those with the highest number of votes, down to the level where all seats are taken. Alternates are just the next in the ordered sequence. It still means that some candidates are elected with more votes than needed, but this cannot be helped in a system with no consideration of political parties.

With a parliament of individuals that have to agree on appointing a government, there is no longer a need for

“cabinet responsibility”. If a proposed legislation is not adopted, there is no need for the government to step down; only if the parliament makes a “no confidence” vote against a member of government, that person should of course step down. Cabinet responsibility is presently used in some European countries (following bad experiences of governments ruling for years by provisional laws without parliamentary backup), but not in the USA.

I already mentioned the heretical thought that it would be nice if voters had an idea of what they were voting about. Would it be possible to clarify if that is the case, say by asking a few questions before allowing voters to place their tick? A test not based on academic qualifications or other lofty sophistry, and not asking for knowledge of specific political questions, but simply probing into a fundamental knowledge on the nature of democracy, put in so simple terms that everyone should be able to answer the questions correctly.

In Denmark, another but similar test is applied to immigrants, aimed at in finding out if they know enough about the country they want to enter to make a smooth integration probable. So why not a similar test for voters?

The foundation of democracy is the specifications of human rights and constitutional arrangement for governance, written in two documents or merged into one. This constitution including a declaration of human rights would be the material for formulating the test questions determining whether a citizen possesses the necessary qualifications for participating in elections, either direct or for selection of representatives.

Most countries have a constitution and have signed the UN Declaration of Human Rights. In practice, the constitutional test could consist of being posed a few questions (randomly selected from a larger collection) at the entrance to the voting booth at the polling station, assuming that the voting procedure is electronic as it already is in some countries. In order to prevent cheating, the test may be performed before pulling the curtain surrounding the voting booth, so that the public controllers can observe the person in the booth. Alternatively, the curtain may be avoided by shielding the computer keyboard suitably. Disabled persons unable to enter the information by hand may be offered a soundproof room for oral answering of the test questions.

As a courtesy to current voters a transitional period of a few years may be granted, where all votes count, but with a weight factor given by the fraction of constitutional test questions answered correctly. Nobody will have visited the voting booth in vain.

A bonus of the constitutional test is that present age rules for voters can be dispensed with. A 12-year child may have studied the constitution and the current political issues to an extent making the vote of the young person more relevant than that of a demented 90-year old person with voting rights in the present system.

While the proposed test for voters only aim to verify an elementary comprehension of the basis for democracy, it is clearly necessary and reasonable to ask more from those running for a seat in parliament or seeking appointment

to work in government, at legal courts or in other civil servant jobs.

In all these categories, concise conditions should be met before running for elected office, parliament seat or being publicly employed can be considered. As a minimum, a spotless criminal record and a less superficial test in knowledge of the constitution including human rights should be required. For public jobs of particular importance, one may further look at whether the applicant previously has exhibited conduct in accordance with the principles of human rights and democracy. Important jobs would comprise judges, executive positions in police and military, heads of departments, Central Bank managers and of course all ministers or presidents. If a country wants to retain the use of kings, this job should no longer be hereditary and a constitutional test would also seem appropriate.

However, there are other occupations where objectivity, impartiality, integrity and tolerance are decisive qualities and where a constitutional test would seem relevant. This would hold for journalists, editors and other information providers.

As the historical failures of democracy have taught us, it is essential that there is an independent overseer function capable of deeming a decision by the parliament or any of the other branches of government in disagreement with the constitution or the declaration of human rights, and with a vested power allowing impeachment of those trying to rule in violation of the constitution. Currently, this is often the responsibility of the parliament, and the judg-

es of the Supreme Court cannot themselves start an impeachment case. This does not work: Why should the parliament deem a law they themselves have passed as unconstitutional?

The “ombudsman” or overseer used in some countries is a candidate for an independent institution, but presently limited to defending citizens against government abuse. The ombudsperson could be given the extended mandate to also be able to bring a minister or head of government before the Supreme Court for an impeachment trial. Clearly, the more such power an ombudsperson is given, the more important is it to institute both a constitutional test and a scrutiny of past behavior of the person chosen. It may be considered to elect the overseer by a public referendum. The possibility of raising an impeachment case could be entrusted to more people than the ombudsperson, such as to a fraction of the members of parliament (typically an opposition and therefore less than 50 %) or to a percentage of all citizens.

A pool of questions to be used in the simple and in the comprehensive constitutional test should be selected by a body of independent persons with thorough knowledge of constitutional issues. In each application of the test to a specific person, the questions posed should be drawn by lot from the larger pool. The complete pool of questions should not be made public and may change with time, but anyone feeling that a question posed in the election booth or the assumed correct answer has problems, should be allowed to bring the case before the ombudsperson.

Today, it is often not required that a minister has any pre-

vious knowledge of the field that he or she is asked to administer. Some ministers even seem proud not knowing about their work area. Perhaps this is based on the view that an unprejudiced soul would be more impartial than a person with some knowledge of the matter, just as the lay jury or assessors in a court trial may show a broader comprehension than the professional judges who might overlook non-legal aspects. Still, administering a ministry is another kind of task, where missing insight can be fatal.

Topical knowledge should be a requirement for both ministers and their associated civil servants, and it has to be stated in a binding manner, whether in the constitution or in laws. Current heads of departments and other public offices are often hired based only on legal or economic skills and they often show serious ignorance of factual matters in the field they are supposed to administer. However, just as in education, societies have developed in ways, where inter-disciplinarity cannot be avoided. That holds as well for the ministries, whatever their name, so the profile of the people employed in a ministry has to have a similar mixture of specificity and generality, no matter whether the sign above the ministry door says “finance”, “economy”, “environment” or “resource policy”.

