UNIAPAC FOUNDATION
When Economy exceeds Economics
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1. The Crisis.

1.1 The Crisis as a Reference.

It seems like the economic crisis is here to stay.

It manifests in different faces like a monster with many heads along its development; however, it is all a part of the same phenomenon. Its first face was shown with the subprime problem that showed up with enormous amounts of non-payable mortgage debts planted in the global finance system through financial derivatives, which contaminated the whole system, perhaps hoping that contamination would get assimilated by it, and would show up only gradually, with no big affectation. This had been going on for quite some time with no signs of disturbance, and was probably believed, there would be no reason to think otherwise.

We know partially the end of the story. Economics have to be considered in a reflection regarding the causes of the financial and economic crisis. It should be done as something that has affected society globally, with due considerations regarding geography and the elements related to the finance activity.

1.2 The Financial Bubble.

Within the financial field, they do not feel any sort of guilt or scruple fascinated by the so-called creativity and efficiency surging within the sector.

Out of the bubble and in the real world of production people recognise something irregular: the lack of real financial backing of many securities held by the financial institutions. They were mere papers deprived of real economic value. The debtors referred in the documents had no possibility of paying back their debt. They had obtained loans without being real subject of credit. There was money that was lent as mortgage to people that could never pay back.

It was a chain of acts of negligence carried out in the finance sector. It started in the mortgage market in the United States, carried out by mortgage agents encouraged by the government, as well as a series of loan receivers. They all knew that the loans could hardly be paid back by the debtors; nevertheless, they kept selling further documents in a sophisticated manner of financial trade to banks interested in making money through cashing the debts represented by the documents. After years of acting this way nothing seemed to result negative from that practice; consequently it was believed maybe it would never happen. It was most probably never expected that this matter would be caught up by reality.
1.3 Reality reached the Bubble.
The disease finally appeared, and reality acted with unexpected efficiency due to the
globalised connectivity, as a pandemic disease.

The debt crisis appears as the new face for the same phenomenon that finds its roots
in the inefficiency of public sector of several countries which are living beyond their
means. Some of them supposedly acted with negligence due to progressive
accumulation of deficits caused by the expenses carried over for social services,
without a basis of sustainability, or simply money lost in speculation to regain in the
financial market, what turned into a deficit in the current accounts. At the end of the
story we find the same lack of responsibility on both sides, the government on one,
pleasing society to gain popularity to retain power, and society wanting to believe
that money and resources are created by the government by magic, accepting to live
in an unsustainable way, with unexplained incomes.

1.4 The Crisis is not a stumble or isolated Fact.
The origins of the crisis, however, must be searched in the intrinsic and extrinsic
elements that affect the economic system. The crisis reveals accumulated actual way
of acting, embedded within these mentioned terms this has been going on for years, and
developed as an insane tolerance for irregularities. Decisions must be taken to
change the status quo and make way for a new phase of reality.

For some, the crisis has only been a failure of the system that needs to get patched
and fixed in order to get it back to its feet and then get back to business as soon as
possible.

However, the crisis has not just appeared as a mere “tripping step” in the history of
economy, it has a history of decades of unbalanced and inefficient economic activity.

1.4.1. It is a complex Phenomenon with a long History.
It is a complex phenomenon that has been building up for several years. Lester
Thurow describes in his metaphor of the tectonic plates, how economy has been
accumulating entropic energy that is being held back, and must sometime be
released, producing an earthquake.

1.4.2. It is a Process of increasing Entropy.
This erosion has increasingly grown in the last decades, being caused by different
factors that have to be assessed in order to reorient or reconstruct the economic
system and give it a less entropic way of developing.

1.4.3. Is the Crisis a Disease or only a Symptom?
In this respect it ought to be clear whether the crisis is a disease itself or only a symptom of the phenomenon. It may be the case that economics has become of age, and this has to be recognised and assessed in order to have it survive.

2. Discrepancies.

2.1 New Challenges.

An assessment of existing mechanisms and postulates vi is needed. Trade, the core of market economy, is not so easy to monitor since it was globalised. Checks and balances are, therefore, mistreated vii.

2.2 Trans-Border Trading.

Trade has traditionally been regulated by national State of firm's location and operational activities. With globalisation, domestic regulations can be over-crossed and firms follow their nature, always looking for a way to strive.


3.1 The Phenomenon of Globalisation.

Globalisation has helped large transnational companies to make larger profit, legally pay less tax thus saving on transaction costs. Meanwhile, national States have been limited by the geographic jurisdiction of their domestic legislation viii. There is a mismatch of legal competence in regulating trade and competition.

Due to its capacity of information transfer in the highest speed, financial trade has become thousands of times larger than regular trade ix of goods and services.

3.1.2. Lack of Law Reinforcement at global level.

"Economic activity is globalised, law reinforcement is not" x. The world is flat, as says Thomas Friedman xi, however it does not have the same flatness everywhere, there are different plateaux, some of them unreachable by many.

Checks and balances seem to be impossible in the globalised reality; this mismatch highlights that part of the problem is of intrinsic nature. That could hinder the possibility of participating in a market economy, which is based on the Freedom to participate in the Market.

