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Angelo Fusari

Understanding the Course of Social Reality

The Necessity of
Institutional and Ethical
Transformations of
Utopian Flavour



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In memory of my mother

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Chapter 1

Introduction

Abstract The primary aim of the present book is to clarify the nature of some basic misunderstandings that afflict both the interpretation and management of modern dynamic societies. The roots of this theoretical and practical confusion are identified with the adoption within the social sciences of the method of observation and verification. This may seem surprising in the light of the fact that the triumph of this method facilitated the emergence of the modern natural (and mechanical) sciences. And in fact, just this success has propelled the extension of the observation-verification method into the social sciences, where it is today dominant. The deficiencies of this method in the analysis of social reality are, however, masked by the trappings of scientific rigour imparted, which is often enhanced by additional borrowing of method from the mathematical and formal sciences. It must be recognized that the observation-verification works well when applied to quasi-stationary societies, where the key hypothesis of the repetitiveness (or quasi-repetitiveness) of events typical of the natural sciences is fulfilled. But with the advent of modern dynamic society, itself very much an effect of the great advancement of the natural and formal sciences, the failure of the methodologies of these sciences with regard to the analysis of social reality has become increasingly marked, its consequences ever more devastating. My book *Methodological Misconceptions in the Social Sciences* was dedicated to an accurate analysis of this embarrassing situation and a consideration of ways to remedy it. Unfortunately, the observation-verification method continues to enjoy great prestige in the social studies. This is mainly due to the fact that it is based on de facto situation with regard to established interests and hence enjoys the favor of dominant social classes. The present book, therefore, sets out to provide a simple and clear description of the situation, the related confusion, and the ways to remedy the problem.

Keywords The question of method • A third method for social studies versus the current methods of natural and logic-formal sciences • Social change versus repetitiveness • Observational view, as congenial to established interests of dominant social classes

This booklet discusses some of the main problems of global society, indicates their roots and offers solutions that will often prove to be necessary. The contemporary world is afflicted and, I dare say, increasingly disturbed by the absence of those solid reference points that are indispensable for the governing of human societies in the face of the great changes caused by ever greater technological progress. We shall see that such global disorientation is not inevitable, for it arises from some basic methodological lacunae of social thought; and we attempt to remedy the situation by way of a methodological revision allowing us, first of all, to define scientifically both solid reference points and the path of their evolution through the various historical ages.

I'll explore various, sometimes amusing applications of results presented in my book *Methodological misconceptions in the social sciences*,¹ which can be considered the scientific foundation of the present essay. A large part of these applications carry a utopian flavor, but they are nevertheless recommendations that arise from the pursuit of a rational and livable organization of modern dynamic societies combined with some substantial ethical improvement. These are recommendations that point to an escape-route from some failures that have always afflicted human societies.

A clarification of the title of this book is indispensable. The expression 'The necessity of...' must not be intended as something that will necessarily happen. The achievement of the organizational necessities that this study underlines may require long lasting and extremely painful processes of trial and error and may even be indefinitely blocked by the opposition of powerful contrary interests, if humanity does not become conscious of those organizational necessities, a consciousness that current social thought seems unable to promote. The quantity of studies carried out and statements put forward in defense or denigration of capitalism made by way of inspiration of the observational method appropriate to the natural sciences is impressive. But the able elusions on the subject that utilize, with a flavor of high scientific substance, the method of abstract rationality typical of logic-formal sciences, probably are even more insidious. I'll try to overcome this unfortunate condition of social thinking.

In this essay I will relate an adventure in sidereal space. This literary expedient should facilitate understanding of the arguments and allow the reader to bypass the false problems and useless complications that cluster around the matter on Earth, where reason is largely devoted to improving our skills at treading upon one another's toes. But I suggest to social scientists that, soon after the reading of this introduction and the section that follows it, they turn to the reading of the

¹Students preferring details will probably be irritated by the concise treatment in this essay of problems abounding in theoretical complexity. But this brief essay, which is addressed to non-specialist readers, is built upon deep and profound studies on such subjects as method, forms of power, economics, politics, ethics and law, as well a detailed historical analysis of social systems and civilizations considered particularly significant for the understanding of the societies in which we are living. For these studies, which also employ advanced mathematical and statistical procedures, see, for example: Fusari (2014, Ekstedt and Fusari (2010), Fusari (2000).

Appendix, where some methodological equivocations afflicting social sciences are discussed. Eventually, our sidereal perspective might even prove useful in understanding the needs and habits of extraterrestrial societies that humanity will sooner or later encounter.

We shall narrate a scientific counterpoint, a story of the adventure of science that is topsy-turvy in relation to the world in which we actually live. To be precise, we shall imagine that in the extraterrestrial society where the actions described take place, the development of the social sciences has preceded, influenced and placed breaks upon that of the natural sciences; a marked contrast with our Earth, upon which the very opposite has happened. The point of this conceit is that it facilitates a clear and simple perspective upon the method of the social sciences; this being a vitally important scientific matter that, nevertheless, is all too frequently presented in abstruse and complicated forms by current analyses.

We must consider our extraterrestrial interlocutors lucky; the backwardness of the social sciences with respect to the natural (and mechanical) sciences has, on Earth, reached an alarming level, which causes a technical and cognitive short circuit between the two branches of knowledge, thereby increasingly reducing the human capacity to organize and manage social systems. This transforms technological conquests into instruments of destruction and threatens to destroy the very possibility of life on Earth. The devastating wars and other follies that have troubled human history are without precedent even among the wildest beasts, and this despite man's proud assertion of being gifted with reason, the most important and true form of which—scientific reason—has yielded exceptional technological achievements.² Unfortunately, scientific reason is not able to help social relations because of deep methodological misconceptions.

Never has there existed on Earth a social order able to conjugate social justice, economic efficiency and a high and continuative rate of growth of production; notwithstanding the fact that such an order is perfectly feasible, as Chap. 8 will show. The domination of the economic system and market relations in modern dynamic societies generates very perverted effects. It is distressing to consider the misfortunes, among which the calamity of involuntary unemployment ranks high, that humanity began to procure with great vigor from the time we arrived at the capacity to produce material wealth at a good pace. Such considerations oblige us to dedicate much space to showing how the services of the market may be preserved and yet made into an *instrument* at the service of human societies, instead of acting as a greedy despot exploiting and manipulating men and their things.

The lack of ethical progress from the beginning of social life and in comparison with the immense progress of human knowledge and technological achievements, and despite the great efforts of moralists and the religious, is astonishing. We shall

²A great student of history wrote: "Indeed history is no more than a list of the crimes, the follies and the misfortunes of mankind" (see Gibbon 2000, p. 81). This will oblige us, much later in the essay, to address some objections to the famous booklet by Erasmus of Rotterdam, 'In Praise of Folly'.

see that it is possible to reduce this gap; more precisely, we shall see that it is possible to scientifically develop a large proportion of ethical questions and, in this way, to lead man to virtue through rules suggested and approved by reason. In fact, it can be shown that the rational and efficient organization of social systems cannot be achieved in the absence of some fundamental ethical imperatives. The knowledge of these imperatives allows the moderation of even the sharpest human conflicts, caused by collisions among personal interests as well as among different civilization forms: conflicts against which the golden rule of reciprocity and the love for one's neighbor are impotent, as everybody is inclined to reciprocate and love according to his own way and convenience. Unfortunately the dominant social thought denies the possibility of scientifically treating ethical values; and this feeds a growing *ethical vagueness* in the modern dynamic and global society that thwarts the efforts of moralists and the religious.³

Human virtue is strongly influenced by the character of social organization, in particular the forms of power. If we assume, under the influence of observational methodologies, that the forms of power are inevitably obliged to assume the usual dress of domination-power, instead of service-power, Machiavelli's teaching becomes irrefutable and the dominated people can choose only between rebellion and, as indicated by Guicciardini, managing in the light of particular and personal interests. Any pulpit is impotent against the consequent corruption: the preachers of virtue are condemned to throw their words to the wind and their listeners are kept in check by spontaneous behaviour and the working of Mandeville's paradox.⁴ At least this is so if we are unable to propose some rules and organizational forms that lead to the uprooting of domination-power and the corruption that it forges, in favor of what we denominate service-power.

Everywhere we turn our eyes, we see that domination-power darkens and holds in subjection the liberating force of reason: in the life of the man in the street and in the work of great statesmen, legislators, judges, businessmen and administrators. Unfortunately, the fact that existing social relations and the whole of history are deeply permeated by domination forms means that the prevailing mere observational method implies the acceptance of domination-power; this clearly shows that such a method, if used in the investigation of society, acts as a distorting trap.

Volumes have been written reproving the exploitation of man by man and tremendous revolutions have been set in motion in order to do away with it; but the problem has never yet been faced with due clearness on the more general question of the degeneration of the forms of power into relations of domination, of which

³L. Pellicani, in the final chapter of his main work, expressed great concern for the instability that modern dynamic societies derive from the chronic instability of ethical values (See Pellicani 1988). An instability that, we add, is largely fed by the growing scientific vagueness on ethics.

⁴Such a paradox underlines "the baseness of the ingredients that taken together give the healthy mixture of a well ordered society" and, as Mandeville puts it in his poetical account of the discontented beehive: "so every part was full of vice, but the whole were a paradise... and...living in the comfort in the absence of great vices is a useless UTOPIA" Mandeville (2000), pp. 4, 13 and 20.

exploitation is one of the consequences. The result has been that, notwithstanding the best intentions of so many would-be liberators, these revolutions have invariably constructed new systems of domination and exploitation. A well known booklet by G. Orwell gives a wonderful representation of such behavior.⁵

This deceit has perhaps reached a terminal point. The conquests of the *open society* have stirred up a great wish in the mind and heart of humanity, a desire for individual freedom. Such a wish, stimulated by subjective feelings and supported by the objective evidence that individual freedom is indispensable for self-propulsive development, will raise a violent wind of renewal in global world, mainly in the immense districts where the individual has never hitherto had importance. Power forms will be the main casualties of the hurricane, which must therefore be violent and promises uncertain outcomes. We have to fear, but not despair. It is possible to do much better within the open society, which constitutes the most brilliant and promising social form that man has built till now. But the feelings and ethical impudence that have given rise to the open society can also wither it, while its frenetic pace threatens to crush humanity, its author, if an institutional, methodological and cultural revolution does not circumvent those feelings and teach humanity the way to govern its pace and direction.

The considerations above oblige us to dedicate a brief reference to the most embarrassing and depressing phenomenon that wraps itself around and within human life: *the evil in the world*. Such a phenomenon has been intensively discussed and analyzed by theologians, philosophers, historians, psychologists, psychoanalysts, etc., but their discussions have been almost entirely in vain, for this is a problem without univocal solutions. In Voltaire's *Candide*, James the Anabaptist says: "It seems that men have partly corrupted nature; they have not been born as wolves but wolves they have become. God has equipped them neither with twenty-four pounder cannon nor with bayonets; but they have built cannons and bayonets to destroy themselves. To this account I could also add bankruptcy and justice that takes possession of bankrupts' goods to subtract them to creditors".⁶ What are the reasons behind so much self-damaging behaviour? A number of philosophers have stated that man is by nature good but human institutions have transformed his natural goodness into instinctive aggressiveness and wickedness; but the reason why human goodness has given rise to such wicked institutions is not clarified. Others take the opposite stance, arguing that human nature is predominantly and irreparably infested by bad instincts, and they deduce from this that humanity must be subjected to vigilant surveillance and governed with cynicism and deceit or at least, and according to Augustin of Hippo, guided toward the *De Civitate Dei*.⁷

⁵See Orwell (2008).

⁶See Voltaire (2006), p. 26.

⁷See Augustin of Hippo (2000).

It seems to me that those arguments are not convincing. History shows, at every time and in every place, that humanity is by nature good and bad, the author of great rushes of generosity and of much greater wickedness. Logic and common sense suggest that such behavioural and existential dualism is an inevitable result of the limitations afflicting human nature. Well, in observing such mixtures of virtue and wickedness, students cannot avoid acknowledging that the human propensity to make mistakes due to our cognitive limitations together with our ‘freedom’ to make the most atrocious errors is coupled with the human potential to scientifically understand the problems of the world and to so gain knowledge exponentially over time. Such potential is an important means for spiritual and material growth; but to be able to operate it is necessary that men are strictly subjected to the consequences of their actions, that is, are ‘responsible’ for them; in other words, it is required that in the use of command-power the notions of ‘service’ and ‘responsibility’ replace that of ‘domination’. Unfortunately, a number of institutions and even ethical principles have been shaped much more under the influence of bad instincts than with the purpose of promoting ‘responsibility’ and thereby increasing generosity and mutual well being. The notion of ‘responsibility’, which should be a cornerstone of the studies on social systems and of the teaching of educational institutions, is for the most trampled on and ridiculed. And, alas for the large majority of moralists, ‘responsibility’ finds systematic applications almost only through the automatisms of the competitive market, their great enemy.

There is a great need of reason where the winds of passions and interests blow with strength, as is the case in social reality. But here it is important to underline the distinction between individual reason, which often acts as the servant of bad instincts, and scientific reason, which represents (as just seen) an important means for the improvement of human conditions but is subject to ambiguity if not based on steady and reliable methodological foundations. Unfortunately, social thought is lacking when it comes to method; largely in consequence of that the role of science in ethics is explicitly denied by the large majority of scholars. In effect (and as Chaps. 11 and 12 will show), current social teaching is constrained by the strait-jackets of being or daydreaming of what ought to be, and remains distant from any solution of the crucial methodological question for social science: how to combine *being* and *doing*, observational and organizational aspects but avoiding that the second is overwhelmed by the first.

This essay is intended for an audience of rational people, in particular, the vast majority who are dominated by (and suffer the exploitation of) forms of power. It should also benefit those who consume their energies in pathetic attempts of domination; for even if they succeed in such a difficult task, they are forced to wear themselves out even further in defending the paltry privileges they have grasped and to suffer the humiliations inflicted on them by higher-ranked rulers. I take the liberty of reminding my readers who belong to the dominating class of Rousseau’s warning: “he who thinks to command others is no less enslaved than them”.⁸ The

⁸See Rousseau (1962), p. 4.

present book is, however, primarily addressed to the following two audiences: scholars and men of action engaged in solving the ever more complicated problems of human societies; and enthusiastic young people, humiliated but not defeated by their vain pursuit of crazy utopias, and whose enthusiasms may be durably brightened only by aid of the torch of some institutional design illuminated by science. T. Nagel has written: “the problem of planning institutions able to warrant the equal importance of every person without charging on individual unacceptable obligations has not been solved yet”.⁹ Here we shall attempt to show that it is possible to organize social systems in such a way that, in Nagel’s terms, both the resulting satisfaction of the impersonal motivations of each individual and the satisfaction of personal motivations will be very high.

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⁹See Nagel (1998), p. 13.

Chapter 2

The Scientific Frame of This Story

Abstract Social studies cannot abstract from reality, as do mathematics and the logical-formal sciences, for the investigation of reality is precisely their object; yet nor can they adhere strictly to reality, as does the observation-verification method. Put another way, while too great abstraction passes over the object of the social sciences, the ever intensifying rate of social change precludes employment of an observation-verification method based upon the repetitiveness (or, in biology, the quasi repetitiveness) of events. Social reality is the product of the organizational action of man and his inventiveness, yet it is also deeply rooted in the basic content of situation. It follows that the method appropriate to the analysis of social reality must combine the observational and organizational views, thereby encompassing the realms of both being and doing. Moreover, that method must be able to distinguish organizational necessities from choice-possibility and creativeness. This distinction is indispensable if we are to hope to discern the different currents and contributory streams within the flow of social change and capture basic and long-lasting aspects of social systems. In this chapter we identify those basic elements fostering duration and those initiating the propulsive forces of social systems. These elements are denominated, respectively, functional imperatives and ontological imperatives. We also underline the role of long-lasting choices in the history of civilizations. This allows us to make two steps. Firstly, to show how functional imperatives change over long periods, with their nature at any particular moment indicative of a particular historical age. Secondly, to delineate a theory of social and historic processes founded on the operation and interaction of functional imperatives, ontological imperatives and civilizations. Our methodological discussion encompasses also ethical values. These results are in stark contrast to the ethical relativism that contemporary analyses are obliged to embrace due to the innate incapacity of observation verification method to allow a scientific treatment of values. Our methodological approach also takes note of the nature of forms of power and other organizational aspects of social systems.

Keywords Galileian dispute · Social change · Observational and organizational views · Organizational necessities · Choice-possibility · Creativeness · Functional imperatives and historical ages · Ontological imperatives · civilizations · Deep confusion on ethics

Let's insist in recommending to pay attention also to the Appendix to may well understand the methodological content of this book. It may be useful to mention at the beginning of the chapter a subject that will be taken up later, mainly in the last section of the Appendix as well as at some points in Chaps. 12 and 13. This theme concerns a long-standing equivocation on the method of the sciences, which is far from being clarified today and goes back to the dispute, in the Renaissance, between the Roman Church and Galileo. The eventual outcome of this dispute brought mixed results: it gave great relief to our efforts to better understand the natural world; but it caused substantial damage by voiding the doctrines of the Medieval Church that bore upon the interpretation, organization and management of human societies. This latter outcome has weighty, negative, and growing implications for the health of human societies and, at the same time, the ability of religious thought to develop ecumenical action in the service of humanity. We provide here a representation of the contrast in methods of science in a manner that may appear forced but is nevertheless useful for bringing to light some elements of the controversy that are currently ignored, even though they are of great importance to the modern debate on science. Let's put the issue as follows:

The Medieval Christian doctrine maintained that science should direct its efforts to understanding the reason why God has created the world as we see it. Galileo objected that such an effort was senseless because human intelligence is unable to understand the unfathomable divine will, which as a matter of fact is interpreted in very different ways by different religions. As an alternative, Galileo suggested that our understanding of the natural world be derived from analyses of the functioning of creation aimed at capturing its laws of motion. The great fecundity of the Galilean observation-experimental method in the study of natural phenomena has become increasingly evident over time, just as what we may denominate the organizational position of the Church, which emphasized the teleological understanding of nature, has lost credibility. Nevertheless, the position of the Church was actually correct with regard to the understanding, organization and management of human societies. As a matter of fact, given that social reality is a human construction, it makes sense to seek to understand the reason why humans have built and organized the social world as they have, as well as the mistakes they have been built into their constructions. For while humanity cannot understand God's will and actions, humans can understand the will and actions of other humans.

The need for such an organizational vision of society is heavily underlined by the circumstance that the observational-experimental vision requires the hypothesis of 'repetitiveness' or quasi-repetitiveness of observed phenomena, which is indeed found in the celestial sphere and, in a weaker form, in biology, where innovation occurs by way of Darwinian selection only very slowly.

Study of the quasi-stationary societies of the past can, in a sense, accept the observational hypothesis of repetitiveness of the considered phenomena. But serious problems in the use of the observational method for the study of human societies commence when attention is turned to a modern world characterized by the acceleration of innovation and the (mainly economic) tremors and disturbances wrought by competition through innovation. Hence the evident need in social

studies for a method different from the observational-experimental one. And such a need underlines the profitableness of the organizational vision for understanding the behaviour of modern human societies.

An important example, that in fact goes well beyond modern dynamic societies, will help us better to understand this issue; it concerns the ethical problem, which is a crucial feature in characterizing human civilizations. The example will make evident the appropriateness of the ancient organizational vision of the Church in the study of human societies in opposition to the observational-experimental vision. Let's see.

Observation of the content and of the becoming of societies across history shows the alternation of a multiplicity of ethical values that vary greatly across time and space. This shows the impossibility of explaining values through observation. Such impossibility has given rise to the hegemony among scientists of the so-called doctrine of 'cultural relativism', the idea that ethical values cannot be scientifically explained (that is, explained by science as expressed by the observational method). Therefore, according to this doctrine, every ethical principle should be accepted by social scientists as it is, and, because science has no purchase in this matter, considered as having a dignity identical with all other ethical principles.

Cultural relativism is contrasted with what we may define as the 'cultural absolutism' of religions, according to which ethical values express acts of faith.

The current domination of these two conflicting positions is a source of great trouble and exacerbates some of the presently insoluble conflicts in the world: clashes between religions and civilizations, misunderstandings that become ever more acute with the acceleration of the dynamics of human societies. So, the great impetus given by the observational-experimental method to the natural sciences and to technical change condemns human societies to live in a state of growing confusion.

Well, the organizational vision offers the only way to overcome such confusion. *In fact, such a vision makes it possible to prove the scientific character of fundamental values as based on their indispensability to the rational and efficient organization of human societies.* We define such a possibility 'cultural objectivism', contrasting it to the scientific impotence and the dead-end expressed by cultural relativism and cultural absolutism.

Let us mention, *en passant*, that some of the most important of these objective values are expressed in the teachings of the Gospels. Unfortunately, however, Christian social doctrine has no awareness of this fact, being itself a victim and, in a sense, enslaved by the great scientific success of the observational-experimental method. This has reduced the social doctrine of the Church to a condition of embarrassing ambiguity. In fact, the residual organizational propensity of Christian social doctrine, which is increasingly masked and made contradictory by the current identification of science with the observational-experimental method, pushes such a doctrine outside the walls of the academy; a push that is accentuated by the persistent absence of a complete and coherent development of an alternative organizational method (procedure, rules, classifications). Later we shall attempt to bring clarity to this great confusion, showing that the wider problems it generates extend well beyond the above considerations.

Contemporary social thought treats details intensively, often using sophisticated specializations; but it demonstrates a substantial refusal to provide or engage with an overall view of social processes. At the basis of such behavior lies the hidden or sometimes explicit idea that what is needed is simply the improvement of the structural frame and of a well-founded whole of knowledge. But both the pillars of the social building, trembling and in the course of time crumbling due to the growth of innovation and the great changes in the general conditions of development, and the foundations of social thought, need to be renewed.

We have just seen that the disproportion between the cognitive and operational needs of human societies on the one hand, and scientific production on the other, is fuelled primarily by a basic methodological vice afflicting social theory: the dominant tendency to base social studies on the *observational-experimental method*. This method was developed in order to investigate the natural world; it requires the repetitiveness of the observed phenomena or, at least, that they evolve but very slowly. This has been explicitly underlined by K.R. Popper in one of the most rigorous and acclaimed formulations on method,¹ which advocates the ‘piecemeal technique’ for the social studies. But society, being an outcome of human action, is assaulted by creative actions and events; so that *non*-repetitive change is a basic feature of social process and, in particular, operates intensively in modern dynamic societies. This means that the observational approach typical of the natural sciences, if employed by students of social reality, who are chiefly concerned with modern dynamic societies, does not provide any understanding of the future and does not help to govern the present. What is the alternative?

Given that the social world is produced by man (in contrast to the natural world, with which man simply interacts), any analysis of it should penetrate through to the reason why society has been organized the way that it is, and so frame the question as to whether it is possible to do better, but avoiding vacuous theorization and free constructivism i.e. ignoring reality. This means that the study of human societies should combine *observational* and *organizational* views.² The present book will make extensively evident the analytic importance of such a combination. Here we mention three basic notions to which we shall return repeatedly. They concern the question of *continuity* and *change* in the generation of human societies, precisely the way to overcome the analytic bewilderment caused by the increasing intensification in our time of the second term, change. We shall show that the expression ‘continuity-change’ is a very ambiguous one in social studies and should be

¹For intensive discussion on this point, see the analyses on K.R. Popper in two of my books (2010 and 2014) cited in footnote 1.

²A recent book by T. Piketty (see Piketty 2014) underlines the large and growing inequalities in income distribution at the advantage of capital and managerial incomes. The book presents an illuminating historic analysis of important economic variables, but disregards the problem of method, in particular the combination between observational and organizational aspects, being and doing, which is indispensable to grant a scientific standard to social studies. Such a disregard prevents from suggesting more efficacious solutions to the problems he points out.

replaced by those of *necessity* and *choice-possibility-creativity*,³ these being more properly scientific. For the sake of simplicity and concision, I do not consider here the procedure, rules and classification distinguishing my proposal on method. On this matter, see Fusari (2014), Chap. 2, Sect. 2.⁴ I limit this exposition to three basic notions that are a result of the devised method and express some foundations of an institutional-evolutionary approach largely different from the current ones and, I think, more effective than them. This enables to show synthetically the character and profitableness of the adopted proposal on method. Chapters 11 and 12 will further deepen the questions of method and ethics, with the help of our exposition on the hypothesized extraterrestrial society. The organizational necessities that we consider here do not include those imposed by the conditions of nature.

Historical analysis of the functioning and development of human societies distinctly shows the following behaviour, which warrants great attention: to the various levels of the general conditions of development correspond institutional, behavioral and ethical-ideological forms that are indispensable to the rational organization of social systems. They are *signs of time* that, if ignored, assert themselves through spontaneous motion and torturous trial and error. This happens because their possible violation ruinously damages the functioning of the relative social system. I denominate these basic organizational *necessities* “functional imperatives”; but this denomination should not be confused with analogous expressions employed by other students, a point that will be clarified later. In the book entitled ‘Methodological Misconceptions in the Social Sciences, precisely in Part II dedicated to theoretical applications concerning the various social sciences, I give examples of a number of functional imperatives, starting from: the parental relations representing the basic connective tissue of all primitive societies, the division of labour and associated social ranks, the authority principle typical of the power of society supplementing the impotent chiefs’ power in primitives societies. The evolution of the general conditions of development determines the passage to other functional imperative such as the command power and later the state power, with bureaucratic, theocratic, autocratic or democratic forms of political power and a variety of associated civilization forms. I explore the teachings on law (for instance juridical objectivism versus jus-naturalism and juridical positivism) and sociological insights associated to these organizational developments. The advent of the economy as the leading sector of the modern dynamic society implies the advent of some fundamental and controversial new functional imperatives such as

³In this respect, M. Archer’s view that a measure of the appropriateness of social theory is its ability to represent human freedom and constraints appears illuminating see Archer (1997).

⁴From page 42 of such a book, let me quote the following: “To summarize, the method of social sciences must be *deductive* and must derive deductions from *realistic postulates* on the basis of the principle of *organizational rationality*. Moreover, it must be centered on the *specification of rules and procedure of classification* that lead scholars in their research into and corroboration of significant initial postulates,.... i.e. *warranting the solidity of deductions notwithstanding the impossibility of an empirical verification of the theory.*”

the entrepreneur, the market and the accountability role of profit rate, but apart from their historically observed capitalist character; these organizational forms are indispensable to the operation of endogenous innovation and to meet the connected presence of radical uncertainty.

Historical analysis also makes evident that the evolutionary power of human society is strongly conditioned by the degree of observance of some principles influencing in a decisive way the evolutionary potentialities innate in human nature. We denominate these principles “ontological imperatives”. Two particularly important ontological imperatives are: the central role of the individual, which is indispensable to fuel creative processes; and the tolerance principle, indispensable for facilitating, through debate, the growth of human knowledge⁵; in modern dynamic societies, these two principles also are functional imperatives. Ontological imperatives may be violated even for very long periods of time, as happened in many primitive societies and in the great empires of the ancient world, which latter were rich in civilization and organizational skills, but which were pushed into dead-ends by despotism and a culture of obedience.

Well, the observational-experimental tradition on method inclines to reject both functional and ontological imperatives if these are in conflict with the observed reality, as increasingly happens.

The above imperatives are flanked by many aspects of social systems that are a matter of choice. It must be underlined that those choices are not completely free; they are constrained by functional imperatives and by the conditions of nature, which they must not contradict. Moreover, the processes of choice must not violate ontological imperatives, although such violations, as we have just seen, have unfortunately occurred over the course of long historical periods. It is important to underline also that the great ideological options give birth to one of the most enduring aspects of human societies: ‘civilization choices’. This makes evident the above-mentioned difference between *continuity* and *necessity* (as opposed to choice) in the study of social systems. Civilization is a prevalently creative construction that, as a consequence of the presence or absence of ontological imperatives (that is, some important institutional and ethic-ideological contents), determines the evolutionary fate of the society under consideration.⁶

The interaction between functional imperatives and civilization provides the most important expression of the dialectic between necessity (mainly in the guise of functional imperatives) and choice-possibility in the becoming of human societies; while the observance of ontological imperatives represents the major propellant of

⁵We can see, therefore, that methodology cannot do without ontology, just as M. Archer writes above: “Ontology without methodology is deaf and mute, methodology without ontology is blind” see Archer (1997), p. 40.

⁶Under this respect, Pellicani’s analysis on the worth of capitalist civilization is useful and appropriate see Pellicani (1988); unfortunately, the analysis does not go beyond such acknowledgement, for instance with regard to the capitalist forms of power, the links between income production and distribution and the implied question of social justice (see Chaps. 6 and 8 of this booklet).

creativity and hence development. *The above interaction, and the presence (or absence) of the ontological propellant, constitute an Ariadne's thread of much importance in the interpretation of social-historic processes.*⁷ But the observational-experimental methodology and tradition lead to confuse the discussed imperatives with civilization forms (that is, necessity with continuity) and hence to reject them as a matter of choice if, as very often happens in modern dynamic societies, the observed reality clashes with them.

The gravitational movement towards functional imperatives (and towards functional exigencies linked to choices of civilization), a gravitation demanded by organizational rationality, has occurred, till now, through torturous trial and error, and in the context of spontaneous behaviour, as underlined by the theories of self-organization. Such gravitation provides an explanation for the work of Providence that Vico saw in historical becoming, that the Scottish moralists called the invisible hand and Hegel the cunning of reason. But the troubles inflicted by such gravitational movement show unacceptable dimensions in modern dynamic societies. As a consequence, the organization and management of societies, and the social sciences, need much more. In fact, every design of intervention on social structures, especially if it is a large-scale one, which ignores the distinction between 'necessity' and 'choice-possibility-creativity' (and the role and notion of ontological imperative), is unrealistic and easy to ridicule by the advocates of the *status quo* and spontaneous evolution.⁸ B. Pascal wrote: "The ties that make strong the respect among people generally are ties of necessity".⁹ Well, the scientific definition of 'necessity' in the organization of social systems is the best way to make those ties strong.

Functional and ontological imperatives represent some of the backbones of the social building; reforming programs for human societies must, first of all, ensure that those basic 'necessities' are respected. But, consistently with those constraints, the fancy of architects and interior decorators can then range over the whole building in tracing the aesthetic of the social edifice (that is, the aspects that can be the objects of choice). In just such a way, creativity and social change can operate thoroughly without undermining the backbones of social systems. These backbones

⁷An important teaching emerges from the analytical categories above: the world is not only condemned to suffer the harsh conflicts among civilizations, as underlined by Huntington (1997); it is also joined by important organizational necessities and the need of propulsive factors expressed by functional and ontological imperatives.

⁸For instance, it is impossible to solve the problem of substituting capitalism with a different civilization form if the distinction between necessity and choice-possibility and the notion of ontological imperative are left out. In fact, such a transformation of society needs the *a priori* indication of the functional imperatives of modern societies, followed by the checking of the civilization forms congenial with them and that respect ontological imperatives, and finally the choosing of the preferred civilization. We shall see that democratic procedures and choices cannot concern the field of 'necessity' (since this is a matter of science), but must concern the field of 'choice-possibility'. The reference of democracy to the field of necessity may cause great errors and abuses.

⁹See Pascal (1952), *Les Pensées*, B.U.R., Milan, thought n° 304.

must be substituted only when the variations of the general conditions of development require new ones (that is, new functional imperatives).

Knowledge of the above notions is crucial for the very possibility of governance of modern societies. For these societies are rapidly changing; and in the absence of such knowledge, the growing pace of social change will cause growing confusion and conflicts, mainly in the field of ethical values; in fact, large geographical areas are afflicted by the resurgence of absurd religious forms, civilization and institutions. It is important to point out, in this regard, that crucial ethical values (those included in the scientific notions of ontological and functional imperatives) are, as such, a matter of science (*ethical objectivism*), not of free choice: just the contrary of the point of view of the dominant ethical relativism, which instead should be referred to minor value choices.

As is well known, Hume asserted that reason is the humble servant of the passion. This says just the contrary of my notion of ethical objectivism. Hume's assertion is coherent with (and results from) his empiricist and merely observational method, while the notion of ethical objectivism is a result of the organizational view on method that I think more appropriate to social sciences. Hume refers to individual reason, at the service of personal interests and passions; but other thing is scientific reason as represented by functional and ontological imperatives. Just an example: we have seen that the tolerance principle represents an ontological imperative and, in modern dynamic societies, also a functional imperative; as such, it is an ethical principle provided with scientific substance, independently on the fact that humans of different civilizations may like, dislike or ignore it.¹⁰

The opposition between cultural relativism (that conceives values as a free choice) and cultural absolutism (that conceives values as an object of faith) cannot say anything with regard to ethical and religious conflicts but exacerbates them: everyone is right in his point of view. Modern world urgently needs the notion of *ethical objectivism* that our development on method sets out. I find disconcerting that the social sciences completely ignore the question of the scientific nature of fundamental ethical values. Of course, such nature cannot be proved through the observational method; (but, let's say, we can observe some ethical behaviour in important animal species).

We have demonstrated and illustrated extensively in Fusari (2000, 2014) that the distinction between functional imperatives and civilizations, necessity and choice-possibility-creativity, and the parallel notion of ontological imperatives,

¹⁰The theories of social value (for instance the contributions of Commons and Dewey in the matter) are strongly damaged by the absence of the notion of objective (scientific) ethical values and the distinction of these from the ethical values concerning 'choice-possibility'. I think that such a distinction is crucial for the theory of social values, but unfortunately it is currently ignored, as far as I know; an ignorance inevitable in the absence of an organizational view on method, with such a view replaced by the observational experimental one that *simply* sees and considers the operation of human interests and passions, what makes the distinction above impossible. Some consideration in Chap. 8, Section "The Circuit of Production, the Abolition of the Wage Company and the Dimension of the Private Sphere in the Dunaanopian Economy of Full Employment", on the theory of labor value and Chap. 12 on ethics will add clarification.