Another point touched upon earlier is that introducing new legislation ought to be a rare event. If the constitution and the existing laws are based on principles well thought through, there should not be any need for revision except if external circumstances have significantly changed. Parliament should rarely feel compelled to pass more than one or two new laws in a year, say making small adjust-

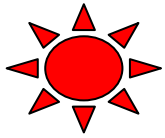
ments in the annual financial budget for argued reasons. The executive branch is supposed to administer prevailing law and not to conduct party-positioning games through streams of legislative proposals to parliament, proposals not rooted in actually altered social or international boundary conditions.

In consequence, parliament membership could well be seen as a part-time occupation. A further benefit of avoiding law-making sloppiness is that the legal branch of the government no longer, as today, has to use a large part of its time in interpreting new laws. In many countries, the laws are formulated so poorly, that only after a couple of interpretative decisions by the courts will a workable practice of applying them be emerging. Neither governments nor administrations function optimally at present, and everyone, except perhaps the bread-and-butter profession of politicians, should welcome the indicated changes.

It would then be a good idea to limit the functioning of both elected politicians and executive civil servants to at most two parliamentary terms (which would be two times four years in most countries). Such limits are already in effect in some countries, for example for presidential terms. Experience shows that those who sit longer become less and less responsive to critics, are lapsing into routine and becoming increasingly open to woolly or suspect influences by lobbyists or party-based horse trading.

Both lobbyism and spin-doctor activity must be unconditionally banned and only open debate and suggestions for different ways of viewing an issue, expressed in duly ur-

ban language, should be welcomed. Furthermore, it is the responsibility of the media that everyone gets a fair opportunity to forward views into the public debate. As mentioned, a code for proper behavior of all major media, whether written newspapers, Internet media, radio or television, and whether public or privately owned, should secure this.



## The three levels of governance

Because the principles entering constitutions and declarations of human rights must be fundamental and universal, they are expected to retain validity and applicability on both the global, regional and local level.

The preceding chapters have described the local level as areas where people to a large extent know each other and where politicians and citizens pass each other frequently. As for regions I use the term for larger areas without considering the legal boundaries. Regions may be nations, provinces of large countries or conglomerates of small states. The global layer naturally is the entire human society on Earth, sought unified in the United Nations organization.

One may question the timeliness of the concept of nations. They represent an extension of the notion of owning a piece of land and defend it against intruders, but as demonstrated in the chapter on “one Earth”, the property right to land is an untenable conception and the way that national states cherish their territory is a breach of the obligations imposed by the infinite value of land. Many wars might have been avoided if the concepts of land and nation had not developed into the romantic form they are encumbered with by kings and other heads of state. Normally, people on either side of a national border are human beings with similar aspirations and a common value

basis, so without the whipping up of artificial tension, the basis for conflict and war would lose reality.

In his essay *Running the Planet*, Walt Patterson in 1999 makes a subtle differentiation between nations and states. States are purely administrative units, while nations may have some values shared by their inhabitants. Although this over time has become true, nations are also quite artificial constructions formed around the ideals held by the rulers at the time when they were proclaimed.

Suggesting to abandon the notion of national states would of course not imply any weakening of the charming cultural differences between social entities on any scale, from regions to neighboring counties. Dialogue between cultures is a positive trait, while reference to national borders is negative and promotes antagonism in forms ranging from soccer archenemy feelings to war.

The next chapter draws up a proposition for a new universal constitution combining lists of human rights and rules of governance, aiming for applications on global, regional as well as local levels. Additional rules may be formulated in laws and regulations that may be changed by governments if necessary. The universal constitution, on the other hand, should only be modified under quite special circumstances. The past couple of hundred years have seen national constitutions that have been altered only with intervals of 50 years or longer. Forbidding rapid changes in the constitution may be directly written into it. As said already several times in this book, the constitution must be able to serve as a solid barrier against arbitrary changes of laws by a particular government.

Causes for changing some current constitutions may comprise the desire to get rid of hereditary kings, too powerful presidents, or to introduce a separation between a preferential church of historical origin and the state. Furthermore, the chapters in this book dealing with property rights, with elections and eligibility and with organization of product marketing and economic performance indicators have suggested changes that in many cases are so fundamental that they qualify for inclusion in the constitution.

The balance between direct and representative democracy elements may be selected regionally, along with details of term-length and other specific rules for the tripartite governance system. While constitutions should not prefer a particular economic ideology, it may well exclude arrangements that contradict basic human rights, such as the neo-liberal paradigm that demonstratively violates the principle of equality, or the practice of property inheritance that violates the statement that all citizens are born equal.

The need for a central bank suggested in the chapter on money may be part not of the universal constitution but of regional legislation, but general statements such as stating that economic decisions must take into account environmental, health and social aspects as well as direct economy, and that they should be based on an assessment of their influence on the welfare of the total population and not just that of a minority, could well be placed in the constitution.

Ideas such as basic income as a way to provide a social safety net are clearly up to the regional communities, but a ban on advertisement has trans-regional implications for trade and consumption and would best be part of the global setup, as even more evident for the abolition of advertisement in election campaigns and other political activities. Injunctions regarding media responsibility and journalistic decency would best be left to regional law.

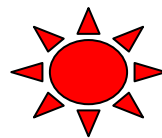
If the constitutional test and requirement of knowledge for ministers mentioned in the chapter on elections and eligibility are introduced, there will be a need to specify the procedure for testing in more detail, which may be done within regional constitution or law. An elevated level of education should, in addition to the full constitutional test, be required for everyone working in the police or military forces, because of the special responsibilities vested in these institutions given the sole right to use arms. Some countries already have certain requirements of high standards for people taking work in police or military, but infringements of human rights are also reported quite often (e.g. rough treatment of participants in peaceful protests, degrading treatment of prisoners of war). Occasionally, individuals are brought to justice on these accounts, but rarely the executives and the political orchestrators that may have ordered or stimulated the exaggerated use of violence.

A revised constitution should consider ways of restricting the influence of political parties, and formalize the maximum period of function within the three government branches. Procedures for regional citizens to participate in or stand for global elections should be specified. The en-



visaged extension of the United Nations to reflect the full spectrum of governance, with parliament plus executive and legal branches would need slight additions to current institutions in the UN, that may have different names but already cover some of these work areas, although not always with full competences.