3.2 The Possibility of Greed as a Cause.

Greed is the main motivator not only in the financial sector, but also in the economic activity in general. xii May this be a factor in the economic science that makes it fail in its pursuit of welfare? Why is economic performance measured only by Growth of GDP without assessing the rest of effects expected from this growth? Does the greed of some prevail over the welfare of the majority?
4. An institutional Problem.
We must recognise that the mechanistic part of the problem is somehow identified, however, not yet solved. It is a matter of institutional nature; a problem of competences to regulate trade and finance in general in the same arena where economic activity takes place.

The notion of responsibility must be faced against that of pursuing one’s own interest. This is a place where this reflection needs depth to make clear the notions involved herein.

4.1 Ethics implies Responsibility.
The satisfaction of one’s own needs and interests can be done with different attitudes and intensities and within limits defined by Responsibility.

The lack of responsibility is therefore a lack of morals\textsuperscript{xiii}. The void of ethics generates challenging situations.

The following interrogation has to be asked: whether ethics as an attitude is identified with this situation as an attitude involved in an isolated situation like that of the “sub-prime” challenge or whether it is an epiphenomenon of a larger crisis, highlighting how irresponsible attitudes such as greed were the main driving agent of economy.

4.2 Unbalances and Mismatches, are they structural?
A deep revision of economic systems should be conducted contributing to identify mismatches and unbalances to avoid the building up of entropic energy\textsuperscript{xiv}.

4.3. Need of an in-depth Cross-Analysis.
A Cross-Analysis which can explain the main agents of the structural and complex composition of elements may lead to needed major changes in all of the reality, involving economics as a whole.

5. Integral Approach

5.1 Holistic and systemic Approach
In addition to regular economic postulates, the analysis of reality has to include the serious consideration of other elements. This means, recognising that reality is finally one integrated system, not a juxtaposition of independent sectors or objects gathered in groups with boarders and space between them that will be put together or separated at will\textsuperscript{xv}. Let us face reality in a systemic and holistic way and let us do the same as we contemplate nature.

We might be enlightened and in capacity to reorient action with wit and efficiency.
5.2 A new Paradigm.

This proposal is based on what seems to be a new paradigm. This leads to contemplate nature as one, opening doors for innovative possibilities. During the last decades, the non-integral approach, governing for the last centuries, seems to have been exhausted due to modern technology and a lack of ethics. The globalisation process has made it necessary to develop a comprehensive approach of reality contributing to improve sustainability.

5.3.1. Complexity of the new Paradigm.

With globalisation, markets turned into a complex system; new means of observation are required. Globalisation implies the discovery of the woven connections composing reality.

5.4. The Current Trend.

This is by no means a dogmatic position, any more than has been the one we have been living in the last centuries: a paradigm based on what has been called modern science.

5.5. New Science is not included in the present Paradigm.

It is about a hundred years since Einstein, Bohr and Heisenberg have made their discoveries. It should be time now to take into account the possibilities comprehended in the vision of reality as a whole, and expressed in the unity of creation. This represents an opportunity to work, becoming ever more as cocreators with the Creator towards the perfection of His work.

5.6. Enhancing scientific Inter-disciplines

This new dynamics enhances a scientific inter-disciplinary approach and complementarity.

5.7. Return to the Raison d’Etre of Economy.

Economy was, initially part of philosophy, aiming at the satisfaction of the needs of the person in society, and Economy was thought as a tool serving “Social Harmony”.

The fulfilment of the vocation of economy, is the meaning of our reflection. This reflection, has the purpose of finding out and finding discovering ways to make economy perform what economy is supposed to render in the first place: serve mankind in the sense of being the means for humanity to satisfy necessities, and in so doing, to contribute to the generation of common good. This has the requirement of the existence of a common good, which must be considered as being the conditions that permit society and each person pursue their integral development as a person as well as society.

5.8. The original Nature of Economics.
With such a view, Economy recovers its original role as Provider for Harmony, at international, national, communal or family levels, in producing the goods and services needed for their development.

6. Economy and its Adaptation.

6.1 A battle developing an autonomous identity.
In its actual form as “Market Economy” or capitalism, economy is generally experienced as a continuous battle among economic factors and actors, in order to achieving through competition the sole goal of a profit, ever increased. No concern is given to those either affected by the behaviour of the actors, or to the excluded from the market. With the prevalence of economy in our current reality, its meaning has been itself deviated and inflated beyond the participation within the process of creation of goods and services, understood now as the capacity of constantly increased acquisition of goods in a supposedly virtuous dynamic contributing to satisfy each individual and therefore society.

Modern economics gives itself and gives reality a new interpretation by the proposal of Adam Smith in his “Wealth of Nations”, having the market as the place where everyone meets to satisfy personal interests, and in doing so, the virtuous mechanism of the market acts as if there were an “invisible hand” intervening to allow everyone get what he pursues to reach happiness.

6.2 Economy as Capitalism, excluding Ethics and Government.
Various interpretations have been given to this proposition: While Libertarians promoted the minimalist role of governments, as rule makers and individual property protector, “Rhine Capitalism” proposes that governments play an active role in economy, endeavouring fair competition and avoiding/mitigating the unwanted effects of the market, such as exclusion. This is the origin of Welfare States. The first approach does not consider the fact that an ethical behaviour is expected to accompany the economic process. Adam Smith, as an ethicist, could not have left the invisible hand act without the ethical consideration of participants. Adam Smith mentions this explicitly. Where does ethical behaviour disappear? As “Economy” turned into “economics”. At the moment when it was decided to make economy an independent science, detached from Philosophy and entrusted with the task of Wealth Generation through creativity, allowing everyone to pursue his own interests in such a manner that greed became not only possible, but a virtuous attitude if exercised in compliance with the Rules of Competition.