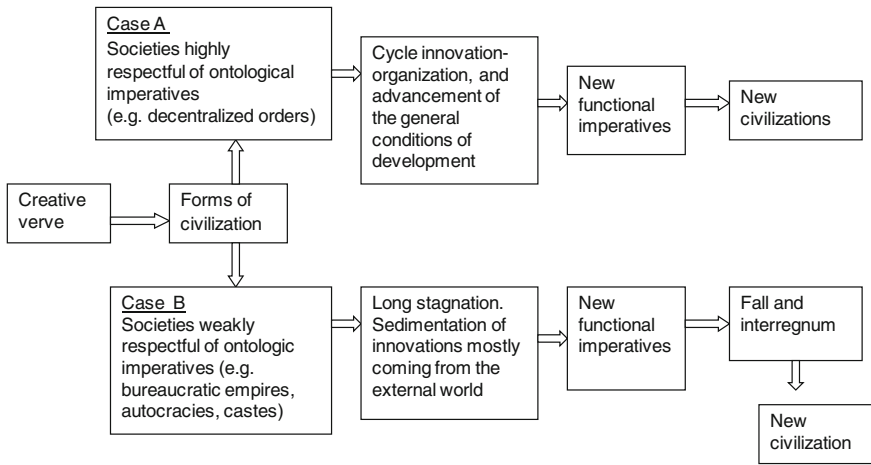


Fig. 2.1 A representation of our evolutionary-institutional theory of social process

lead to the formulation of a theory of social-historical process that combines structural organization and change. It can be expressed by the diagram (Fig. 2.1).

It is evident the evolutionary and institutional content of our model.¹¹ The civilization form (a largely creative product) will block or promote, as a consequence of its exclusion or inclusion of ontological imperatives, the evolutionary process. In the case of promotion (in the context of the process innovation-structural organization), the consequent variation of the general conditions of development will demand new functional imperatives (organizational forms) congenial with them, and hence new civilizations congenial with the new functional imperatives. On the contrary, in case of extended stagnation, the prosecution of the development process could be caused by innovations coming from the external world and will be accompanied by ruinous falls and long periods of interregnum.

¹¹But the model must not be assimilated to the evolutionary social thought inspired by Lamarckian and Darwinian biology even if with some minor adjustment however ignoring the notions of: civilization, ontological and functional imperatives, basic features of social change and innovation and, in sum, ignoring the main substance of the evolution of human societies. In this regard, a critical reference to important evolutionary social students is obliged: for instance, a recent stimulating book by G.M. Hodgson and T. Knudsen, entitled ‘Darwin’s Conjecture’, (see the Appendix) and the higher flexibility in the matter by U. Witt. The analysis by A. Hermann on institutional economics and its interdisciplinary orientation (see A. Hermann 2015) can provide some useful illustration on the subject.

It is inappropriate to deduce from the trial and error process, which is typical of the growth of knowledge in all fields and of human action at large, the explanatory fecundity of Darwinian or Lamarckian variation-selection-replication. In fact, that deduction is mistaken if trial and error is (or can be) complemented by intelligent decision-making and is not a merely casual stance.

The diagram above can be extended to the interpretation of historical processes through a scientific definition of the historic stages (or phases) of development based on the advent of new functional imperatives¹² (generated and asked by the advancement of the general conditions of development), and an insertion in the diagram of a block designated ‘new historical phase’, immediately following that for the new functional imperatives.

What becomes evident here is both the role of ‘necessity’, as represented by functional imperatives, and the role of ‘choice-possibility-creativity’, as represented by civilizations (long-lasting choices), by innovations and other choices punctuating the life of social systems.

The observational method of the natural sciences possesses a conservative character; it accepts the observed reality, trying to understand but not to change it. So that students of social science who use such a method accept the existing mode of production (since this is what they observe) and theorize on it. By contrast, the attempt to free social systems of current difficulties and dominating organizational forms—along with their attached interests, exploitation, and mystifications—is obliged to make use of the organizational method: a method that, starting from basic aspects of the observed reality, attempts to define organizational forms superior to existing ones, more efficient than them and more appropriate to current conditions.

Unfortunately, even the great revolutionaries who set out to build a new world deviated from their aims through use of the observational methods. Marxist thought and the vicissitude of ‘real socialism’ provide the clearest examples of such misunderstandings. Marx was fascinated by the observational method, which had facilitated the great advancement of the natural sciences. He considered Darwinian teaching an important model for the study of human societies (and in the Appendix we shall see that today Darwinism is given great credence by the modern institutional school). But social reality differs greatly from the small, incremental and very slow changes observed by biologists and explained by Darwin. The great and growing non-repetitiveness of social systems cannot be understood by the way of observation employed by the natural sciences. Thus the veneration accorded to the scientific method of observation ensured that Marxism (as also other revolutionary teachings) was unable to specify the content of the desired new social system. Marx assigned this absolutely crucial task to the ‘fantasy of history’, which consequently, in the name of Marx, generated one of the most degenerate forms of society known by the modern world, real socialism. Only the organizational view and method provide a scientific way to build and understand the basic content of society, and hence to wisely change and govern it.

¹²See Fusari (2014), Chap. 4.

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Chapter 3

Prologue of the Tale

Abstract The prologue gives at first the reasons that have suggested and hence stimulated this research: a list of some main problems that trouble modern societies and underlines the urgency of remedying the growing incapacity of the social sciences to deal with them. The aim is to contribute to the birth of a science leading to the organization and management of a social order able to give solution to those problems. This highlights, among other things, the role and in some sense the necessity of a utopian attitude, but one concerned in a strict confrontation with reality. An attitude, that is, quite different from ingenuous utopianism or utopianism used as a pretext, which have discredited utopia owing to the associated failures and disillusion and new kinds of exploitation.

Keywords Migrations · Unemployment · Fundamentalism · Utopia · Feasible and necessary utopias

On returning from my explorations in sidereal space, and having discovered a planet inhabited by human beings, I received lots of invitations from intellectual clubs interested in a report of my adventure. At first, I was uninterested in providing such an account. But a hot sleepless summer night caused a change of mind. I spent the whole night meditating on some of the most troubling problems of the present age: the changes in climatic conditions caused by our pollution of our planet; hunger, wars and the afflictions troubling developing countries; the desperation of illegal immigrants and the disquieting rise of fundamentalism and ethnic separatism; the tormented transition of socialist countries toward the market; the crises of international financial markets; increasing unemployment even in advanced societies and the parallel exhaustion of the precious skills and vigor of the young in their endless and difficult search for a job; the inefficiency of the public sector and the crisis of the welfare state; the advent of powerful organizations endowed with great and often illicit ability to influence the fate of the whole planet, and the parallel increase of social and economic inequalities; and, in the face of so many calamities, the growing malaise in personal, social and international relations.

A primary response to the diffuse failure of economic and social planning has been the attempt to improve the performance of public structures with regard to the governance of society by conferring managerial powers upon their chiefs; but such powers, if not subjected to precise scrutiny and control, may well result in new abuses and even greater inefficiency. Traveling around the world, I have seen that problems afflicting both public and private sectors arise throughout the globe, albeit with geographically varying strengths, for they are particularly acute in developing countries. The problems are accentuated by globalization and they generate growing disequilibria and discontent. At the basis of this unfortunate situation are the current conditions of institutional power. There is a wide ‘awareness’ that a different social order is needed; but, as we saw, a science leading to this new order is lacking; we mean a science of the organization of social systems, that is able to provide a clear representation of the basic and urgent requirements of modern societies and the way to fulfill them. Only with the possession of such a science will we avoid the dispersion of thought and action among a multiplicity of often mutually contradictory aims; only with such a science will we be able to establish the claims of justice and opposition to deceit on a more solid and secure basis than our present resentment and malaise.

With these thoughts still running through my mind, I got up early in the morning and sat down to write. Within a few days I had drafted the following story: the fruit of intensive research strengthened and confirmed by my lucky extraterrestrial adventure. I decided, at this point, to accept the invitation of one particular club, well-known for its concern with knowledge and sensitivity to social problems, which announced my talk as an event of great importance and carefully selected the audience.

Fanciful stories have been narrated by many successful writers. Probably the most fanciful of all is ‘A true story’, written by the second century Greek writer, Lucian of Samosata. Utopian writers have described lost paradises to be reclaimed and enchanted paradises reached at the end of human evolution: all such are imaginary worlds characterized by immobility and, as such, are completely unable to teach any lessons to our evolving societies. The great disillusionment that arose in the last century in the wake of rash promises to build a paradise on earth, which failed despite enormous sacrifice and anguish, has ensured the total defeat and discrediting of utopianism. Utopia is dead; humanity, however, cannot do without utopia, its associated hope and its propulsive strength. But contemporary humanity is no longer inclined to accept utopian fabrications, to dream of paradise on Earth and to wake up in the abyss of hell. There is thus a need for utopias that are able to operate concretely; more precisely, we need to be able to draw some feasible social orders that act as lighthouses and towards which we can direct our attempts to improve current reality.

Accordingly, I’ll modify the term utopia to dunatopia. Dunatopia designates a boundary but presently not existing (no place) organization that is feasible (*dunatos*). In the case that this shaped order anticipates possibilities or organizational ‘necessities’ concerning future evolutionary stages of society it will represent what may be called a fecundating ‘prophetical’ utopia. But much more urgent and

elementary needs than these prophetic visions press upon modern humanity. If we are to meet them and, in particular, if we are to reduce the *chaotic* behaviours caused by growing social change, it is necessary first of all to discover basic institutional forms, changing with the general conditions of development, towards which social orders are pushed by the need of organizational efficiency; we have discussed this in the previous section and more diffusely in the book entitled *Methodological Misconceptions in the Social Sciences*. Dunatopian people have utilized scientific notions similar to those enunciated there. Their society can represent for earthly people an institutional order toward which they direct themselves. There is more. It expresses organizational necessities that we are pressed to fulfill at the beginning of this new millennium. The extraterrestrial people that I met, who most probably are our distant cousins, have been much wiser than us: in building their world, they have followed the suggestions of scientific reason, unlike us that have been enslaved by forms of domination.

I move now to relate my discovery of a society displaying the *feasible utopia* that our planet urgently needs. I declare that I have seen with my own eyes (if you want, the eyes of mind) that which I will report concerning extraterrestrial society. But people who do not believe me may verify the plausibility of my story through their intelligence and good sense.

Reference

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Chapter 4

On Landing on the Planet Dunatopia

Abstract An analytical expedient is utilized to illuminate the nature of earthly problems: a confrontation with a twin planet of the Earth that is governed by a more enlightened social science and organization. More specifically, in order to aid comprehension of the arguments of the book we imagine an extraterrestrial society where the development of the social sciences has preceded that of the natural and logical-formal sciences, rather than—as is the case on our Earth—the other way around. Our confrontation between the organizational social forms and respective histories of our two planets points the path forward that we will follow in subsequent chapters.

Keywords An analytical expedient • The twin planet • Initial exploration • Dunatopian culture • A friendly people • A mild nature

The spaceship was leaving, equipped for a long exploratory voyage in search of extraterrestrial life forms and my imagination wandered in advance through the strange worlds that would be discovered. Due to the sudden illness of a crew member, I was taken on board at the very last moment, as scholar of social formations.

We traveled for a long time in the galactic space searching in vain for signs of life. Frustration laid heavy upon us and we were losing any hope in the success of the mission. But in the last days of our third year of unfruitful search, our bad luck lifted. We received impressions that seemed to point to signs of life; soon after, we landed on the planet that, in their phonetic that I am unable to reproduce, the natives call the country of sweet dawns. Here we shall denote this planet Dunatopia, a Greek expression meaning ‘the feasible utopia’—even though many of the institutions of such a society represent (as I said) a ‘necessity’ for us. The inhabitants of the planet appeared trustful, curious and of a peaceful disposition; they provided us with a warm welcome. We immediately perceived close resemblances between them and terrestrial forms of life. Later I came to understand that, many years

before, a meteorite had brought life to this planet, and the innumerable resemblances of such life with that of our own planet induces me to believe that this meteorite originated from the Earth, or at least a region of space that probably was also the origin of life on Earth.

The climate of the planet was mild. Its pleasant dawns enriched by a blaze of joyful lights and colors, inaugurated each new day with a message of exhilarating harmony. The geography of the planet was pleasing and propitious to human activities; the landscape was variegated, with high and indented mountains some of which were whitened with perennial snow but which, being separated by large plains across which flowed great rivers, did not obstruct communications.

In the presence of the grey-silvery people, whose appearance was not agreeable by our aesthetic standards, I at first felt myself in the role of a civilizer among primitives. But I was soon induced to change my mind.

I noticed that the Dunatopians (as I'll denote the people henceforth) had invented a tool to decipher languages. I discovered later on that they had created it in order to facilitate communication with each other notwithstanding the great variety of languages spoken in their world, which is enriched by a multiplicity of cultures. They used such an instrument to communicate with us. Perhaps our various linguistic structures rest upon some universal property that the Dunatopians know, or there exists some structural affinity between their languages and ours. At any rate, to our great surprise and the excited pleasure of the Dunatopians, this instrument allowed for communication between the two peoples.

I was impressed by the beautiful and multiform vegetation, the accurate, variegated and intensive farming, the care for the environment; above all, I was impressed by the courtesy and the serene brightness of those people. Their affluence was greater than one would have expected from their technologies; what is more, the achievement of this wealth appeared not to have the spasmodic advances and related turbulence that we have experienced upon our own Earth. I had arrived among a people who harmoniously combined temperance and critical sense, the habit of discipline and an ability and propensity to stimulate innovation. In sum, I saw that elements that in our own history have been separated and in irremediable conflict were, among the Dunatopians, in harmony. So many differences in relation to earthly people could hardly be fortuitous; indeed as I stayed longer I began to suspect that they sprang from elements deeply rooted in Dunatopian culture. I asked myself if pre-cultural and pre-institutional conditions had eventually determined these characteristics. I supposed at first that the mild climate was an important explanatory factor, but soon rejected such a hypothesis. I reflected that anthropological, social and historical studies teach us that climate differences on Earth have exerted but a secondary influence in the modeling of earthly societies, and that the forms of civilization depend primarily upon imponderable creative phenomena. Therefore, I ceased to think in terms of such first causes. There were much more important things that needed to be understood.

I have always suspected that there exist, at each of the various stages in the development of societies, some organizational 'necessities' that are obligatory if the demands of rationality and efficiency are to be fulfilled; I am also persuaded that

the social environment is a result of the combination of these necessities together with human creativeness and random events, where the last may play a very important role if social evolution is essentially a result of spontaneous behaviour. These convictions stimulated me to deepen my knowledge of this new planet, which seemed indeed an ideal place to check the foundations of my ideas on society. I visited offices and factories, schools and churches, crossed countries, lived in villages and towns, put questions to people of different professions and experiences, scrutinized appearances in order to penetrate their substance, and systematically compared what I found with my experience and knowledge concerning Earth.

In the wake of this searching exploration, I asked the Dunatopian authorities to organize a number of meetings with the wise men and scholars of the planet so that I would be able to develop a comparative analysis of their societies and those of our Earth. It was my hope that by doing so I would be able to understand some aspects of Dunatopian society that still seemed to me indecipherable. The greatest scientists of the planet were selected to deliver the various reports, and a number of very learned scholars crowded the hall, eager to obtain information on our planet, which they supposed to be very advanced given that it had sent explorers to their own world.

At the meeting I provided a report on the institutions, ethical values and some other basic features of earthly societies, underlining some of the most significant traits of their historical evolution, our main achievements and failures and some of the most urgent problems presently troubling the Earth. As I delivered my talk, I became aware that the Dunatopian scholars were looking me with surprise and disapproval. Later I discovered the reasons for this. I do not here present what I said concerning our world, which you who read this already well know. I'll discuss instead the reports of the Dunatopians' and the questions put to and answers given by the various speakers.

Chapter 5

A Brief Historical Excursus on the Evolution of Dunatopian Society and Its Institutions. Structural Organization and Innovative Dash

Abstract Here we survey and discuss the institutional history of the new planet, which unveils an organizational evolution opposite to and much more judicious than the variegated institutional orders that have been built at different times on our Earth. As it happens, the geography of the new planet favored a rapid and almost complete unification of the country, some few peripheral areas notwithstanding. The initial result was the arising of a bureaucratic and centralized empire, which was distinguished by high stationary efficiency, but unable to develop further. The situation thus attained saw a well-equilibrated but stationary social order constantly threatened by various small but aggressive and dynamic neighboring communities. This threat convinced the ruling class of the empire that it was necessary to subjugate these communities; but this proved impossible. Moreover, the long period of warfare that resulted made evident to this class the fragility of the almost stationary imperial order. Greatly concerned, the emperor established a committee of social science students to investigate the possibility of embodying within the imperial order such institutions and ethical features that were deemed responsible for the surprising dynamism of the neighboring peoples. A great reformation was promoted to incorporate, internalize, and embody the resulting design. It was clearly understood that this reform required development of the following factors: a new role for the initiative of the individual, this being a main source of versatility, diversification and gratification; the decentralization of decisional centers; the ferment of dissent and pluralism; tolerance as opposed to the forced consent, homologation and indoctrination practiced by the hitherto bureaucratic and centralized empire. In a parallel line of its report, the committee urged the importance and possibility of conciliating the structural order, in which the empire excelled, with the innovation, behavioral versatility and motivation of neighboring communities. The above circumstances made it evident to all concerned that the idea of warranting equilibrated relations among sectors is a senseless proposition as it would imply the building of tedious and stationary societies. Some hegemonic sectors must always exist as an effect of the development process in the presence of human knowledge that is limited by definition. Humanity must discover a design that integrates and foster the development of both the calmness of reason and the madness of creative processes.

The evolutionary path of non-omniscient people is characterized by innovative dash followed by structural organization.

Keywords Institutional orders • Centralized-bureaucratic orders • Homologation • Institutional decentralization • Versatility and diversification • Pluralism • Tolerance • Evolutionary push • Innovative dash • Structural organization

DUNATOPIAN: We have listened with great curiosity and interest to the report of our Earthly friend concerning his planet. Now it is our turn and we must be no less generous than him in providing full details as to the historical vicissitudes, the main elements and the manner of functioning of our society.

After a primitive stage similar to what you call tribal society, a great empire began to be established in our country. With the help of a solid and efficient organization as well as favorable geography, this empire succeeded in the gradual unification of our whole planet, with the exception of one large island and some peripheral extremities of the continent that were separated from the rest of the country by high mountains and deep inlets.

The productive work of the empire was carried out by large state farms managed by imperial officers intent on repeatedly producing the same goods in unchanged proportions, according to the dictates of what His Imperial Grace offered for his subjects' consumption. A cultured and loyal bureaucratic class regulated with probity and sagacity every detail of the life of the empire. An abyss separated the mass of the subjects from the ruling class of the imperial officers and these from the supreme Majesty of the great emperor, messenger and representative of God, who was invested with full powers and owner in principle of all that existed in the empire and even in the entire Universe, both living and inanimate things. Obedience, the full acceptance of existing reality and its well ordered reproduction, the quick suppression of deviations from the functioning of such impressive terminology (in your terms) occupied the very zenith of the hierarchy of merits and virtues.

The ultra conservatism that such an organizational form and the implied ethical values had made possible, with the help of its immobility, contributed to an extreme perfecting of its functional mechanisms. The result was a peaceful, well ordered and relatively prosperous society; a society easy to manage and control, the aim of which was the exact repetition of preexisting reality and proportions. As a consequence, this society had reached the maximum of stationary efficiency. But in the course of time the subjects of this society, subjected as it was to a totalitarian power that was accepted as an expression of divine will, and suffocated by sumptuous ceremonies, became more and more bored. Life passed by listlessly, ennui spread. It seemed that our world, after having achieved a relative degree of wellbeing, was destined to remain indefinitely frozen in a state of outer serenity but inner hibernation. But a tempting ambush laid in wait.

Some peripheral areas, populated by people that we called "the greedy and turbulent neighbors", had developed organizational and cultural forms completely

different from those of our great empire. Those forms were centered on free enterprise, private property, the decentralization of decisional mechanisms, pluralism and free dissent, and a competitive and acquisitive spirit. At first we were delighted to leave those 'degenerate' people to lacerate themselves in their own 'barbarity'; we held their example up to our people as an example of anarchy and corruption and we forecasted their self-destruction. But when, instead of decaying and disintegrating, they visibly flourished and began to exert a more and more contagious and insinuating influence upon the subjects of the empire, we thought to eliminate their corrupting presence by forcing them to submit to military force. Yet the planned invasion was postponed repeatedly; we still hoped that such a people would spontaneously adhere to our superior order, now stimulated and cajoled by our looming pressure on their borders. But our offer was disdainfully refused. In the meantime the contagion within our society grew and threatened to upset the perfect mechanisms of our organization and hence disturb its rigid structures. It became for us an imperative to eliminate the contagion by military force.

The best divisions of the army were mobilized. At the commencement of military operations the great plain was inundated by flags and soldiers that advanced with martial stateliness and to the sound and thunder of breathtaking music towards an apparently helpless prey. We considered superfluous, from a military point of view, such a massive deployment of troops. It was aimed rather at impressing enemies and to showcase the perfect organization, the great resources and the overwhelming superiority of our empire and its civilization. The evident lack of cohesion, the incessant brawls and civil wars that raged among our enemies seemed to promise a quick solution of the war. But the imperial army encountered a surprisingly valiant and prolonged resistance.

Those people obstinately refused our civilization; they were passionately in love with their culture and their autonomy, attached to their goods, and defended it all with unshakeable vigor, heroism and trust, and with seeming indifference as to the greater strength of our well disciplined army and the devastation to which we subjected them in the attempt to force their surrender. With an impressing inventiveness, they crafted diabolic defensive strategies that caught our bewildered generals and soldiers totally unprepared. The prolongation of the war seemed to multiply their strength, instead of weakening them.

EARTHLING: What you are relating interests me very much since on our planet we have experienced analogous vicissitudes that have caused important turning points in history.

DUNATOPIAN: The conflict lasted for ten years. We succeeded in conquering a part of the enemy territories, but only with great effort and the use of information provided by a deserter. But we noticed that the conquered did not accept the civilization of the conquerors; on the contrary, our conquests only facilitated the further penetration of their influence within our empire.

The large part of the enemy had repulsed our attacks and, with the stagnation of military operations, we saw them rise again from the ashes of devastation. We were greatly impressed by the initiative, versatility, perspicacity and inventiveness of our enemies, which seemed unlimited, and by their ability to overcome great obstacles

and difficulties. By contrast, the military effort caused a deep crisis in our country, followed by a dynastic crisis. It became evident that the simple introduction of a pebble into the perfect mechanisms of the empire could cause disaster. So, in the thirteenth year from the beginning of the war we decided to withdraw the troops and make peace.

EARTHLING: What you say is very interesting; its similarity (as I said) with events that happened on Earth confirms my idea that societies, in order to go through the various stages of evolution, must fulfill some definite organizational requirements, some ideological and institutional imperatives that to a large degree vary during development. I am curious to know what you decided to do.

DUNATOPIAN: The new emperor had to work hard to put the state organization and the economy of the country back in order. Over the course of this difficult task we came to better understand the weaknesses of a centralized system, in particular the dangers that arose from its lack of flexibility.

After completing the reorganization of the state, we felt compelled to choose between the complete isolation of the empire from our neighbors, in order to preserve its seemingly powerful but substantially fragile organization, or to start a renewal. We recognized that a complete isolation was impossible: the progressive increase in the degree of development of our neighbors would have generated an untenable inequality between us and them and hence sooner or later it would become attractive, for those needy of space and propelled by the aggressiveness of their social structures, to precipitate the collapse of our order through a vigorous push. Faced then with the prospect of stagnating and so perishing, we were obliged to accept the challenge of cumulative development.

Our wise emperor instituted a commission charged with deepening our understanding of the basic nature of our noisy neighboring society, its evolutionary mechanisms, as well as the limitations of our order. The intention was to understand how to graft upon our society the most valuable aspects of rival societies. We were convinced that our erudition was able to build a society superior to that which in the hostile regions had grown through spontaneous evolution; such a conviction provided us with a great moral push and stimulated the trustful activities of the commissaries.

It became clear that the centralized order of the empire was by its nature hostile to development and unable to promote or even suffer novelties, and that it was only able to govern a stationary society. Moreover, we verified that the great successes of our enemies were stimulated by the central role that their civilization attributed to the individual (this being the ultimate source of creativity and a factor of versatility), a role that gave impulse to the determination to operate with dedication and gratification. More precisely, the cause of their dynamism seemed to be constituted by: the postulate of the sacredness of the individual and the intransigent respect of individual conscience, initiative and diversities; the multiplicity of centers of decision, of motivations and of interests; the ferment of dissent and the plurality of opinions; the unifying and legitimizing role of consent, which itself resulted from dissent and the free confrontation of opinions as opposed to the one-dimensional and unnatural consent that our empire generated through indoctrination and

homologation. We realized that a world the inhabitants of which have capacity limitations is forced to advance gradually, through cooperation and the accumulation of little or great insights, flashes of inspirations and other such contributions.

EARTHLING: Very well. A terrestrial student wrote: “As the value and strength of human opinion depends entirely on the possibility of correcting it, if it is wrong, it is reliable only when the means to correct it are constantly available”; and again: “All that is wise and noble is initiated, and must be, by individuals.... As the tyranny of opinion makes eccentricity blameworthy, so to crush oppression it is desirable that men be eccentric”.¹ Your analysis of the virtues of your rival societies seems to me acute for it is hinged on the importance of individual initiative. But I do not understand how to separate those virtues from the aspects of those societies that you seem to consider negatively.

DUNATOPIAN: We considered it senseless to merely copy the civilization form and the institutional organization of our enemies. We did not accept the great confusion characteristic of the individual rush toward material wealth, although we saw that this seemed to fuel development. We agreed on the importance of the individual’s initiative and motivation; but we also considered that creative skills are a random attribution of a few men. This means that the great masses from which the sieve of competition selects the highest qualities need to be protected and entitled to exercise participative powers. Their sovereignty and motivation are not automatically warranted by a liberal-democratic society, as you said; in the stimulating world of competition, a lot of persons may feel lost and desperate, and important potentialities and skills get lost.

We also established that another important factor in the spontaneous and self-propulsive development of our neighbors was private property; but we realized that private property may be both an important defense of individual autonomy and a no less important means of oppression. Moreover, we realized that free confrontation and the clash of opinions and interests represent a great motivational and innovative factor; but we were not prepared to permit such confrontation to degenerate into a roughhouse. In particular, it seemed to us that to be pitiless towards a losing party is an unjustifiable cruelty and, furthermore, likely to ignite the spark of dissent.

We considered carefully whether the characters of our neighbors, of which we disapproved, were attributions inseparable from cultural vivacity, creativeness and an individual’s centrality and, hence, indispensable factors of a dynamic society. After a heated debate, our wise men unanimously concluded that a guided, as opposed to spontaneous evolution of the social system, should eliminate negative aspects and stimulate positive ones, that is, separate, as you say, the grain from the chaff. In particular, we agreed that the two social systems were wrong for opposite reasons and that the society we want to build should be free from both sorts of errors.

¹See Mill (1999, pp. 24, 77).

EARTHLING: What I am listening to makes me very curious. As I said in my own report, some people on Earth are encountering a situation and problems almost analogous to those you have related; but they have commenced, through decisions and attitudes that I consider reckless, an uncritical transition towards the contrary society that previously they called with disdain 'capitalist'. I am anxious to know what you decided to do.

DUNATOPIAN: The wise ancient emperor ordered the immediate start of a reformation. It must be underlined that we paid great attention in order to avoid our social system reiterating the lacerating tendency to acquire material wealth, which was the primary interest of our 'greedy and turbulent' neighbors and which tormented their life and, as you have explained to us, also troubles the existence of people on Earth. As you will hear in the following reports, it was a wise decision that allowed us to build a social order capable of exploiting human potentialities and natural resources at the highest degree, achieving a great efficiency and degree of development and meeting the aspirations of a sovereign people. In sum, we concentrated ourselves in stimulating the emergence of those basic factors that a dynamic society needs. Our aim was reconciling order and structural harmony, at which our empire excelled, with the innovative skills, personal initiative and motivation, flexibility and versatility of administrative structures, which excelled among our neighbors. This was a very difficult task and required a long time. To stimulate entrepreneurship, individual initiative and cultural pluralism, which were suffocated in our empire, school teaching and family educational work were mobilized. Many ancient and venerated rules were revised or allowed to fall by the wayside. The old bureaucratic centralized order was demolished. The faithful and cultured bureaucracy of imperial officers was converted into a corps of officials at the service of an alert but non-intrusive central power; the role and responsibilities of local units was augmented in parallel with their rise in experience and competence. It would take a lot of time to relate the stages of this institutional transformation, the difficulties and failures that it had to meet, the rebellion and dynastic changes that it precipitated. But in spite of all difficulties, we continued along our chosen road. After all, we had no choice; it was imperative that we escape the dead end into which the civilization of the old empire had pushed us.

EARTHLING: Some earthly philosophers, idealists and students of society have recommended, in order to improve the quality of life and reduce alienation, the preservation of equilibrated proportions among social subsystems. They think that such equilibrium would avoid the stressful hegemony of some subsystem in the various historical ages, for instance the military, religious, or technological subsystems or, as is the case today, the economy. The hypothesis is that, in a well-equilibrated society, it would be easy to choose among various activities and that man's inward harmony would not be debased by unilateral pressures. I see that one basic aspect of your Great Reform has been the destruction of the structural and behavioural equilibrium that your empire took care to warrant and preserve. This is just the opposite of the ideas of those Earthly philosophers and idealists.

DUNATOPIAN: Any attempt to carry those ideas into effect contributes to the building of boring, stationary societies. People's transition from one activity to

another is, and always will be, thwarted by the limitation of individual skills; in fact, this limitation implies that the more developed is some individual skill the less developed will be those of a different kind possessed by the same individual. Moreover, it is evident that social evolution operates through a disequilibrating and re-equilibrating motion. Some hegemonic social system will always exist; this is an implication of the developmental process.

The limitation of human knowledge forces humanity to move forward by way of a succession of illuminations and discoveries. In this difficult process of climbing upwards, various paths are entered upon; the easiest and most promising ones will prevail over the others and cause, sooner or later, a diffuse tendency to converge towards them; but soon after new possibilities will appear on the horizon and new adventures begin. Innovative dash and structural organization, disequilibrating and re-equilibrating tendencies: this is the destiny of evolutionary societies and non omniscient beings. The suggestions of some of your savants concerning the building of an equilibrated society are in conflict with the advancement of knowledge and development. Their suggestions lead to despotism, to the advent of stationary societies. The historical vicissitude of our ancient empire taught us to distrust these ideas.

EARTHLING: In fact, on Earth some other philosophers and social scholars have set out opposite ideas; they have eulogized disproportion, innovation, one-sidedness and apparent madness as indispensable to renovation, to progress—a source of variety and inspiration and even the most exciting aspect of life. An erudite philosopher once wrote a booklet emphasizing in a paradoxical way the vital importance of folly and foolishnesses. His intent was to demystify the widespread and deeply rooted stupidities afflicting current reality, and to do so he delineated a paradoxical recipe: an opposition to current foolishness by way of an opposing folly, able to defeat the first by compensation. With satisfied exaggeration, he says: “The whole of human life is only a game, the simple game of madness”, and “if in your life you search for amusement, be distant from wise men and choose as friends the maddest of madmen”;² an understandable reaction against the tedium of equilibrium. You are right: the evolutionary motion of humanity requires an interaction between the madness of creativity and the wisdom of reason.

DUNATOPIAN: The thesis of your philosopher is acute and stimulating but one-sided. Probably he was disgusted by the irrationalities and deceitfulness devastating your social order and pointed to folly as a suitable remedy. But humanity must trust both in the suggestions of reason and the madness of creative processes if it is to be able to develop. Innovative dash followed by structural organization: the performances of non omniscient and non omnipotent beings cannot go beyond this evolutionary destiny.

Probably the most troubling problem that the organization of social systems must face is the tendency of human beings to achieve dominating positions, in order to prevail on other people in the struggle for life and personal success. Animals do

²See Erasmus of Rotterdam (1994, pp. 46, 117).

something similar following instinct and often use brute strength to establish power hierarchies. But man does worse; he tries to prevail on others men through cheating, cunning and other devilries and folly that the philosopher you mentioned denounces. Fortunately, human reason allows the defining of rules and the building of institutions in order to avoid such degenerations and abuses of power in the struggle for success and in order to stimulate virtue in place of vice. In particular, reason allows the building of a science of the organization of social systems defining rights and duties of consociate citizens and warranting their autonomy as much as possible; this stimulates efficiency and the utilization of human and material potential and, as we shall soon see, allows for the substitution of a limpid service-power in place of an ambiguous, threatening and cruel domination-power.

EARTHLING: Tell me, please, the main aspects of your institutional order.

DUNATOPIAM: You will come to know them over the course of the next reports, which will begin with the important question of the forms of power.