Public service functions than can benefit from nearness to citizens should be placed at the local level, including the mediators of social assistance such as securing food, shelter and health services for everyone. Primary education and many welfare offerings such as nursery homes, kindergartens, cultural, sports and recreation facilities, protected dwellings and retirement homes would be included in the portfolios of local administrations, as they also generally are today. Funding such activities will likely involve transfer of money from regional to local administrations, smoothing out differences between local needs and abilities to contribute tax money.



## **Proposal for a new constitution**

The model for a sustainable society described by way of the following proposition for a new constitution does not pretend to be the only possibility or the final solution. Underlying the proposal is a belief that both centralized communism and neo-liberalism have failed to an extent that makes it impossible to build on these ideologies. The welfare model of the Scandinavian Social Democrats developed from 1930-1990 still have several elements standing out as desirable, even if the Social Democrats like other Labor parties currently in many cases have joined the neo-liberal bandwagon.

In consequence, some features of the Scandinavian welfare model will be retained in the proposed constitution. I hesitate to call the suggested scenario “the third way”, because this slogan has been misused in the past, notably by the British Labor Party.

In addition to combining constitution and human rights enumerations, the conditioning of rights on obligations will be spelled out more systematically than in the UN Declaration of Human Rights or the US Bill of Rights. The new universal constitution not only specifies the principles of tripartite governance, but also sets basic rules for conducting economic and social activities. The overall objective is to secure a maximum room for free enterprise and realization of initiatives taken by the citizens, subjected to the condition of not exploiting other citizens. In oth-

er words: “Freedom under responsibility”.

Paragraph by paragraph, the proposed constitution describes fundamental issues believed to have global validity, divided into the rights of citizens, their duties and a range of guidelines for establishing an equitable structure and governance for the human society. Because of the intended universal scope, the constitution can be used globally, regionally or locally. All provisions can be inherited downwards along the scale of decentralization, but specific rules may be added at each lower level, without necessarily being applicable at the higher level.

As discussed in the chapter on the three levels of governance, the highest, global, level may address an extended world society based upon an upgraded version of the present United Nations institution. It already has jurisdiction for stopping warfare between nations, has a parliament (the Assembly) and an administration with special councils such as the Security Council, a war crime tribunal and various other institutions, mainly of an advisory role vis-à-vis national member states. The universal constitution proposes to expand these branches and their competences to a full tripartite world government.

On the other hand, it is not the purpose to move decisions from regional to global level except for those that affect the global society. It is thus a basic principle that decisions are to be taken as near to those affected as possible, as long as the decisions do not have an impact outside the borders of the regional or local entity in question.

## **A UNIVERSAL CONSTITUTION**

### **1. Background**

- 1.1. The rights and duties described in this constitution apply to all human beings, whatever their age, gender, outward appearance, descent or social grouping, and does not support any form of discrimination.

### **2. Human Rights**

- 2.1. To subscribe to, express and live by any personal views, opinions and convictions not physically harming other human beings or infringing on their rights, and which are not in conflict with the human obligations listed below.
- 2.2. No one can be forced or enticed by any individual or any institution, be it political, religious or of any other kind, to act in specific ways or to adopt or express views that are not part of the basic fabric of this constitution.
- 2.3. To have access to food, shelter and, when fulfilling human obligations as described below, to human relations and mobility.
- 2.4. To have fair opportunities for living a life with basic welfare, for engaging in learning and for enjoying life.

### **3. Human obligations**

- 3.1. Not to harm any other human being, except in cases of clear self-defense or as part of legal enforcement of this constitution, which can only use violent methods in response to terror and warlike activities committed in contempt for this constitution.
- 3.2. To be considerate of the world's natural makeup, whether the immediate surroundings, the distant or the global ones, and whether constituted by living creatures, the environment, or any other kind of resources.
- 3.3. To acquire knowledge and skills according to ability and to use them to the benefit of society, by actively contributing to the achievements of common goals.
- 3.4. To be tolerant and willing to share physical resources and intellectual progress, limited only by specific conditions stated in prevailing law.

## 4. Governance

- 4.1. This constitution describes general principles for governance based on a tripartite power division between legislative, judicial and executive branches of government, and with an independent overseer function aimed at preventing any abuse of power by the government branches.
- 4.2. Although the universal constitution is applicable on the global, regional and local level, additional paragraphs may be added in regional or local constitutions, as long as global rights and duties are not affected. Such additional paragraphs may

take into account cultural differences, different stages of development, and different choices of preferred financial setup or economical activities. For this reason, exploitative relations, e.g. for trade or for delegating work, between regions are not allowed, while mutually agreed assistance and collaboration is.

### Legislative power

- 4.3. Legislation passed by parliaments at the global, regional or local level (such as budget laws, environmental protection laws and penal codes) must comply with the constitution and cannot target specific individuals.
- 4.4. The legislative power is vested in a parliament consisting of members elected by general election for a fixed term (typically four years), with one possibility of reelection but no more.
- 4.5. All citizens can vote in direct or indirect elections, such as for seats in parliament, after passing a simple test based on the content of this constitution. Candidates running for election must have a spotless criminal record and have passed a more comprehensive test of understanding the content of the constitution.
- 4.6. Those elected to parliament are bound only by their conscience and can only be dismissed following conviction in court.

### Executive power

- 4.7. An executive government is appointed by the parliament and charged with administration of

all legislation and other regulation. The executive branch consists of a primary minister (the Prime Minister) and a number of topical ministers, each with a ministry of civil servants and, when necessary, additional units such as agencies, a public prosecutor, police and defense. All persons appointed to positions in administration must have a spotless criminal record, must have passed the extended constitutional test and possess the relevant professional qualifications for the job.