6.3 Economy and Post-Modernism.

2 Inspired by the name of the river Rhine, around which, European countries in the vicinity of this river developed their concept of Capitalism or Market Economy with a clear role for Government, and Germany in particular, still embodying the success of its Social Market Economy.
What started to become a problem was the Distribution of Wealth, and later, the abuse of persons in the production process. These problems became ever more acute as some features of current thought, which emphasised ever more “individualism” with an impulse toward personal freedom, which lead to a “freedom” without equivalent responsibility.

This process continued with the logical path of ever more freedom, moving all the way to relativism, in order to keep individualism alive and growing. However, increasing relativism leads to the absence of an objective truth. Everyone has his or her own truth resulting in indifference and equivalence, making everything equally right. For the relativistic thought, nothing is wrong by nature, and therefore there is no difference between Right and Wrong, and consequently no Sense of Value and finally, no Values at all. Most noticeable is the lack of meaning of life in general, including one’s own. When everything has a personal interpretation of meaning, and value, if there is one at all, the lack of values generates a directionless reality. It lacks sense, and leads further to the confusion of means and ends, allowing economy to become an end in itself and so its wealth focused on the mere interest of the system itself.

6.3.1. Economics developed as an autonomous and denaturalised Science by post-modernism.

This is how “Economy”, has been dispossessed of its Nature, allowing not only its Autonomy within Reality, but also its lack of care for Social Harmony and the general Well-Being. On the top of it, it acquired preponderance in reality by becoming the critical element of reality, a fact that has had consequences we are beginning to regret: the deterioration of Environment and its Consequences on the Climate Change, the Deterioration of Society, which places Mankind in a critical position, and the paradox of leading the economic system to its own destructionxxi.

This is the drama of post-modernism. It affects every part of reality, including economics, in which case, this specific manifestation of a mind-set imbedded in culture, and it plays a role of contamination. Social Sciences including Economy exist in a constant Dialogue with Culture and both have a deep reciprocal influence on each other. Science and Culture live in a kind of symbiotic relationship, always hard to detect, unless awareness surges out of the presence and influence of culturexxii.

6.4. Economy and Culture.

A culture is usually evident only to those who do not live within it. For the society living within it, it takes a deep dive into the cultural phenomenon to realise its presence and become aware of its effects on the way of life, and in the way of thinking and perceiving reality. This is the reason why it becomes sometimes clear what is inside of it only when compared with another culture. Culture, considered as an extrinsic element to science, does become intrinsic, due to its pervasiveness, which penetrates science, giving the impression that the
behaviour it produces is a part of natural human behaviour. A known culturist once expressed that “culture is to be thought as an overlay on the universal human nature”.xxiii

6.5. Post-modern Thought as Supra-Culture or Mind-set

Post-modernism is not a Culture itself. It is a philosophical thought evolved from Modern Philosophy that generates a “mind-set” and some specific Behaviour in respect to Reality. Despite not being a culture itself, it does penetrate culture and acts in the same way culture does regarding human perception of reality and all activities, including economics. This behaviour trend, born from the Western Civilisation, has disseminated its influence over additional Cultures, particularly in the economic realm.

Post-modern Thought must not be ignored in this analysis, because it is included in the economic behaviour, although, not everyone may be aware of this; “an overlay on another overlay”.

6.5.1. Relativism, a Product of Post-Modernism.

One characteristic of post-modern Thought is the emphasis laid on Individualism, with the support of Relativism, generating a moral void as consequence.

6.5.2. Relativism and Senselessness.

Relativism generates a state of senselessness as a part of a culture not easily perceivable; a Vacuum – difficult to identify by essence - of Meaning. Without the recognition of an objective truth, there can be no clear direction towards which things have to move. The only value is what is immediate, material and hedonistic. Hence, things including human effort or life are deprived from purpose. Therefore, there is no difference between Means and Ends. Only what is immanent is true and contains an objective value.xxiv This is the current “logic” driving Economics and economic Activity, as a purposeless activity, which does not go beyond the production of material goods or hedonism.

7. The big Picture.

7.1 A clean new view to move forward.

A new Era, with a new Reality and a new Thought must be generated. However, the change of Époque is not automatic.xxv

7.2. Decision Window approaching a Chaos Point.

We are currently facing a decision window to approach the “Chaos Point”xxvi where all the ways end, and a bifurcation of ways surges, based on new and old propositions. An innovative approach is needed, to move out of the crisis we have created, based on the paradigm of a fragmented reality, where we, humans, feel divided ourselves and separated from reality.
Albert Einstein stated that problems cannot be solved from the same mental level that generated them. They need a new level of thinking, a new paradigm in order to make a solution possible.

7.3. Positive Heritage of the present Paradigm.
The actual or old paradigm cannot, however, be only qualified in a negative manner. During its frame of thought and time a platform was created through which many things became possible. Inventions, like modern science and technology in general, and modern economy in particular.xxvii Welfare for society was created in many countries that reached development. It also made possible the amazing development of modern technology, which has allowed a safer and comfortable life for a large part of the population.
On the negative side, the current paradigm has eroded nature, provoking climate change, and it has affected society creating an abysmal boarder between the “haves” and “have-nots”, a shameful division of humanity resulting from the difference in economic incomexxviii.
The new needed paradigm will aim at sustainability, by placing the Person as its centre of attention and action, in such a manner that the person becomes the beginning and end of human activity.