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Chapter 6

Power Forms and Their Practice in Dunatopia. Service-Power and Domination-Power. Judicial Power

Abstract This chapter discusses the forms of power within societies, the particular modes of which strongly influence the character and behavior of domination forms and the ethical substance of social orders. It is made clear why it is imperative that the treatment of this delicate topic is based on the organizational point of view. The chapter also shows both the absurdity of the observational view in the social sciences and the reason why such absurdity persists, which is related to its implicit and supine acceptance of the hegemony of the dominant social classes. The need for a smooth passage from the bureaucratic and centralized or autocratic organization of the almost stationary old empire to a social organization that is able to develop steadily, and without succumbing to the explosive voraciousness of neighboring particularistic communities, obliges us to engage in an accurate meditation on the power forms prevailing in both cases. History shows that whatever the character of the organizational forms of societies, they have always been governed by domination-power, that is, a form of power that feeds subjection, arrogance and dejection. To reverse this situation, we oppose to domination-power the notion of service-power, that is, a power to which correspond functions clearly defined and severely subjected to well defined responsibility criteria for decisions taken and their results. Service-power entails that the discretionary power, which is inevitable in a world troubled by incessant changes, neither implies nor legitimates free will. It is of great importance that social organization rests on the basic notions of responsibility and service. In fact, the notion of service stimulates the sentiment of duty, while responsibility ensures motivation and satisfaction for what an individual does. Service-power is a primary vehicle of morality, efficiency and satisfaction, while domination-power is a main cause of acrimony, discontent and depravity. We underline the abuse of power that afflicts the administration of justice, with a consequent injury of the proclaimed principle of the equality of all before the law. We also demonstrate the falsity of the defense of the free will of judges as essential to their independence and show that the contrary is true: independence in decisions both implies and generates responsibility for decisions taken, thereby avoiding degeneration in the use of command power. Finally, we highlight that success of the fulfilled functions, as a counterpart of the attribution of responsibility, does not

imply technocratic degeneration; in fact, political functions do not properly need technical competence, for they concern ends (i.e. ethical-ideological options) not means, to which technical competence refers.

Keywords Forms of power · Domination-power · Service-power · Responsibility criteria · Free will · Judicial order (independence of judges versus their free will) · Technocracy

It may be opportune to begin this chapter with some warnings about the pathologies of the phenomenon of power. Politicians and students are full of praise for the ‘division of powers’, irrespective of the fact that, in general, power acts as a vehicle for abuses. Citizens witness these abuses and so receive a perverse teaching from the implied arrogance. Neither the division of powers nor even democracy are able to overcome such corruptions. It is therefore of paramount importance to teach ways to extirpate the abuses of power and its corresponding deceptions. Well, a most effective antidote to vice is found in the transition from domination (abuse) power to service power.

DUNATOPIAN: Conducting the transition from an absolute state power brooking no appeal towards organizational forms that, under various aspects, limit state power, obliged us to meditate profoundly on the substance of power itself. In fact, the comparative analysis of our civilization with that of our neighbors indicated that both were particularly lacking when it came to the practice of power. The total and ultra-conservative domination-power typical of our empire caused the ennui that was devastating our people; on the other hand, the explosive and lacerating voraciousness of the nearby particularistic communities seemed for the most part to have resulted from the domination-forms established there. In particular, comparative analysis of the two societies informed us that the prevailing power forms decisively influence organizational efficiency as well as men’s characters and represent the basic principle leading the evolution of societies. An important cause of the attitude of our people that you appreciate so much is just this form of power that we have edified. Domination-power feeds injustice, arrogance, subjection, dejection; it generates a world inhabited by servants, a few lions and infested by astute foxes.

EARTHLING: Society cannot do without power forms. You are insisting in deprecating domination forms, thus suggesting that there exist power forms that do not imply domination. It seems to me that power is inseparably linked to domination.

DUNATOPIAN: In order to clarify this question, a simple distinction concerning the notion of power must be enunciated, a distinction that we consider a triviality but that you people of Earth do not seem to know: domination exists if there is the possibility of practicing power with free will. The strength of the domination is proportional to the free will that rulers can exert. We denominate as ‘service-power’ that power that does not imply domination (i.e. the free will of the ruler). We are well aware that the practice of power cannot be completely separated from free will; but we have worked with resolution in order to progressively reduce

the dimension of free will so as to bring the existing power forms as much as possible into line with the notion of service-power.

EARTHLING: I do not find your distinction between *domination-power* and *service-power* convincing. The practice of power is not a mechanical phenomenon admitting measure and never will it work without rulers' discretionary power; a discretion that indeed must be proportional to the level of power exerted and the mutability of society.

DUNATOPIAN: You confuse free will and discretionary power. We know that the practice of service-power requires high discretionary power, primarily in the fulfillment of the functions of highest level; only in our ancient stationary empire, which was characterized by merely repetitive decisional processes, it was possible in principle to erase discretionary power. At any rate, it is important to take note that *discretionary power is not free will, and hence does not imply domination if the assigned functions are clearly defined and their practice is subjected to well defined responsibility criteria*. We shall see, for instance, that entrepreneurs need a very large discretionary power; but their role is well delineated and, in the absence of institutional monopolies, it is headed by clear and inescapable responsibilities for the achieved results; this prevents the transformation of such discretionary power into free will, obliging its realization in precise goal: the achievement of satisfactory corporate results.

EARTHLING: I am not convinced; important innovations, which often imply great fractures, require high powers of disposition; they need the whip of domination-power.

DUNATOPIAN: The need that you underline is relevant to social orders fitted to totalizing civilizations with a strong stationary propensity, like our ancient empire. The shock of the defeat that our neighbors inflicted upon us was necessary to induce our people to take the great step of repudiating such an order. But a dynamic society does not need deep and sudden shifts in order to carry out great changes. Such changes happen there with naturalness, through the sedimentation over time of incessant innovations.

EARTHLING: What you say is right. On Earth tremendous revolutions happened but, once the dust had settled it became clear that they did not revolutionize anything. They mobilized immense class hatred, dispensed great abuse of power and edified domination forms often worse than preexisting ones. You are certainly correct to insist that change requires great social fractures only if the degree of structuring of society and its stationary propensity are strong. Deep revolutionary changes in various fields have been carried out on Earth through gradual and continual innovations, avoiding great drama. I agree then that it does not need the whip of domination-power to carry out great transformations. If society is open to the new, the advent of innovation becomes an ordinary event ingrained in the social body.

DUNATOPIAN: Pay attention, please. In order to transform domination-power (i.e. implying free will) into service-power, what is required is the existence (and definition) of precise and inescapable responsibility criteria for the results of fulfilled functions and the decisions taken. But this is only a necessary condition and not a sufficient one, as is clearly shown by the fact that, in the system of totalitarian

power-domination of our ancient empire functions were well defined and responsibility perfectly attributed, to the point that the officers charged with managing such a stationary-repetitive reality were substantially devoid of discretion. The problem of power forms is strewn with confusion caused by false appearances. In order to avoid such confusion, it is necessary first of all to clarify the distinction between the notions of *service-power* and *authority*, the latter merely intended as prestige and the ability to obtain consent. In fact, such prestige and ability can be the expression of the worst forms of despotism, made stronger when ratified by tradition; besides, consent can be achieved by indoctrinating dominated people with appropriate beliefs through teaching and propaganda; that, of course, is quite inconsistent with the notion of service-power.

It is also important not to forget that domination-power can result from the existence of power monopolies that arise from either institutional privileges or large wealth concentration under the exclusive and unquestionable control of somebody. But the discussion of these supports of domination forms is not the object of my account; they will be treated in later reports on the political system and the organization of the economic system.

EARTHLING: On Earth we try to limit the pushiness of domination power, that is, free will in the use of power, through pluralism: the development of counter powers, the division of power and the fostering of opposition between competing powers. Earth societies that have favored the division and opposition between powers have received great benefits and are now the most prosperous of our world. But we have been unable to advance further. The institution of private ownership is eulogized by our best students of society, primarily because such an institution has generated, in practice, the most important counter power and the most efficacious barrier to the abuse of power by the state and its officers.

In various cases, the terrestrial world has defined and set up farraginous control systems aimed at solving the problem of 'how to control controllers'. But, paradoxically, the best minds in this field have always been the great despots: they have tried to insure their subjects' obedience through the overlapping of a multiplicity of bureaucratic machineries, secret services, spies delegated to control other spies and other duplications involving substantial administrative inefficiencies.

Your method of compelling the use of power in the form of service constitutes a much clearer organizational tool that would seem to be inspired by an acute statement by an important earthly thinker, who wrote: "Men always will be bad, if some necessity does not force them to be good".¹ With laudable vigor and sagacity, you have fostered the building of institutions that force and accustom men to be 'good'.

DUNATOPIAN: What you call counter powers are secondary remedies to domination; they are better than nothing but do not go far: their importance consists in their expression of pluralism which, as I said, is a stimulating and enlivening factor. In the old empire we largely used expensive and overlapping functional duplications in order to thwart the possible free will of imperial officers; indeed, we

¹See Machiavelli (1950, p. 90).

used such an expedient to back up imperial despotic power much more than to eliminate domination. The main road to the demolition of domination-power is through service-power, that is, power devoted to the well-defined performance of functions and which is curbed by the specification of precise criteria of evaluation of the success of decision making and, hence, subjected to unavoidable responsibilities in case of failure. But let me reaffirm that all this is insufficient to demolish domination-power. For this end it is necessary that functions are scientifically defined (what this means will be clarified by the reports that follow) and are neither a product of mystification nor simply derived from tradition; besides, the operation of the principle of the people's sovereignty is also needed, and not in some ephemeral form (as we shall see further), and that an efficacious opposition to monopolies is at work. However, on these themes I do not want to steal matter that properly belongs to the reports to follow.

EARTHLING: I greatly appreciate the deep attention that you pay to eradicating domination-power. An earthly scholar wrote (albeit in contradiction with his excessive appreciation for private ownership): "Men can never be safe from tyranny if they do not escape it before they have been entirely subjected by it".² However, I expect that the examples you will provide concerning your institutional organization will provide better evidence of the diffusion in your society of service-power in the place of domination-power.

DUNATOPIAN: I have to underline immediately, on this subject, a condition that experience has shown essential to the opening of the road to service-power. This condition consists in paying the maximum attention to assigning people to roles that are congenial to them, having selected them according to their inclinations and natural skills as resulting from the success obtained in their use. As a result of this selection, almost everybody here finds satisfaction from the performance of his work, even if he strives to get ahead.

At the same time, we take care to prevent uncommon and appreciated natural skills leading to the material enrichment of their possessor (except what is necessary to stimulate their use), for they have been obtained freely and by mere chance. Among us, it is a basic notion that natural skills, especially the highest ones, should be used for the advantage of society while the benefit of possessing them should be limited to the pleasure taken in their use, i.e. the pleasure derived from the performance of work, and from people's admiration, gratefulness and estimation of such work. In fact, if important talent leads to great private enrichment, this 'corrupts' and weakens the work of extraordinary individuals, thus depriving society of their skills. We know that the race for private profit is a fundamental stimulus to dynamism and efficiency only in the case of the spontaneous evolution of society, as for example among our greedy and tumultuous neighbors; a society organized with the help of science can relegate to a secondary position the propensity toward material wealth, with a resulting great ethical and functional advantage for the

²See Locke (1997, p. 57).

business commitment and the efficiency of individuals, their happiness and motivation and their deeper inspirations.

In this country all is organized coherently around the basic notions of *responsibility* and *service*. You should not underestimate the great ethical and functional importance of these notions: responsibility induces us to operate with shrewdness, and ensures motivation and satisfaction for what an individual does; for its part, the notion of service stimulates the sense of duty. Among us, estimation is mainly a consequence of success in fulfilling service; such success is much appreciated and hence greatly gratifies citizens. Everyone among us knows that society helps him to fulfill the particular role most suitable to his skills. The serenity and satisfaction that you can see around you, the motivation and sound competitive spirit of our people, are primarily a result of the coherent application of these organizational criteria. Let me emphasize that such an application is indispensable to the advent of service-power, which we know, through a long experience, to be the main vehicle of morality and decency, efficiency and satisfaction, as opposed to domination-power, which for its part causes acrimony, discontent and depravity.

EARTHLING: Your insistence on the corrupting power of what we denominate money does not convince me. Moreover, what you say induces me to think that on this planet unemployment, which greatly troubles earthlings, does not exist; otherwise you could not be so satisfied. I look forward to understanding how you succeeded in defeating unemployment notwithstanding your vigorous opposition to the search for personal earnings, which seems to me to give a fundamental impetus to production.

DUNATOPIAN: Here unemployment stays in the range that you call frictional, that is, the interval of time necessary to pass from one job to another. You will discover the reason behind such an achievement when you hear the report on the organization of our economic system. I fully understand that people coming from a world where material wealth is at the top of people's agenda find it difficult to believe that the achievement of private wealth can be usefully relegated to a secondary position by an advanced and progressive society; but I guarantee you that in the end you will become convinced that a primary deficiency of societies like your own is in fact constituted by the main stimulus to their development, that is, the striving of men for money; for money, which allows its owner to buy everything, is a principal means of domination.

EARTHLING: On our planet the inequalities in the distribution of material wealth are enormous. Terrible struggles and the mobilizing of bitter resentments and envy have been unable to check them.

DUNATOPIAN: In the report on the economy you will learn the organizational form that has allowed us to avoid these problems.

EARTHLING: One of the most famous of Earth philosophers wrote: "the worst damages are perpetrated in order to achieve excess, not what is necessary; for instance, nobody becomes a despot to protect himself from the cold.... Besides, men's wickedness never satisfies its appetite: at first they are content with only two obols; afterwards, when this becomes a customary norm they want more and yet still more; in fact, the nature of the desire for the satisfaction of which most people

live is unlimited”.³ Perhaps it is an expression of great wisdom that your institutions make it possible to teach and impose moderation with respect to *having* and, at the same time, to steer toward service men’s great desire for honor and distinction. I think now that the worst defects and frustrations of earthly people are due to the widespread diffusion of domination-forms among us. An unrestrained race to achieve power torments our countryside; it is stimulated by the thirst for domination and by the need to defend oneself from the domination of other people. An important earthling student wrote: “The inability to make strong what is just, has implied that what is strong has also become (and I add, proclaimed) just”.⁴ I appreciate very much that your advanced social science allows, among the other things, the making strong what is just.

The possibility of obtaining free will greatly attracts men, who are drawn to the illusory dream of omnipotence, which in turns ensures that the thirst of domination power can never be fully quenched. The attempt to satiate the thirst for domination through the acquisition of greater domination is like using fire to extinguish fire. Domination-power does not know satiety; it even contaminates dominated people. An earthly scholar wrote: “men, unfortunately, are made in such a way that the more are subjected to the caprice and free will of high-ranking persons, the more, in general, have a tendency to burden their caprice and free will on low-ranking people at their mercy”.⁵ Moreover, subjection to domination power tends to extinguish in those subjected any sentiments of joyous participation in their work or proud satisfaction in tasks accomplished; indeed, it instills in their hearts resentments or resigned ennui that is by contrast amenable to manipulation by the ruling class through deceitful propaganda. Such resentment, which is multiplied by the social inequalities and growing injustice afflicting earthly society, may cause explosions of hatred and the poisoning of the human spirit. It is an urgent necessity that we learn to oppose the sense of duty to that of having; in particular, we need to make power respectable through the notion of service-power.

On Earth, the ideology of domination-power stands above any other ideology and joins ruling potentates, sometimes through mysterious ties, in a non-corrosive association, independently of professed beliefs and practiced roles. They multiply their power by joining together their available free will. By reciprocally exchanging favors and protection, they obtain a substantial invulnerability and impunity. The family itself, which until but a few years ago was regulated by a semi-patriarchal power is, in our modern societies, now put to a hard test by the cynicism and hypocrisy of a domination-power that more and more penetrates individuals’ action and conscience. On Earth, both great revolutionaries and reformists promised the extirpation of power (generally understood), of injustice, oppression, exploitation, etc. But if successful and so becoming or joining the ruling class, they raised up forms of domination, oppression and exploitation often worse even than the previous

³See Aristotle (1997, pp. 48, 49, 50).

⁴See Pascal (1952, thought 298).

⁵See Mosca (1994, p. 113).

ones. As a consequence, a growing resignation in the face of domination and free will has spread throughout Earth and these phenomena are increasingly seen as inextinguishable. Among us a current maxim says that “justice is not of this world”.

Our rulers have fully succeeded in justifying privilege through the necessity of functions. Often important students identify freedom with the operation of spontaneous evolutionary processes. But those processes favor the domination of privileged social groups. Domination power tends to generate “the soul of a servant, which is cowardly in relation to powerful men and overbearing with weak ones”.⁶

I have to admit with shame that very disgusting abuses of power afflict the administration of ‘justice’ on Earth. He who appeals to courts of justice must resign himself to suffer long delays. What is worse, the claimant must seriously fear the free will of judges. In fact, our laws and jurisprudence often constitute a tangle of contradictory dispositions from which the most dissimilar sentences on analogous events can be deduced. Jurisprudence, which establishes that judges’ discretionary power is a useful instrument of legislative evolution and adherence to reality, has turned into a major cause of abuse and confusion. The prestige of lawyers largely depends on their capacity to obtain ‘adjusted’ sentences; which favors the arrogance of potentates and offers impunity and corruption to criminals.

Nothing is more indicative of the gravity of the problem of power than the abuse of power exercised in the name of justice. A student on Earth wrote: “Everywhere that some authority can condition judges, direct and compel their opinion, utilize the formalisms of justice against innocents who want to condemn his hiding behind the law yet using the sword of law to hit his victims, such a people is in the most unhappy condition”. This scholar insisted on the need for “publicity of procedures and the necessity of severe laws against judges abusing of their powers”.⁷ In our court rooms is written one of the most beautiful phrases that can be addressed to the members of a human society: “law is equal for all”, that is, law dominates and obliges every citizen without distinctions. But legislative, judicial and jurisdictional systems operate in such a way as to frustrate, sometimes more and sometimes less, such a maxim.

DUNATOPIAN: I am strongly impressed by what you say. We attribute the greatest importance to the certainty of law. The legislator, in enacting and promulgating laws, must follow scrupulously the principle of simplicity, clearness and conciseness, consistently with the increasing complexity and vastness of the exigencies of a developing society. We take care to avoid duplications and contradictions in producing law, and particularly in warranting the uniformity of jurisprudence. When we find that we have passed different sentences on the same question a council formed by eminent scholars of law and judges distinguished by great probity and sharpness is set in motion to face the question and arrive at a uniform solution.

⁶See Ferrero (1898, p. 116). Ferrero was referring to wartime events, but his expression is perfectly suited to domination-power.

⁷See Constant (1999, pp. 68, 69).

Judges carry on their delicate function in total independence but are subjected to responsibility. Judges receive great merit or demerit from, respectively, the confirmation or rejection of their sentences on appeal or, even more, by jurisprudence. The courts of appeal are formed by judges highly distinguished by probity and qualification. Upright and qualified judges receive the greatest honors; but those that make judicial mistakes or, using arguments that are taken as pretexts, enact sentences in conflict with current laws, or ones that will be rejected by jurisprudence or in appeal, are demoted and, if they repeat in other similar cases, are dismissed from their function with great dishonor and shame; for a judge's impartiality and competence are considered an ethical imperative of primary importance. A dismissed judge is held in the lowest degree of public regard, to the point that among us there is a saying that "in one's home an incurable disease is preferable to a dismissed judge". By contrast, a judge in office occupies the height of respectability, and is considered a paragon of integrity and wisdom.

Judges' rigor, the clearness, simplicity and transparency of the legal system, and the fact that formalities are limited to what is strictly necessary in order to warrant impartiality towards opposing parties minimizes the probability that cunning and powerful people will prevail in judicial controversies through juridical tricks and courtesies. As a result, citizens often find a solution to their conflicts among themselves, thus avoiding the necessity of taking legal steps. When they do start legal proceedings, they sometimes are able to do without a legal adviser, whose services are however not expensive. Besides, the circumstance that wealth is not so much appreciated among us and that great concentration of material wealth in private hands is not possible place a break upon greediness and, consequently, some of the most furious conflicts. The result of all of this is that juridical disputes are few; which in turns allows the judicial process to be speedy.

EARTHLING: A student wrote: "I am thinking of our nations, which promulgate every day a new law but have not one containing sufficient justice"; and he commented also on the "many volumes full of laws that nevertheless prove insufficient".⁸ I ask myself the reason why on Earth the simple and sound principles that you have referred are so little heeded. Perhaps it is primarily due to the fact that among us the distinction between domination-power and service-power (the last being the power concerned with the fulfillment of well-defined functions that is bridled by well-defined criteria of responsibility) has never received much attention; but it is probably due also to the bad faith of rulers in manipulating public opinion. But even when domination-power finds some passages, selfishness and human passions soon transform those passages into enormous openings; precisely, the consequent forms of domination-power spread by contagion, sometimes as counterbalance, into all the branches of social life, and this in turn sows free will, cheating and abuse of power. As a consequence, we see prevailing: cunning fellows over the just; unscrupulousness, immorality, subjection and deceit over rectitude proud honesty and sense of duty. Abuse of power becomes normality;

⁸See More (1995, pp. 57, 111).

domination-power becomes an object of admiration and of envy rather than a cause of disapproval. I must admit that Earth's history is infested with the calamity of domination-power. Popular sovereignty has been unable to eradicate this calamity. Such impotence seems to me a clear demonstration that this phenomenon takes advantage of (and is protected by) powerful protectors and interests, as well as basic conceptual errors that induce its acceptance and make it appear inescapable.

DUNATOPIAN: The confusion reigning on Earth concerning the question of power is a great multiplier of vice. But I have to advise you that the transition from domination-power to service-power does not ensure the uprooting of vices and privileges. Our principles and action in the name of a strict devotion and fidelity to service and function (through the attribution of responsibilities and selection based on merit and skills) have proved unable to completely uproot privileges and abuses. For instance, important and influential parents remain a helping step to a successful career also among us; but the point is that such sons are obliged, by responsibility criteria, to operate with success in the attributed functions and hence to demonstrate efficiency and competence. Such obligations impel rulers to select collaborators according to competence, to appreciate and reward devotion to work, in brief, to operate with a sense of justice and to reward merit.

I have to add that in those sectors of social life particularly inclined to generate domination forms, such as, for example, economic activities, the establishment of service-power can be achieved by taking advantage of some simple mechanisms. But this will be the object of the report on the economy, which will illustrate that the bridling of one of the most pervasive forms of power, money, is not so difficult.

EARTHLING: On Earth the conviction is widespread that strict limitations on private ownership suffocate individual freedom.

DUNATOPIAN: Private ownership raises some very delicate questions; it is an institution requiring careful attention if we want to separate grain from chaff. We discussed this subject intensively at the beginning of our great institutional reform, in part under the influence of important persons of the neighboring particularistic communities. Some business circles strongly insisted on the necessity of giving free play to spontaneous tendencies and hence to the free accumulation of material wealth in private hands. But, of course, the possibility that every citizen can do what he likes does not constitute a sound freedom. Social life needs regulations. We have realized that the free operation of spontaneous tendency in the economy inevitably causes, through acquisitive instincts and with the help of natural skills, great concentrations of material wealth in few hands, which generates domination forms, is not conducive to justice and is not useful to the full development of human potentialities.

As you can see, our society is vivacious and pleasurable; variety dominates here; everyone enjoys full independence, formal and substantial dignity; everybody may consume what he likes since all is available in our markets, which are well-furnished and diversified; everyone dresses as he likes to the point that we suffer from an excessive variety of fashion. In sum, everyone has the possibility of buying both necessary and superfluous things. This abundance of goods, in spite of the fact that our technology is less advanced than yours, is mainly due to our care

for efficiency, to the wise utilization of natural talent and resources, and to the large space reserved to individual initiative, enterprise and innovation.

EARTHLING: I am very impressed to see that your abundance of goods is flanked by low disequilibria in wealth distribution; in fact, on Earth there is a widespread conviction that inequality in income distribution is essential to growth and the increase of wellbeing. Such a conviction has been strengthened by the complete failure of some equalitarian experiments. Now, however, I start to suspect that their failure—and the resulting moral and material impoverishment—were not due to the new equality in income distribution but rather to other shortcomings of those experiments, in particular: a substantial regression toward organizational forms similar to those of your old centralized empire; the disdain for the fecundating role of individual initiative, the natural differences existing among men, and the promotion of service-power; and, last but not least, the repression of personal motivations and the advent of some very oppressive and pervasive forms of domination.

But I am assailed by a doubt. The great importance that you place upon the success of fulfilled functions as an indispensable criterion in the attribution of responsibilities and hence the defeat of domination places an emphasis upon competences, and this may open the door to what we call technocracy, the government of technicians.

DUNATOPIAN: Your doubt concerns the practice of political power. In some periods of our history we fell indeed into technocratic degeneration, overly fascinated as we then were by the importance of competence. But soon we realized our mistake. Political power concerns some functions the success of which does not depend on technical competence but rather on the ability to be concise, to interpret and mediate between people's aspirations; it concerns ends (and hence ethical-ideological options) on which technicians can say very little, not on means, to which technical competence can be referred. Experience has shown to us that if technicians are given political power due to their competence they do not hesitate to ignore the suggestions of competence if the preservation of political power demands it. The use of technicians must be limited to the fulfillment of technical functions; in such a role they should be judged on the basis of the competence they show.

EARTHLING: Please, what are the criteria of the control of political power that are able to prevent free will in the use of this kind of power, which is the highest of all?

DUNATOPIAN: The solution of the problem that you put will be given in the report that follows.

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Chapter 7

The Planetary Political System of Dunatopian Society

Abstract Further deepening of our reflections on the question of power must primarily concern political power, the supreme form of power entitled to use a binding force to impose the respect of law. Only elementary and primitive societies may dispense with this supreme command power and trust in the guiding power of tradition, the so called ‘power of society’. Those philosophies proclaiming the extinction of state power are senseless. The real problem we face stems from the need to control political power. To this end, we need to consider state power from the perspective of the transformation of rude forms of domination-power to service-power; a transformation that, as far as I am aware, has never been properly considered by social thought. For social thought has at most predicated the abolition of power—a statement that, due to its impossibility, has represented in practice the best possible intellectual defense of domination-power, the hegemony of which is reinforced by the observational methodology that induces people to accept domination-power under the strength of the observation of the continual presence of such a power in history. A substantial way of controlling political power seems to be offered by the notion of ‘popular sovereignty’ as the expression of a so called ‘general will’. But to give strength to such a notion it is necessary to define in a scientific (objective) way the content of the presumed general will. This is possible if we take recourse to the notion of organizational necessities, as expressed by functional imperatives and the associated social order. Note that such idea of the political power is something different from the notion of democracy. Democratic procedures concern choice possibility, not organizational necessity, which latter is rather a matter of science. The assertion that *consensus facit iustum* may cause great equivocations: the dominant classes can persuade people to give consent to the violation of important organizational necessities if they contradict the interests of those classes. This chapter continues with the presentation of an organizational design that concerns political order and process, government action, legislation, and vigilance as to the coherence of the whole institutional order.

Keywords Political power · Power of society · State power · Popular sovereignty · General will · Democracy · Political order and process · Government action · Legislation

Political Power and Popular Sovereignty. The Question of Democracy

DUNATOPIAN: History and experience show that on our planet—as I think also on yours—it is senseless to believe in and hope for the extinction of political power; an extinction wished by some philosophers and moralists at the beginning of our Great Reform of the existing power forms.

Human beings are endowed with vices and virtues that often are strongly intertwined one with another, yet not inextricably. In particular, human nature is comprised of a mixture of reason and instinct. The latter, if left wholly at the mercy of individual selfishness, would cause the disintegration of any human society. Reason would be used to plot aggressive actions and other wickedness; that is, if appropriate rules and norms had not been established so as to discourage such behaviors. Of course, norms by themselves, even if acutely appropriate, cannot achieve the desired aims. Norms must be supported by a watchful power that discourages transgressions. Only very elementary or primitive societies may dispense with command power and trust solely in the coercive and guiding power of tradition and, in sum, on what we call the ‘power of society’.¹ More complex societies need to impose a respect for the law. This imposition requires a command power that dominates all other powers and is entitled to the use of binding force: the power of the state. A supreme command power devoid of coercive force is useless and impotent.

EARTHLING: We have certainly experience on Earth of what you are saying. But tell me, please: what is the way to avoid the degeneration of such a supreme power into a domination-power? The worst forms of despotism have been generated, on our world, by political power; the ravenousness of this power has caused bloody wars and much turmoil.

DUNATOPIAN: The only way of controlling political power is that of popular sovereignty. But a mere declaration of popular sovereignty without the substance, as it all too common on earth if I understand your reports correctly, is not sufficient. An organizational form able to eliminate domination-power requires that (and may exist only if) political power is a true expression of the people’s will. In fact, only the masses are truly interested in controlling political power and in eliminating all other forms of domination, since every kind of domination is exerted on them. Let us explore this matter further.

The masses have a genuine interest in establishing service-power. That is, it is in their interest: to put into practice an accurate selection of natural skills and to ensure that these operate for the service of society; to avoid these skills generating forms of privilege and unrestrained enrichment of their owners, which would entail a degeneration of those precious resources and hence the annulment of the benefits that the community could receive by them; to establish a rigorous system of

¹See, on this matter, Fusari (2014, Springer, Chap. 6).

responsibilities that ensures the efficient and impartial management of power and the promotion of merit. But this is not all.

During the years of our Great Reformation we realized that a primary requirement for promoting social development is that human creative skills are utilized in the best possible way. Those skills belong for the most to individuals; and this suggests the wisdom of promoting and favoring individual initiative. Furthermore, given that creative skills are randomly distributed among the members of any society, in order for them to be discovered and hence utilized it is necessary to search for and promote them among the whole population, and so to promote the education and wellbeing of the masses; this is a necessary condition if the development process is to be placed upon a substantial and solid foundation. What is more, the men of genius of poor families generally have a stronger perception of social problems and a higher devotion to search for their solution than those of other social classes.

EARTHLING: We have experienced on Earth something similar to what you say through the preaching and, in a sense, the action of an important religion with her insistence on the equal dignity and the brotherhood of men as the sons of God. Almost the only possibility for men of genius born of poor parents to be discovered and instructed has been provided for a long time by ecclesiastic organizations.²

DUNATOPIAN: It is evident that only the masses have a strong interest in such a policy; for *elites* are rather interested in perpetuating their privileges. It follows that popular sovereignty, i.e. popular political control, is a necessary condition of the promotion of the kind of social organization that we have established; and is also a sufficient condition, provided that social scientists or the experience of other communities (or both) inform the sovereign people that such an organization of society is indeed possible.

EARTHLING: Probably the progress of biological and genetic sciences will sooner or later allow for the insemination of creative skills within human beings. In this case, it will no longer be necessary to search for these skills among the large numbers of people among whom they are—as you said—randomly distributed. As a consequence, the urgent need to promote the wellbeing of the masses in order to first discover and then exploit these rare skills would disappear.

DUNATOPIAN: You have raised a problem that should greatly worry the subjects of a domination system such as that of the Earth. I do not know if the way to inseminate skills will ever be discovered.³ If such a discovery happens it will be certainly used, in one way or another. But then the great importance of popular control of such insemination by way of accepted criteria would become paramount; moreover, the parallel necessity would arise of establishing that inseminated skills be used for the benefit of the whole community, as the notion of service-power

²Till the generation preceding mine, the most promising offspring sons of the people living in the country were instructed very often in ecclesiastic seminaries and mostly refused to take holy orders.

³Some years ago I suggested this hypothesis, but it seemed to me a rash one. Recently the journal *Nature* has announced the news that studies on DNA have opened the door to such a possibility.

implies; and hence a careful control would be necessary in order to ensure that this happened. In fact, the possible concentration in private hands of the material wealth generated by rare skills and the hoarding of these by rich people (through expensive insemination) would generate a dreadful system of domination, leading to a humanity formed of masters and servants, stratified in groups much more similar to castes than social classes. Only the cancellation of domination-power can avoid this outcome. So, the progress of science will make the need to overcome the barbarity of domination-power more and more evident. In short, the rapid development of natural sciences on Earth will impose with ever greater force the urgency of the need to scientifically meet the problem of the organization of society.

EARTHLING: We on Earth attach great importance to the principle of popular sovereignty and to the system of political democracy that some sophisticated scholars call polyarchy. But a real dichotomy exists between popular sovereignty and the effective practice of political power.⁴

DUNATOPIAN: I ask myself the reason why your people still believe in this sovereignty if, as you say, you see everywhere that it is domination that flourishes.