- 4.8. No minister or civil servant in a leading position can sit for more than two parliamentary periods. Ministers can be dismissed if they are convicted of a criminal charge, or by a vote of non-confidence in parliament.
- 4.9. Motions for resolution may be put to a general referendum, if demanded by a third of the members of parliament or by ten percent of the population, and the result of such a referendum has the same validity as a resolution in parliament.
- 4.10. When the police arrests people suspected of breaking a law or committing a constitutional offense, minimum violence should be used and the suspects placed before a judge within 24 hours. The judge decides on the further procedure, such as dismissal, time-limited detention or trial at a court.

### **Legal power**

- 4.11. The legal power is vested in courts of law, presided by judges appointed by parliament for two parliamentary periods without option for reelec-

tion. There must be at least two levels of courts, so that appeal is possible. The upper court is called the Supreme Court. Judges must have a spotless criminal record, have passed the extended constitutional test and in their previous career have a record of political independence and tolerance.

- 4.12. Question concerning the interpretation of the constitution and whether the laws and regulations passed by parliament are in keeping with the constitution can be taken to trial in the courts by a third of the members of parliament, an overseer or ten percent of the population. Constitutional questions go directly to the Supreme Court. Rules about qualified majority in these decisions may be set in laws.
- 4.13. Charges of violation of constitutional or legal provisions by members of the administration can be brought before a court by the groups mentioned in paragraph 4.12. The courts can prompt the dismissal and further prosecution of administrators found guilty of the charges made. The Supreme Court deals with impeachment cases against ministers or judges, and if the accused is a judge of the Supreme Court, she or he shall be excluded from the trial and replaced by other judges.
- 4.14. The court judges make their decisions regarding the guilt or innocence of the accused persons based on prevailing laws and unbiased trial procedures, where the accused is entitled to an adequate defense, regardless of economic ability, and is considered innocent unless proven guilty. All

citizens are equal before the law and no one can be sentenced for acts that were not illegal when they were committed.

### **Ombudspersons**

- 4.15. To oversee the tripartite government's conduct, a Secretary of Parliament and two ombudspersons (one female, one male) are appointed by general referendum, for a period of two parliamentary terms. An office is made available to the ombudspersons, capable of dealing with case flow without undue delay. The three persons must have a spotless criminal record and have passed the extended constitutional test.
- 4.16. The responsibility of the Secretary of Parliament is to ensure that all types of elections and parliamentary procedures are conducted according to the provisions of the constitution and prevailing laws.
- 4.17. The ombudspersons deal with complaints over concrete authority decisions from citizens.
- 4.18. The ombudspersons can raise questions and based hereon urge the three government branches to reconsider the contents of laws and regulations, the interpretations of the constitution or other laws, as well as specific decisions.
- 4.19. If an ombudsperson raises an impeachment case according to paragraph 4.13, he or she must subsequently step down, no matter what the outcome of the impeachment case.

## **5. Rules for economic activity, public space media, and for considerations regarding environment, health and resources.**

- 5.1. Economic activities must aim to benefit society broadly and should be assessed based on utility, desirability, and the magnitude of impacts on the environment, health and resources (cf. paragraph 5.6). Within this frame, society welcomes actors wanting to engage in production or other economic activity and the government wants to accord maximum freedom to such activities when they are conducted in accordance with the considerations above and in respect for the consumers buying the products or receiving the services.
- 5.2. Rules for assessing and approving financial transactions, such as loans, are to be set and endorsed by parliament. The government established an agency (typically a central bank) to make the assessments for transactions in both the public and the private sector.
- 5.3. Natural resources without time-limited usage periods cannot be privately owned but are common property of the entire society. They may be rented for a finite period, for agriculture, fishery, forestry, dwellings and other types of buildings or construction work, on condition that no degradation of the resource is taking place. The renter bears the responsibility for this and the rental agreement is non-transferable. The government established an agency for handling these rules. This could be the same agency as the one called for in paragraph 5.2. For some resources, the is-

sues are local or regional, while for others (e.g. ocean fishing) it is global and the rental agreements will have to be negotiated with the global administration.

- 5.4. Governments may elect that all economic transactions (investments as well as loans) should pass through the agency or central bank formed, in order to check that funds are not used for purposes in conflict with the constitution.
- 5.5. Governments (at the global, regional and local levels) are entitled to collect taxes from incomes related to the citizen's economic activities, in amounts needed for being able to offer the rights described in this constitution to every citizen. Taxation details such as progressivity are set through fiscal laws by the parliaments at each level.
- 5.6. Governments establish institutions charged with evaluating consumer products and service offerings with respect to content, functionality, durability, energy consumption and impacts on environment, health or resources, and the evaluations are made public. Consumer products comprise buildings, machinery, vehicles for transportation, appliances, electronic devices, equipment, clothing and groceries, etc. The intent should be to be able to use the same criteria globally, and the production and service industries pay a standard fee for the evaluation and for the authorization to bring the good or service to the market.
- 5.7. The product information service described in paragraph 5.6 replaces all kinds of advertising, which are therefore forbidden.

- 5.8. Quality and soberness rules for written and audiovisual media are set in a way similar to those of consumer goods, but directed at protecting privacy and discarding content that is in violation of the provisions of this constitution. In particular, the media are required to exert objectivity and decency in treating subjects that may impact on the outcome of elections.
- 5.9. Journalists and media editors of any kind (in public or private employ) must have a spotless criminal record and have passed the extended constitutional test.

## **6. Rules for education, research, employed work, health services, leisure options and social safety nets.**

- 6.1. The government establishes and finances an administration for education (typically a ministry) with overall responsibility for both higher youth education and continued education. Details may be delegated to local levels. Education should basically be free, and for in-service and other further education, financed periods of leave should be offered to employees. The content offerings should allow all citizens to contribute to the development of society, in line with paragraph 3.3, as well as enabling them to take part in the democratic processes.
- 6.2. The government establishes and finances a research and development administration with overall responsibility for basic and applied re-

search, as well as industrial innovation in collaboration with enterprises. The tradition of combining research and teaching in universities and similar research-institutions is preserved. Legislation regarding patents and copyright is implemented in ways such that private interests do not override the interests of society.