7.4. The Need of a new Paradigm.
This vision involves a new perception of humanity. One that considers mankind and every human being in full responsibility towards all of creation, which includes an integral and integrated notion of ethics, based on an objective truth, and therefore on sense and purpose. It includes a clear perception of value and hierarchy according to natural law.
This vision must include a Contemporary Science with concepts such as connectedness, interdependence, “relationality”, non-locality, and “transcendence” some of them comprehended in the Encyclical “Caritas in Veritate”, and will play a critical role in the definition of this new paradigm. xxix

This apparent dispersion from the main theme of economics cannot be avoided. It has been made clear that the frame of thought mentioned as a product of a culture or its supra-structure upon a culture, has an influence on all of reality, of which economics is a part. Therefore this new proposal for a new paradigmatic frame should also be a reference for a new economy, inspired through and instrumented within the principles that a new reality would pose for us. A notion of economy centred in the person, aimed at the common good, which comprehends a clear concept of an “integral sustainability”, a comprehensive concept of sustainability, that includes the PPPs of Sustainable Development; Profit, Planet and People plus the fourth “P” of the Person and its centrality, including therefore both, the material and the non-material dimensions of reality.

7.4.1. A System centred on the Person.
It would probably not be easy to conceive all at once such an economic view, a vision that can comply with all of the mentioned requirements. It can only be acted on the
actual system and try to make it fit with the described principles of being person centred\textsuperscript{xxx} and aiming at the common good. “We are the System”\textsuperscript{xxxi} so we can change it and make it fit new realities.

7.5. Clues for Paths.
It is necessary to find what should be within the economic activity to orient it towards serving mankind, excluding the circumstances perceived as unwanted and describing what is wanted and perceived as adequate and required. Every human dimension needs to be taken in consideration.

7.6. Unwanted Results of Capitalism.
Some of the unwanted effects are exclusion, unfair dispersion of income, insufficiency of income for the greater part of the population in order to support a family, and achieve personal development in all the respects already mentioned. Within the current effects of the system, it is needed to identify and distinguish among the composing elements of Economy, the ones serving mankind and the ones causing harm to mankind.
It will therefore appear that capitalism, despite serving notions of Efficiency, Trust or scarcity, does not perceive values such as Justice, Necessity, Transcendence, Meaning, etc.\textsuperscript{xxxi}.

7.6.1. Looking for Positive Features.
This is about an inclusive system based on Freedom, which allows participation and a sense of belonging in human society, based on Responsibility and Subsidiarity, that will enhance the participation of everyone, according to the Will of each Person and the person’s Capacities and Gifts, within respect for human Freedom and Dignity\textsuperscript{xxxiii}.

7.7. Is Exclusion an Effect of the Capitalistic System?
What is within the economic system that prevents the equal participation of each member in society? Tom Friedman’s view of a flat world is only expressing a tendency of a world getting flatter,\textsuperscript{xxxiv} but unfortunately not yet flat enough. The non-flatness lies perhaps mainly within the system, and consists maybe of the key mechanism driving the economic system: competition.

8. Competition.
Competition gives sense to the market, in order to make it work, by offering the opportunity to confront the best possible product at the best possible price to the public with a most efficient resource allocation.

8.1 Competition: a motivator for improvement.
Competition is considered as the motivating mechanism dedicated to deliver a better product and gain a position on the market i.e. being presented to the public offer. Competitors are encouraged to creativity in order to keep the first position.

Competition is based on the belief that nature takes the fittest as the winner\textsuperscript{xxxv}. However, there may be an auto-contradiction because it is not possible to know whether it actually is the best mechanism possible to achieve competitiveness, if there is no other mechanism in economy to compare it to, and compete against\textsuperscript{xxxvi}.

If the Market, acts just as Nature does, Competition is certainly a natural mechanism stating that competition is the way of choosing the best, by the function it is supposed to perform. It allows the rule of “the survival of the fittest” be what applies for the good functioning of the market.

This principle proved well, as proposed by Adam Smith, that, some decades later, it was adopted by Charles Darwin to explain his theory of evolution.

8.2 Competition may be an Agent of Disruption.

Competition however, may be a disruptive and disjunctive process. It is based on the “either you or me” attitude\textsuperscript{xxxvii}, which has made human history an apparently wasteful process: in that, it presupposes the elimination of all but one, in order to choose the best of two or more. When the question is about market competition, the purpose is to defeat, and even destroy the contending party. Such a process may annihilate wealth and the livelihood of others. It can also destroy productive capital and infrastructures.

Nevertheless, there has never been any other way recognised, as being more positive for the functioning of the market as a mechanism that requires competition to make supply, demand and price meet. Barry J. Nalebuff and Adam M. Brandenburger have proposed a “collaborative competition” also named “coopetition”, as a path-breaking concept that looks for opportunities to complement instead of directly compete, and adding value to the action of the firm, by this complementarity and the enrichment of relationships through these means.

However, the mechanism of competition remains being the sacred paradigm in several activities, particularly in economics.