EARTHLING: As a matter of fact, such belief is by now weak. In both general and local elections increasing numbers of the electorate on Earth abstains, and this is perhaps due to their smelling a rat. An important technical antidote is however at work combating this Earthly estrangement from politics: the rapid increase, on Earth, of the potency of information systems, which allow for the questioning in real time of citizens' opinions to a large number of questions. These information systems make possible a large and fast diffusion of information and knowledge. This amplifies the possible effectiveness of a so-called mass democracy, acclimatizes citizens to participation and fosters their interest with regard to public choices, and makes possible the creation of better methods of selecting representatives. But information technology, as with other technological advancements, offers opportunities for both liberation and subjection, depending on how advances are utilized. It does not in itself provide a warrant against domination-power. History teaches us that the thirst for power has always been clever in transforming technological conquests into forms of domination. It must be added that an excessive use of

⁴Such a dichotomy has a long and famous history. It clearly characterized the Athenian democracy of ancient Greece where, as reported by Thucydides, Pericles warns the democratic Athenians of the "immense hatred that you have caused by the domination of an empire that actually is a tyranny". The dichotomy was apparently eliminated by Roman (imperial) Law through the pretence that the people had delegated ('conceded') its sovereign power to the emperor through the *lex de imperio*, voted by electoral assembly under Vespasian. This was enthusiastically remembered in Medieval times by Cola Di Rienzo, who said: "The majesty of the Roman people was such that they gave the authority to the emperor; now we have lost it". Such a fiction regarding popular sovereignty contributed, in the late (Dominate) Roman Empire and the Byzantine world, to the legitimization of autocratic power. A similar fiction has emerged again in Western Europe, supported, as we shall see soon, by the notion of the 'general will'. Political theory and studies of power explicitly or tacitly re-propose the dichotomy between nominal sovereign (people) and effective sovereign: a dichotomy fed by the confusion over the notion of power and constituting a primary cause of instability in modern democracies.

referendum procedures is inopportune: not only because it lends itself to mystifications and deceits in the formulation of questions with an eye to obtaining consent, but principally because it exacerbates the clash between winners and losing parties, since it does not provide protection to losing minorities.

I think that the new instruments of direct democracy that information technology makes available can be usefully employed with regard to fundamental and hence very clear choices and questions. By contrast, the great and growing complexity of many political choices make it necessary to entrust them to representatives chosen by the electorate, such representatives being clever in negotiation and having the ability to synthesize. Unfortunately, representative democracy implies a substantial frustration of the notion of popular sovereignty. A great Earthly thinker,⁵ in trying to justify citizens' subjection to laws of which they disapproved and to show that such a subjection does not imply the loss of personal freedom, coined the notion of the 'general will' and also that of the voluntary acceptance, through the 'social contract', of such a will. Another eminent thinker maintained,⁶ on the basis of his somewhat obscure notion of 'categorical imperative', that through the deduction of those imperatives the will of every rational being establishes a universal legislation. These notions imply that citizens' respect for the laws entails the subjection to a will that includes also his will. In effect, if the content of this rather ill-defined 'general will' or 'categorical imperative'—a kind of extra-individual will reflecting some common sentiments and interests—could be concretely and scientifically specified, we could say that it expresses the substance of popular sovereignty and the reason why this exists and is exercised. But the notions of 'general will' and 'categorical imperative' seem to me rather abstract concepts without substance that, as such, do not eliminate that short-circuit sketched above between popular sovereignty and representative democracy.

DUNATOPIAN: The election by the people of their representatives gives to the people a last resort controlling power over their rulers: a control that in appropriate conditions can be even greater than that control that a single person would have over his proper decisions during open meetings or even electronic elections that subjugate him to the influence of demagogues, charismatic cheats and charlatans. At any rate, the notions of general will and 'categorical imperative' you mentioned are not empty abstractions. The scholars that formulated them were certainly students of great genius. But in order for the notion of general will not to remain an abstraction, a social theory (or some well-established guiding experience) are needed in order to show clearly the possibility of organizational forms (e.g. like those we have constructed) corresponding to a very evident interest of large masses of the people and able to promote the development of human societies (general interest). In fact, if there is knowledge that such a social order is possible, the

⁵Rousseau (1962).

⁶Kant (1982).

general will and the categorical imperative (as identified, for instance, by the notion of functional imperative⁷) can be identified with it and popular sovereignty thus expresses the pretension that the elected representatives carry into effect and warrant the preservation and perfection of such a social order.

But pay attention. The notion of general will is something different from that of democracy. Strictly speaking, the so-called democratic procedures must concern the field of ‘choice-possibility’, not ‘necessity’, which latter is, on the contrary, a matter of science and, as just seen, gives the true substance of general will. The assertion that *consensus facit iustum*, which stands at the foundation of both democratic procedures and the notion of ethics typical of cultural relativism, may cause great errors and equivocations if referred to ‘necessity’: the population under government may suffer the cheats of the dominating classes and be persuaded to give their consent to disastrous violations of important organizational necessities of social systems. Popular sovereignty must pretend respect for necessities, i.e. of the social sciences. Let me repeat that respect for the general will can be warranted only by (and hence requires) popular sovereignty, as only this has a plain interest in the fulfillment of such a will.

We have by now achieved a coherent closing of the circle of power: popular sovereignty, in the presence of a science of the organization of social systems, controls political power and directs (because it has an interest in so directing) this power towards the fulfillment of social ‘necessity’, mainly the edification of institutions that foster the progressive decay of domination-power to the advantage of service-power; and this with great benefit for a sound unfolding of social life and the proper exploitation of the potentialities innate in human nature.

The notion of popular sovereignty needs a further and final specification. The simple attribution, in principle, of such sovereignty may confer upon a people a purely fictitious right if the power forms other than political power are not subjected to clear and rigorous criteria of responsibility and, as a consequence, can be exercised in the form of domination. Moreover, if this happens, politicians can exert a pervasive domination through their influence on segments of society endowed with an arbitrary power, with the purpose of subjugating and addressing the arbitrary power of exponents of those sectors; for instance: judicial or banking systems, state firms and the whole state apparatus. People exercising important functions within society cannot escape the deviations to which the ambitions and desire of politicians may drive them, that is, if they are not subjected to definite and inescapable responsibilities. For instance, the manager of a public firm cannot refuse the requests of politicians that conflict with his entrepreneurial role unless the tenure of his office categorically depends on the achieved results.

EARTHLING: What you say is true. One of our leading liberal scholars wrote: “What is today defined as democratic government serves, as a result of its structure, instead of the opinion of the majority, only the various interests of a conglomerate of pressure groups (lobbies) whose support the government is obliged to buy

⁷See Fusari, Springer (2014, Chap. 2).

through the granting of special benefits.... A majority of the people's representatives, which is based on the bargaining of the requests of groups, can never represent the opinion of the majority of people. Such a 'freedom of Parliament' means the oppression of the people".⁸ On Earth political power exercises its worst performance—and in practice succeeds in making a fool of popular sovereignty—by conditioning the sectors of society that you mentioned. But, to tell the truth, we must recognize that, in our days, political power is subjected to a progressive deterioration due to a crisis of sovereignty of nation states generated by the intensification of supranational relations and organisms, primarily in the economy.

Indeed, if the aim pursued is clearly expressed, responsibility can be easily defined and often attributed automatically. Think, for instance, of a defeated military commander or an entrepreneur who goes bankrupt. But these are extreme cases. The human thirst for power has always promoted the aim (and struggle) of achieving a power of disposition unconstrained by responsibility, that is, of achieving arbitrary power, domination. This was the aim not only of ancient despots but also of modern kings who, as one of the foremost students of Earthly societies wrote with humor, "have claimed to be responsible for their foolishness only to God, that is, in practice not at all".⁹ An aim that is also expressed by the modern democracies, where power escapes responsibility through many expedients, the first and foremost of these being legislative confusion. But such pushiness of domination-power is not immune from difficulties. Sometimes a sovereign people succeed in imposing their own pretensions. But the results are not encouraging. In fact the establishment, through popular sovereignty, of the role of civil society, coupled to the confusion of views that this expresses, are causing on Earth growing difficulties in the government of societies. We are experiencing an increasingly embarrassing clash between conflicting confusions: those of rulers and those of the sovereign people. This causes great instability, injustice and inefficiency.

DUNATOPIAN: Popular sovereignty as expressed by the popular election of politicians does not warrant democracy or, to put it slightly differently, does not erase the domination-power of a few privileged persons over the people as a whole. *If the principle that every power must be subjected to precise and transparent criteria of responsibility is not applied with rigor and resolution, domination relations spread automatically through all the ganglia of society, becoming an inextricable and apparently inextinguishable phenomenon.* I exhort the people of Earth to write, at the very head of what you call your 'Constitutions', an article stating: "The practice of every kind of power must be subjected to precise, transparent and inescapable criteria of responsibility". Of course, this is not enough. In fact, a popular sovereignty deprived of a clear notion (and hence illuminating light) of general interest, operates rashly, sometimes sordidly; and this, of course, multiplies the difficulties of government.

⁸See Hayek (1989, p. 502).

⁹See Weber (1982, p. 300).

EARTHLING: We recognize that a great confusion and sense of unfairness undermines on Earth the foundation of that most important power: political power. In the past, the nature and substance of political power were for the most part clearly defined. For instance, despotic power was precisely attributed to a particular person who exercised it as a divine mandate, beyond and above his subjects. Many ancient societies attributed political power to a precisely defined *élite*, often with noble antecedents, so that for them power was a right of birth. The developmental process has irreversibly steered us to a kind of sovereignty that in the past appeared only in a very few cases: popular sovereignty. This reflects the fact that a developed society requires the energies and skills of the whole social body. But notwithstanding the many proclamations concerning popular sovereignty, in modern democracies the people are subjected to a domination-power that is, in many respects, more penetrating and insidious than those known in the past; it is largely constituted by a tangle of hidden powers. Even if a people succeeds in asserting its claims, sovereignty (as I have said) is used in confuse and inefficacious ways. There is nothing worse, for the pursuit of mutual wellbeing, than a ‘sovereignty’ that has no perception of the general interest, or has but a much dimmed one. Such a state of affairs greatly damages the people who are governed since it prevents them from escaping domination-power; it also causes difficulties to rulers since it obliges them to face disordered revolts of civil society, which complicate government action through confused and short-sighted requests. He who does not know the general interest cannot be a good sovereign or commandant. He becomes a despot or a slave, or a self-styled and confused ‘democrat’. The contradictory and deceitful connotations of power and, in particular, of the highest power, the political one, do not limit themselves to the causing of injustice, inefficiencies and corruption; today they show themselves as increasingly destabilizing forces of confusion in relations between men, people and nations. What about ancient times? A scholar on Earth once wrote: “Princes prefer, rightly or wrongly, to conquer new kingdoms rather than to govern those that already they have”.¹⁰

It seems evident that democracy is such in name only if it is, first of all, a logocracy, that is, an organization, and a practice of power, based on science. But this idea must not be intended in the sense of a government of learned men, as devised by an ancient philosopher;¹¹ but in the sense that it is a necessary condition for a careful practice of popular sovereignty and the elimination of governments based on the abuse and cheating that so far have directed human societies, and the substituting for them governments rooted on the granite rock of service-power. This achievement would set free politicians from the necessity of operating with the brutal cynicism that a great scholar of politics on Earth recommended to statesmen, telling them: “men must be fondled or killed; for they take revenge for slight offences, but cannot take revenge for the heavy ones”,¹² such as death.

¹⁰See More (1995).

¹¹Plato (1995)

¹²See Machiavelli (1950, p. 22).

I think that people should prefer political groups that give central importance to a strict application of the responsibility principle. Perhaps this might instigate what would surely be the most important revolution of all time: the progressive decay of domination forms.

A further consideration must be added. Political action, of course, mainly concerns the mediation of conflicts and the synthesis of different requests. One of the main causes of conflict on Earth is due to inequalities among social classes. It seems to me that on your planet class conflicts are not relevant. But I cannot help asking myself whether this reduction of conflict resulting from the wise organization of your social system is not accompanied by a substantial political atrophy.

DUNATOPIAN: We do our best to avoid the suffocation of freedom by the blanket of unequal income distribution and, even more so, to avoid the domination power made possible by great concentration of wealth in private hands. But far from suffocating politics, our actions here enliven politics. You can see for yourself whether our society is dull, dumb and uniform; clearly it is not. And observation will reveal to you the dynamic and vivacious character of our society. Dynamic motion causes, by definition, contrapositions and conflicts between the advocates of the ancient order and the promoters of new. There exists in our society a multiplicity of antithetical interests and competing visions. This generates acute conflicts over, for example, income distribution, public health and assistance, education and schooling, social service, the choice of strategic sectors, town planning, and so on. Political synthesis discovers and delineates answers to these exigencies and conflicts; the people choose, confirm or remove their representatives according to their policies and practical success in these matters.

EARTHLING: I must confess myself astonished by the lively, intelligent and joyful participation of the people in the electoral campaigns. I can only put this down to a celebration of true sovereignty. But my astonishment is increased by the comparison of such participation with the ennui, estrangement and abstentions of Earthly voters.

Dunatopian Political Order

DUNATOPIAN: We have always been concerned to ensure that electoral competitions and the political choices of our citizens that result from universal suffrage foster and nurture the maturity of the people and improve the public spirit and selection of the best. In order to strengthen these effects and to stimulate popular participation, we make great efforts to join together freedom with equality, not only the equality of rights but also in the distribution of material wealth. Candidates for election submit to the judgment of the people their reliability and their programs; the people choose the proposals and candidates that they consider worthy.

EARTHLING: I am somewhat perplexed with your adoption of majority voting, since this leads to the alienation of the minority losing parties from political decision-making.

DUNATOPIAN: The alternative to the majority vote is unanimity. But unanimity implies a substantial tyranny of the minority, for it cannot be obtained without its assent; besides, it ignores the role of dissent and alternative visions as a basic dynamic principle that legitimates consent. Minorities are not condemned to exclusion; they fight to become the majority in the next election. In the meantime, their very existence fulfills a fundamental controlling role within the political system stemming from their opposition to the choices of the majority; this is a critical role that constitutes the very salt of liberty and is warranted by the inviolable rights of free expression, reunion, association and by the inflexible application of the principle of tolerance, in brief, by respect for some essential rights allowing minorities to assert themselves. It must also be remembered that the power of the political majority is limited by the presence of numerous centers of decision that reduce the force of the centre and its influence on them by the application of the principle of responsibility for fulfilled functions. The large number of associations and movements operating within our society amplifies its pluralistic character, which knows of no exclusions. The intransigent guarantees in defense of personal freedom and individual autonomy and the efforts directed to promote the initiative and capacities of citizens raise the possibilities of self-determination. Here the people do not fear politicians; rather politicians fear the people.

EARTHLING: I am curious to hear some of the details regarding your political order and the related political process.

DUNATOPIAN: We must distinguish, in this regard, three levels: that of government action; that of legislative activity; and a third level charged with vigilance as to the unity and coherence of the whole institutional order.

Governmental activity is organized into various territorial components: federal state, single confederate states, local bodies and communities. Politicians charged with governmental activity are elected through universal suffrage. As the date of the general election draws near, each aspiring Chief of Government submits to the voters a program of action and proposes a list of subordinate branch ministers or secretaries, who we call Branch Governors. These nominated Governors then formulate further detailed programs of action concerning their own particular branches, but coherent with the main program, and choose a number of Collaborators to the amount of four time higher than those to be elected. On this basis, each one of the competing groups asks for the consent of the many associations existing in our society by explaining the worth of their program and the reliability of the politicians involved, paying particular attention to the various points to which any specific association is more interested, and acknowledging suggestions. With the help of associations, it is then easier to persuade the electors of the validity of both program and the candidates charged with carrying it into effect.

Electors vote for their preferred list of candidates and can express a maximum of three preferences with regard to Collaborators. In each one of the constituencies, election is based on majority vote and triple rounds. If a list receives the absolute majority in the first round, it wins and will benefit of a modest majority prize that strengthen its direction. Otherwise, there is a ballot between the four lists classed first. They can revise their programs with the purpose to include proposals of the

lists eliminated that have proved to be particularly liked by voters. If also in this ballot no one list receives the absolute majority of votes, a new ballot will take place between the first classed and a main list that comes into being as an aggregation of some defeated lists that have taken part to the second round.

The electoral model sketched above is aimed at avoiding the political instability caused by elections with proportional rule and representation, and the frustration of the people's choices by the formation of tactical mercenary groups after the second round. Moreover, the proposed electoral system intends to grant some importance, in the electoral dialectic, to losing lists: both through programmatic revisions in the various ballots, and the method of pre-election convergences in the third round. In sum, we try to avoid the elimination of programmatic choices that, in subsequent ballots, may win by aggregating the support of losers. But probably your powerful data processing systems would do better.

EARTHLING: Your electoral system with triple rounds needs that people consider important to vote and, as a consequence, does not exist a diffuse propensity to abstention. But I do not see, in your account, the role of political parties.

DUNATOPIAN: I think that your political parties are mainly a product of class struggle, which from what you say is rather intense on Earth, and that your political parties were born from attempts to mobilize the masses during historical eras when their political consciousness was but little developed. In our society, where domination-power is not tolerated, social stratifications are less marked than on Earth while, on the contrary, the fluidity of social groups and interests is greater. The enthusiastic and well informed participation of citizens in elections and a public opinion jealous of its independence does not provide much space for mobilizing political organisms and vote hunters. There are a large number of associations, including political movements, that fulfill a very important role during electoral campaigns; but there is space for neither sclerotic political bureaucracies nor charismatic leaders. Electors know well what they want. As I said previously, the contents of the 'general will' that politicians must serve are clear and well detailed. Therefore, there is no need of strong personalities to indicate the road and assure governance. Innovative ideas and skills are appreciated; but we do not accept subjugation by them. Here, the winners of an election do not gain domination-power and hence remarkable possibilities to satisfy their supporters. Political candidates are motivated mainly by the prestige associated with and pride in serving the popular sovereignty, which represents the highest sovereignty.

EARTHLING: I had thought that political struggle and activities cannot avoid expressing domination-power; but I see that here on this planet they have assumed a transparency that I had believed to be impossible.

DUNATOPIAN: On our planet the elected government remains in office for four years, and acts through decrees with reference to routine matters and measures that are part of current legislation. For the remainder, it puts forward proposals and draft-bills and submits them to the Chamber of Legislators. This Chamber operates following the principles of coherence and conciseness of the legislative system. The directing principle is 'legislate little, but legislate clearly and well'. This Chamber

receives the transmission of bills and draft-bills of the various departments of government (federal, state, and local) to be examined and, in some cases, approved. The Chamber of Legislators does not perform any purely technical actions that involve arranging the proposals of other organisms in the context of the legislative system. It does however have initiative powers in relation to the construction of institutional order. To be precise, it directs, regulates, promotes and determines the dynamics of the legislative order and is inspired in this work by requests expressed by the social body and (largely) mediated by government. The most delicate function of this Chamber is the definition of general principles and the integration of proposed laws, in such a way as to enucleate, deepen and coherently arrange what arises from the evolutionary motion of society.

Coherently with such a role, the members of the Chamber of Legislators are elected for the most part by universal suffrage; the remainder being designated through a random selection from a list of important scholars, mainly formed of students of law and politics. In such a way, this Chamber combines the work of people who are clever in coordinating and systematizing juridical production with that of important exponents of the exigencies arising from society.

Finally, a Supreme Arbitrator is entitled to supervise the unity and coherence of the whole institutional order. We are aware that the extension of pluralism and the healthy dynamical motion previously considered may imply chaotic behaviour in the absence of a persevering effort of coordination and rationalization inspired by the basic principles of social thought. This exigency is mainly accomplished by the Supreme Arbitrator, who incarnates and expresses the unity of our planetary federation. He remains in office for seven years and is elected by universal suffrage from among a list of scholars of the social order and the state organization distinguished by an extreme probity and great erudition. He cannot be re-elected. He must be of an age higher than $2/3$ of the average lifetime (we divide human life into three periods of equal duration, which we call: the age of youth and formation, the age of florescence, and the age of wisdom). As I said, the Supreme Arbitrator supervises the coherence of the institutional order, the keeping of the supreme principles and functional imperatives, and has the last word in any controversy in such matters. If he betrays his role of rigorous, wise and incorruptible arbitrator, a severe procedure of impeachment is initiated.

The Supreme Arbitrator is supported by a Council of Sages, which has a consultative role; the majority of the members of this Council are randomly extracted from the list mentioned above, which is however for this purpose also extended to include other eminent persons and students of other branches of knowledge; for the remainder, this Council is elected by universal suffrage. This Council continues in office seven years; it is elected halfway through the mandate of the Supreme Arbitrator—the duration of his office, incidentally, is shortened in case of premature death of this Arbitrator, in such a way that the deadline coincides with the half way point of the mandate of the next Supreme Arbitrator. The main task of the Council is to control the coherence of the whole of the legislative activity in relation to our overall social order and to watch over the observance of the supreme principles; at the same time, the Council takes care to allow innovation, striving to combine this

with the exigency of organizational coherence. The Council submits its considerations to the attention and decision of the Supreme Arbitrator.

EARTHLING: I think that the planetary breath of your institutional system favors very much the governance and the cohesion of your administrative structures, as well as the efficiency of your economy and the coherence and incisiveness of your political institutions.

DUNATOPIAN: We have been extremely fortunate that, through the wisdom of our ancient emperors, the unity of the empire was preserved in the face of heavy difficulties, and so our planet did not disintegrate into a multiplicity of states. Indeed, in time the peripheral regions, which had firmly opposed the ancient empire, decided to unite with us. The inhabitants of these regions were already endowed with popular sovereignty but, seeing the superiority of our social order, they united the federation of their little states with us.

In our institutional order, which comprehends within it substantial autonomies, few and clear laws warrant a solid planetary government; this is mainly due to the uniformity and precise definition of the basic organizational principles. There is competition among federate states, but wars no longer occur. Controversies are settled with equity, on the basis of the principle that every state is free and indeed best able to attend to its own domestic problems, so long as it respects the parallel autonomy of the other confederate states and the rational foundations of our whole social system. I ask myself the reason why you have not yet reached a similar cohesion, notwithstanding your advanced technology, the fast growth of your economy and of the new means of communication that make your Earth resemble a little village. You have said that the Earth has seen the formation of great empires; I find it almost incredible that not one of them has been able to unify your planet.

EARTHLING: Such unification was indeed the dream of some ancient conquerors. But the great empires of our Earth have decayed and disintegrated for reasons partly similar to those that threatened your empire. But we have been less wise than you: we have not answered these difficulties with a great reformation. Rather, a multiplicity of combat-hardened national states has replaced our empires of old. The most vivacious of these states have boosted, on the wave of violent wars, the high rate of growth of our economies.

DUNATOPIAN: I think I begin to understand the main cause of your disintegration. Again, at the base of your misfortune lies the phenomenon of domination-power. The great equivocations that on Earth affect the delicate problem of the practice of power disseminate aggressiveness and reciprocal suspiciousness among the peoples and the nations of the Earth. This impedes and prevents the birth of a true supranational power; at the most only some weak supranational institutions and power may arise. It is impossible that state formations accustomed to the exercise of domination-power agree to submit to a supranational discipline. They will do so only if faced by necessity, but even then with many reservations and they will be quick to repudiate their engagements as soon as these appear to reduce the strength of domination.

The birth of a supranational power requires a generally accepted and transparent basic organizational design. The accomplishment of such a design becomes

unstoppable if the great interest of the masses in converging towards it is made evident. But you are lacking a science of the organization of social systems and hence of general principles able to lead to aggregation. Otherwise, it is difficult to understand the strong persistence of Earthly divisions, notwithstanding your very advanced technology.

Your degree of development will obtain a planetary breath at the point that it is aimed at achieving an interplanetary breath. Therefore, there certainly exists an arena of advantages and convergences from which position one may deduce general principles reflecting the interests of all Earthly communities or, in other words, deduce the functional and ontological imperatives¹³ that concern the whole Earthly community. These imperatives, once defined, will soon capture international assent and thereby come to constitute the pillars on which to construct institutions and guiding principles that all consociated should be interested in respecting, that is, on which an international order could be constructed. This process would be aided by the fact that functional imperatives are, in general (see the first section), consistent with various kinds of civilizations; they can cohabit with various cultural specificities. At the same time, these imperatives dissuade from any insistence on the suicidal defense of specific cultural forms that are inconsistent with self-propulsive development. In effect, your state formations are born from exactly similar exigencies; they represent an inevitable functional imperative. In tribal societies, within which the extended family occupies the centre stage, kinship links and authoritarian forms based on consent and ideological systems congenial with such community structures were sufficient. But afterwards, with the deepening of both the division of labor and the concentration of wealth, as well as the intensification of communication and the widening of the possibility of controlling large territories, command powers more and more based on the use of force came into being and increased in prominence. The result was a gradual development of state power. Similarly, the strong acceleration of communication and the parallel enlargement of the areas of exchange stimulated—and also need—the advent of supranational authority. It is impossible to escape these exigencies. I ask myself how you could govern the great disequilibrium existing on Earth that arises between your impressive development of technologies and production and your rickety political system. In the absence of a solid supranational power, you cannot constrain the explosions of discontent that in your world, unified as it is by information, may cause the deep social injustices and disequilibria that you have described as afflicting the nations of the Earth. What is worse, your advanced technology lends to those explosions immense destructive potential.

EARTHLING: I ask myself: if we found it necessary to found state order when the rapidity of movement on Earth was lower than 30 km per day, how can we avoid the necessity of establishing a supranational sovereignty in our time, when such a distance can be covered in two minutes by our standard aircraft? Evidently,

¹³On the notions of functional and ontological imperatives, see Fusari (2014) and the introductory section of this book.

there are great lacunae in our social thought if we are not able yet to open the road to such a fundamental functional imperative as supranational sovereignty, notwithstanding the progressive decay that ‘globalization’ is inflicting upon the national political powers of our world.

At this point, I would make a suggestion. Given that the growing need of a supranational order is mainly dictated by the great expansion of the economy of Earth, I propose that we further deepen our analysis only after listening to the report on your economic system. In fact, it seems to me that in this stage of the discussion we otherwise ignore basic aspects of the question that we are considering.

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Chapter 8

Dunatopian Economic System

Abstract At center stage of this chapter stands what may be denominated the ‘separation principle’; that is, the principle of the separation of production from the decisions and conflicts concerning income distribution. Such a separation prevents those conflicts from harming efficiency in the use of productive resources and enhances solidarity and social justice. In particular, the implied abolition of company wages (with the exception of material incentives on overtime work) makes it possible to erase exploitation and enable the achievement of full employment. A profound reform of the financial system is also delineated, aimed at preventing crises caused by financial speculations mainly at the international level, and aimed also at ending the present dependence of production on the hegemony of finance. In this chapter, the role of the entrepreneur, the profit rate and dynamic competition are highlighted. Here the importance of the rule results-responsibilities for the efficiency of the economy is greatly in evidence. We insist on the notion of the market used and intended as a pure mechanism for the imputation of costs and efficiency, and hence purified of acquisitive selfishness; thereby combining altruism with a sound competitive spirit.

Keywords Separation principle • Solidarity • Social justice • Exploitation • Entrepreneurship • Profit rate • Dynamic competition • The market • Results-responsibilities • Financial system

The presentation that follows on economic systems is richer in both details and technical references than the previous presentation; this follows from the important role of the economy in modern societies. A brief synopsis of the discussion may be useful for those unfamiliar with economics.

The presentation concerns the three main characteristics of the Dunatopian economy that distinguish it from that of the Earth:

- (a) Decision-making concerning production is largely in the hands of public entrepreneurs; but low level productive activities are managed by private entrepreneurs, since property ownership on a small scale aids individual motivation and autonomy without engendering domination. It is underlined

- that the permanence in office of a public entrepreneur depends on his degree of success as expressed by the profit rate gained in competitive markets, with competition based on prices and, even more, on the introduction of innovation.
- (b) The ‘separation’ in Dunatopian economic organization of productive activity, that is, directed to ‘fill granaries’, from the decisions concerning and conflicts that arise over the distribution of goods and services among people.¹ This separation prevents these decisions and conflicts from harming efficiency in the use and combination of productive factors and, hence, the production level. It is emphasized that the separation outlined above greatly facilitates solidarity; in particular, it is shown that the abolition of company wages (with the exception of material incentives and overtime work) is necessary if it is to be possible to erase the exploitation of labor and ensure full employment.
- (c) A financial system particularly suited to promoting the formation of entrepreneurship and the accumulation of capital and, hence, the economic growth of underdeveloped countries, and also to preventing crises caused by fluctuations of demand.

In addition, this chapter and the two that follow discuss the relationship between the organizational economic model so derived and the desire to transform the planetary breath of economic activity into a powerful factor of aggregation and harmony at the international level, rather than the cause of destabilization and conflicts, as at present. We shall find that the Dunatopian economy is particularly able to meet four fundamental exigencies: company efficiency, justice in income distribution, full employment, and individual autonomy.

More than a century and a half ago, Tocqueville wrote in reference to the human longing for equality: “All men and all powers that try to oppose this irresistible force (the tendency toward equality) will be overthrown and destroyed by it. In our days freedom is impossible without its support and also despotism could not reign in its absence.” Later he added: “To combat the damages that equality may cause, there is only an efficacious remedy: political freedom”.² We shall try to establish the maximum level of equality compatible with freedom, efficiency and development; that is, we try to establish the maximum equality to which modern humanity may aspire.

¹As far as I know, the first systematic use of the notion of separation is by Pasinetti (in his separation theorem) and refers it to the distinction between the natural and the institutional sides in the systems of price and quantities typical of classical economics (see Pasinetti 2007). I think that such a separation ignores the fact that important institutional aspects are no less ‘necessary’, in the organization of economic and social systems, than the ‘natural’ side in classical economics (see Fusari 2014, Chap. 3, Sect. 9 entitled ‘*Mainstream economics and its opponents*’). I refer the ‘separation’ to a rigorous distinction between ‘necessity’ and ‘choice-possibility-creativity’ in the organization of social systems. Here I emphasize the fact that a large part of income distribution pertains to the side of ‘choice-possibility’.

²See de Tocqueville (1992) pp. 514 and 522.

The Roles of the Entrepreneur and Profit Rate; Competitive Forms

DUNATOPIAN: There exists an important similarity but also no less important diversities between the economies of our two planets. The similarity is that the entrepreneurial role is among the central pillars of the production system; indeed, for us this is perhaps even more so than among you. We discovered the importance of the entrepreneur from our greedy and tumultuous neighbors.

EARTHLING: You will excuse me if I put a question on which I have been thinking for a long time. This is probably the right time to ask it since the answer may help me better understand what you say about your economic system.

I have understood from your other reports how much you are concerned to avoid the advent of domination-power; now I hear that you attribute a great importance to the entrepreneurial role. But such a role is associated with profit, and the wealth accumulated through large profits implies the achievement of domination-power. How do you resolve this contradiction?

DUNATOPIAN: The reports of my colleagues have already answered this question, albeit only partly and implicitly. However, it emerges distinctly and explicitly in reference to the economy and so requires now an exhaustive answer. We avoid the formation of domination-power due to high private profits by entrusting the administration of firms, at least the bigger ones, to public entrepreneurs. For us the profit rate is primarily merely an indicator of the degree of success of the entrepreneur's decision-making, not a means of personal enrichment.

EARTHLING: I suspected that, but do your public firms operate efficiently? On Earth they have often been a true disaster in this regard.

DUNATOPIAN: In principle, public firms work exactly as private ones if they are managed by entrepreneurs whose responsibilities are defined in terms of profits earned. This means that losses must imply (also in public firms) financial trouble, eventually resulting in bankruptcy and the dismissal of the entrepreneur.

EARTHLING: I agree. The disastrous functioning of many public firms on Earth has been made possible by the fact that the choice and the tenure in office of their managers were not conditioned by results but by the courtesy of politicians. Therefore, these managers put favors to their patrons and protectors above even the safety of the firm. In return, politicians provided abundant endowment funds from state budgets in order to cover the losses suffered by public firms. But let me make a remark. On Earth various economic theories insist in maintaining that the entrepreneur should be interested in total profits, not its rate. I have always had doubts about those theories. It seems evident to me that the profits gained through an amount X of capital cannot be considered equivalent, either by the entrepreneur or any reasonable person, to an identical profit gained by investing a much higher capital. This clearly appears if we formulate an optimization problem of profit under the constraint of the availability of entrepreneurial skills or some other scarce factor. The judgment on the degree of success of a firm must be based on profit rate achieved, not total profit rate.

DUNATOPIAN: Our search for an indicator of success able to hold the public entrepreneur to his responsibilities and functions led us to the conclusion that such an indicator is represented by the profit per unit of invested capital; total profit is not a rate of efficiency and performance; hence it is irrelevant in this regard. No other possible indicator suggests better than the profit rate the degree of success achieved by the entrepreneur; all other indicators consider only particular aspects of the firm's activity; they are partial and, hence, deceitful. But the profit rate, if it is to constitute a reliable indicator of entrepreneurial success, must be established in a competitive market, not by exploiting privileges due to institutional monopolies. We work hard in order to prevent the formation of monopolistic privileges, which would imply forms of domination-power. Only competitive markets oblige the entrepreneur to engage in an incessant struggle for profit and hence hold him to his function and responsibilities.

EARTHLING: I see a contradiction in what you say. You cannot deny that the most important aspect of the entrepreneurial function and the best way to earn profits is represented by the introduction of successful innovations. Innovative activity expresses the decisive contribution of entrepreneurial activity to economic development. But innovation implies the formation of profits through monopoly.

DUNATOPIAN: Innovation causes only provisional monopolies, which cease when the innovation is undermined by a superior one. The high profits gained by innovators persist only while the innovation causes benefits to the community. In some sense, profits provide a measure of such benefits. Therefore, the high profits of innovations express the success of the entrepreneur in the fulfillment of his duties, not some privilege. Those profits accumulate under the continuing pressure (and menace) of concurrent innovations. It must be remarked that competition based on innovation, typical of highly dynamic societies, is the most important form of competition, and is much more important than the competition based on prices; it embodies the basic mechanism of development.

EARTHLING: I agree with you. Among us, awareness of the importance of competition is high; in some regions of the Earth, monopolistic trusts are strongly repressed. Nevertheless, anti-monopolistic legislation is mainly directed at safeguarding competition based on price. This sometimes implies repression of the much more important competition based on innovation in cases where this determines important monopolistic positions: as if policy makers had no trust that, sooner or later, such monopolistic positions will be demolished by the advent of superior innovations.