- 6.3. Citizens carrying out tasks related to public and private services, construction and production activities as salaried work should, with consideration of the skills required, be fairly compensated in amounts lying between a minimum and a maximum wage, subject to taxation, as decided by the parliament.
- 6.4. All monetary transactions between public or private enterprises, and between these and their employees, go through a central bank or agency, where tax is withheld and investments evaluated as described in paragraphs 5.2 and 5.4. Salary payments are in this way guaranteed independent of company survival.
- 6.5. The parliament may decide to give all citizens a basic income without conditions in the form of work or other requirements.
- 6.6. As alternative to a basic income for all, parliament may decide to fulfill paragraph 2.4 by establishing a social safety net with transfer of money for basic needs to people unable to support themselves (being out of work, sick, children, elderly or for other reasons). All citizens above a certain age are paid a basic state pension. Salary recipients may be required to deposit a regular fraction of their income to secure future pension payouts.

- 6.7. The government establishes and finances a health sector with free health care comprising hospitals, practicing doctors, dentists and necessary medicine.
- 6.8. It is the responsibility of the government that strategic services can be offered to all citizens, either by establishing or concessioning services such as communication channels, transport facilities and energy supply. For basic needs such as shelter and food (cf. paragraph 2.3), government must see to that the private or the public sector offers options in such a way that all citizens can afford to cover basic needs (also with only the basic income, if the solution in paragraph 6.5 is selected).
- 6.9. It is the task of the government to ensure that citizens are offered possibilities for a selection of leisure activities, e.g. by establishing trails in forests, access roads to beeches and forests, bicycle paths and other roads, and by making sure that cultural activities are offered, by establishment and operation of museums, exhibitions, theaters, concert halls, as well as non-commercial websites and audiovisual media. Due to the abolition of private property rights, citizens can move around freely everywhere, as long as they respect the privacy of others and do not damage production areas (such as sown fields).

## 7. Conflicts

- 7.1. Conflicts should basically be solved by negotia-

tion and peaceful means. Only if parts in a dispute resort to methods in contradiction to the provisions of this constitution may violent intervention be condoned. Only the global government may respond to warlike actions with armed forces (its own or forces put at its disposal by regions), and only the police in regions or local areas may respond to other acts of violence by use of or threatening to use weapons.

- 7.2. Regions may choose to possess a military defense, but cannot have nuclear, chemical or biological arms. Any existing stocks of such weapons must be destroyed. The military must be put at the disposal of the global government following appropriate endorsement in the global parliament and Supreme Court, for use against aggression within or between countries or regions. Citizens not on military or police duty cannot possess or use weapons. Severe repercussions should be specified in regional penal codes.
- 7.3. All regional and local trade of weapons and other systems with aggressive uses is forbidden. Permission from the global parliament is required for regions to possess military forces as stipulated in paragraph 7.2, and the global parliament shall formulate conditions for acquiring the associated weapons.
- 7.4. A penal code details acts not permitted in society, such as violence with or without use of arms, theft, economic criminality and destruction of environmental assets or other resources, whether they are personal possessions of others or part of the common infrastructure of society. In particu-

lar, use of cyber attacks and other spreading of malware, and distribution of spam, is forbidden (spamming being both an attack on computers belonging to others and a violation of the ban on advertisements).

## 8. Changing the constitution

- 8.1. Making changes in the constitution requires adoption in parliament and a subsequent general referendum, both with a majority of two thirds, and can only happen after the preceding constitution has been in force for at least 25 years.

There is a smooth transition between the increasingly more detailed prescriptions in paragraph 5-7 of the universal constitution and the laws that would be passed regionally, and a similar transition when going to the local level. The regional setup of governance would consist of the provisions of the global constitution supplemented by constitutional paragraphs and laws reflecting the particular aspirations of the regional society. If the regional society heeds liberalism in an ecologically sustainable form, it may extend paragraph 5.1 of the universal constitution by more concrete delimitations of the freedom of private enterprise deemed compatible with environmental sustainability and social responsibility. A regional society heeding socialism would presumably go further with respect to redistribution of income.

International organizations such as the European Union



should align with the provisions of the universal constitution, in the interest of strengthening democracy in the member countries.

Paragraph 5.3 in the universal constitution eliminates private property rights to land and natural resources but it could be deepened and clarified in the direction of demanding that all real property should be available only for rent. The non-transferability of rental agreements imply that a new person can rent the property when a rental expires or the renter dies, which is consistent with abolition of inheritance that would separately be made illegal, except for small items of sentimental value. Transitional rules should be made for people who presently have paid back the loans on their real property, fully or partially, so that such people are relieved of paying rent, in proportion to their ownership fraction in the current system.

The rule that all pecuniary transactions must go through a central bank has advantages in addition to those pertaining to businesses unable to pay their creditors, in that tax evasion by undeclared work or moving money to foreign tax shelters will be more difficult.

Other regional specifications could deal with ways of measuring or extracting the data required for calculating the novel measure of desirable activities (MDA) in an unambiguous way, as required for lending the key roles of defining social development goals and measuring progress to the MDA, and to define the concrete conditions for financing a basic income of a certain magnitude, should this be the choice of social security net.

The building sector discussed in the chapter on meaningful occupation is quite important due to its large role in people's private economy. Current practices are errant, with house prices often not reflecting the full maintenance and energy costs of living in the house, and with prices still influenced by the transient inflation happening up to the burst of the bubble economy in 2007. The false impression that buying and living in a substandard house is cheaper than building a new one of acceptable standard is one strong argument for establishing a public building company that may serve as a backstop for the excessive pricing of some private builders.