Effectiveness of competition in the sense of choosing one among others cannot be contested, except when it excludes others from the mechanism. Competition always requires a referee that can judge the actions of the competitors to keep competition fair.

This could lead to the question, of whether it can be expected the achievement of an inclusive economy, when economy’s central mechanism is based on exclusion.

8.3. Competition in Nature.

The competitive instinct exists in nature and not only in human behavior. War is the ultimate form of competition and its metaphor is present in economic activity with expressions like price wars, aggressive marketing campaigns, going over to its presence in the struggle for social status, in sports, and obviously in economy.

Nevertheless, there have been found collaborative dynamics in nature\textsuperscript{xxxviii}.

Whenever there is competition at play, there must also be the means of controlling and keeping the activity in check, as done in sports, so that it does not end up in plain destruction of the game and the team players.

8.3.1. Competition, a double-edged Knife.
Competition needs to be submitted to the external control of a responsible Authority. It has limits, and it works effectively only within them.

8.3.2. Competition’s Need for Law Reinforcement.
Competition needs law reinforcement to be creative in economy. Wherever and whenever the role of government is not effective, it runs out of its convenient limits producing exactly the opposite effect such as monopolistic practices: those, on the long run may be opposed to social cohesion and harmonious economic results for further growth.

8.4. Is competition unavoidable?
To answer that question, it would be useful to assess whether competition has been the only “best” mechanism for economic growth and development as well as social well-being or if there could be additional dynamics such as positive emotions including passion, good will, conviction or altruism that serve with increased success efficiently the purpose of economic development, growth, and social improvement.

Competition is not always avoidable, at least not for the time being, but it is sometimes replaceable.

8.5. Competition was not the single agent of Life and Evolution in History.
A deep investigation of nature is worthy to identify additional mechanisms which can be combined with competition process enhancing the positive effects of the latter while mitigating the dangerous ones.

9.1. Other Mechanisms beyond Competition.
According to biologists, competition was always evidently present as a process of survival. This has been a true process in evolution history. It has been interrupted by some occurrences that have complemented competition or stabilized new processes.

Such was the case as bacteria were still the only living beings populating the earth, looking for their survival, competing against each other. Once a bacterium accepted the invasion of another kind of bacteria and allowed a symbiotic process between them, it generated a strengthening of the process. This collaboration developed the agile emergence of new species, thus forming multi-cellular beings, namely, a relevant leap in evolution.

9.2. Collaboration as Key Alternative.
Today, it is not a surprise to consider collaboration as the key element for effective competition.

It is taking place in the economic reality of the last decades; in the form of collaboration among companies to find a competitive edge where there is the possibility to generate improvements through the intervention of another firm, maybe even part of the competitors of the firm in question.
9.3. Collaboration or Competition?
Collaboration is the base for further development due to a broader expanded stage of awareness without the side-costs of aggressiveness and exclusion. Enriched with some collaborative approach, competition provides a clue to the synergic win-win dynamism. Enriched with some collaborative approach, competition provides a clue to the synergic win-win dynamism. Competition may be an entropic mechanism, when it destroys capital, human work and efforts delivered by others. Competition can be a non-sustainable mechanism and a waste of energy if not regulated appropriately, by a higher authority or synergised by collaboration.

9.4. Collaboration, more productive, and less entropic.
Collaboration can make economic activity more productive and less entropic. Based on increased participatory process, Economy can improve social Harmony and therefore may prove enhanced Efficiency. A collaborative Approach highlights the need on Man Centered Economy and the search for Common Good. It aims to mitigate competition with the inclusive mechanisms impacting on a risen number of beneficiaries.

This reflection leads us to conclude that, neither Competition nor Collaboration are good per se in the dynamics of Economy. There are conditions, which must be met in order to make them become constructive and legitimate elements within this activity. The first one is that both of them, together or separate, must be clearly oriented towards the Common Good as the main justifier for any human activity, and followed by all fundamental social principles proposed by UNIAPAC, and reinforced by authority through regulation and law. This confluence of values and conditions may make the participation in economy a legitimate “Concurrence” in the market, shaped by responsible Competition and/or Collaboration that may lead to make it a more efficient element that contributes to the Common Good to make economy a more adequate activity centered on the person needs as was previously mentioned.

10. EXCLUSION resulting from globalisation.
Let us stand from a general point of view, beyond disciplinary specificities and focus on the modalities by which Exclusion affects societies in general, may it be at domestic level or regarding foreign countries.

10.1. The Feeling of not belonging
Exclusion is everywhere; the amount of people that is in the verge of starving is still very large. Even where societies have a better situation in terms of nutrition, and economical means, they have a feeling of not being part of the world that makes decisions and move things forward. The feeling developed is to be only someone at the “side of the system”, and with no other option but to undergo and serve it.
10.2. Reaction against Exclusion
Reactions to exclusion depend on the perceived degree of exclusion: deprivation of access to active society, threat to livelihood, values, identity, and culture or to a mixture of these elements. This generates a sense of widespread insecurity and anger, since it is an infliction on personal dignity.xlv

10.2.1. Detailed reactions to Exclusion.
The constellation of possible reactions observed by Scientists includes retaliation, on invoked grounds of ethnicity, religion and ideology. Migration to locations where integration within the favored social segment can be reasonably expected is also an alternative.