DUNATOPIAN: The economy is a field in which it is not difficult to construct an efficient organization respectful of the principle of service-power. Market mechanism and competition, combined with the profit rate taken as an indicator of the degree of success and responsibility, make an extremely effective automatism stimulating entrepreneurship and controlling the efficiency of the performed activity; and hence a mechanism that allows conjugating efficiency, knowledge, autonomy and distributive justice and obliging us to exert power as service.

EARTHLING: What you say sounds strange to me. Moralists and social reformers on our planet have always considered the market as a gymnasium of

corruption and arrivism, a place of fiery contraposition among men, a free space for the exercise of selfishness and deceits. Moreover, the market is considered as one of the main instruments of domination, oppression of weak people and exploitation. In light of these convictions, the attempts to construct more just social orders and institutional designs by the great utopian thinkers have always opposed the market and the connected exchange value, the entrepreneur and labor division. But such aversion has condemned the societies in which their schemes have been carried out to great inefficiencies and a condition of substantial immobility, protected and defended by tremendous forms of domination. These experiences have convinced the peoples of Earth of the convenience of the market, despite its defects and iniquities.

DUNATOPIAN: The market is not necessarily what you see on Earth, nor what we saw in the societies of our greedy and tumultuous neighbors, that is, the product of spontaneous evolution primarily under the impulse of private property. We conceive and utilize the market in a different way. It is, in our society, *a pure mechanism for the imputation of costs, the stimulus of efficiency and knowledge through prices expressing the relative availability of each goods, and the expression of the degree of success* (i.e. the results achieved in conditions of competition and measured by the profit rate).³ The market can be purified of almost all the unpleasant aspects that you say afflict it on Earth. Let me give an example. If the law allows the production and sale of drugs then the competitive market stimulates the efficiency in the production and the sale of such goods. But law can prohibit such production and sale. If the free and unrestrained accumulation of material wealth in private hands is allowed, the market will be a place devoted to the weary race for material wealth and, as such, will act as a great multiplier of inequalities, and become a place of the domination and the veneration of money. But, let me underline, those inconveniences are not a necessary product of the market but only of a specific form of it—that form that appears to prevail on Earth and that, in general, comes to prevail in any decentralized economy relying on spontaneous behavior and, as such, disregarding to push power to evolve in the form of service.

EARTHLING: What you say is beautiful, but does not convince me entirely. Man needs incentives in order to be stimulated to operate. It is the spring of selfishness (intended in a broad sense) that moves the world. It seems to me that the market taken in your sense—dissociated from the private appropriation of earnings—is deprived of essential and powerful incentives to activity and efficiency and, hence, is almost emasculated. But I must admit that on your planet efficiency seems to be high, that your economy is progressive, and that you have achieved a high level of wellbeing. Therefore, I look forward to hearing the explanation of what appears to me to be an inexplicable miracle.

DUNATOPIAN: I confirm that selfishness is the most powerful spring of a large part of human activity; it is even at the basis of the penances of the pious anchorite

³Zamagni writes: “The main merit of the market, as a socio-economic institution, is to give an optimal solution to the problem of knowledge”. See Zamagni (2012), p. 46.

who fasts to achieve spiritual happiness. We have been unable to build a society where people work for the joy of working, notwithstanding the great public spirit of our people, our emphasis upon dedication to service, our belief in our duty to use individual capacities for the promotion of common good, and our attempts to allow everybody to fulfill the role which is the most congenial to him. But it should be noted that there exist various kinds of selfishness. I do not disdain the selfishness of people searching for success in literature or scientific research, who attempt to earn their fellow-citizens' esteem for their probity and wisdom, for their innovative practices and business skill. But it is necessary to join human selfishness with an education in altruism in order to extract from selfishness a sound competitive spirit. It seems to me that your social system educates your people in acquisitive selfishness and so fosters an unbridled and exhausting arrivism. We have learned through experience in the building of our society that humans need incentives if they are to be stimulated to operate. But we use more subtle incentives than those in operation among our neighbors and, it seems to me, also on your planet.

EARTHLING: A philosopher of ours, fallen into disgrace and living in a world in transition as a great civilization fell into a long and dark age of withdrawal, sang: "The things acquired seem nothing, but insatiable avidity, while the swallow having achieve things, again opens its greedy mouth wide", and he added that "he who owes very much needs very much".⁴ His admonitions have been ignored; earthly society has developed under the propulsion of insatiable avidity, instead of a sound competitive spirit. Explain to me please in greater detail the functioning of your economic organization and the whole of its primary operational mechanisms, so that we can better understand their nature and implications.

The Circuit of Production, the Abolition of the Wage Company and the Dimension of the Private Sphere in the Dunatopian Economy of Full Employment

DUNATOPIAN: As I said, production here is largely the work of public firms; we take care to ensure the full operation of competition. In what follows, I'll first of all explain how the circuit of production operates for the firms based on public capital; I'll then add some words relating to their financing; and then I'll develop a picture of the whole economic mechanism.

The firm buys on the market the resources and services that are required by its production needs and pays for them at current prices. But for working services it does not pay wages; rather, as compensation it lodges in a Common Fund of Wealth the costs corresponding to the labor employed, which is determined by applying a unit price determined by job centers on the basis of the demand and the supply of each kind of working resource. But the firm may pay incentives to its employees if

⁴See Boezio A. M. Severino (1996) pp. 129 and 149.

it considers this convenient and it pays remunerations for supplementary work, that is, work exceeding the official duration of a working day.

Furthermore, firms lodge in the Common Fund of Wealth the costs relating to the utilization of scarce natural resources (costs determined by multiplying the quantity of them used by the prices resulting from demand-supply) as well as a penalty for any damages caused to the natural environment. But they receive contributions for social benefits deriving from their activity. Finally, firms are obliged to transfer to the Common Fund of Wealth taxes due for public services from which they benefit. Firms must also pay to the Fund, for each employed worker coming from outside the territory of operation, a surplus with respect to unit price of labor calculated by job centers; in such a way, we stimulate the investment of capital in areas in which working people live, thus avoiding the migration of labor toward capital; this minimizes the uprooting effects of modern production and reduces the costs of demographic overcrowding and urbanization caused by migration. Of course, this does not subtend hostility towards migration. In fact, we know that migration, through the intersection of experiences and contacts, is a source of creativity, maturity and reciprocal understanding and sympathy among peoples.

At the end of the productive cycle, the firm sells at market prices the produced goods and services; with the proceeds of the sale, it covers fixed and variable costs, including taxes and the accruals of loans on financing from the banking system. The difference between sale proceeds and production costs provides the earned profit that, divided by used capital, gives the profit rate.

In addition to the incentives and payment for extraordinary work paid by firms, workers also receive a share of the Common Fund of Wealth. The definition of such a share and its distribution follow criteria defined at the political level and, at any rate, outside the sphere of firms. The definition of the portion of the Common Fund of Wealth to be attributed to the various categories of labor also comprises the conditions of demand-supply concerning each type of work; that is, something is added or subtracted to the given portion, according to whether the demand for the considered labor is higher or lower than the supply. These additions or subtractions are directed toward the equilibrium of demand and supply also through variations of supply and not only through the variations of the entrepreneurs' demand in relation to labor prices. Each worker receives from the Common Fund of Wealth in proportion to hours worked (but not of overtime work, this being paid apart) and of the remuneration for hours relating to his status and an established allowance in case of illness. To reduce the number of transactions, the due competences are paid directly by the firm, which subtracts them from what it is obliged to transfer to the Common Fund of Wealth.

At the end of each year, both the share of the Common Fund of Wealth assigned to workers in the following year and the average yearly growth of labor productivity are computed. Then both increased wages mass and reduction in the duration of the official working day are defined. Such a division transforms technological progress into greater income and free time for workers, thereby avoiding the generation of unemployment.

Each individual searches for employment by getting in touch with firms directly or by utilizing the suggestions of job centers, which know the current employment opportunities well as they are constantly engaged in evaluating the demand and supply of the various professional qualifications in order to determine the prices of work (that firms must pay or transfer to the Common Fund of Wealth). Everyone chooses the job that he or she considers most gratifying (in terms of kind of activity, responsibilities attributed, distance from home, etc.). If the search is successful but not satisfactory, he accepts the employment but continues to search for a better position. In case of dismissal due to the closing of the firm, the dismissed workers benefit from a reduced pay during the period of time necessary to find new employment.

EARTHLING: So, in this society labor does not act as a good that workmen sell to firms but is rather considered a service offered to the productive system that, as such, entitles the laborer to participate in the distribution of the produced value. You meet the common preference not to work through a simple precept: to be able to take part to the distribution of the Common Fund of Wealth, it is necessary to exercise a job. It seems to me that such a precept assumes the absence of unemployment.

DUNATOPIAN: There exists here only a very modest frictional unemployment, which is caused by the time it takes to transfer from one activity to another. Our economy does not know the phenomenon of chronic unemployment, which, you have explained, afflicts your planet. To us this calamity appears a tragic absurdity. Here it cannot happen, first of all because labor cost is perfectly flexible with respect to the demand and supply of labor. This means that an excess of labor will cause the decrease of its unit cost, which stimulates firms to employ more labor (and more labor intensive technologies). The contrary happens when labor is scarce. The consequence is that demand and supply of labor tend to equilibrate. Such a tendency is strengthened by the fact that our forms of education avoid the enslavement of workers by specialization. Workers find it easy to retrain and to change activity; moreover, they find various different kinds of activity gratifying. The tendency toward full employment is reinforced by the great care that—as I will explain—we place on ensuring that there is equilibrium between *global* demand and supply.

EARTHLING: I see that here there exists freedom of dismissal, which is considered indispensable to the efficiency of the productive system. But such a freedom makes sense only in an economy that, as does your own, tends toward full employment. On Earth the projects for increasing the flexibility of the labor market are strongly opposed by trade unions, which, in light of the plague of unemployment, attribute a primary importance to norms that warrant the stability of job. In this regard, unemployment represents a real calamity not only because of loss of money earnings; in fact, people expelled from the productive process are cut off from important channels of knowledge, at least this is so in a modern dynamic society where knowledge evolves at both local and global scales and is primarily acquired by workers tacitly, learning through working; therefore, the unemployed are marginalized and alienated.

I am very impressed to see the simplicity with which you solve the problem of unemployment, which among us constitutes a real and apparently inescapable calamity, sometimes a real tragedy. It has been our great misfortune to have arrived at the organization of our economies by spontaneous evolution, primarily through the action of private entrepreneurs. On Earth the distribution of income between capital and labor is the result of a fight between wage earners and firms. Unemployment therefore plays a fundamental role in regulating the outcome of the conflict for income distribution and the level of profits. Entrepreneurs have at their disposal the infallible weapon of unemployment by which to oppose workers and trade union demands. If profit is low or firms incur losses, dismissals rise and this squeezes workers' claims. For their part, firms operating in economies with a high and growing dynamism may avoid (or reduce) employment of the labor force, in case such employment causes embarrassing rigidities, and in any case are helping to reduce employment by technical progress. So, the pretense by Trade Unions of providing opportunities for labor through norms contrasting his mobility is senseless; as a matter of fact, such norms represent one of the main brakes upon the increase in employment. But unfortunately, as I said, the fear of unemployment causes a strong affection for these norms among workers.

In order to establish a full flexibility of labor markets, the abolition of company wages is required. Such abolition is particularly necessary because the various systems of wage bargaining on Earth are not limited to causing inefficiencies in the use of labor and generating unemployment; they also cause, through collective labor agreements that are uniform for the whole nation, as well as other normative rigidities, a rampant hidden economy in areas with lower labor productivity and that are therefore unable to pay the wages fixed by the national collective labor agreement. The illegal activities place production in the hands of outlaws who exploit labour without scruple and are, in a sense, justified by the fact that they constitute, in less developed areas, the only alternative to unemployment.

Trade unions should consider that their actions are subjected to strong limitations. They achieve easy success if their demands act as a lubricant of the entrepreneurial system. In fact, their demands force firms to increase wages when profits are high, with the result that the high workers' propensity to consumption maintains high sales of production; at the same time, the improvement of workers' living conditions favors social peace and the availability of a more qualified and efficient labor force. But in the presence of low profits or company losses, trade unions cannot force entrepreneurs to distribute more. In substance, entrepreneurs are the real leading part in wage bargaining and it is not uncommon that they are induced by competition and greediness to act unscrupulously. It is surprising to notice that trade unions, charged with defending labor from exploitation, have not yet understood that the root of such exploitation is the existence of the wage system.

Two lines of thought and action have been tried on Earth in the attempt to eliminate economic exploitation. First of all, a reformist line, principally aimed at taking advantage of the actions of trade unions. Sometimes it has suggested the so called self-management and workers' participation in company profits, but without seeing that these organizational principles may warrant unjustified privileges for the

labor force of those firms with a better entrepreneurship and other favorable factors. Moreover, self-management does not make sense since in that it stands in tension with the principle that you underlined concerning the responsibility of the entrepreneur to the business. The second line is the revolutionary one, intended to eliminate the entrepreneur, the market, etc. It has not been understood that what must be eliminated are *wages*.

Yes, the dependence of a large part of income distribution on wages is completely wrong. The conflict between workers and firms over wages prevents the operation of farsighted policies of income distribution and is an obstacle to production. The task of firms is to produce wealth and employment without being thwarted by labor conflicts, which may be considered improper as practiced in a non-pertinent place. The use on Earth of 'income policies' directed to eliminate (or remedy) these conflicts is a proof of the failure of the method of 'company wages' and a tortuous route to a modality of income distribution more rational than that implied by the social system that we call capitalist.

I am not much interested to know the ways according to which you distribute the Common Fund of Wealth; I suppose that they incline towards solidarity forms. Such a Fund may be distributed in various ways, even reproducing the income distribution that we practice on Earth. *But what I find important is that the Fund brings income distribution outside the firm; as a matter of fact, this is indispensable for achieving full employment and company efficiency consistently with the pursuit of distributive justice and individual autonomy.*

Income distribution is a phenomenon concerning the whole society. Income production is an eminently social phenomenon since it depends on the productive forces that society has generated, for instance, technical resources and knowledge. Some ingenuous theories of exchange value maintain on Earth that the sides of production and distribution are inseparable; indeed, the links between the two can only be referred to incentives and the influence that income distribution has on production through the propensity to consumption, which varies with class of income. Those theories not infrequently attribute to exchange value ethical-ideological content. But the endless discussion on Earth of value-labor theory is deeply indicative of the unscientific nature of Earthly social thought. Exchange value simply expresses the merely functional role of prices as an indicator of scarcity and a means of making homogeneous the multiplicity of physically different goods, thus facilitating their exchange and, at the same time, income distribution. I see that the organization of your economy is much more rational than ours: you have well understood that firms must be managed by entrepreneurs not by workers, and that income distribution must not involve firms.

DUNATOPIAN: What you say is right. Our trade unions take on the guardianship of work conditions inside firms and fight to influence the division of the Common Fund of Wealth. But they do not fight for company wages, for these do not exist. Our firms, for their part, being selected by a sound competition and appropriate rules of efficiency, enjoy a solid organization and strong roots; they are interested in keeping their workers, having trained them according to the firm's

exigencies, and in establishing a solid tie of belonging and reliance between workers and firm. The result is that precariousness is almost absent here.

In the past, we experimented with self-management and workers' participation in company profits, but we saw that it caused entrepreneurial inefficiency, complications and misunderstandings, and stimulated accounting cheats intended to exaggerate business results in order to increase the allotment to profits.

A rational organization of the economy requires that firms pay for the utilized resources, including labor, at scarcity prices, that is, at prices determined by the conditions of demand and supply in a free market. This is a fundamental rule of efficiency, indispensable to the rational use of available resources and to defeating unemployment. The distribution of income is a completely different matter, concerning the whole society. Wage bargaining prevents the efficient use of resources and does not allow the carrying out of wise and farsighted policies of income distribution. Such bargaining expresses a kind of organization of the social system that I deem primitive, being a result of spontaneous evolution; an advanced society should be able to replace those institutions (resulting from a substantially spontaneous behavior) with more farsighted and meditated organizational forms.

It is important to take into account another aspect of the question. The strong links between production and income distribution typical of what you call 'capitalism' imply that the struggle for income distribution affects a company's profit. This strongly influences investment and hence economic growth and employment. In this society, by contrast, income distribution constitutes a context in decisions that set the aggregate rate of accumulation; and we take care that firms' investment completely absorbs the share of the Common Fund of Wealth devoted to investment. This will be clarified when we consider the financing of public firms.

EARTHLING: Slow down! Wait a moment, please. You maintain that the efficiency of your economy rests upon the role of the entrepreneur and the use of the profit rate as a basic indicator of success and the responsibility of entrepreneurial action. Moreover, through such a mechanism, and the entrusting of large firms to public entrepreneurs, you avoid the pervasive domination forms that can emanate from economic activities. But you have not yet explained a decisive point: how do you prevent public entrepreneurs from using accounting tricks to show a profit rate much higher than the effective one, thus thwarting the role of profits as indicator of the degree of success and for the imputation of responsibilities.

DUNATOPIAN: You raise a very important question; I apologize for not having clarified it previously. I will remedy this soon, clarifying well matters when I discuss the financing of public firms.

As I previously said, prices that firms pay for buying intermediate goods, productive resources and services used are determined by the market (working services prices are determined by job centers) on the basis of demand-supply. This means that the prices used to calculate sale proceeds and costs of firms are well known. If the entrepreneur succeeds in getting sale prices higher and purchase prices lower than those reigning in the market, he obtains some hidden extra profits, which must not be considered a cause of concern since it constitutes a sort of material incentive

for the entrepreneur to operate well, similarly to the incentives paid to workers. But while it is possible to hide extra profits, it is extremely difficult to hide losses.

EARTHLING: I am not convinced by what you say. Entrepreneurs may use various accounting tricks. For instance, if they want to exaggerate profits they can simulate buying less than they actually buy, or selling more than they actually sell; and vice versa if they want to understate profits.

DUNATOPIAN: What you fear is difficult to put into practice. In the transactions among firms, any exaggerated sales require a corresponding and identical exaggeration by the firm that buys; and vice versa: any undervaluation of purchases requires a corresponding and identical undervaluation by the seller of the goods. The upshot is that, to the accounting manipulation of the profit rate operated by a firm through such expedients there must be corresponding contrary manipulations in the profit rate of the firm with which it carries on exchanges.

Such tricks are possible only if the firms in question are interested in, respectively, exaggerating and understating the accounting profit rate with respect to the actual one; for instance, with the purpose of attenuating temporary oscillations of the profit rate that, for various reasons, they want to hide. But, as you can see, such tricks are not worrying cause of concern; they cannot hide systematic and repeated failures, or systematic successes. For their part, the registration of consumer sales can be easily warranted by subjecting to heavy fines both firms that do not register sales and those complaisant buyers caught without receipts. Some temporary tricks were put into practice here in the past by public entrepreneurs that, through accounting falsifications, appropriated a part of the achieved profits or tried to continue in office notwithstanding losses. But it did not take long for these tricks to come to the surface. Before the federation of our neighbors with us, some of our entrepreneurs took refuge among them with profits stolen through accounting tricks, in order to conduct private business there or enjoy their ill-gotten gains. But later our neighbors understood that giving refuge to such dishonest persons was not good business; moreover, their local entrepreneurs began to protest against the influx of unreliable competitors.

Of course we have not exhausted this subject, and you might well raise other objections concerning accounting tricks. But I invite you to postpone them until my exposition on the financing system of our public firms, at which point I think some further considerations on this matter will arise.

EARTHLING: I accept the postponement. But I must put another question. Speaking of firms, you have always considered public firms. However, I have seen that on this planet there exist also private firms. I am interested in knowing something of them.

DUNATOPIAN: Private property exists on this planet. Consumer goods, including durable ones, are private property. Houses too, in general, are the individual property of their inhabitants, as well as gardens and small pieces of ground intensively cultivated. The property of inhabited houses, as well as the right to employment and the promotion of personal skills are indispensable attributions for the promotion and safeguard of individuality; therefore, we take care to allow citizens to conquer them. Besides, the private exercise of small firms is permitted.

We have verified that degree of success is difficult to monitor with regard to small firms, in particular craftsmen, agricultural farms and commercial firms. In the management of such businesses, the dedication of the owner is decisive; therefore, private appropriation of profits and private property are indispensable to the efficiency of those firms. Of course, being small they do not raise the fear of domination. Private activities are subjected to taxation so that they may contribute to the financing of public services that they enjoy free of charge.

In general, we provide space to private property because of the part that it plays in improving productive efficiency, citizens' satisfaction, the valorization of their qualities and aspirations, without entailing positions of domination. Our institutional organization is primarily directed to amplifying citizens' freedom as much as possible. Here everybody consumes what he prefers. Workers freely use their income, firms produce what consumers want: being interested in making profits; they follow the exigencies expressed by the market through prices.

EARTHLING: But if consumers' demand is manipulated, for instance through advertising, this causes a limitation of individuals' choice.

DUNATOPIAN: You pose a subtle question, but one less embarrassing than may appear at first sight. Advertising that provides information on the existence and peculiarities of new products is not negligible. The production of new goods and services is very important for consumers as it amplifies their possibilities of choice. We certainly do not consider satisfactory the life conditions in our old stationary empire that produced and reproduced the same goods in unchanging proportions. On the other hand, in the absence of new products, the demand for consumer goods would reach saturation and the economy would stagnate. The entrepreneur produces new goods and services if he thinks that consumers will like them. Of course, new products need to be advertised. Informative advertising must not be obstructed; what should be forbidden is misleading and mystifying advertising.

Of course and by definition, every kind of publicity attempts to influence its audience. But, after all, any message causes influence, in a higher or lower measure. The true problem is ensuring that the ability to influence does not engender domination and hence threaten freedom; the only true opposition against this threat is represented by 'pluralism'.

EARTHLING: I have no objections. Please, proceed to the important problem of the financing of firms.

The Financing System of Firms, the Abolition of Interest Rates and the Principle of Effective Demand

DUNATOPIAN: We pay great attention to avoid that production is subjugated by bankers' and financial power, that is, to warrant that such a power acts efficaciously at the service of production.

The financing of the capital needs of our firms comes first of all from the profits that they obtain. Profits exceeding firms' investment may be put aside for future investment. However, firms' investment exceeding the possibility of self-financing through achieved profits, and of course the capital needs of new firms, are financed through the banking system.

Bankers are asked to operate as entrepreneurs. Their permanence in office is conditional on the achievement of satisfactory business results as expressed by the profit rate. And it is not only the solidity of their office, but also the quantity of capital assigned to banks by the Common Fund of Wealth, and hence their business turnover, that depend on their degree of success. Bank profits are derived from the prices of the services that they offer to their customers; such prices being competitive. Banks do not pay interest on the capital they use; this capital comes from savers at a rate of interest null in real terms (as we shall see) and also comes free of charge from the Common Fund of Wealth in proportion (as just explained) to degree of success.

In general, banks lend money free of interest. But they do ask interest on more risky investments, such as, for instance, those used for introducing important innovations and those establishing new firms that, as such, cannot be judged on the basis of previous performance. Banks are not interested in denying these more risky financing projects since the interests paid by the applicants improve their profits. But they must consider the high risk of insolvency of those firms and form a judgment by comparing risk to revenue in terms of interests. To facilitate the entry into business of new entrepreneurs, the Common Fund of Wealth often contributes to their interest payments in order to lower the higher financing costs applied by the banking system to those entrepreneurs. Payment of interests obliges entrepreneurs to accurately use capital so as to reduce financing costs. But more generally, and more efficaciously, the accurate use of capital by firms does not need interest rate but is imposed on them by the status of the profit rate (not total profits) as a measure of the degree of success of the entrepreneur.

EARTHLING: This would seem an appropriate moment to restate my doubts that accounting tricks may be employed by both firms and banks in order to show profit rates (i.e. a degree of success) higher than those effectively achieved, or to hide losses; or, vice versa to obscure a part of the achieved profits, so that their managers may pocket extra profits. For instance, firms can undervalue (or overestimate) amortization of equipment and bankers can hide losses caused by the insolvency of financed firms.

DUNATOPIAN: Such cheats are short-term and in the longer period self-defeating. The undervaluation of amortization costs (to hide losses), for example, would depress the profit rates of the subsequent accounting periods since it implies a fictitious increase of the utilized capital, thus forcing firms practicing this trick to concealments and falsifications ever higher over time, and hence ever more difficult to carry off. The same can be said with regard to banks' concealments of losses due to insolvencies: such concealments will cause a fictitious growth of the funds that banks can lend (i.e. their capital) and this will depress their profit rates in subsequent accounting periods.

EARTHLING: I agree that accounting tricks, even if very astute, encounter great difficulties in repeatedly showing a degree of success different from the actual one; except in those cases in which they can take advantage of important connivances.

I find very interesting your way of financing the firm. Growing abuses and complications operate on Earth in this crucial field. We are living through an obscure phase of our history, dominated by the hegemonic power and cheating of national and international financial systems. Financial speculation conditions and dominates productive activities: a real turning on its head of roles that drags down earthly economies, subjecting them to the obscure interests and maneuvers of high finance. Large and unscrupulous speculative activity generates endemic instability. We are indeed living through one of the major absurdities of our history; the meaning of economic activity as devoted to the production of goods and services is substantially lost. Financial speculation conditions the remainder, and so finance becomes master instead of servant.

DUNATOPIAN: I'll try to complete the overall description of the functioning of our economic system.

The quantity of money put into circulation (through financings of firms, payment to citizens and the contributions paid to public bodies that produce public goods and services) determines absolute prices and their general level.⁵

EARTHLING: The introduction of money into your explanations makes possible a deeper discussion concerning the interest rate. On Earth it has been, and indeed still is vivaciously debated whether the interest rate is a merely monetary phenomenon or a real one. Moreover, great controversies have occurred among moralists and economists as to the legality of charging interest. I look forward to hearing your opinions on these matters.

DUNATOPIAN: Strictly speaking, our economy does not need interest rates. The importance that we attribute to the profit rate, which (similarly to the interest rate) is referred to employed capital, is sufficient (as I previously explained) to ensure an efficient use of capital by entrepreneurs, avoiding any waste of this factor and hence limiting its demand. Moreover, it should be clear that the interest rate is not due to the preference of the present over the future; as a matter of fact, saving may be stimulated by precautionary concerns. The rate of interest is a monetary phenomenon; as such, it can be eliminated by appropriately managing monetary emissions and taking into account liquidity preference. In sum, interest rates may be increased, lowered or eliminated in order to stimulate or put a brake on private saving and investment. We operate in order to make null the real interest rate on saving. This zeroing of interest rates combined with the low quantities of capitals owned by private people makes it easy to defend our system against the earthquakes caused by financial speculations that trouble your markets. A further brake on speculation is that, because of our planetary government, there do not exist here the

⁵Relative prices, on the contrary, depend, as previously noted, on the relative scarcity of the various goods and resources as deriving from their demand and supply; as such, they act as efficient indicators for the decisions of investment, production and consumption.

possibilities that your financiers have to speculate on the foreign exchange market, on currencies, on shares and on bonds. Here such speculation is rare and is viewed with disapproval. For further clarification of this matter, it may be useful to provide a more detailed description of the capital accumulation mechanism in use in our society.

Every year we define the share of the Common Fund of Wealth assigned to consumption and accumulation, and the amount of investment assigned to strategic sectors; then we try to ensure, through incentives and instructions to the banking system, that the prescriptions are respected.

Investment is committed to the discretionary decisions of firms. Of course, accumulation rates in general must exceed the profits invested by firms, both due to the existence of new firms and because, in case of high profits, only a part of them is invested while the investment projects of some firms exceeds their profits inclusive of any amortization share. The surplus of accumulation with respect to invested profits is supplied to banks by the Common Fund of Wealth to be lent to productive activities. Financing requests that banks address to the Common Fund of Wealth in order to meet the capital demands of firms are examined by taking present profit rates achieved by the applying bank.

The most successful banks (in terms of profit rates) will receive all the requested funds. If the total amount asked by the banking system does not exhaust the fund set aside for accumulation, the difference is coercively assigned to banks, in proportion to the amount demanded by each one of them, to be distributed to firms and so invested. Of course, if the propensity to invest is low, banks must lower interest rates (and other costs) applied to borrowing firms, in order to allot the fund attributed to the banking system. In the contrary situation, that is, in case the allotments to banks by the Common Fund of Wealth on the basis of the prearranged accumulation rate are lower than the total demand by the banking system, this negative difference is subtracted by the financing demands addressed by banks to the Common Fund of Wealth, in inverse proportion to their profit rates.

As you can see, banks are required to allot to investor firms all the funds necessary to achieve the fixed aggregate rate of accumulation. These rules (established to ensure that the shelving for accumulation equates investment) are very important for the control of global demand and, in particular, allow the reduction of the cyclical impact of entrepreneurial euphoria or pessimism.

EARTHLING: In case of a high positive difference between the shelving by the Common Fund of Wealth finalized to accumulation and the demand by firms for funds to be invested, the above regulations intended to ensure in any case the balancing between the two could cause, at worst, losses for all banks, due to the lowering of the cost of loans required to achieve balancing.

DUNATOPIAN: This is not a problem; the profit rate of public firms is important only as an indicator of efficiency, not as an income category. Well, the efficiency of firms (in this case, banks) can be controlled also through the ranking of the rates of loss: firms with low rates of loss will be deemed more efficient.

EARTHLING: How do you manage to promote the entrepreneurship needed to absorb the fixed amount of accumulation?

DUNATOPIAN: At the beginning of the Great Reformation, the shortage of entrepreneurship forced us to use high incentives to achieve the balancing between aggregate accumulation and investment. Sometimes we remedied the failure in balancing through some increases of other expenses so as to satisfy the principle of effective demand. But afterwards the situation returned to normal. In some sense, entrepreneurs here find it easier to operate than on your planet. In fact, firms here are facilitated in their borrowing from the banking system because this is obliged (as I said) in order to allocate to the firms all that share of the Common Fund of Wealth assigned to accumulation; this obliges banks to provide a golden bridge for stimulating entrepreneurship when this is lacking. You must take into account that here, in contrast to the Earth, the accumulation rate is not a consequence of profits gained; it is determined at the beginning of each year; and in order to achieve the set rate, firms with low profits or even those making losses can be financed for want of a better alternative. This may happen because here the profit rate is not a category of income distribution but only a measure of the degree of relative success that, as previously explained, may also be defined as the inverse of the rate of loss. But as soon as the availability of entrepreneurship becomes high, the fixed aggregate rate of accumulation will tend rather to be exceeded by the requests for financing coming from firms.

We operate in this way because we take much care to avoid the condition of deficiency of effective demand, which, by reducing the sales of firms, would induce them to reduce activity levels, with a consequent decrease in production and rise of unemployment. Of course, some fluctuations of effective demand are inevitable in decentralized economies, primarily those generated by dynamism, innovation and hence radical uncertainty. In fact, given prices, determined as previously explained, and for given liquidity preferences of the various social groups, it could happen, and certainly will happen, that the given distribution of the monetary emissions among citizens, entrepreneurs and the bodies producing public goods and services does not imply the established division of income between investment and consumption. However, the regulation expounded above, which obliges banks to behave in a way that pushes towards the equality of aggregate accumulation and investment, minimizes the fluctuation of effective demand. Such fluctuations may be caused by variations of consumers' or firms' liquidity preferences. But these variations are squeezed by the quasi-inexistence, in our economic system, of speculation. As you can see, it is easy to correct the modest disequilibria caused by but small variations in liquidity preference.

EARTHLING: I am amazed by what you say. Starting from a few, clear and simple principles you work out in a straightforward way what on Earth appears most complicated and causes great sufferings. The deficiency of effective demand generated enormous social dramas on our planet before there an understanding of the principle of effective demand was achieved. But after this discovery the policies for controlling demand have often been a pretext for some real degeneration. It is time to briefly outline this unhappy vicissitude, which I did not discuss previously.

The efficiency of our entrepreneurial system and the great technical progress of our advanced technology allowed high increases of industrial productivity. But the

contractual power of trade unions was too low to force entrepreneurs to distribute to workers the fruits of those increases of productivity. This resulted in high extra-profits, which were not absorbed by current investment: the economist who best understood the character of a great economic crisis that happened on Earth eighty-five years ago used to say: "Investment is a flighty bird". A disastrous fall in effective demand occurred, with a consequent devastating economic crisis. The search for market outlets favored imperialism, an arms race and devastating wars. Finally, the reason of the crisis, 'the principle of effective demand', was clearly understood. But this did not lead to the end of errors; as a matter of fact, it caused opposite degenerations. A widespread idea that deficit spending promotes production took root, an idea that has indeed contributed much, through the birth of welfare state, to the wellbeing of our people. But the principle that, in the presence of a deficiency of effective demand, its increase automatically engenders the supply necessary to satisfy it, was extended without warrant and came to be considered valid independently of the existence of such a deficiency; and this has given free play to the worst wastages of public money. Corruption and patronage flourished and the efficiency of the public sector was disregarded.

Probably, these degenerations were fostered and enhanced by the fact that the removal of public balance constraints and the problem of the efficiency of public sector greatly increased the domination-power of public directors and the managers of state companies. These companies ceased to be worried by the need to make profits and increasingly turned their attention to the much easier task of patronage employment. The degenerations were amplified by the fact that they implied a parallel rise of the domination-power of politicians. These behaviors have caused high public debt and, subsequently, an extremely heavy taxation that, in some countries, almost entirely suffocates efficient and wealth-producing private activities. We are now paying the price of these degenerations.