Suggestions for legislation would comprise making clear requirements for building renovation, say to be effected when a house changes user (or owner, if the ban on property rights only comprises land). The public tax assessment of buildings would also have to adapt to the real value of using the building over a period into the future (say estimated from a life-cycle analysis), so that houses that are best demolished do not receive a positive value. The public assessment is known to influence market values, so this is important (but again depends on whether the market is based on sale or rental). The focus made here on the building sector is of course motivated by the constitutional requirement that all citizens must have access to (being able to afford) a decent dwelling.

The demands that the universal constitution places on media behavior, and particularly when they influence election outcomes, may be handled differently in different regions, because of the differing practices of journalistic activity that may have developed over time. One option is

to work through public radio and television networks, as it is presently the case in many European countries, another to establish media providers in a joint public-private framework. In any case, the media providers must comply with paragraphs 5.7 to 5.9 in the universal constitution and thus be free of advertising or commercial influences, and they must disseminate issues having political implications with objectivity.

While paragraph 4.6 in the constitution does not aim to prevent likeminded people from forming political parties, there are set limits to how much such parties can bind elected members of parliament, because these are supposed to be bound only by their own conscience. There is no objection to groups of people, members of a party or not, to join in a program forming the basis for candidates to run their election campaign according to. However, putting pressure on elected parliament members would be a felony, although some delicate distinguishing may have to be made when a parliament member abandons views presented in his or her election campaign, and possibly claims that it is “conscience” and new events that have caused the change in views.

In any case, the limit placed on the period of functioning in parliament or government in paragraphs 4.4 and 4.8 also helps limit the influence of political parties on government decisions to what common free speech allows.

Regional laws may set specific rules for the health services offered, including economic limitations to doctor’s fees as well as requirements for their continued education and openness in communicating with patients. Further, legis-

lation may specify professional standards of continued education for people working in the health sector, including openness about errors committed and compensations to those hit by such errant treatment.

The mixture of general and specific rules also characterize the education and research sectors, where the overall objective is to make sure that all important disciplines are offered at the relevant levels, that a sufficient number of graduates are produced to satisfy the needs of society, and that the general knowledge among citizens will allow the benefits of democracy to be reaped. As mentioned, this requires a broad education without specialization at the primary and secondary school levels, but also to condition the higher levels of education by entry requirements or ceilings over numbers admitted, so that all relevant topics are fairly represented, and so that everyone does not choose ballet dance (just an example) as their preferred lifework.

Regarding innovation in industry, regional governments can help by strengthening interdisciplinarity and a balanced weighing of basic and applied sciences in the higher education and research. However, this must not lead to demanding that all research should be industry-relevant, as seen in the European Union “Framework Programmes” and several national research programs. Basic research is still the only road to entirely new insights, but on the other hand, interdisciplinary explorations of border areas between basic and applied science may be very rewarding. They may be established either by collaboration between researchers coming from more than one discipline, or by individual researchers acquiring cross-disciplinary

abilities and insights ranging from fundamental questions to the expectations of technology users.

Quite generally, inspirations between disciplines are important sources of new ideas, including not just closely related areas but also mutual injection of insights between natural, humanistic and social sciences. Let me remind you that Albert Einstein's theory of relativity was inspired by a science fiction story by Aaron Bernstein (in *Naturwissenschaftliches Volksbücher*, vol. 18, 1880), and that Niels Bohr's complementarity principle grew out of the young Bohr's reading of the unfinished novel *Adventure of a Danish Student* (1824-1843) by Poul Martin Møller.

The regional legislation can establish a more concrete framework for the social safety net spanning from free hospitals and medical assistance to help in all situations where a citizen is unable to cope with the problem.

Arrangements for securing law and order would be specified in regional legislation on the basis of the guidelines in the universal constitution. The suggested upgrading of the minimum educational level for police personnel is meant to diminish the cases of police misusing its authority, but often the problem has been in police management and its possibly being influenced by political wishes. The extended constitutional test may influence this in a positive direction, and the expanded role of the ombudspersons will ensure that violations caught will have consequences for those implicated. Furthermore, individual police officers and other civil servants can better say "no" to an order in contradiction with human rights, when this is explicitly written into the constitution. Regional law

may further encourage whistle-blowing. The new educational requirements should make police officers more aware of the psychological and humanitarian aspects of the fact that police is given certain possibilities for using violence in a society where violence is otherwise forbidden.

Regional legislation may also attempt to improve the effect of punishment imposed by a court. One might consider asking that all imprisonment should be in isolation but with shorter durations. The shorter durations would be motivated by seeing confinement in isolation as a more severe punishment. This may avoid presently occurring prison environments that criminalize inmates in ways resembling current Islamic radicalization environments, with new hard criminals and new crimes being bred and planned inside prison walls. The purpose of imprisonment should be that the convict realizes that the act convicted for was wrong, that victims are protected against the offender, and that new crimes are not committed after release. Present prisons only satisfy these purposes to a limited degree.

The suggested new tool for measuring desirable economic progress would particularly place countries that reduce pollution from agriculture and industry, introduce renewable energy on a large scale and encourage ecological (organic) cultivation methods for food and textiles, in a better light. The MDA indicator will for instance show that the real growth in many Western countries is considerably higher than in China. This is exemplified by calculations for Denmark in the author's book on *Energy, Resources and Welfare*.

The provisions for decent consumer information compensating for the ban on advertising, and for outlawing all forms of computer hacking, malware, spam and cyber attacks will ease the prosecution of perpetrators, whether organized international criminals or shady business companies. Legal procedures will be taken in the region hit by such attacks and may lead to forbidding imports from foreign companies sending spam, and with the financial setup proposed this is backed by the option to withhold any monetary transfer to the foreign dealer. Today, spam mail is permitted in some countries and difficult to pursue from another region as long as free trade and communication across borders is permitted even if it violates law at the receiving end. On a personal level, we may of course individually note the names of the companies sending us spam-mail and avoid doing business with them. My father used to say: If a product needs advertising, there must be something wrong with it.