10.2.2. Fundamentalism, Anger and violence: corollaries of Exclusion.
It is not useless to say what these reactions may have some significance when they become a part of a social reality, because they turn into fundamentalisms which are manifest in terrorism, organized crime, drug trafficking and consumption, without disregarding massive migration, which might develop violent aspects.

10.3. Changing the Perception of Reality by Participative Approach.
Perception is important in the shaping of a sense of reality: it is mediated by elements that are usually unconscious or not fully conscious, namely, culture, religion, ideology, mindset, etc. becoming these phenomena the main source of feedback for individuals and society in such a way that mediated information may become a "truth" for the excluded, albeit not impossible to undergo change. Reality may be positively altered to allow it to reflect objectivity if it is done in a way that allows for a different reality to appear, for instance through positive experiences. This may provide a chance for a new perception of reality, particularly if it is made happen through real participation.xlvii

11. INCLUSION MECHANISMS AND EFFECTS.
Incorporated into competitive practices, participative and collaborative initiatives can mitigate some exclusion trends of the economic process.

11.1. Concrete collaborative Practices
Some companies let their competitor carry out one or several of their processes, due to the advantage this presents for both. it contributes to reduce the cost of production, having someone else perform that part of the process more efficiently, and the firm performing the task for the competition, who makes the specific process more efficient by increasing production and lowering unit costs.

Such experiences are not isolated, particularly in some specific industries, like in food processing, the currier service branch, and others where collaboration in the production stage is enhanced in order to be more competitive in the market. There are more instances of “coopetition”xlviii by sharing suppliers of services or processes.
11.2. Successful examples of collaboration in particular situations.
In Germany, two companies of the same industry branch saved each other from the 2008 Crisis thanks to instances of collaboration. They succeeded getting over the hard times of the crisis and decided to stay in that mode, becoming therefore more competitive for the future.

11.2.1. Proportionality within Collaboration and Competition Coexistence.
Collaboration has been highlighted so far as an agent serving competition, making it more efficient. Although this does not make competition a less entropic at the end, it does help to experience the advantage obtained by collaboration. Let us go further and faster and to the extent where it is not convenient to compete against, but with your own ex competitor to place a better product on the market. This may become perilous for the firm to try to beat a competitor: when you do not know exactly if by jeopardizing his existence in the market, endangering and causing a disadvantage to one’s own process due to the web of services rendered among different companies.

11.3. The “Collaboration Imperative”.
In his book entitled “The necessary Revolution”, Peter Senge urges to accept that if there is no collaboration, things that have to be taken care of in an urgent manner will not get done in time.
Collaboration is the least entropic way of doing things and the most sustainable we know of. Therefore, there is a “Collaboration Imperative”.

11.4. Vector of significant leaps in Nature
Tool for significant transformations in natural history, collaboration could be a crucial agent in a change of “époque”.

11.4.1. System Inefficiencies due to diminishing middle incomes.
How to explain the decreasing trend of real middle income, moving in the opposite direction to the goal aimed by Economy, when income per capita grows?

11.5. Collaboration by will, necessity, and purpose guided by Responsibility based on fundamental Principles.
The combination between Collaboration and Competition occurred by necessity, and initiates a new strength of complementarities, like proposed by Bandenburger and Nalebuff in their “Co-opetition”. Although personal interest may remain as an important human incentive, the mentioned principles and values, plus additional motivation inspired by good will, responsibility, passion and conviction can provide an even greater extent of legitimacy, representing a specific purpose to work together for a common cause.
11.6. Other human emotions comprehended, although not accounted for in economics.
Eager of coherence and faithfulness to the whole of reality, Economy can go beyond the personal focus of self-interest to the spheres of altruism, convictions and ethics. However, this can only be deployed by inclusive efforts and generosity of mankind driven by the Logic of Gift.

A wide variety - and not exclusively rational as supposed in economics - of personal motivations, emotions and mindsets rule the decision making process and approaches to employment, production and distribution markets.

One illustration of altruism and creativity in a different way of participation is the case of the “Wikipedia”. Other mechanisms of creative economic are embodied by “Wikinomics”, and also “Macrowikinomics” suggesting new dimensions of collaboration through trust, enhancing community building capacities and democratisation. Through “web working”, new contacts are woven extending the field of reachable expertise.

12.2. New paths for economic Activity.
These forms of economy open new ways of humanizing the social reality; with the new instruments available in terms of communication and information reinforcing connectedness, sense of belonging, and therefore Trust. This is the proposal of Jeremy Rifkin in his books entitled “The empathic Civilization”, and “The Third Industrial Revolution”. It expresses the importance of “Empathy” as the drive for human and social Cohesion as well as the possibility of building an empathic world to make life, mankind and the planet sustainable.

12.3. Decentralizing
This form of organisation calls for a decentralised form of activity, within order, and developing participation in social, economic and political fields. It becomes necessary to find out what works for, and what works against this bonding, specifically in economy. This would be another way of looking for more causes or elements that make economics inefficient in what inclusion is concerned. Some facts are found in the recent history of economic performance regarding its effects on society.

Lester Thurow, in his book “The Future of Capitalism” highlights the discrepancy between economic Growth per capita and the decreasing real Wages for the specific middle class since the late 60’s. At he same time “all gains of male earnings went to
the top 20 percent of the workforce”. This created an increasing gap within society. It would be interesting to see and review the real causes of this phenomenon generating increasing inequality. It had been always believed that all efforts in economics are about to have the GDP grow to have economy making everyone grow proportionally.