DUNATOPIAN: I see that your most serious lack is the absence of a science of the organization of social systems. We have known for a long time that the control of effective demand is a primary organizational necessity, a functional imperative, in every decentralized economy, especially one characterized by innovation and hence radical uncertainty. But we have never been touched by the absurd idea that a high demand, even if generated through waste, will always ensure high levels of production.

EARTHLING: At any rate, I see that, notwithstanding the numerous differences between our economic systems, there exist surprising similarities in some of their basic aspects. For instance, both systems use the market and the entrepreneur; moreover, both are obliged to take into account the principle of effective demand. This confirms my idea that, to each level of the general conditions of development, some organizational necessities must be complied with for reasons of organizational efficiency.

DUNATOPIAN: It is so. An economy that is highly dynamic cannot dispense with the entrepreneur, the profit rate in its accountability role with regard to efficiency and the control of the degree of success, the market and exchange value, and must take care to not violate the principle of effective demand. We call these organizational

necessities ‘functional imperatives’.⁶ These institutional aspects must stand at the foundations of any social building. Bureaucratic apparatuses are neither inclined nor suited to promote innovation; they do not possess the necessary versatility required by a continuously changing society characterized by radical uncertainty.

Our social science and policy meditations have allowed us to build a society where, just as the old and wise emperor desired, *we have been able to marry efficiency, order and innovation, to stimulate noble motivations and repress bad ones, to eliminate non-necessary conflicts, which are sometimes senseless, while preserving those essential to the physiology of a dynamic society, primarily those opposing innovators and conservatives, the standard bearers of the new and the champions of the old.* After all, our guiding intuition was to not limit ourselves to reproducing the social system of our tumultuous and greedy neighbors, to not simply copying their society, spontaneously grown and lacerated by useless contradictions as it was; if we had enacted such a reproduction, we should be tormented now by problems similar to yours.

EARTHLING: What you say makes me, at the same time, both sad and hopeful. Sad to witness the emergence on Earth of a new and tragic error in the so called transition toward the market, undertaken by people who have suffered substantial material and moral ruin that was a result of centralized planning. I understand now how senseless it is that these people aim to follow the road of ‘capitalism’ and even borrow its worst vices. But I also know now that there is a form of development much less painful than those known on Earth. This makes me hopeful. I am sure that once such a form becomes known among us it will be promptly accepted and imposed by popular sovereignty, for it markedly increases wellbeing, efficiency and concord everywhere that it is introduced, thus forcing its introduction even in the face of the resistance of the dominating interests of the few.

DUNATOPIAN: The attraction of our economic and social system propelled the great masses of our neighboring countries to exert a strong and irrefutable pressure on political power, resulting in federation with us.

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⁶On the notion of functional imperative, see Fusari (2014), and the section on the scientific frame of the story.

Chapter 9

Non-market Productive Activities and Other Aspects of the Dunatopian Social System

Abstract Public goods and services do not generate a market demand and a price system. For this reason, control of efficiency and responsibility in their production and distribution is subject to a number of difficulties. However, this handicap can be partly surmounted in a variety of ways, such as, for instance, cost-benefit analyses of infrastructures. In the case of semi-public services, such as health and educational services, which are characterized by individual demand but, also, by the myopia of utilizers, public preferences provide a weak help in determining the degree of efficiency and responsibility; this difficulty is, however, lower in educational and welfare services, wherein consumers' ability to judge is higher than in other fields. In short, different criteria for the control of efficiency and responsibility must be defined in the various fields of public administration. We dedicate attention to possible solutions.

Keywords On public goods and services • Semi-public services • Efficiency in public administration • Waste and inefficiencies • Responsibility

DUNATOPIAN: The last speaker has underlined the importance of the entrepreneur and the market for the efficiency of the productive system. But it is necessary not to forget that a part of the Common Fund of Wealth concerns the financing of activities that do not (and cannot) operate on the basis of the market. As a matter of fact, public goods and public services, having a common use by citizens, do not generate a market demand and hence a price system. This precludes benefiting from market automatisms that define and control responsibilities and stimulate efficiency. We remedy this inconvenience in a variety of ways.

With reference to infrastructures, we not only quantify their availability but also take into account their qualitative performances in addition to their physical quantity. In this way, we determine the needs and deficiencies of infrastructures and their degree of utilization. Moreover, we inquire into and execute accurate control over the expenditures requested to build them and the time of building, primarily to avoid wastage of money. In short, we take care to provide inputs for cost-benefit analyses of infrastructures.

Of course, these quantifications do not allow a full solution of the problem of the control of efficiency and responsibilities. For public services executing repetitive activities, it is pretty easy to define parameters of productivity and performance and to set the objectives to be achieved: for instance, the number of administrative papers accomplished per unit of time (weighted with the degree of complexity of each), or the quantity of refuse treated by garbage collections.

The difficulty of controlling responsibility and efficiency is less in semi-public services; that is, those services characterized by an individual demand that—whether due to lack of information or simple myopia—cannot be considered a sufficient criterion for the assignment of a price to production. This is the case with health, welfare and educational services.

In the case of public health services, citizen misinformation and myopia are usually very high. Therefore, the public's preferences help only weakly in the determination of the degree of efficiency. Some more reliable indicators of efficiency and responsibility are defined through the suggestions of scientists and technicians operating in the sector, as well as by attributing a great importance to the degree of satisfaction expressed by patients in special questionnaires.

The control of efficiency and responsibility is easier in educational and welfare services, the capacity of judgment of consumers being in these cases much higher than in the previous ones. With regard to the assistance of old people, we take care to ensure that they are decently housed and we attribute a great importance to the judgments expressed by the beneficiaries of this service. It must be emphasized that on this planet the need for such public assistance for the elderly is significantly reduced by the custom of the family remaining together: a single family thus comprising grand-parents, parents and children. This intergenerational cohabitation is stimulated by, among other factors, our promotion (emphasized in our treatment of the economic system) of the employment of resident manpower by firms, so as to avoid the disintegration of families due to migration. I must emphasize the great profitableness of such promotion. It reduces the social costs of assistance and urbanization, the congestion of some geographical areas and depopulation of others, and the collateral malaise of young, grown-up and old people. Besides, you must not undervalue the educational profitableness of the above policies. As a matter of fact, the intergenerational tie within the family places side by side (and lends support to) the enthusiasm and generosity of young people with the experience and wisdom of the older generations: the young thereby benefit from an improved awareness concerning the problems of the world, and old by way of optimism and liveliness. A non-minor part of the equilibrium, self-confidence and serenity of our people derives from this family life. We attribute a primary importance to the family as a fundamental embodiment of the private sphere. The accomplishment of individuality, initiative and independence of human beings and their personality in relation to their natural skills, in sum education, is the work of the family even more than it is the school; this educational power of the family concerns both adults and children.

EARTHLING: What about your pension system?

DUNATOPIAN: It is so simple that there seems almost nothing to say. It is based on the obvious principle that all citizens in retirement must be considered equal, in terms of both needs and merits. We fix the age of retirement, and the pension is equal for all, plus a portion proportional to the years worked. Those who continue to work longer than the age of retirement are entitled to an increase in their pension proportional to the consequent reduction of the probability of survival after retirement. People that want to receive a higher pension can contract an increased annuity with insurance companies on their own expense. The money paid for retirement pensions comes from the Common Fund of Wealth. The operating costs of this simple and transparent system are very low and it cannot be subjected to financial deficits.

EARTHLING: Tell us something of your educational system.

DUNATOPIAN: Our schools enjoy great autonomy. Schooling is mainly directed to the selecting of skills and the promotion of individuality and critical ability. Everybody can choose among a variety of schools. In judging the efficiency of this sector, we attribute much importance to the rating by pupils and their families of the services of teachers. But, again, in this field the judgment of citizens benefiting from the service cannot be considered decisive; in fact, strategic and long run aspects of the educational system extend beyond citizens' competence and need to be considered by specialized experts. The chiefs of each school are subjected to rigorous criteria of responsibility for the results achieved. We attribute a great importance to the competition among schools to attract new students; such competition stimulates both efficiency and pluralism in teaching. The judgment on teachers expressed by pupils of high schools and universities is an important means of rating the quality of teaching. There is fierce competition among schools to secure the most esteemed teachers.

Autonomy, fierce competition, parents' vigilance, and plurality of initiatives stimulate the quality of teaching and help the promotion of natural talents. The learning of general notions is greatly fostered, with the purpose of both stimulating individual versatility and improving citizens' general knowledge.

In our society alienation is thus minimized by the efficiency of our welfare, educational and family systems, by the care taken in selecting skills and promoting individual initiative, by participation in political decision making, by refining the ability to use free time, and by the promotion of service-power.

EARTHLING: We appreciate very much your organizational forms as just described, in particular the dedicated attention directed to the stimulus of efficiency and the control of responsibilities. In fact, among us inefficiency and irresponsibility are suffocating the public sector. The best employees of this sector are often forced to choose between leaving the civil service or conforming to incompetent and idle instructors; in effect, given the indolent, dull and farraginous mechanisms of the public sector, he who intends to work well generates difficulties for everyone else, thereby making evident the structural deficiencies and contradictions of the public sector; such a well-intentioned worker is therefore considered a nuisance. This dire situation is very much due to astonishing and yet often intentional lack of objective

criteria of responsibility for public directors. Unfortunately, trade unions make almost no efforts to oppose this situation and often protect loafers through a mistaken and automatic defense of labour. The confusion is made complete, as well as insuperable, by a whole host of regulations that continuously change and are so bewildering that they make it difficult to orient oneself. What controls and responsibilities that exist are merely formal, or are directed to the subjection of the public sector to the domination-power of politicians. The highest managers are not responsible for the results achieved, but they pay great attention to satisfying the requests of the politician that has placed them in their position. This situation appears even worse when, following the example of the private sector, the chiefs of the public sector have been entrusted with managerial roles. Such entrustment in fact multiplies their discretionary power, and in the absence of objective criteria of control and responsibility, the result is simply an increase in the scope of their free will and their becoming ever more expert in rigging public examinations and contracts and in extending a system based upon patronage rather than merit.

The great—and extremely irritating—inefficiency of public services and administration caused by the situation described has obliged some countries on the Earth to reduce the dimensions of the public sector in order to cut costs and wastage. Some other governments, well aware of the importance of public goods and services, initially tried to extend the dimensions of social services, or at least preserve them. But high costs, waste and inefficiency have in the end forced them to undertake a progressive reduction of social services.

DUNATOPIAN: I understand your frustrations. What you say is irritating. We have avoided all that through our success in reducing domination forms, which has induced us to pay great attention in defining indicators of efficiency and responsibility. Such attempts at definition have met with great difficulty in the sector producing public goods and services. But we understood that unsatisfactory indicators of responsibility were preferable to nothing.

But there is an exception. We do not use indicators of results in basic research concerning the fundamentals of science. In such a field, results are very uncertain and, when they do appear, this happens only after long engagement. It is not opportune to tie the hands of students engaged in this field with stringent indicators of results; after all, the supposed results may well be made to appear senseless in light of the further advance of research. We select rather students on the basis of their devotion to studies, their intelligence, inventiveness, their critical sense, and the fecundity and suggestiveness of their research programs as shown during frequent meetings and debates with their colleagues. But they are absolutely free to follow their own inspiration and intuition, individually or in the context of research groups.

EARTHLING: But if some of these students or groups do not produce anything of value and use, in spite of their best intentions and hopes, their activity will have constituted a waste of resources.

DUNATOPIAN: It is not so. At the very least, they will have contributed to the debate on science and, in so doing, provided inspiration to their colleagues. We know that many researchers work and yet do not produce relevant inventions.

Among the many that are searching, only a few will find exceptional novelties; but those novelties derive not only from the work of their authors but also from the whole debate on science. On the other hand, these few exceptional results compensate abundantly the costs of those numerous researchers who produce almost nothing in terms of inventions. Moreover, it is impossible to do otherwise. Nobody knows which researchers will make exceptional discoveries; indeed, the researchers themselves do not know the end of their labours, nor even how any possible discoveries might appear. The implication of all of this is that it is important to trust in (and provide space to) those people who demonstrate competence and dedication in their research, and then to wait with patience for the gold nuggets that at least some researchers or research groups will certainly discover.

EARTHLING: You have not referred yet to the delicate sectors of the media and telecommunications.

DUNATOPAN: I have little knowledge in this field; I therefore limit myself to the exposition of some basic themes in this subject.

Mindful of the torpor and disturbance that spread in our ancient empire as a result of indoctrination in a uniform and conformist culture, we have taken care to foster a great openness to pluralism and consider pluralism a basic postulate regulating the work of the media and communication sector. This sector produces information, just like the economy produces goods. Therefore the media corporations are judged, like other firms, on the basis of the profit rate they achieve, but this is weighted according to the degree of importance, variable over time, attributed to the different branches of knowledge and to the publication of works of particular cultural importance. The activity of small private publishers is an important element of pluralism. The low costs of publication due to modern technologies ensure that these publishers are rather numerous. But I think that the tremendous recent advancement of information technology on Earth may allow better solutions in this field.

The degree of success in the sector of telecommunications is represented by the audience indexes at local or global level, and is also based on the geographical diffusion of the service, weighted according to the degree of importance attributed to the various radio or television programs. In this sector the presence of private entrepreneurs, who's financing derives mainly from advertising, is also considered important.

Chapter 10

The Reasons Why the Ideologies, Political and Economical Institutions and Public Interventions on Earth Obstruct the Building of a Supranational Order

Abstract In this chapter the need for a supranational order and some international political authority is highlighted. This need derives primarily from economics, which is increasingly characterized by an international breath. We emphasize the growing hegemony of the financial side of economic life, a hegemony that is fostered by the political fragmentation of the world, and which generates speculation, crises, growing disequilibria and fraudulent actions associated with financial power. A scientific treatment of the institutions required by the present historical age, which is a main object of this book, will be of great value, and will prove indispensable in stimulating the building of international agreements and institutions in the face of the increasing interconnections among the regions of the Earth. Such a treatment, and the related international actions, is indispensable if we are to overcome the present organizational degenerations associated with the main form of international power: the hegemony of finance capital.

Keywords Supranational order • Financial power • Speculation • Hegemony of financial capital over production • International agreements and institutions

DUNATOPIAN: I find it difficult to understand why Earthly society does not collapse in endemic crisis and tremendous disorder as a consequence of the cohabitation of a political power divided (as you have said) into a multiplicity of national states, often engaged in fierce fighting with one another, and an economic organization made powerful by your advanced technology and able to operate at planetary level, directed by private citizens devoted to unrestrained speculation. You are living in a dreadful contradiction: the highest of powers, the political one, is dominated at the planetary level by financial and economic power, which not only should be subordinate to it but, furthermore, is managed by private interests engaged in fierce competition.

EARTHLING: You have put your finger on a malfunction that stands behind serious and growing difficulties. But it is only one malfunction among many. A variety of conflicts take place on Earth that not only place obstacles in the way of a unification of our people at a planetary scale but also obstruct the advent of a

supranational authority, even one endowed with very limited powers. This is mainly due to a scientific lacuna: our inability to provide a distinct representation, through notions similar to what you call functional imperatives, of some basic aspects on which there exist an objective and substantial convergence of interests. The variety of civilizations existing on Earth does not only stimulate creativity and differences in ways of life; such variety is also accompanied by deep and paralyzing conflicts due to misunderstandings over what, in the organization of social systems, is a matter of choice (and hence can legitimate the building of different civilizations) and what constitute organizational exigencies that should be a common denominator of a planetary society and hence provide the foundations of a supranational order. Evolutionary movement sweeps away both the valuable and obsolete elements of existing civilizations. Such conditions ensure that conflicts among peoples and ideologies largely prevail over agreement and mutual interest.

This confusion over knowledge, interests and inclinations allows the economy to act as the dominating sector. Speculation generates the transfer of enormous quantities of capital in the international market with the rapidity of a radio message. A supranational authority able to discipline speculation and prevent the crises that result from free speculative fluctuations does not exist. Attempts to define rules of good behavior have been frustrated by speculators' ability to elude them and by the evolution of financial instruments. Some student has written: "The race between financial innovation and regulation is endless; but the latter is always behind the former. Financial innovation attempts to avoid rules and new rules are invented to cover the holes caused by financial innovation".¹ Regulations of thousands of pages have been provided, to the joy of legal studies but nevertheless easy to avoid. Risks are covered through financial by-products. A growing quantity of hedge funds, private equities etc. make the international financial market chaotic and extremely unstable.

In effect, it is very difficult to obtain information and prepare control tools in this field, dominated as it is by uncertainty. One may think to tie the hand of speculators through heavy bureaucratic superstructures, as in your ancient and stagnating empire. It seems to me that the regulation of this field needs strong supranational powers; agreements among sovereign states are insufficient.

Indeed, there have been a number of feeble attempts to construct some supranational political power; but they have achieved only very modest results. Something more has been done in those economies most threatened by disastrous crises. Some of the more advanced countries are establishing large monetary areas, mainly in the hope of reducing the destabilizing effects of speculation. But this is but a beginning; in the meantime, the globalization of markets is pressing upon us and our technology and economic activities increasingly threaten our ecological balance.

We are able to neither oppose the great economic and social disequilibria troubling our planet nor contrast efficaciously domestic disequilibria. You would be

¹See Nardozzi (2015), pp. 131–132.

surprised in seeing that our great technological advancement coexists together with a variety of persistent problems: underdeveloped areas cover the major part of our planet; the desperate migration of disinherited masses toward developed countries meets intensive barriers to entry erected by those countries, while unemployment and famine are daily realities for millions of human beings.

What I see on your planet (and I have learned much also from your reports) suggests to me that our interventions on a global scale have failed because they are not based on rational foundations. Our international institutions give help to countries in economic difficulties on condition that they perform certain policies, such as the balancing of state and foreign accounts, opening to trade exchanges and to movements of capital, and the privatization and reorganization of firms. But such policies pass over the true problems, which relate to the stimulation of productive efficiency and the establishment of a sense of duty and a transparent system of well-defined responsibilities. The development of entrepreneurship is disregarded, especially public entrepreneurship; and the transition from domination-power to service-power is completely neglected. As a consequence, these policies generate a high death rate among companies and so reduce employment. The privatization of public companies often constitutes a true theft of their capital but does not improve the efficiency of the economy. The disaster is completed by macroeconomic policies of stabilization centered on monetary restrictions, the contraction of public expenditure and the liberalization of exchanges that cause high interest rates and squeeze demand for goods, thus suffocating entrepreneurial action and increasing firms' mortality.

In the past, a number of underdeveloped countries tried to stimulate their economies by promoting state industries, often in the context of central planning. But, as the experience of your ancient empire no doubt leads you to expect, the result was merely to enter a dead-end. Now, these failures have increased the emphasis placed upon private activities. But underdeveloped countries lack efficient entrepreneurship; private resources are managed by owners far more skilled in spending, robbing and oppressing than innovating and producing. Working hand in glove with a corrupt political class and surrounded by greedy supporters, these owners of capital have built oppressive power systems that condemn the masses to living in conditions of growing decay.

To some small degree, what politics is unable to do for the diffusion of development is covered by the work of great multinational firms, which are induced to invest in underdeveloped areas by the low wages that there prevail. But this constructive investment is almost nothing when contrasted with the profound disequilibria and contradictions caused across the world by the current international economic order. Great restructuring is urged upon us; yet I doubt that we shall measure up to the situation and, rather, will be defeated by our own technological achievements.

DUNATOPIAN: I think that you need a reformation of your economic system; a reformation that gives a strong push to public entrepreneurship, that separates income distribution from production, that increases employment through the flexibility of labour costs, and which ensures the control of effective demand. In other

words, you need an economy in which: firms have the task of producing and society that of distributing the produced wealth; the role of private property is strongly reduced, at least with reference to great firms; and the separation of income distribution from firm's accounts allows for more incisive actions of solidarity.

It seems to me that an economic organization like ours is indispensable for you if you are to efficaciously meet national and international disequilibria and obtain a better use of your human, natural and technological resources. You should take care to avoid squeezing or hindering production by class struggle and speculation of financial capital.

Only once you have ensured that your productive activities are safe from those inconveniences and, furthermore, delineated some model of development able to increase employment, will you be in a position to efficaciously meet the disequilibria and troubles afflicting your world. But if you are to succeed it is also indispensable to substitute service-power for domination-power in the non-economic as well as the economic sectors of society.

Your international organizations must take care not to allot funds directed to avoiding the bankruptcy of important banks and speculators, and should avoid imposing, when giving help to countries in financial straits, recovery policies based on the control of the great macroeconomic variables, since these policies cause recession. Instead, they should require, as a counterpart to the provision of funds for helping countries in economic and social difficulties, the diffusion of systems of responsibility based on efficacious criteria related to the measurement of achieved success. Moreover, international organizations should pursue a strong reduction of speculation and of the role of financial capital, and take care to introduce non-hypocritical forms of popular sovereignty. In sum, an efficient and transparent economic and power system is needed—a substitute for governments committed to unscrupulous adventurers and in the hands of dominators. Supranational powers that do not operate with such a perspective cannot display incisiveness and probably will find it difficult to obtain consent.

I am surprised that your strange world succeeds in flourishing in the face of so many inconveniences and discomforts; perhaps this is possible because you are so accustomed to these conditions. But after all, we witnessed a similar miracle among our turbulent and greedy neighbors. I think, however, that you would choose a bad road if, on abdicating to the role of reason and common sense, you agreed to be pushed towards a more cohesive international order by the great and contradictory expansion of your technology and of the economy, thereby submitted to spontaneous behaviour and trial and error processes that will probably become in the future even more confused and torturous. Unfortunately, the low level of your social thought and your correct refusal to embark upon the interventionism professed by naïve utopians and self-styled revolutionaries, inclines you to accept the spontaneous behavior of society.

Even if you prove able to handle the situation (and I think that you will) and manage to build institutions and political authorities on a planetary level, you will probably be condemned to a difficult existence by the power forms and ethical values that are imprinted upon your economy. These condemn you to heavy and

recurrent crises, to the calamity of unemployment, to cohabitation with profound social disequilibria. Furthermore, they subjugate you to senseless tensions and frustrations. Your organizational system and the connected forms and notions of power certainly cause, on Earth, sometimes manifest but more frequently obscure, strong resentment toward powerful men and diffidence towards your rulers. What is worse, the emulation of rich men and the ethical values prevailing on Earth stimulate among you a passionate love for material wealth. But the temptation to merely wink at this is usually followed by bitter disillusionment. In a sense, you are condemned to the torments endured by the mythological figure of Tantalus (if I recall correctly). Your social organization puts you at the fickle mercy of short-lived material wealth.

EARTHLING: We shall bring to bear on the Earth the great and striking teaching that has emerged in these discussions, that is: how to defeat the plague of unemployment and the great economic crises; how to reduce conflicts to their physiological level but erase those deriving from institutional absurdities; how to build institutional forms able to make the best use of available resources and greatly improve the possibility of solidarity interventions, both on a domestic and an international scale; and how to set free humanity from obtuse kinds of greed. You have taught us how to promote the advent of an effective popular sovereignty and the diffusion of service-power. We shall show to our countrymen that, only on such foundations is it possible to set up a supranational political authority based on universal consent, endowed with a great moral prestige, high capabilities of direction and intervention; a political authority able to ensure to everybody—citizens, states and the various organizations—substantial autonomy and freedom, in the shade of a few and great leading principles and a supranational, clear and simple legislative system centered on few and inflexible precepts. I hope that your example will help us to improve our life conditions and that the people of Earth will consider seriously the story of what we have seen here.

DUNATOPIAN: And we hope that learning of your technological achievements can strongly stimulate the degree of development of our planet.

I think that the difficulties that you experience in trying to build a social science primarily result from basic errors and misconceptions on method. Therefore, I pass the word and call upon my colleague to speak on this topic.

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Chapter 11

On the Methods of Science on Earth and on Dunatopia

Abstract This chapter brings into focus and deepens our treatment of what we consider, from a scientific point of view, the main problem afflicting the present social world: the question of method. We underline the erroneousness of the assertion as to the uniqueness of scientific method and clarify the reasons why it is not so, namely, the completely different constitutive character of social from natural reality, the first being a human construct, the second a predetermined and relatively steady order with which men interact. Social reality is, in one sense, at the mercy of the constructive and creative behavior of humans, and this points to the need for an organizational view in both the management and the study of such a reality. Man is the author of social changes and hence can penetrate the reasons for them; yet a merely observational method cannot but fail in this regard. We return but now deepen the exposition in Chap. 2 of the most appropriate methodological approach to social studies and provide an extended discussion of the usefulness of this method in clarifying the frequent methodological misunderstandings that afflict the social sciences today. Clarifications of the confusions associated with both spontaneity and revolutionary attitudes are provided, together with some interpretation of social reality and history.

Keywords Method of social sciences · Social reality versus Natural reality · Human creativeness · Organizational view as appropriate to social reality · Against spontaneity and revolutionary attitudes

DUNATOPIAN: Whilst listening to your report on Earth society we found it extremely strange to discover that a people with such advanced technological capabilities that they have been able to cross so much of the Universe in order to reach our planet nevertheless live by means of a social organization afflicted by deep and evident irrationalities. At first we thought that the human thirst for domination has protected these absurdities with force and deceit, in defense of the hegemony of the dominating classes. This seems, indeed, partially true. But we were unable to understand the reason why honest intellectuals and scientists, which certainly are not rare among you, did not denounce the cheat and point the way

toward more rational solutions. In fact, your reports did not indicate the existence on Earth of an autocracy so strong and deeply rooted as to be able to subdue, through allurements, blackmail and repression, science and its representatives. Afterwards, in the course of your exposition, we nurtured a growing conviction that the sometimes rough organizational errors afflicting your society are basically due to serious methodological misconceptions that obstruct the advancement of your knowledge on social problems and phenomena and that substantially operate in favor of the existing forms of power, thus enjoying their sympathy. We have received a confirmation of this hypothesis on listening, on our request, to your categorical statement on the uniqueness of the scientific method that you identify with the method of the natural sciences.

You have developed a very efficient method of inquiry into natural reality; it has allowed you to progress quickly in such fields and to reach this planet. But those successes have no doubt convinced you that the same method will bring great success also in research into social reality; in this way, you have entered a wrong road, a true dead-end. A method of inquiry inappropriate to the considered reality can even preclude understanding of elementary elements and phenomena, making scientists impotent and confused, even where common sense succeeds in solving problems.

In the study of the natural world, the method that you have described by the succession ‘Initial Observations—Theoretical Hypotheses—New Control Observation’¹ is appropriate and has proved extremely profitable. Such profitability is not clouded by those harsh disputations on method that on Earth take the name of ‘philosophy of science’; for instance, the question of whether observations must be directed to validate or to falsify theoretical hypotheses; if these hypotheses should be extracted from the observation of reality, or instead should be generated by students’ creative imagination, or both. In fact, the (observed) reality keeps the observer firmly within its grasp. More precisely, the influence of cultural forms, of points of view and of the state of knowledge on the perception of reality does not prevent that reality asserting itself stringently, through control observations, in validating or invalidating the proposed theories.

Unfortunately, the use of such an ‘observational’ method in the study of society leads to heavy errors. In fact, the spontaneous and often tumultuous social processes follow some rough and confused trial and error processes. It is, therefore, impossible to obtain reliable knowledge from these processes, from events expressing an inextricable interlacing of successes and failures, with the second largely dominating over the first.

To better clarify this point, a comparison between social and natural events may be useful. In nature, changes happen slowly due to the fact that evolutionary

¹See Fusari (2014).

(‘Darwinian’, you said) selection requires a very long time. But if the rate of those changes accelerates, the student of nature finds it very difficult to understand them; as a matter of fact, he is impotent against this possibility. At any rate, the student of nature is forced to limit himself to the mere observation of change in order to arrive at understanding; he cannot penetrate the intrinsic character of the natural world, that is, he cannot discover the reason why nature exists and has been organized as we see, nor try to understand change on this basis. In sum, the student cannot do more than observe natural phenomena as spontaneously occurring in order to derive ‘laws of motion’ from his observation.

Very different is the case of society. While the relation of man to nature is interactive, man’s relation with society (his operation in the social world) is constitutive. In short, this world is a product of man and hence it is possible and judicious to examine the reasons behind the organizational forms built by men. Social reality is constituted by strong non-repetitive changes; but these are due to human activity, which is what enables humanity to understand their causes. In conclusion, while it is possible and indeed inevitable to derive physical laws through the observation of being in the study of nature, the student of society can and must go beyond mere observation. He must ask himself the reason why social reality works as he sees, and whether it is possible to organize it differently and better, given that society is manufactured by man. In brief, he must combine *being* and *doing*.

EARTHLING: A great scholar of our planet wrote some centuries ago, just when the hegemony of the method of natural sciences was taking root also beyond those sciences: “It is surprising that all the philosophers have dedicated their attention to achieving knowledge of the natural world, of which, being the work of God, only God can have knowledge; while they have neglected to meditate on the world of nations, that is, the civil world, of which, *being a product of man, man can achieve knowledge*”.² Unfortunately, this important statement has been substantially ignored.

DUNATOPIAN: We have established that the organization of social systems and studies of their functioning must be based on a method that can be defined as that of ‘organizational rationality applied to realistic premises’. The brief reference to this method that follows relies on intuition and the common sense of the listener.³ Our methodological starting point is the search for initial, general and fecund hypotheses, from which derive the organization of society and the interpretation and solution of related problems. These initial hypotheses concern either what expresses ‘necessity’ or ‘choice-possibility-creativity’ in the birth and organization of social systems. The accurate analysis of the general conditions of social

²See Vico (1968) pp. 107–108 (emphasis added).

³The method has been extensively developed and then applied to the interpretation of history and the main branches of social science in Fusari (2014).

development constitutes a primary means of defining initial hypotheses concerning ‘necessity’. For illustration, I’ll recall some of the contents of our previous reports on the organization of our society and its development.

You will recall how we observed the existence, in the regions inhabited by our greedy and tumultuous neighbors, of a society demonstrating an impressive and endogenous push toward cumulative growth and development, a surprising capacity to resist external aggressions—its apparent disorganization notwithstanding-, and a great vitality and expansionary impetus. The mere observation of such astonishing phenomenon should have suggested to us that we attempt to reproduce such a society, complete with its domination forms and relations. But we intended to do more, that is, we aspired to endow our social system with an analogous dynamical propensity, but without taking from our neighbors elements that were not necessary to stimulate dynamical dash and that we considered unacceptable or disagreeable.

Here the importance of some factors to cause an inclination towards endogenous growth and development becomes evident.⁴ The definition of an analytical category concerning those factors should focus on an evident observation: each person is an extremely limited and imperfect being who is born with some specific talents that enriches his natural life, and becomes what he is through a difficult and chequered path of incessant learning and self-realization. In brief, man is an ‘evolutionary being’ (in a dynamic, not merely organic, sense); and the more so the more he has the gift of creativity. As a consequence, society is also an evolutionary entity. In order for this evolutionary mission that expresses the primary meaning of human life to operate, institutions are required that allow each person, and hence also the social body, to advance in skills, knowledge, learning and, in sum, material and spiritual achievement. Oppressive and pervasive civilization forms that, as with our ancient empire, suffocate those evolutionary potentialities and reduce man to a dead-end represent an unnatural state of affairs and value choice. We denominate ‘ontological imperatives’ those institutional and organizational forms indispensable to the unfolding of human evolutionary potentialities. These imperatives may or may not operate in a society, depending on the form of civilization at work; and in fact they were not present in our ancient empire, with its autocratic-bureaucratic civilization and blindly obedient populace. Their absence condemns society to a substantial immobility.

In a dynamic society, that is, a society characterized by endogenous self-propulsive growth, important ontological imperatives become organizational ‘necessities’ that we denominate ‘functional imperatives’. Let me give some examples.

It is easy to understand that the self-propulsion of society rests upon the ability and propensity to innovate, this being the source of development, and hence

⁴We recall here some notions developed in Chap. 2 entitled ‘The scientific frame of this story’.

requires versatility, this being necessary to manage and dominate the radical changes generated by the developmental process. In parallel (and as we saw) the central role of the individual is also required, this being a primary source of creativity. An implication of this is that the decentralization of decision-making processes is also required, in order to allow prompt response to emerging novelties, and this implies the market, even if only in the form of pure mechanism for the imputation of costs and efficiency (as discussed in Chap. 6). Moreover, it appears evident that the propulsive role of dissent (as implied by the advent of invention and innovation) and of tolerance, that is, of the possibility of dissent, as well as of competition, primarily that based on innovation, are necessary to stimulate efficiency and development. (The report on the economy has extensively treated these elements). These attributions are, for the most, 'ontological imperatives' that become also 'functional imperatives'⁵ of a dynamical self-propulsive society since they are demanded by mere reasons of rationality and efficiency of such a society.