Free trade between regions must obey the basic conditions discussed in the proposed constitution and in the chapter on globalization. A transatlantic and transpacific free trade zone may be acceptable if hacking, spam, and advertising is made illegal on both sides of the oceans, and if the lifelong warrantee and recycling guarantee are similarly made obligatory and with equally effective ways of punishing perpetrators.

Attacks on privacy have drawn much debate in recent years, focusing on regional intelligence agencies and web-operator's collecting personal data for commercial uses or worse. The reason that a debate is necessary is the possi-

ble advantages of eavesdropping and whether they can be legalized in ways not overflowing into misuse. Examples are the exchange of patient data between hospitals, which can save time and lives in urgent situations, and the information on money transfers between countries aimed to capture whitewash money earned by illegal operations or trying to evade taxation. Also, surveillance cameras have proven useful in dealing with terrorist movements. On the other hand, repercussions arising from police misinterpretation of pictures have been reported quite frequently, and more generally, most decent citizens want to retain the possibility of not necessarily sharing all personal information with strangers.

Regarding the Internet, a possible procedure would be to check digital transmission across borders, at least as long as some countries allow the uses of the Internet seen as criminal by other countries and by the constitution proposed here. Simple spam and malware filters would catch the majority of dubious mailing and intrusion from mail-or websites without explicit permission. Today, the situation is so muddy that even public websites require permission to capture personal data far beyond what is necessary, and this is nothing compared with what private companies and clandestine agencies do, with or without notification (just look at the number of permissions required to run games and simple programs on your smartphone). Like with surveillance cameras, some data collection could be in the public interest, but this appears to be a negligible fraction of the current private data theft going on through Internet and mobile networks.

Data collection associated with democratic procedures

such as elections is a special case. So far, it has been a characteristic of democracies, that elections and general referenda have been secret, so that no one registers what a voter votes for. The obvious reason is to protect against dictatorial rulers collecting information aimed to punish those not voting for the dictator.

Referenda are sometimes conducted in ways inviting critical objections: While it may be in order to ask voters if they prefer energy from coal burning or from renewable sources, it is not fair to ask voters whether they want more wind turbines in their area or not. In a Danish case, local citizens were asked this question, while the national policy was to phase out coal and increase wind power. Thus, if the outcome of the local referendum was a “no”, would it mean that even more wind turbines would have to be placed in neighboring local areas, or would it mean that the nay sayers would have their electricity supply cut? Issues voted upon cannot be partial as long as a comprehensive opinion of the subject is not solicited (which requires an essay and cannot be done by a “yes” or “no”), but must give the voters a chance to express their overall opinion at a level that does not contain “loose ends”. Too often, such loose ends have been left out of the voting and later filled in by the politicians.

The local level of governance should be focused on providing the highest possible level of welfare to all local citizens. This implies creating common projects between citizens, local businesses and public institutions, in order to solve any problems in the local area (that may well be different from those of the neighboring areas). Key tasks for the local government are primary education, service

for the elderly and disabled, and help to socially needy. Also here, the local administration may be able to account for any special situation in the area, but of course, all these tasks are to heed regional rules and legislation, so that social services do not differ substantially between local areas of the same region.

The new constitution emphasizes the importance of everyone receiving continued education in order to be able to cope with a development that for decades has been so rapid that no one can deliver his or her contribution to the common good (paragraph 3.3) without updating the education received at a young age. Further education should be available to all and therefore be offered at the local level, but of course stretching towards regional educational institutions, the more advanced the level of knowledge needed is.

Also in terms of pre-school learning, the local society has an obligation to secure adequate and qualified teaching offers for nursery homes, kindergartens and after-school-hours recreation facilities, all with use of pedagogic personnel having updated skills directed at preparing the children to a life in fulfillment of the new constitutional conditions. This also means making the children aware of the negative impacts they may be exposed to from previous schemes of power distribution, including conserving attitudes of parents and certain groupings of other children.

The local level of governance is carrying out its administration in city and local councils, in collaboration with the regional government but with toning of priorities

prompted by local differences. Technical and other management units see to that local efforts are carried out and perform implementation and control of compliance with regulations, as today.

One area requiring special attention is the local segment of the health sector. Practising doctors can provide flexible service due to the nearness factor, but systematic updating of qualifications is in many cases a somewhat neglected area. Local administrations may further educational effort by providing conditions for practising doctors or small health centers that allows all to attend to regular courses and other further education, making sure that patients get alternative attendance if their regular doctor is away. The local administration also sees to the adequate availability of specialist doctors in the area and evaluates the collaboration between local doctors and regional hospitals. Citizens should be free to select their preferred local doctor, specialist or hospital.

As mentioned in the chapter on expensive medicine, the current collaboration between the public health sector and medical firms is far from perfect. This must be changed on the regional level, but local administrations can contribute by setting conditions for the local pharmacies to follow, so that pharmacies serve the community and not the pharmaceutical industry. Alternatively, communal pharmacies might replace the private ones.

With respect to transportation, the local technical management is, like at present, responsible for securing safe roads or bus transport between populated areas and the schools and children's institutions, for making sure that

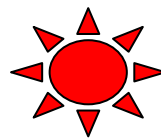
enough public means of transportation are available, that there are walking and bicycling paths to shopping facilities and to recreational sites such as forests, beaches or places with cultural activities (museums, stages for theater and music, and so on). Also electronic cultural services such as libraries should be under local administrative supervision.

The local authorities must supervise the social security net so that no one falls through the mesh. Like today, local responsibility also comprises building inspection, valuation and, in the new rental system as it was earlier in many countries with rented apartments, control of rental charges. Local pollution and health impacts from local activities should be controlled, and polluting industry or vehicles should not be given access to city areas of say more than 4 000 inhabitants. As long as such vehicles still exist, it will be necessary to establish parking lots outside the city areas, where bicycles, e-bikes or e-trolleys can be rented or electric taxis called. All local train or bus transport must use non-polluting vehicles.