This discrepancy has developed increasingly, albeit the participation of women in the household’s income. The wife’s income never really compensated the decrease in the husband’s wage, causing thus the problem of making children turn into “high priced consumption goods”, becoming more expensive, ever harder to maintain, and ever easier to avoid. It puts then in jeopardy the family’s structure and therefore family values.

12.4. Other Things to consider beyond GDP Growth.
This is the current logic behind what he calls the “eternal economic truths of capitalism”; Growth, full employment financial stability, rising real wages (personal income). And “these truths are vanishing”. This would mean that once economy grows everything else must grow proportionally, including the normal income. However this does not seem to be the case, at least not in the last decades in the U.S. economy. According to the vision of Lester Thurow, something irregular must occur, because none of these truths are happening within a scheme of congruence. Despite Growth there is constant unemployment, financial instability, and a decrease in personal income. This incongruence should be the sign of something irregular, a state of “Punctuated Equilibrium”, as he has extracted the term from biologic science. This deserves the most acute attention if you focus on an economy serving mankind. Everything happens as if such an economy would not comply with this purpose; it is rather Mankind serving the economic system to make it grow with no legitimate purpose: economy is serving an ever-diminishing part of society.

12.5. Congruence of Ideology (Beliefs) and Technology.
Thurow mentions that things flourish when beliefs (Ideology) and technology are matching, and they start to decline, when this consistency disappears. He states: «The intrinsic problems of capitalism... “Instability, rising inequality, a Lumpen Proletariat, are still waiting to be solved”.

12.6. Capitalism and Democracy serving Individualism.
Thurow insists that neither capitalism nor democracy is a unifying notion. They both stress the individual and not the community: everyone looks for his own wellbeing, and do not care about the other’s. If citizens want to be greedy and vote their own self-interest at the expense of others, that should be their right. In the most extreme expression, capitalistic Ethics would consider crime just as another economic activity. Capitalism and Democracy need ingredients that contain Ethics of Common Good and due consideration paid to the Person as a unifying notion and conviction.
12.7. Energies building up for an Earthquake.
Finally mentions Thurow, that when technology and ideology are shaking the foundation of Capitalism, and when technology and believes start moving apart, the only right question is: when shall the “next economic and social earthquake” occur?lvii. Capitalism “will have to undergo a profound metamorphosis”.

According to Jeremy Rifkin, it is empathy that holds society together; this concept should include a concept of Ethics, reinforcing the caring for others. This includes a less entropic manner of carrying out the economic activity.

13.2. Empathy or Responsibility for the Other
A new form of Economy is born with decentralized capitalism, based on the democratization of energy, and enabled by the information technology and the use of non-fossil fuel resources. This form of capitalism allows the main traits of freedom to undertake economic activities and to concur to the market place, however, this type of economy should occur in an open manner, since most of the contacts would be done through the net that allows for multiple forms of connection and collaboration.

13.3. Education to Collaboration, Trust and Empathy
This comprehensive educational model should include the intelligence of mutuality, reciprocity and solidarity and awareness of nature and sustainability.lviii.

13.4. Building a Future through sustainable Relationships
The fact is that this is a plausible and very positive concept and an example of what we must have in mind in order to make a future possible which is not only different, but also sustainable and considering the needs of Mankind, by a clear consideration of the Common Good and the Human Person as the finality through relationships based on these provisions.

13.5. Growth is too narrow to be the sole economic Indicator.
Economy should have several channels to show the purposes it is dedicated to. J. Rifkin underlines how narrow is the way of measuring economic performance. The main reference has been GDP growth, which has been given significance previously, assuming that simple growth thrive wellbeing to all society. Measurement tools should also reflect the effects of economy regarding income by wages and also the extent to which economic activity causes entropy in the entire environment.

13.5.1. A Growing Inequality of Income.
Market Economy has not done a good job in terms of income distribution, and mainly generates unfairness and scandalous unevenness.

13.5.2. Globalisation may reinforce inequalities if the system so does. According to Joseph Stiglitz, it is globalisation to be looked at for this problem, for globalisation is what has precipitated the income gap. There is no way in which we can deny such a statement, except that Thurow assures that this trend started before real globalisation was a consumed fact. Both of the views coincide in that, once globalisation became a reality, it accelerated a process that had shown its beginning at a previous time.

13.5.3. Globalisation: for which purpose? Globalisation has to be conceived as a means to be used by humanity at its advantage. We should then ask: How can creativity be globalised? It has been mentioned that Globalisation is a phenomenon governed by the law of chaos, meaning that there are other laws prevailing within its works, which are not the traditional laws of nature, as we have known them. One of them is non-linearity, probably the one we should try to assimilate soon, for it is a part of the new reality we live in. Non-linearity is the term for the phenomenon found in the “systems of Chaos” that allow among others, a non proportional relationship between cause and effect. This phenomenon has been expressed as the “Butterfly Effect”, referring to the movement of the wings of a Butterfly in China that can provoke a hurricane in the Caribbean, due to the acting forces within a “chaos system”.