The above organizational 'necessities' are flanked by elements concerning 'choice-possibility' and the role of creativeness in fostering innovation. Our discussion of the historical vicissitudes of our ancient empire and of our Great Reformation clearly showed the operation, side by side with the organizational necessities required by a self-propulsive society, of other organizational elements that differed in construction from those of our greedy and turbulent neighbors. Those elements concern what we call 'choice-possibility'. So, by placing together with necessity various kinds of choice-possibility, a number of social organizations can be deduced. Some other differences can arise due to the advent of innovations and the operation of different natural conditions. The most important expression of choice-possibility is represented by 'civilizations'. These are an expression of basic and enduring ethical-ideological choices that have a pervasive influence over the whole social system. A primary content of civilizations arises from the presence or absence among their contents of ontological imperatives, a presence or absence decisive with regard to the propensity towards either development or, instead, a stationary state. The superiority of the civilization of our turbulent neighbors with respect to our stationary empire was due to the fact that their civilization included important ontological imperatives that the civilization of our old empire disregarded. But we have built subsequently a society and civilization

⁵To avoid misunderstanding it may be useful to clarify that the Dunatopian notion of 'functional imperative' largely differs from that notion of functional imperative that Parsons has advanced on Earth (see Parsons 1987). For instance, the institutional and ethical forms typical of bureaucratic-centralized orders, such as the ancient Dunatopian Empire, express functional imperatives in Parsons' sense, notwithstanding the fact that those organizational forms lead their respective societies into a dead-end: a tendency that Dunatopian notions of ontological and functional imperatives unmask. Every form of domination is consistent with Parsons' notion of functional imperative; on the contrary, only service-power is consistent with the Dunatopian notion of functional imperative.

that, on the one side include those ontological imperatives and, on the other side, are flanked by some other institutions and ethical values (concerning choice-possibility) that made our civilization greatly preferable and, so to speak, superior to that of our greedy and tumultuous neighbors.

In the course of time, innovation will cause changes in the general conditions of development and hence the advent of new functional imperatives appropriate to a more advanced stage of development (and historical age), along with the connected organizational forms.

I see that, on method, we and you have opposing experiences. We too were misled for long by a wrong conviction as to the uniqueness of method. For many years we insisted upon using, in our research into nature, the method of the social sciences that we had elaborated through the experience of the Great Reformation. Such a blinkered perspective obstructed the advance of the natural sciences on our planet. We insisted upon trying to understand natural phenomena by searching for the reason why the natural world is as it is. On the basis of the method that has profitably shown the way forward in our social construction, we pretentiously set ourselves to adopt the point of view of the Author of nature and understand His intentions and His hidden ends. This pretence of penetrating an unfathomable intelligence obstructed our understanding. In fact, it is a senseless pretence. Probably, the attempt to understand God's will through a finalistic logic or some related scientific instrument does not even make sense. Only now, thanks to your teaching, do we fully understand that it is more convenient and appropriate to attempt to understand the natural world through the simple observation of natural phenomena, abandoning the vacuous pretence of understanding the purpose of its Creator, or its 'essences'. In short, we think that we have realized the fecundity of your observational method and we hope that, in light of this revision of perspective, our knowledge of the natural world will begin to advance quickly, allowing us soon even to visit your planet.

EARTHLING: I find your analysis convincing. The confusion on Earth that surrounds the method of social science is immense. Some scholars investigate society according to a constructivist perspective and, in spite of reality, have proposed senseless social constructions, which have caused great misunderstanding and led to real catastrophes when attempts have been made to realize them. This has fuelled the conviction that society has to evolve spontaneously, through trial and error. Such an evolutionary perspective is mainly inspired by biology; it uses the observational method and by doing so has contributed some important legitimization and extensions of this within social studies. But, as previously explained, the method based on the accurate observation of reality (with the purpose of discovering laws of motion) makes sense only with reference to the spontaneous (or experimentally reproduced) behavior of natural phenomena. With reference to social phenomena, such a procedure implies and espouses, implicitly or explicitly, the idea of spontaneous order.

Clearly, this is almost senseless. Among other things, domination-power is plainly imprinted on such an idea of spontaneity, for everywhere domination forms are at work on Earth, even if with varying features. This means that the observational method does not allow for the proper consideration of the removal of domination forms. Such removal requires a different methodology. Let me insist on this point, with the help of your teaching, I now see it as pointing to one of the most insidious elements of the organization and governance of Earthly societies.

Two important scholars of society wrote: "People of the dominating class... also dominate as thinkers, as producers of ideas that control the production and diffusion of the ideas of their time; it is evident, therefore, that their ideas are the dominating ideas of their age".⁶ Well, this is only partially true. Unfortunately, the influence of domination-power on the production of ideas and knowledge is even stronger and more insidious than these two thinkers feared. The main problem is that the dominating methodology, the observational one with its supposed high scientific substance, directs social scholars to draw their inspiration and analytical results from the strict observation of a reality imprinted by domination-power, which thereby appears as natural and an intrinsic element of social reality. The most ambiguous and perhaps disconcerting distortion of the observational method is that it makes sense, with reference to social reality, only if it is conjugated (as just stated) with the idea of spontaneous order; but this in fact introduces an embarrassing contradiction and a strongly misleading power within the analyses of scholars who (as with those two just quoted) pretend to derive, on the basis of the observational method, hypotheses of social reformation or revolution. And indeed those two important observational social scholars were unable to depict the organizational content of the new auspicated social order. Subsequently, the fulfillment of their desired revolutions resulted in the birth of domination forms worse than the previous ones.

The observer of social events seeks to make order out of a tangle of errors and ineluctable situations, but he is unable to distinguish the first from the second through mere observation. I must recognize the fecundity of your organizational method of study of social reality, based on the search for fundamental realistic postulates and premises and leading to the fecund notions of ontological imperatives, functional imperatives, civilizations and, more generally, the distinction between 'necessity' and 'choice-possibility-creativity' in the interpretation and organization of social reality. I also see that these analytical categories are precious for the understanding and interpretation of historical processes.

On Earth, social studies are the site of a contraposition between, on the one side, a wide use of the methods of both the natural and the logical-formal sciences, often combined with each other, and on the other side, a methodological fragmentation manifested in a variety of proposals often unable to interact or even to communicate

⁶See Marx and Engels (1966) p. 73.

with each other. This latter is celebrated as ‘pluralism’. But a variety of positions and intuitions, in order to be profitable, must be comparable to the various other contributions and proposals. Our social thought urgently needs some general methodological principles, rules and procedure that allow us to judge the scientific substance and profitableness of the various intuitions and proposals. In particular, the methodological rules and procedure should allow for the distinguishing of ‘necessity’ from ‘choice-possibility’ with regard to the organization and interpretation of social systems and their historical paths as, for instance, is the case with your notions of ontological imperatives, functional imperatives and civilization. In the absence of such a general methodological foundation appropriate to the character of social reality, and hence different from that of both the natural and logical-formal sciences, the confrontation and scientific assessment of the theoretical proposals and development is impossible in social thought. As a consequence, the advance of knowledge is obstructed and the various theories substantially act as principles of faith. A great scientist said: “it is not sufficient to have a good talent; it is important to use it well... Those who walk slowly can progress much more if they always go along the straight road than those that run but deviate from the way”.⁷ This scientist taught us to use our talents well in the study of mathematics and also natural phenomena. But the success of his teaching has led us, on the wing of the postulate of the uniqueness of method and notwithstanding Vico’s warning, to use our talents very badly in the study of social reality. The weakening of reason in the analysis of social events as a consequence of methodological equivocations has baleful implications, resulting in the subjection of social life to irrational behaviour that needs to be bridled by reason.

It has been a great stroke of fortune that we landed on your planet, and thereby came to analyze your society, study your experience and learn the method appropriate to social reality. We will bring all of this to bear on Earth; and so we can expect to greatly improve the social life and organization on Earth; most importantly, we can hope to defeat domination-power, and hence put an end to the growing risk that our world will perish in the face of the contradictions between our powerful technological tools and our poor social structures, a tension exacerbated dreadfully by domination forms and power. If our endeavor is successful we can promise to you that, when you do construct the technology that allows you to travel to our planet, you will find a comfortable and well-organized society, rather than the ruins of a civilization destroyed by the contradiction between extremely advanced technology and irrational social orders and forms of power.

DUNATOPIAN: You have listened well and learned much; but there is yet more. Some further considerations on the question of method will be provided in the next report.

⁷See Descartes (1996) p. 59.

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Chapter 12

The Ethical Problem on Earth and on Dunatopia. Ethics and Religion

Abstract Confusion over the appropriate method of the social sciences has aggravated the social dimension of ethical questions, which have become confused, controversial, and, indeed, a true value-ideological puzzle. The chapter presents an overview of the current confusion on ethics, its main causes and its implications. It is noted that use of the observation-verification method puts ethics outside science, for such a method is unable to provide a scientific explanation of values. The result of this exclusion is the so-called doctrine of ethical relativism, which assigns a free choice with regard to values, a position only contradicted by the no less antiscientific claim that ethics is an object of faith. One result is that ethics becomes one of the exacerbating causes of conflicts among people. Making use of our notions of functional and ontological imperatives, this chapter criticizes some of the main sociological treatments of ethics, most notably those associated with the notion of natural rights and utilitarianism, but also some aspects of later Christian teachings and capitalistic ideas as well. A reinterpretation of the so-called secularization movement is offered. We unmask the idea that, in ethics, everyone has reason for his choices from his own point of view, and we demonstrate the erroneousness of any explicit renunciation of the possibility of providing scientific explanations of ethical problems.

Keywords Ethics • Ethical relativism • Ethical absolutism • Ethical objectivism (the scientific explanation of fundamental ethical values) • Natural rights • Utilitarianism • Secularization movement

DUNATOPIAN: My colleagues' reports contain important ethical implications that it is useful to make evident. Man cannot do without the ethical aspect; moreover, the conditions of nature influence the substance of those aspects. But this is a bit generic with regard to the assertion of the objective substance of important ethical values. There is something more stringent. We refer to the existence of organizational and relational forms imposed by mere reasons of rationality and that vary with the general conditions of development. We have denominated these forms 'functional imperatives' and they may have important ethical implications. Their

ethical relevance has been remarked already by some of my colleagues in previous reports, for instance, through their insistence on: the importance of the individual, his autonomy and sacredness for the dynamical behaviour of society; the importance of the notion of service-power and of the principle of responsibility; the conjugation of the principle of merit with that of distributive justice; and tolerance. The obligation to respect agreements and the reciprocity principle are some other ethical functional imperatives that are indispensable for social cohesion. We saw that most of these organizational ethical elements also represent 'ontological imperatives' and become functional imperatives in the age of modern dynamic societies. The great importance of these ontological and functional elements for the understanding of the moral order is primarily due to the fact that they give (and prove) an objective and scientific substance to crucial ethical contents, without obliging us to ask the help of dogmatism in order to achieve such objectivity. As you can see, this stands in opposition to the doctrine of the subjective substance of ethical values that, according to your reports, is dominant on Earth. Moral dictates deriving from ontological and functional imperatives are legitimized and made stringent by their scientific-rational foundation. The imposition of their observance is facilitated by the awareness that their violation is very detrimental for the whole social system. In sum, these imperatives imply a legitimization, based on efficiency and rationality, of ends and morality; their violation must not be allowed for reasons of organizational rationality and efficiency. Of course, the imperatives above do not exhaust the moral order. But, as the previous reports have shown, the ethical precepts that they imply concern the most important part of the moral order and decisively influence the remainder. Those precepts impose a constraint upon civilization choices, thus attenuating the harshest inconsistencies among existing civilizations and hence avoiding clashes among them that may have heavy repercussions.

So the field of morality is characterized by an unequivocal and very important aspect: values expressing ontological and functional imperatives; all that remains is open to question or is a matter of faith.

EARTHLING: I have been very impressed by your notion of 'ontological imperative'. On Earth, scholars of ethics, politics, and law have placed much emphasis upon so-called 'natural rights'; rights, that is, supposedly deriving from the nature of person. Unfortunately, the notion of natural rights contains a plurality of possible contents, which vary with the different schools of thought, often having nothing to do with the ontological nature of man but expressing only choices of civilization, as for instance in the presumed natural right of private property. This has generated much confusion, and anthropologists have found it easy to give the lie to supposed natural rights that, as their studies show, vary from civilization to civilization and, hence, would appear to be the choice of any one civilization. By comparison your notion of ontological imperative appears as a monumental contribution—a concise, rigorous and indisputable concept. It is astonishing how long-lasting and yet ineffectual disputes among acute thinkers have been fought on Earth over so simple and so clear a question. This seems to me a confirmation (and a consequence) of the poverty of our method of study of social reality.

Ethical problems have always been, on Earth, a cause of great conflicts. Furthermore, divergence between the moral teachings of ancient preachers and the daily behaviour of men have generated a suspicion that these teachings have no practical applicability or, are at best appropriate only to a different level of reality than everyday life. The conclusion has followed that some activities do not tolerate ethical precepts. The most sophisticated intellectual efforts to ground these speculations has seen the attempt to reconcile moral dash and realism by distinguishing between the 'ethics of conviction' and the 'ethics of responsibility'; that is, between ethics concerning supreme and unshakeable acts of faith and ethics linked to (and required by) the result that the actor pursues. But the great ambiguity and vagueness of the notion of result obscures the profitability of this distinction (and ethical dualism). And in fact this distinction has served to justify the severe oppressions required by the exploits of great conquerors who often were great butchers, with little or no concern to verify the profitableness of those great exploits for social development or, put more scientifically, without verifying their consistency with regard to functional imperatives.

I understand now that the notion of the 'ethics of responsibility' has an unequivocal meaning only if it is referred to command roles legitimized by their concordance with functional and ontological imperatives. Moreover, it seems to me evident that, in the presence of such concordance (and if we assume also that the 'ethics of conviction' must not contradict functional and ontological imperatives, as seems implied by your analysis), the two ethics converge, rather than stand in a relation of opposition.

The main incentives and supports of the above dualistic grounding of the moral problem have been provided by the notion of reason of state in politics, and the sanctification in the economy of acquisitive egoism (as this stimulates production, thus facilitating the satisfaction of human needs). As a consequence of such dualism, the insistence on moral values has for the most part remained a characteristic of an ingenuous idealism that busies itself in proclaiming absurdities: for instance, the abolition of political and state power and of the market in order to eliminate injustice, oppression, etc.; and these proclamations are met with great delight by unscrupulous businessmen and politicians, who find that these and similar stupidities lead to a general attitude of derision toward ideology. And if this ingenuous idealism unfortunately dons its armour and enters into action, it only amplifies this dominant cynicism.

I think that the above misconceptions are, first of all, a consequence of the observational equivocation that the earlier discussion on method has underlined. If it is accepted, on the basis of observed reality, that the world can only be organized and governed through domination forms and that acquisitive selfishness is a necessary motor of economic process (since this is seen to be the Earthly reality at all times and in all places), we cannot escape the contraposition between ethics on the one side and politics and the economy on the other. This denies the practicability of ethics in political action and in the production of goods.

Various earthly scholars have tried to define an objective ethics, that is, an ethical science resting upon a rational foundation, such as, for instance, natural

rights, utilitarianism and formalism. But none of these scholars has been able to answer the criticisms of reason.¹ Your analysis and my meditation on your social organization have convinced me that the people of Earth should pay great attention to the problem of ethics in light of your notions of functional and ontological imperatives. Moral preaching becomes stringent if it makes evident imperative, objective rules; otherwise it is condemned, for the most part, to prove useless. Those rules are expressed by ethical imperatives, which represent a much clearer and more stringent notion than that of result and, what is more, make the concept of morality with respect to the aim much more univocal, stringent and acceptable than is implied by the reference to results. There is more. Those rules place morality with respect to the aim in a position, in some sense, hegemonic with respect to the notion of the ethics of conviction, since it is suicidal to repudiate functional and ontological imperatives in the name of ‘convictions’. The great scientific progress on Earth, primarily in the field of biotechnology, makes it ever more evident that ethical imperatives tend to change. We will acknowledge quite soon the advent of some completely new ethical forms that could revolutionize existing moral systems. Therefore, we must be able to single out and reject the mixing among them of degenerate ethical forms.

I must also add that the ethics deriving from functional imperatives, being variable with the general conditions of development, have not that ultra-conservative attitude typical of those dogmatic ethics that, through the establishment in various societies on Earth of theocracies devoted to the imposition of doctrines, institutions and social practices proclaimed as invariable and absolute truth, have condemned a large part of our planet to ultra-conservatism.

DUNATOPIAN: Allow me to clarify that what you denominate the ethics of conviction is an important aspect of ethics;² it expresses important reference values and some establishes lighthouses that should orient *ought* in its permanent

¹The Kantian categorical imperative, based as it is on pure rationality, provides one of the clearest demonstrations of this statement through the well known inconsistency and weakness of Kant’s examples. The personal and ‘good will’ ethics that he emphasizes is something much less stringent and less important than the ethical prescriptions representing functional imperatives; at any rate, the former ethics teaches us very little about the organization of social systems. Nagel’s analysis of the tension between personal and impersonal motivations clearly shows the weakness of the Kantian treatment of ethics.

The relevance of the two principles of justice of J. Rawls depends, on an accurate inspection, upon the fact that they provide an approximation of some functional imperatives of modern societies. The sophisticated treatment by Nozick on the minimum state and such like is, for its part, deprived of foundations because it contradicts basic functional imperatives. For a criticism of this point, see Fusari (2014), pp. 226–227, and Ekstedt and Fusari (2010).

The weakness of utilitarian ethics with its ‘impartial observer’ (who maximizes the sum of individual utilities)—an observer endowed with the strange ability to ‘weigh’ the most intimate and exclusive components of men: the utility of personal pleasure—is well known and evident.

The consequent triumph of the notion of the subjective and relative character of values as proclaimed by Weber has consigned the monopoly of the objectivity of values to dogmatic ethics.

²Think, for instance, of the Beatitudes of the Sermon on the Mount as directed at the transformation of man so as to make him free from the need to be governed by the menace of force.

confrontation with *being*. But it must not contradict functional imperatives and, more generally, what you call the ethics of responsibility.

The notion of functional imperative justifies the existence of a variety of professional ethics. In particular, the definition of ethical imperatives attributes to politics some well-defined ethical content. It is sufficient to carry out 'service-power' in the place of domination-power in order to ensure the ethical substance of politics and, hence, eliminate both the 'conviction' of the necessity of erasing power and the debate on the dualism of ethics-politics that you evoked. Such debate is in effect a consequence of the presumption that the exercise of power can only take the form of domination.

Reason must carry out a decisive role in the building of the moral order. We have experienced the importance of such a role. Religious conflicts were a primary cause of the controversies and bloodshed that ravished our ancient empire, and also one of the main obstacles to planetary unification. Those disputes had been put down with difficulty through the imposition of a single orthodoxy. Therefore, there was much fear that they would re-explode with the pluralism generated by our Great Reform. Such concerns generated passionate debates among our religious exponents, social students and philosophers. Finally, it was agreed that every teaching of religion concerning social doctrines that contradict functional and ontological imperatives (that is, reason) must be considered wrong. All religious exponents agreed that God has endowed man with reason in order to use it to establish agreements and improve the conditions of life, not to disturb and worry other people, and all agreed also that the Divinity is not made happy by seeing men persecute each other in His name, inspired by commandments of faith that contradict reason and good sense. These agreements have ensured the drastic reduction of conflicts, not only in religious matters, and have opened the door to religious unification.

EARTHLING: I praise your sagacity in the field of moral and social organization. On Earth, we have followed a different and more hard-fought itinerary. The absence of a science of the organization of social systems able to make evident the need to reject ethical, social and religious doctrines hostile to development (or, in your terms, to functional imperatives) has been remedied by the so-called 'secularization movement', that is, through the idea of separating ethics from the functioning of the various social systems, most importantly those of politics and the economy. It may be useful to provide some brief details of the fortunes of this movement.

In what are now the most advanced countries of the Earth there grew up, through spontaneous evolution, some organizational forms able to stimulate a highly dynamic social system; we denominate these forms 'capitalism'. The social doctrine preached by the dominating religion rejected the acquisitive soul of capitalism, but did not see its virtues; i.e., it was not able to separate the chaff from the wheat, in contrast to the organization of your society; I say this even though I must recognize that, in opposing the observational method of the study of society, such doctrine was right. Later Christian teaching and thought on society has unfortunately fallen ever more under the influence of the observational method, which was born for the

study of nature and disregarding the organizational view and the combination of being and doing, which should have been suggested by Medieval Christian thought. However, a substantial methodological pragmatism and good sense of Christian teaching has implied “a separation between the dominating academic economics and the social doctrine of the Church”.³

By luck, the religious dislike for capitalism was unable to block its development; and this primarily because of an important specificity of such religion: it had been unable to develop a theocracy, due to some important doctrinal peculiarities. Great lacerations had occurred, together with a proliferation of secessionist churches that were more open to the exigencies of capitalism, and tremendous wars of religion took place. In the meantime, the evolution of society continued, aided by the teaching of the ‘secularization movement’. It makes me very sad to reflect upon the fact that so many tragedies have been caused—as so often—by misunderstandings. They would have been avoided, as on your planet, if only we had had the benefit of teachings like to those provided by your advanced science of the organization of social systems; teachings, in particular, that were able to provide a scientific treatment of important ethical precepts. If this had been the case, a more just and efficient society would have resulted. The secularization movement was certainly of use in freeing society from a pre-scientific morality that failed to see and appreciate the basic functional imperatives of the modern age. But I understand now that the secularization movement was not necessary, and further, that such a movement is wrong from a scientific point of view. In fact, the separation of the various sectors of the social system (for instance, the separation of ethics from politics and economics) has no scientific substance, since those sectors must always interact. Religions are right in maintaining that morality has to be at the apex of social organization, just as is the case among you, albeit on the condition that ethics does not contradict functional imperatives.

Unfortunately, the modern world continues to be afflicted by current misunderstandings in the field of ethics, as does that cultural relativism that conceives of ethical values as a mere expression of choice, and cultural absolutism, which is typical of religions and considers ethical values as an object of faith. Let me insist in saying that these irreconcilable perspectives simply state that everybody is right from his point of view, and continue to stimulate bloody religious wars. Only cultural objectivism can provide scientific clarifications on this burning question, which afflicts the modern world no less than past centuries. Social science has not provided scientific tools able to unmask those ideological impostures that have fomented wars of hatred and opposition on a global scale during the whole of the last century and, today, nourish the resurrection of the most cruel and disconcerting conflicts, the religious ones, in spite of the main task of all religions: the diffusion of peace and love among men. A main lack of Christian social thought is the inability to express scientific propositions on ethics and in the explicit renunciation to search for that.

³See Pasinetti (2012).

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Chapter 13

On the Transition from Capitalism to Dunatopism

Abstract This chapter presents a summation of the themes and arguments of the book. The possibility—and the significance—of building on Earth an economic and social system similar to that described on our hypothetical twin planet is investigated. We consider such a construction project in light of important institutions and well established forms of civilization operating on Earth, as well as the territorial and social disequilibria, injustice and frauds that increasingly afflict our terrestrial societies and which are stimulated by the play of power, interests and speculations of financial capital within our international planetary order. The possibility—indeed, for many aspects, the necessity—of devising means of transition are highlighted, and such practical solutions are contrasted with the disarming contents of utopian tradition and the fertility of some religious teachings. The conclusion that results from this comparison emphasizes the crucial importance of the forms of power in giving substance to the necessary transition towards a more comfortable landing.

Keywords Financial capital • International planetary order • Utopian tradition • Some religious teachings • Forms of power • Towards a more appropriate social order

A long and embarrassed silence followed the end of my tale. The faces of my listeners were thoughtful, almost disconcerted; at any rate, clearly touched. Perhaps my narration had hit the mark. Eventually, one of those present said: “I fear that the downgrading of private material wealth will cause a leveling of habits and needs and, as a consequence, an impoverishment of the variety of artistic production and creativity. A large part of the artistic and cultural achievements that we see around us are the fruit of the lechery, vainglory and patronage of very rich men”.

The ANSWER: We must not forget that on Earth great works of art have been carried out also in some of the centralized and egalitarian states of the ancient and less ancient world. After all, the monumental ruins scattered throughout the whole Mediterranean area are evidence of great public works carried out by the Roman State, or the local communities of the Empire run by decurions. Medieval art found expression mainly in the building and decoration of churches. I have seen in Dunatopia a grand and impressively vibrant artistic cultural variety. There, the state

dedicates a large quantity of resources to the construction of public buildings embodying valuable architectural features. For their part, the citizens, who are not absorbed in and worried over the accumulation of material wealth, direct their main interests and a good part of their talent to spiritual enrichment and culture, which enjoys the highest regard in Dunatopia. As a consequence, artistic production, handicraft and intellectual work flourish there to a much greater degree than with us. It must be added that the great importance that Dunatopian civilization attributes to natural skills is an important factor in the diversification also of the arts, nature providing an enormous variety of personal skills.

Another listener said: "I fear that the transition from capitalism to a social order similar to the one that has been the object of your sidereal exploration is very difficult to carry out here and that to attempt it may unwisely rekindle revolutionary passions. Holding up what proves to be but a false hope of achieving a similar organizational form of society may generate terrible frustrations and, ultimately, tragedies."

The ANSWER: In modern societies, characterized by incessant changes and the growing iniquities and exclusions that they generate, even a very circumspect reformist sees the necessity of revolutionary reforms. But it is important to be conscious that not all can be thrown under the millstone of revolution. The very existence of the open and dynamic society rests upon certain institutions (which we have called functional and ontological imperatives). It is important to avoid errors and frustrations arising from impatience. We must remember that the good faith and the passionate spirit of sacrifice that in the past has characterized so many revolutionaries have not prevented them raising up terrible troubles. Experience teaches us that, with regard to the organization of society, the road to the inferno is paved by good intentions. It is necessary, therefore, that the teachings of reason and science are combined with the sagacity of the careful and cautious reformer.

I have meditated long on the question you raise and I have concluded that the difficulties and troubles thrown up in the attempt to orientate the organization of our society in a Dunatopian direction should be both few in number and small in effect if our operation combines knowledge, tact, shrewdness and decision. A violent revolution that sweeps away preexisting institutions will not be necessary; it will be sufficient to pursue with tenacity and coherence some basic direction. In the first place, it will be necessary to insist with decision on the responsibility principle and on the way to objectively define and control responsibility; in other words, we must accurately define criteria of measurement of the degree of success achieved in the fulfillment of functions so that we may move from domination-power towards service-power. A famous ancient historian wrote: "Populations that do not know the distinction between prizes and penalties or, even if they know such a distinction, apply it badly, cannot well direct their subjects: how could they, if good and bad persons enjoy an equal estimation?"¹ Over time, the situation has worsened in this regard; and, in our societies, bad persons often enjoy a higher estimation than good

¹See Polybius (1998) p. 446.

persons. Besides, the degeneracy complained of by our ancient historian in the quotation that follows has today much increased: “when, vice versa, in private life men are greedy for wealth and unjust in public life, evidently their laws and private habits and constitution as a whole must be less valuable”.²

We have seen that, in the absence of institutional monopolies, the measure of degree of success in economic activities is warranted by market automatism and, hence, that this makes possible an increase in the role of public firms. The parallel and progressive increase in the availability of public entrepreneurship will cause a reduction of the private segment of the economy, primarily with regard to large firms. As a consequence, the great concentrations of wealth in private hand will also start to disappear. But confiscation and expropriations should be scrupulously avoided. In fact, confiscation has always been a characteristic of the worst despotic orders and the announcement of the birth of despotic forms. It is necessary to allow the free competition among public and private firms and wait to see which best prevail. I am sure that, while in the competition between private firms and state firms it is the former that are shown to be the more efficient, in the competition between private firms and public firms directed by entrepreneurs, it is the second that will prevail; except for firms of little dimensions, since in this case private property constitutes (as we have shown in Chap. 6) an important stimulus to efficiency and a positive factor in an individual’s self promotion and autonomy, yet without entailing the birth of domination forms.

With regard to control of the aggregate demand for goods, the great experience achieved on Earth in this field, which has made available a large number of efficacious instruments of political economy, makes such a control possible even in the absence of a financing system of the firm like the one in use in Dunatopia. But this financing system as well as the Dunatopian forms of income distribution should be warmly urged upon underdeveloped countries. In fact, (as we saw in Chap. 8) the Dunatopian economic model seems particularly suited to stimulate the formation of entrepreneurship, the accumulation process, and efficiency (which stagnates in underdeveloped countries), and to eliminate the irritating presence of expensive luxury consumption in geographical areas afflicted by mass poverty and underdevelopment. Therefore, the rapid realization of a Dunatopian-like organization represents a great opportunity for developing countries that, as such, are obliged to undertake profound institutional transformations. As a matter of fact, such an achievement would provide for them an advantage in their competition with developed countries. International institutions and organizations should strongly stimulate, with appropriate advice and financial help, the building of such an organization. This is, after all, an indispensable precondition for the birth of effective mechanisms of supranational sovereignty and avoiding those great disasters for the world that will arise from the parallel existence of profound injustice, the easy availability of weapons of mass destruction, and the deterioration of our ecological environment and natural resources.

²See *ibidem*, p. 471.

It is also important to accurately define indicators able to measure the degree of success of public non-market activities, to eliminate the free will of judicial assemblies and corps, to simplify and give transparency to political institutions and legislation. In this last regard, it is necessary to take notice of what a great philosopher of the seventeenth century once wrote: “a great number of laws often procures excuse to vices, so that a state is much better organized if, having few laws, these are strictly observed”.³ To which, B. Constant added: “The imprudent multiplicity of laws has discredited in some ages the most noble thing, freedom, and forced people to find refuge in the most miserable and pusillanimous behavior, that is, enslavement”.⁴ The political class must be submitted to the control of a real popular sovereignty, that is, one that is exercised by people fully aware of their interests and, in particular, perfectly conscious of the general organizational frame that political power has the task of warranting and developing.

The measures mentioned would cut the claws of the domination-power of the ruling class: not only directly but also indirectly, that is, strongly reducing the free will of the various influential parts and subjects of society from which the politicians obtain helpful favours by making use of the influence granted to them by the fact that they embody the highest power. These constitutional innovations should be accompanied by an incessant insistence on the notions of ‘service’ and ‘responsibility’, that is, on power exclusively aimed at the efficient fulfillment of functions. A great respect should be given to people who efficiently perform the functions of their competence, a respect that should grow with the importance and difficulty of the functions performed. But everybody who made a fool of their basic duties should be considered an enemy of humanity. The educational power of these ethical forms is strong. A. Smith, who had great competence with regard to human virtues, propensities and wickedness, wrote: “In comparison with humanity’s contempt, all other exterior evils are easy to tolerate”, and later added: “The great secret of education is to direct human conceit towards appropriate objects”.⁵

But it is necessary, first of all, to promote the deepening and the extension of the social sciences, and to enact a preliminary deepening on the method of social thought so that the social sciences may achieve a scientific status. In fact, we have seen that a science of the organization of social systems and, in particular, a correct knowledge and perception of the ontological and functional imperatives of human societies are indispensable if it is to be possible to correctly understand the general interest and, hence, to allow an effective exercise of popular sovereignty. Let me repeat that people need to know, through the teaching of the social sciences, the foundations of the general interest; in the absence of such knowledge, people are obliged to suffer the decision-making of the ruling class, whatever its content, or to react without full cognition of the relevant facts.

³See Descartes (1996), p. 72.

⁴See Constant (1999), p. 61.

⁵See Smith (1995), pp. 167, 500.

As a result of those measures, we would observe the progressive reduction of abuses, free will and transgressions, and the gradual birth of a different and better world.

As soon as public firms in developing countries had expanded their presence to most parts of the economic system, and hence achieved a leading role in the economy, also the advanced countries would hasten, for reason of competition, to establish a way of remunerating labor and financing firms of a Dunatopian kind, that is, a way that is: able to remove income distribution from the struggle between firms and workers (say, the clash among producers) and hence entrust to the market the determination of company costs; able to stimulate global demand and hence to eliminate the calamity of chronic unemployment; in sum, able to maximize the efficiency of production and stimulate development. I hope that trade unions will strongly engage themselves in such transformation and accomplish with fervor the role that this assigns to them in their activities regarding the division of produced income, a role which would be very different indeed and much more incisive and articulated than the present one, and one that will also engage in carefully watching over the labor conditions inside firms.

One of those who were present said: "It is an illusion to think that trade unions, which are strongly bound to well-established habits and interests, will spontaneously accept such a change in their role".

The ANSWER: I am troubled by a greater sorrow: Earthly societies are moving, indeed, in an opposite direction with respect to the kind of social organization that I have tried to make evident through my lecture upon my extraterrestrial experience. Let me express the hope, at any rate, that consolidated habits and mental laziness do not push trade unions into avoidance of the propulsive role that pertains to them; after all, if they behave in such an unfortunate manner, then they would act as an ally of their enemy: capitalism. In not too distant times, trade unions proclaimed proudly that wages are an "exogenous variable". But since then they have been obliged to realize that it is not so and that, in a capitalist order, the company's wage is conditioned by the firm's possibility of paying. I trust that this experience will push trade unions to the realization that the maximum of labour protection and the suppression of exploitation require the abolition of the company wage. In fact, in so far as this abolition is avoided, workers and trade unions will remain at the mercy of capitalist entrepreneurs in just the most crucial and most difficult situations. Only the abolition of company wages can make exogenous almost the whole of income distribution.

I well know that the entanglement of established interests, the cunning bad faith of clever and intriguing men, the mess of conditions and institutions edified over time often with the intention of maintaining free will and abuses of power, and the perversions caused by all that in the human mind, are so deep and widespread that it is unrealistic to think that all may be extirpated suddenly. But it is sufficient to take notice of the direction and of what must be done with priority in order not to lose the appropriate path. By advancing, the initially steep road will become level and easier and easier. I am persuaded that, in so far as those priorities are well understood, so the sovereign people will impose their fulfillment and become

implacable guards against attempts to deviate. In fact, the alternative for the people would be to choose between suffering the situation or returning, through the so called vanguards, to something like the aims and illusions of the brigands' song, which proclaims:

Ammo pusato chitarra e tammurre (*We have set aside guitar and drum*)
 Pecché sta musica s'adda cagna (*Because the music must change*)
 Simmo briganti e facimmo paure (*We are brigands and are frightful*)
 e cù a scoppetta vulimmo cantà (*And with rifle want song*).