Regarding agriculture, fishery and food producers, the easiest way to eliminate unfair competition between acceptable and unacceptable products is, as mentioned in the chapter on consumption, to demand that all cultivation is performed without use of pesticides or according to ecological norms (the difference being that ecological agriculture also forbids chemical fertilizers and genetically manipulated crops). Requirements for ecological production of food and other consumer goods likely to get in contact with human skin or organs are of course regional or global, but a control function will often be needed on

the local level.

Funds for the functions of local administrations should be provided by the regions (through taxes) and fairly independently of the tax contributions from each local area. Basing allocations for construction work and similar investments on MDA assessments should help to avoid that money is allocated to a personal motorway for some local politician.



## **From here to there**

Is it realistic to think that current political and economic thinking can be changed in the direction of a sustainable welfare based upon a society without glaring inequality and the frequent violent or teeth-gnashing conflicts caused by inequality? Of course it is possible. Neo-liberalism is not a law of nature and it has occupied the agenda only for a few decades out of the million-year presence of human being on Earth. The question is how we can most easily come out of the misery.

Many of the benefits we enjoy in present societies and associate with welfare were suggested already in 1848 by Marx and Engels: Free primary education, abolition of child labor, progressive income taxation, and public control over strategic sectors, the latter prevailing for about a century but largely again abandoned when the neo-liberals came into power some 20-30 years ago. The French socialist Jaurés in 1902 added equal rights for women and men, use of general referenda for important decisions, freedom of the press, abolition of death penalties, free defense in court cases, and the separation of church and state carried out in many countries. The Scandinavian Social Democracies continued this line by introduction of free health services, extending the free education to university level, state pension for all, unemployment benefits and public support for those incapacitated.

The challenge today is in part not to lose the rights and

benefits already secured, and in part to stop the increasing exploitation of human beings and nature resulting from neo-liberal efforts to augment disparity in the societies. Karl Marx thought that his propositions could only be introduced by armed revolution. The Scandinavian welfare development from the 1930ies and onwards showed that Marx was wrong. For this reason, I find it exceedingly probable that a new constitutions like the one outlined in the previous chapter can indeed be introduced by peaceful means.

The bottom line is that the changes suggested in the proposed constitution is to the advantage of over 90 percent of the population and that only a few percent have an interest in preventing the changes implied. In a democratic society with a parliament elected by all adult citizens it only takes to vote the right politicians into the parliament. In many democratic countries there is only a minute chance that the remaining few percent opposed to the changes will take to violence in order to guard their privileges, and in most democracies, the military is not wedded to the elite of the richest.

So why has the majority that would be benefiting not long ago implemented changes such as the ones proposed here? One explanation is the successful manipulation staged by those wanting to keep their privileges. Ingredients are misinformation, smear campaigns and propaganda by media owned by or in sympathy with the cause of the rich. This is nothing new. In the 19<sup>th</sup> century, anarchists were depicted as terrorists with bombs in their back-pockets and easily rejected without discussing the primary anarchist thesis, that rejects any authority and

favors a highly decentralized form of social democratic societies. Later, some fifty years ago, you just had to whisper "communist" to oust someone you did not like, and today, "terrorist" will do the same thing, including in several countries time-unlimited detention without involving a judge.

The people have not used their voting power to change things, because they do not see that the party-based oligarchy has given them the chance to do so. There are very few exceptions to this. One that I recall from Denmark is the mentioned rejection of nuclear power despite a 100 % majority in favor of the nuclear option in parliament. Today, we have near 100 % neo-liberals in parliament, so only a debate initiated outside the party-democratic system can hope to indent on this majority. The starting point for such a debate could be raising the question of whether politicians populating the parliament for the sake of their own livelihood can meaningfully represent the citizens who vote for them or their party.

It is symptomatic that general referenda often yield the opposite result of the one favored by the parties in parliament. For this reason politicians often go out of their way to avoid direct democracy. The way around these obstacles is to revive the tradition for public debate, using the few media still open to that, now that newspapers and television networks have been adopted by the one or two percent minority. A public movement may still be able to sway the politicians, if they see that as their rescue from losing their seats, and if not, success spreading of the important questions forming the contents of this book from the current party-based parliaments to an extra-parlia-



mentarian movement of citizens and voters might create the consciousness leading to election of sympathetic alternative people to seats in the parliaments.

The argument that voters have too little education to understand the issues involved is probable false, at least for a majority of citizens in current democracies. People do know that they have the power to elect someone that will change the system, and if it is openly revealed that it is to the benefit of the vast majority of the populations to do so, it should be possible to get the extra line added to the ballot, where the decisive tick can be placed. A new government with a majority in parliament may introduce the new constitution over a short time (in many countries a qualified parliamentary decision plus a general referendum, in some countries to be followed by a new endorsement by the following government).

Following the decision to implement the new constitution, a subsequent conversion process will have to be thoughtfully implemented, making transitional arrangements ensuring that no one is lost in the turn.

It is clear that the changeover will be easier if it happens in more places and at best globally, because some of the new rules for production of goods and services impact on import and export operations. Due to the current presence of strong cross-boundary influences on lifestyles, caused by prolific advertising and media and cultural content biased towards acceptance of the current neo-liberal paradigm, countries continuing along the present path will likely try to make it difficult for dissenting regions. It will clearly help if the revolt is unfolding in more places.

Also “inside” opposition can be anticipated: A (young) person that has been taught that friendship is a tick in a box appearing in someone’s social media profiles rather than the result of physical or intellectual contact and a sense of accord will grow up to find it more difficult to see through false claims in advertisements and may shy away from voting alternatively in fear of what the Facebook friends will think.

Even if the transition to democratic equality and social sustainability cannot proceed equally fast in all parts of the world, it must be an advantage to aim at a largely identical constitution globally and regionally (or nationally). Expanding the charter of the United Nations to be able to stop wars not only between countries but also within national borders will in conjunction with the ban on weapon’s trade be a decisive step towards a more peaceful world. In such a world, the importance of map borders will diminish and the timeliness of using the term “region” rather than “nation” will become more evident.