13.5.4. The Web can globalise good Ideas and Actions. The firm’s activity can be globalised not only in regard to what economic performance is concerned. Other features taken care by the firm as an economic unit can also be expanded, particularly if this concerns best practices referred to Corporate Social Responsibility. In particular if this practice has a humanistic approach on the person and the common good. These actions are crucial, because what would become globalised would be the awareness of the possibility to generate and start within the firm initiatives that develop and improve relationships with stakeholders. Be it discovering new stakeholders or actions that foster a relationship of trust through new roles that help the firm generate collaboration in order to develop sustainability in all directions. The globalisation of the firm’s initiatives aimed at the purpose of widening the sense of responsibility in order to work towards an integral sustainability opens new ways for this economic unit, which is the entity, who establishes a social dialogue that can give economy and the economic system a new name and a new role, without having to wait for another agent or institution like the government, to cause that, as it would probably be expected. This means that business leaders can and must exercise their
creativity in actions and things that we always assumed to be out of the reach and the possibility for the enterprise, and business in general.

13.5.5. The Web can decentralise and globalise at the same Time.

Acting like this would signify the beginning of something new; it would be the dawn of decentralised action, which can lead to develop a decentralised economy, as suggested by J. Rifkin.

However, the free decentralised suggested initiatives can set trends by creating a critical mass following the initiatives, and creating awareness of the initiatives and the possibility of carrying them out. In time, this behavior may become farreaching and borderless, to even become business as usual, that would facilitate the transition to a decentralised economy, if need be.

It seems to be high time for decentralised action of business, in order to propose actions that allow a gain in authenticity and the legitimation of business before society. A new concept of freedom for private initiative that may give agility to business; in the sense of allowing more room to suggest and act on behalf of the wellbeing of society and the development of the firm.

An economy led by the initiative of the free and coordinated action of business to a change in its criteria of action through the proposal of a more complete concept of collaboration for the common good and therefore for sustainability aimed at all dimensions of the person, would be a proposal for a form of transcendent sustainability.

This can also make the concept of a transcendent responsibility develop to the same stature of creation itself; it may cause this way and reflect around an integral ethical concept with new awareness that can move society through business to a corresponding and consistent behaviour.

Decentralised action could give a new shape to the modern organisation a more comprehensive space dedicated to freedom through creativity to generate a succession of basic changes of the reality.

These changes, once accumulated could shape substantial modifications to which institutions, including governmental ones, will have to adapt.

Moral authority could be a gain, once a critical mass will have joined this decentralised process and facilitated through the network.

One specific instance for this sort of action through the net can be done through open invitations through the Web “à la Tappscot’s” “wikinomics”, building an open market for ideas and initiatives that can help integrate excluded societies or parts of societies into the economic activity and through it, into development. Once actions like this become steady forms of encounter for initiatives and afterwards for a consistent behaviour, institutions cope with the new changes that compose a new and positive reality.

14. Economy as a Stakeholder.


Without a full disregard for the main economic system as we know it, business can start building different expressions of “lateral economies” aimed to satisfy real necessities of different parts of the population in a subsidiary fashion, in order to
integrate and include as many as possible excluded parts of society as possible. This is actually a manner to see clearly that economy is in reality a stakeholder of the organization and therefore should be so considered. There is a responsibility to economic performance towards society on the side of the firm. This means that the firm must be responsible for its creativity in making economy work better and contribute in this manner with its corresponding share of the common good. This is a way, in which compensation for the blind spots of the current economic system may take place, which are the parts of reality that the market is not able to read. Lateral subsystems can become one big system of economic subsystems, acting together, alongside the main one. This means that all the different forms arising to alleviate exclusion may comprehend complementing or even competing expressions of economy that can serve society satisfy its possible needs and particularly inclusion. This array of economic expressions carried out through the web can constitute at the same time an ecosystem of parallel and complementary economies that work in synergy complement each other, or at times competing against each other. This sets an opportunity for a dialogue amongst all subsystems, particularly with the main economic system, which opens a road for a change in some aspects, where for the moment it cannot comply with certain societal needs and expectations.

14.2. Competition serving Collaboration
It would bring the possibility to have competition and collaboration, at the same level of legitimacy, provided an integral responsibility, without an ancillary role or subjection of one in respect to the other, enabling rather the already mentioned manner to participate in the market by an also “Responsible concurrence”. This would open a way for a new notion of a "less entropic" role for competition, one at the service of collaboration. Increasing the participatory process, would be a clear contribution to a new and sensible reality, and would express a real intent to include the positive attitudes of the Person as an input within the Economic Activity whose initial vocation is social harmony.

14.3. Making Economics a unified comprehensive Matter
This poses the challenge of a new and prophetic vision for the role of business. It supposes a broader action of economics including societal consideration. Therefore, economic activity becomes a transcendent discipline, inspiring renovated relationships and connections.

15. The virtuous side of the Person.
With the Inclusion of the altruistic and transcendent side of the Person within economic activity, creating the possibility of a responsible freedom of action within business, including a culture of dialogue amongst the different expressions of economy, we may have the pre-requisites for shaping a free market economy that serves mankind.
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vJeremy Rifkin: The Empathic Civilization, p 13 Foreword
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 xvErvin Laszlo, “The Chaos Point” P xvii-xxvi, The Bond, Lynne McTaggart;

xviErvin Laszlo, The Chaos Point; Alain Touraine, “Un Nouveau Paradigme”.

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