A song of mere and stupid rebellion, indeed, which limited itself to taking revenge and continuing thefts, hoping to escape punishment and avoiding long military conscription through the restoration of the dethroned king. The end of this story is well known: imprisonment and death for the rebels, the rise of dualism between Northern and Southern Italy, the strengthening of control over large parts of the South of Italy by criminal associations, the cardboard bags of migrants.

The principle of popular sovereignty has consigned a scepter to the people; but the people does not know how use it. The sonnet of a famous utopian is today of particular relevance.⁶ It says:

The people is a beast of muddy brain,
 That knows not its own force, and therefore stands
 Loaded with wood and stone; the powerless hands
 Of a mere child guide it with bit and rein;

One kick would be enough to break the chain;
 But the beast fears, and what the child demands,
 It does; nor its own terror understands,
 Confused and stupefied by bugbears vain.

Most wonderful! With its own hand it ties
 And gags itself –gives itself death and war
 For pence doled out by kings from its own store.

Its own are all things between earth and heaven;
 But this it knows not; and if one arise
 To tell this truth, it kills him unforgiven.

The history of appeals to the popular will is a story of cheats, albeit sometimes in good faith: the absence of a science of the organization of social systems allows the most impudent declamations on public interest and allows for confused and crazy use of popular sovereignty by the people, if they succeed in asserting themselves. It is a task of social science to teach people how to use and how to make flourish the immense potentialities of the world where we are living and, first of all, how to use sovereign power, which makes them guardians of the general interest. Only in this case may democracy become effective.

⁶See Campanella (2014).

The assembly assented and laughed heartily at the sonnet. But a listener objected: “It seems to me inappropriate to quote utopian verses in support of a proposed concrete transformation of human societies”.

The ANSWER: The sonnet I have recited depicts in a realistic way the attitude of the masses toward power in all times and places. The writings of utopians are not lacking in teachings, both of positive and negative content. To clarify the point, let me recite another sonnet by T. Campanella, for it expresses the impossible dream of utopians and, at the same time, enucleates those elements of such a dream that could be concretely fulfilled. The sonnet says:

If men were happy in that age of gold,
We yet may hope to see mild Saturn’s reign;
For all things that were buried live again,
By time’s revolving cycle forward rolled.

Yet this the fox, the wolf, the crow, made bold
By fraud and perfidy, deny – in vain:
For God that rules, the signs in heaven, the train
Of prophets, and all hearts this faith uphold.

If thine and mine were banished in good sooth
From honour, pleasure, and utility,
The world would turn, I ween, to Paradise;

Blind love to modest love with open eyes;
Cunning and ignorance to living truth;
And foul oppression to fraternity.

The first four verses vividly describe the belief in the myth of the golden age and the eternal return, which is—explicitly or implicitly—a foundation of all utopian visions, and which modern dynamic society has definitively buried.

The second quatrain insists on such mythical vision, and indicates the forces and vices that obstruct its fulfillment in the form of three allegoric figures: the wolf, the fox and the crow.

In the age when the poet wrote, it was impossible to see (or foresee) that the conquest of a central position in the social system of a capitalist economy, typically distinguished by just those vices, would allow the spontaneous advent of such a strange and fascinating creature as is modern dynamic society.

Having known the great potentialities and snares stirred up by such a creature, we may understand that the problem of the organization of social systems takes very different forms from utopians’ dreams. The mere condemnation of capitalist ethics does not make sense. It is important to check if modern dynamic societies can withstand the transformation of such ethics, or whether instead they require it in order to survive. In fact, if the second hypothesis is valid, to state the condemnation of capitalism would be but a vain declamation since, after the advent of cumulative development, the world will never accept the turning off of its motors and the end of growth. Man is by instinct an explorer; moreover, he needs to explore if his intellectual skills are to evolve, engaging in an exploration that concerns a universe of unlimited possibilities.

The second part of the sonnet concerns the way to realize the dreams of the utopians. The doorway is hinged, as is typical of utopianism, on the cancellation of “thine and mine”, that is, of the acquisitive instincts seen as the root of vice. This is the way of collectivism, in the name of which have been enacted the most disastrous experiments and which is inconsistent with the *open society*. Collectivism suffocates the role of the individual; it binds man the explorer in chains, diffuses ennui and hence extinguishes the motive spark of development. It has caused the worst oppressions and social stratifications known in history. The great historical merit of capitalism and its primary legacy, which deserves to be accurately preserved, is that it opened the road to the *open society*.

A primary specification behind the hostility towards ‘thine and mine’ is expressed in an important precept, typical of almost all utopian designs, that is, the demand for the complete abolition of private property. T. More wrote: “an impartial and just distribution of goods and a true wellbeing will not be achieved if private property is not completely abolished.”⁷ This is a wrong precept indeed. We should never forget that man, as a finite being, is necessarily imperfect; he requires incentives and tools of identification in order to stimulate his activity. ‘Thine and mine’ represent a powerful means of identification and propulsion, an important defense of the private sphere wherein everybody is his own king; in sum, it represents a fundamental factor of independence and autonomy.

Some useful clarification in the matter can be provided by a reference to the Franciscan message. The Franciscan teaching on the universal fraternity among species is touching and a crucial one for the preservation of the life on Earth; man can no longer continue to disregard it. A different and more articulated reasoning must be addressed to the other main Franciscan message, concerning poverty and charity. This message has always been a most appreciated preaching and example for life; but it has always been disregarded by most people. I think that its appreciation must be mainly attributed to the lacerations, torments and frustrations generated by the wish for material wealth. That it is disregarded is due to the fact that such a message is not congenial to humanity. Man does not agree with the pursuit of spiritual elevation in poverty and modesty. Reason commands human beings to enrich incessantly their experience and knowledge; this achievement requires the exploration of the material world and hence the increase of productive capacities. It is not possible to cross sidereal spaces on camelback or riding the donkey that Peter the Hermit rode on crusade. The spiritual enrichment of ordinary man is achieved neither through fasting nor through the daily hard and indefatigable work imposed upon man (as also beasts) by the need to placate hunger; it is rather achieved through the intelligent use of free time and other opportunities deriving from technological advancement. The idea that the spirit is to be elevated by way of the mortification of the flesh and the separation of both as far as is possible is an unnatural exaggeration, a realistic target for at most a very few holy souls. It does not seem likely that the Creator intended such an attitude for Earthly creatures.

⁷See More (1995), p. 57.

Human reason is not able to understand the reason why the world has been created. Nevertheless, we know with certainty that the world has not been created for angelic beings. The best that man can do is thus to progressively improve his knowledge and spiritual endowment through struggle, sacrifice and ambition.

I think, therefore, that human beings must not be taught poverty and mortification; instead, it is important to teach men the way to produce 'for all'; that is, to live without being absorbed by the race of the individual to accumulate earthly goods and without being overwhelmed by greed. In brief, humanity needs to be able to conjugate material and spiritual wealth. This book has tried to show that it is possible to organize society in forms that allow for the fulfillment of such a target, and I think that its achievement does not dishonor the generous witness of the Franciscans.

The central problem facing those would improve human societies is represented, indeed, by the question of 'foul oppression', which, however, has been considered by both utopians and that teaching expressed by the way of life of holy men with great thoughtlessness.⁸ Significantly, Campanella evokes 'foul oppression' at the end of his sonnet; in fact, he considered its annulment as a result, not a premise, of every project of social reform. Following in Plato's footsteps, he thought to solve the phenomenon of foul oppression by entrusting Metaphysic's wisdom with a supreme and unopposed power. But there is no human wisdom that can approach the dazzling face of omnipotence without being blinded. Tocqueville wrote: "Omnipotence in itself seems to me a bad and dangerous thing. Its practice is superior to the force of every man; only God can be omnipotent without danger since his wisdom and justice are always equal to his power".⁹ One of the main disingenuousness of the utopians is their ignoring of that basic historical evidence that teaches us that everybody who has ever held unrestrained power has abused it. The corrupting force of domination-power is very great, both on rulers and their subjects; however, organizational forms that can do without power are impossible. The problem, then, is to transform domination-power into service-power.

At this point, it may be useful to say something on the position in the matter in hand of Christianity, this being a religion that has mainly operated in the geographical regions where dynamic society has flourished also under the effect of some Christian teachings, firstly those on the individual. The Gospels clearly express the two conditions necessary for avoiding degenerative power forms: (a) the central role of the individual with his infinite dignity and unrepeatable uniqueness; (b) the notion of service-power. The condition (a) has been almost always professed by Christianity of any confession. By contrast, the notion of power has been characterized, in the various churches, by great ambiguity. Paul the Apostle asserted the sacredness of worldly powers as deriving from God: "at the

⁸But the breeding ground of the dissent of Franciscan thinkers with respect to the voraciousness of the world and its institutions has at times generated farsighted considerations on political power, for instance in Ockam's political thought.

⁹See De Tocqueville (1992), p. 258.

service of God for your benefit... to His wrath towards he who hurts".¹⁰ And Peter the Apostle laid it on thicker when he exhorted believers to obey their masters: "not only the good and courteous ones but also overbearing persons".¹¹ Probably those assertions were suggested by practical considerations as well as by the state power of the Roman Empire at the time of the Principate, where they lived: one of the best state-powers that have ever appeared in the world. At any rate, the evangelic notion of service-power ("he who wants to be great among you must become your servant and he who wants to be the first among you must become your slave, just as Jesus has come to serve, not to be served") has been referred by the various Churches to spiritual power, perhaps so as not to irritate the temporal power and probably also under the influence of St. Paul's teaching on power as coming from God.¹² But Thomas Aquinas asserted that "it is natural that people who live in dread [instilled by domination-power] degenerate in servile attitude and become timorous before any works demanding virility and courage".¹³ Unfortunately this assertion has not received the attention that it deserved. The same is true of the Augustinian idea that "there is a great difference between the passion for glory and that for domination-power".¹⁴ Christian social doctrine has not paid due attention to show the possibility that secular power takes the form of service-power and to search for the institutional and organizational forms enabling to achieve such form of power. Moreover, and in a sense, Christian social doctrine has disregarded to show the concrete possibility of applying to natural skills the principle that 'if you have had free of charge, give free of charge'; in other words, has undervalued the consistency, with the operation of modern dynamic society, of the degrading of the race for personal wealth in the name of a great widening of the solidarity principle; in the end, it has considered such degradation impossible.

Reason and human sentiment dislike considering as coming from God the power exercised by despots and criminals. I think that it is more appropriate and profitable to consider the forms of power as a work of humanity, and monstrous tyrannies as an expression of the human 'freedom' to make errors, with the connected sufferance of the implications of errors, a sufferance constituting an important condition to take lessons from errors. The idea of the divine origin of secular power induced Christianity, mainly the orthodox one, to accept the worst despotisms. To tell the truth, Western Church, grown during the dissolution of Roman Empire, always acted to reduce State power, with the purpose to gain autonomy. The most intelligent justifications of this attitude make appeal to the importance of pluralism, that is, of the autonomy and free initiative of social groups. But it is possible to find

¹⁰See St. Paul, Letter to Romans.

¹¹See St. Peter, The first Letter.

¹²It is significant, in this regard, that during the Medieval conflict with the Empire, the Roman Church's claim of the superiority of spiritual power, and also Church's practice of secular power, did not insist on the notion of service-power in support of such claim and practice.

¹³See Aquinas (1997a, b), p. 45.

¹⁴See Augustin of Hippo (2000), p. 254.

domination-power, instead of service-power, even in the organizational bodies of some extremely weak and decentralized state powers, as well as in social movements distinguished by wonderful idealities. Often sublime idealities have led to the worst tyrannies. The unrestrained power has always caused heavy abuses; the presence of counter powers appears at most able to attenuate the abuses. The pluralist Western societies are swarming of counterpowers, nevertheless are afflicted by acute forms of domination.

The question of power is crucial from an ethical point of view since it has always constituted a main cause of the moral decay of humanity, in spite of sublime examples and passionate preaching that have tried to teach virtue. Unfortunately, the equivocations on the forms of power continue to be very strong; they probably represent a main danger in modern global society, endowed as it is with hyper-technological equipments and shaken by growing innovation, which makes the equivocations, misunderstandings and the possibility of mystification on social organization far greater than in the much simpler and almost stationary agricultural society in which Campanella lived.

A touching allegory on domination-power is offered by Orwell's booklet, 'Animal farm'. The old Major, a pig dazzled by the idea of freeing from slavery the animals that man has domesticated, sings at the assembly of animals a song that has come to him in a dream:

Beasts of England, beasts of Ireland,
Beats of every land and clime,
Hearken to my joyful tidings
Of the golden future time.

Soon or late the day is coming,
Tyrant man shall be o'erthrown,
And the fruitful fields of England
Shall be trod by beasts alone.

Rings shall vanish from our noses,
And the harness from our back,
Bit and spur shall rust forever,
Cruel whips no more shall crack.

Riches more than mind can picture,
Wheat and barley, oats and hay,
Clover, beans and mangel-wurzels
Shall be ours upon that day.

Bright will shine the fields of England,
Purer shall its waters be,
Sweeter yet shall blow its breezes
On the day that sets us free.

For that day we all must labour,
Though we die before it break;
Cows and horses, geese and turkeys,
All must toil for freedom's sake.

Beasts of England, beasts of Ireland,
 Beasts of every land and clime,
 Hearken well and spread my tidings
 Of the golden future time.

This was a wonderful dream, indeed. The revolution of the animals triumphed. But the victory resulted in a dictatorship of the pigs, a new and even worse system of oppression, exploitation and lies. So, when the horse Boxer, a hard and indefatigable worker at the service of the Revolution, became unable to work, he was sent to the slaughterhouse, with his astonished comrades inciting a disconcerted and impotent Boxer to leave the car. But further, the animal comrades were reassured by Squealer's lies that he was present during Boxer's last hours in a first class hospital in which the horse had been treated without thought of expense according to supreme will and goodness of the Great Chief, the pig Napoleon. Squealer concludes his lie with a report of Boxer's very last words, whispered at the very point of death: "Long life to comrade Napoleon! Napoleon is always right."

Universal history is, in a sense, a succession of furious struggles to achieve domination-power. T. Hobbes wrote: "I regard as a general tendency of all humans a restless and perpetual desire for power after power, which ceases only with death".¹⁵ The great attraction of power stems from the aspiration of humans to hold domination-power and hence to be able to freely distribute abuses so as to feel omnipotent; yet they are in the end always crushed by such presumed omnipotence. In fact, the idea and sentiment of omnipotence make human narrowness dull, drunken and greedy.

So, the true problem concerns the way to control power, that is, how to convert domination-power to service-power (as we know). The question of 'thine and mine' and of private property must be considered from this perspective; more precisely, it consists in the necessity of avoiding those great concentrations of private property that imply 'foul oppression'.

The building of a new ethics must be based, first of all, on the notion of service-power: we mean the ethics of a modern dynamic society that expresses a world much more just, virtuous, and better able to motivate, bring out and satisfy the best sentiments and propensities of humans.

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Chapter 14

Conclusion

Abstract Some concluding remarks are displayed here, concerning listeners' questions on the technology of the discovered planet and the attitude of its people toward nature. An exhortation to give diffusion to my report on extraterrestrial society, notwithstanding the possible dissent of social students, is added. The role of 'Folly' in the life of human societies, through the stimulus of creativeness as underlined by Erasmus of Rotterdam, is acknowledged. But we also underline a parallel necessity that such a role is flanked by the organizational attitude and the 'reason' of humanity so that to avoid the numerous disruptive follies that have afflicted our Earth during history.

Keywords Dunatopian technology · Genetics · Environmental science and balance

My narration had taken a long time, and tiredness was spreading among my audience. After all, I had involved them in themes far more demanding than the tales of merry adventures that many of those present had expected to hear. One of them objected: "You have said nothing on technology, certainly surprising, that you saw in such a very distant land".

The ANSWER: I have not spoken of that intentionally; technology is not within my province. I can say, however, that Dunatopian technology is less developed than but also extremely different from ours. Evidently, human genius is conditioned much more than we think by the previous sedimentation of technological achievements and knowledge. However, the Dunatopians surpass Earthly technology in two fields: genetics and environmental sciences. I must confess to have been greatly touched by the wisdom, equilibrium and severity that they display in their use of very advanced knowledge in these fields. They employ their understanding of genetics to treat serious diseases and malformations, and use their ability to influence the climate in order to prevent natural catastrophes. But heavy sanctions are inflicted on people whose use of genetics threatens to overwhelm and destroy individual personality and the role of the family; moreover, the competitive use of environmental sciences directed to change climate is strongly forbidden. The

use of these sciences is regulated and coordinated by a supreme authority whose principal aim is the preservation of the biological nature of man and environmental balance. People know well that their sovereignty depends on the central role attributed to the individual and that general wellbeing largely depends on the safeguarding of the natural environment; therefore, they have imposed extremely severe laws concerning these matters.

I cannot say more, but I hope to be able to return soon to such a cozy planet in order to deepen my understanding of other aspects of its attractive civilization and enjoy the disinterested friendship of its population.

Another voice suggested: “Surely the publication of a book narrating the extraordinary things that you have seen in such a faraway planet would be useful, so that everybody can meditate on its social organization”.

The ANSWER: In a few days I should present a report of my voyage to the Academy of Sciences, which I hope will publish it. But if our savants should consider what I say implausible, a euphemism intended to avoid the term subversive, and they try to bury my report under the seven cuirasses of their conventional erudition, then I will ask you all for help in finding a publisher that will ensure that my tale will see the light of day.

Our world is a very strange and self-tormenting place, indeed. Erasmus of Rotterdam is right when, in his ‘The Praise of Folly’, he makes Folly say: “In order that the great heroic ventures may happen, my impetus is necessary; neither science nor excellent arts have ever been discovered without my meritorious help”.¹ This was a useful claim to give a push for overcoming tedious equilibria of pre-modern societies. But having observed in Dunatopia that which Erasmus had not the privilege to see, I feel on sure and certain ground in maintaining that he was wrong in considering the numerous follies (in the first instance, war) that human societies and history witness as inevitable and as a proof of his thesis: “is not war cause and test bed of the most celebrated exploits?” In a nutshell, these follies must be attributed, for a very large part, to the inexistence, over the whole course of human history, of a science of the organization and administration of social systems, with the consequent and uncontrollable diffusion of domination forms.

Reference

Erasmus of Rotterdam, (1994). *In Praise of Folly*. Bussolengo (VR): Demetra

¹See Erasmus of Rotterdam (1994), p. 41.

Appendix

An Overview on Some Methodological Equivocations of the Social Sciences

Abstract The appendix underlines the evolutionary character of social reality and, hence, of social science: an evolutionary motion punctuated and propelled by institutional features and development. Nevertheless, the evolutionary theory that we proceed to delineate is completely different from that propounded by biologists, and we are compelled to criticize forcefully the frequent applications of Darwin's teaching to theories of society. A sub-section of the appendix develops a critical analysis of economics, the so-called queen of the social sciences. It is shown that the most famous and admired economic theories are afflicted and made misleading by fundamental methodological misconceptions. Finally, a farsighted intuition of Medieval Christian social thought is highlighted; an intuition that has hitherto been submerged by the extension of the Galileian observational-experimental method to the study of social reality.

Keywords Evolutionary institutional social theories · Darwinism · Lamarckism · Schumpeterian and neo-Austrian · Economics, the queen of social sciences? · The organizational view of the Medieval Christian thought

Introductory note

The development of social thought is mainly governed by certain mainstream methodologies that, notwithstanding diffuse criticisms and dissatisfaction, have in recent years reinforced their domination. For (as we know) the prominent status of mainstream thought rests upon the accurate and clever use of the following well-consolidated methodological approaches: the method of observation-verification typical of the natural sciences, the abstract-rationality method typical of logical-formal sciences, some intelligent use of the organizational view, and their combinations. These mainstream methodologies have their origin, in the main, outside of social thinking. They are responsible for misconceptions concerning important traits of social reality, which have in turn sowed the seeds of a multiplicity of alternative proposals on method currently assembled under the denomi-

nation of heterodox social thought. But innovative heterodox efforts have failed to establish an alternative and unitary methodological approach (or paradigm)¹ appropriate to the investigation of social reality; on occasion they have even seen the profession of an explicit refusal of method. The result, at the present moment, is a patchwork of ‘heterodox’ methodological proposals and interpretations, a veritable Tower of Babel that vainly challenge mainstream.

The recent harsh conflict between heterodox social students of AFEP (Association Francaise d’Economie Politique) and orthodox social students² (as well as others and increasingly frequent academic disputations) is a case in point. The former defend pluralism on method as a source of innovation, while the second condemn pluralism in the name of scientific rigor and progress. Both positions are partially wrong. In fact, pluralism, if it is to be fecund and promote scientific progress, needs some general methodological rules allowing dialogue among students and appreciation of new proposals; but these general methodological rules cannot be borrowed from the methods of the natural and logical-formal sciences, as orthodox students claim, for such methods are inappropriate to social reality. My analyses on method aim at providing a solution to such a dilemma and moving beyond this significant blind-alley.

A large number of heterodox approaches, and certainly the most intriguing of them, are inspired by the evolutionary and institutional perspectives and refer mainly to economics. In fact, efforts to build a new paradigm on an evolutionary foundation were strongly stimulated by the publication, more than thirty years ago, of a well known book on economics by Nelson and Winter. But the original inspiration of evolutionary economics was Schumpeter’s teaching on innovation and entrepreneurship and the Neo-Austrian teaching on spontaneous processes and radical uncertainty. Also the institutional aspect has been an important source of inspiration and meditation, for instance in the so-called New Institutional Economics, and is largely associated to the evolutionary perspective.

It is our conviction that the combination of institutional and evolutionary views provides the most likely candidate to provide a fecund methodological tool for the study and interpretation of social events. In fact, such a combination is mainly concerned with the understanding of social change and the way to organize society and to build up its institutions. In other words, the organizational and institutional character of society influences in a decisive way the pace of evolutionary change; while the sedimentation of changes requires the edification of new institutions and organization, just as the expression institution-evolution implies.

¹The term ‘paradigm’ is common; but we consider equivocal the notion of paradigm and prefer, in this matter, Lakatos to Khun (see Eskedt and Fusari 2010, 2014).

²The conflict is, at present, centered on the request/negation of the establishment in French universities of a chair on Economy and Society.

Institutional-Evolutionary Social Thought Versus Mainstream Social Thought. Why the First Has Been Unable to Defeat the Second, Till Now, But Has Rather Contributed to Increase the Methodological Confusion Afflicting Social Sciences

The current inability of the institutional-evolutionary perspective to express these potentialities is impressive. Such a perspective has been submerged by and, indeed, also integrated in the patchwork of methods distinguishing heterodox social thought; as a consequence, its challenge to the mainstream has failed. This has been frankly recognized by a recent special issue of the *Journal of Institutional Economics* (vol. 10 no. 4, December 2014) devoted to the question.

Probably the best way to provide a quick clarification of the main reasons for the failure of institutional-evolutionary approaches is to consider Hodgson's position on method and, in particular, his recent book, co-authored with Knudsen and entitled 'Darwin's Conjecture'. The two authors base their proposal on method principally on a strict use of Darwin's theory of evolution. We shall show that this precise theoretical inspiration largely undermines the explanatory potentialities of the institutional-evolutionary view and is a main cause of the inability of such a view to build up a paradigm alternative to the mainstream. Hodgson and Knudsen, in order to make their analyses stringent, begin by outlining, as the kernel of their proposal, the so-called Generalized Darwinism, that is, Darwin's basic succession: variation-replication (or inheritance)-selection. The authors accompany this generalization with some secondary specifications aimed at increasing the adherence of the Generalized Darwinism to the content of social reality. We shall see that the real problem is the methodological inappropriateness to social reality of the Darwinian succession variation-replication-selection, an inappropriateness that cannot be mitigated by addition of details.

Hodgson and Knudsen claim: "All these writers [Mandeville, Hume, Smith, etc.] pointed to the emergence of undesigned social orders and institutions that result from individual interactions. This was a highly significant but incomplete step. Writers such as Mandeville and Smith did not explain how the individuals and their dispositions had themselves evolved.... Darwin (2006) filled these gaps with the principle of selection".³ These are some very illuminating passages when it comes to the fundamental flaw of 'Darwin's Conjecture'. Let us see.

The spontaneity hypothesis embraced in such book reduces the role of the organizational—institutional aspect. Of course, I do not deny that the birth of institutions may be the result of selection processes in the context of spontaneous behaviours and, hence, that Darwinism, generalized or not, can provide some useful insight also in social studies; but the benefits are very minor in comparison to the

³See Hodgson and Knudsen (2010), pp. 31 and 32.

misconceptions that is liable to cause. The problem is that Darwinism substantially ignores the voluntary creation of institutions in the context of the organization and building of human societies. Indeed, strictly speaking, the Darwinian approach should be referred only to animal life, not to human life. The study of the latter must be explicitly and strongly concerned with the organizational aspect. The concentration of the authors on Darwinian Conjecture, which inclines to substantially erase the first term of the institutional-evolutionary perspective, is rather surprising, not least because Hodgson's other writings place great emphasis on institutions.

Let's insist in underlining that Hodgson and Knudsen's addition of details to Generalized Darwinism are scarcely relevant. This is not a case of details devoted to the making of the basic kernel of Darwinism adhere more closely to social reality. Such a kernel is, in itself, inappropriate to social reality; except in that case where society acts in substantially spontaneous ways and institutions result from the so called 'invisible hand', with private vices intended (following Mandeville) as public virtue, a rather defeatist perspective on the becoming of human societies. Such statements as "Darwinism here is unavoidable" and "The Darwinian framework has a high degree of generality and it always requires specific auxiliary explanations"⁴ are misleading.

For further clarification, I add some other reference, mainly concerning what I call details: pages 48–51 of Hodgson and Knudsen's book treat intentionality and its explanation, the role of belief and preferences, and their evolution. On page 48 the authors recall Darwin's statement that "animals possess some power of reasoning"; and also underline the ability of Darwinism to explain individual agents' purpose and to consider their ability to plan their action. But the authors add: "It is simply that they (i.e. individual agents and organisms) do not plan or predict the overall outcome with others, and it is often very difficult for them to do so". Well, the real problem is here. I can accept that, in many important aspects, there is between humans and other species of animal a quantitative and not qualitative difference. Furthermore, *with reference to stationary or quasi stationary societies* I can accept as useful what the authors have to say on intentionality, artificial and natural selection, and so on; I can even accept some mixture of Darwinian and Lamarckian approach and the use of the observational method in the sense that it is used by biology. The real problem arises when and where human societies start to experience an increasingly accelerated evolutionary motion, and hence a growing non-repetitiveness and radical uncertainty. This accelerated evolutionary behaviour comprises a situation basically different from any evolution of animal species, making the observational evolutionism inappropriate. I pose two basic questions concerning such a situation, and I invite the reader to meditate on them with great attention:

- (a) Why are some societies able to experience a rapid evolutionary motion while others remain for centuries and millennia imprisoned in a stationary or quasi-stationary state?

⁴See Hodgson and Knudsen (2010), p. 40.

- (b) What methodological problems are generated by the interpretation of a reality characterized by growing non-repetitiveness that makes plainly inadequate observational method?

The first question (a) points to the importance of considering the notion of *civilization forms* (which are largely creative constructions), and precisely the presence or absence in the considered civilization of what I call *ontological imperatives*, that is, institutions, ethical values, etc. favorable to the expression of the evolutionary potentialities of human beings. Here the importance of the institutional aspect side by side with (and as the engine of) the evolutionary one becomes evident. Chapter 8 of Darwin's Conjecture tries to give a partial answer to question (a) through some reference to habits, culture, language, writing, customs, law. But I do not see the usefulness of imprisoning such an effort in the Darwinian approach. For its part, the second question (b) points to the necessity of a method that permits understanding and managing society notwithstanding its rapid evolutionary motion; that is, the necessity of establishing a method able to capture those basic long-lasting institutional pillars (and reference points) that I denominate *functional imperatives*, which depend mainly on the general conditions of development. Here, again, the connection between the institutional and evolutionary sides appears central. Well, clearly both questions (a) and (b) show the need for a methodological approach completely different from the observational one (that is, with completely different postulates and rules); I attempt to delineate this approach in Chaps. 2 and 11, and much more accurately in Fusari (2014).

The notions of functional and ontological imperatives, their institutional substance and implications even on ethical values (ethical objectivism), the importance of the relations between civilization, functional imperative and ontological imperatives for the interpretation of history (see the graph in Chap. 2)—none of this can be considered by Generalized or less Generalized Darwinism.

Hodgson and Knudsen also write: "All social scientists relying on this framework will be forced to take history into account".⁵ Certainly, this is implied by the spontaneity view, but 'history' is so conceived merely in an observational sense, that is, almost completely excluding the organizational aspect, notwithstanding that this last is fundamental for understanding specifically *human* history, which differs substantially from the merely spontaneous motion of animal species as spanned by accidental variations followed by extremely slow and long-lasting selection processes. The presence and action of intelligent decision-making marks the difference between the social and the natural world; a difference implying, for instance, the inappropriateness of the standard heterodox criticism of the mainstream notions of optimization and rational choice. Of course, the absence of any consideration of radical uncertainty (at most substituted by probabilistic uncertainty) in the neo-classical notions above must be strongly criticized. But the criticism in principle of those notions operates, in practice, to the advantage of the current mainstream since

⁵*Ibidem*, p. 44.

that criticism simply opposes to this a substantial, even if for the most part not declared, spontaneity view.

Let's recall, at the expense of a little repetition, some aspects of our theory of social and historical processes that strongly underline the importance of the organizational aspect for understanding the historical development of human societies. Our method highlights the great importance of the presence, in civilization forms, of the institutions implying what we call ontological imperatives, that is, organizational features stimulating the evolutionary potential of human beings, the ability of humans to innovate and evolve. A civilization rich in ontological imperatives will stimulate evolution, while the absence of such imperatives condemns societies to extremely low evolutionary processes. We have demonstrated elsewhere all this in some detail through a weighty historical analysis of societies: from the primitive stage, through the stationary civilizations of great bureaucratic and autocratic empires, to modern dynamic societies.⁶ Generalized or less generalized Darwinism completely omits these crucial aspects.

Another primary organizational category concerning social evolution is what we call functional imperatives, that is, organizational necessities corresponding to the general conditions of development distinguishing different historical ages and resulting from the sedimentation over time of successful innovations. A crucial task of social studies is to define, on the basis of the long period behaviour of the general conditions of development, these basic necessities: that is, organizational requirements that the evolutionary thinking ignores but that nevertheless provide interpretative pillars of great value if we are to guide the organization of human societies the complications caused by increasing social change notwithstanding. For when considering the processes of social evolution, organizational necessities are important interpretative pillars that help us to guide the human organization of society, notwithstanding the complications caused by increasing social change.

Civilizations, ontological imperatives and functional imperatives should be some of the main fruits and contents of a profitable methodological view; an approach, that is, that combines observational and organizational aspects. The course of social and historical processes is mainly characterized and explained in terms of innovative dash followed by structural organization, this synthesized mainly by the notions of ontological and functional imperatives and civilization. These processes take a true institutional-evolutionary semblance. Let's give a sketch of the basic interpretative succession that our approach opposes to the Darwinian succession variation-replication-(or inheritance)-selection (even when including additional details), and to other views. Our interpretative succession is: *degree of presence of ontological imperatives in the civilization form of the considered social system—intensity of innovative dash—diffusion of innovations and collateral process of structural reorganization devoted to restoration of organizational coherence (a process that places center stage the definition of new functional imperatives)—new innovative dash, etc.*; a cyclical process, indeed. I have done much to expose and

⁶See A. Fusari, *The human adventure*, SEAM Rome, 2000.

verify this interpretative approach in numerous studies on economic and social development and the interpretation of history.⁷

Some other examples useful for clarifying the difference between our approach and the current social evolutionism can be set out. Think of the crucial question of power. What can it teach us in the matter Darwinism, Lamarckism and other evolutionary approaches? Schumpeterian, neo-Austrian and, more generally, all observational methodologies recognize and so are able to consider only domination-power, generated by and operating in the context of more or less brutal processes of selection. Such methodologies are unable to define and inspect the important notion of service-power (see Chap. 6). More generally, what can the above approaches teach concerning ethics? Darwin's Conjecture and the spontaneous view of social reality cannot teach us anything here; they dislike and substantially avoid the topic, embracing instead so-called ethical relativism, in compliance with the hegemonic presence of this in social thought. Thus he who wants to meet the question of ethical values in coherence with Darwinism is obliged to found his values on the brutal phenomena of the struggle for existence.

Besides, the current institutional-evolutionary approaches are unable to recognize the organizational practicability and importance of the separation, in economics, of the side of production from that of the distribution of wealth; a separation crucial for ensuring: organizational efficiency, full employment and social justice, as widely discussed in Chap. 8. In the introduction of such chapter, footnote 1, we recognize that the idea of 'separation' (a very important intuition for the analysis of economic institutions) comes from Pasinetti. My book on *Methodological Misconceptions in the Social Sciences* dedicates, mainly in Chap. 3, Sect. 9, a wide and critical deepening to the fecundity of such insight.⁸ Pasinetti's principle of 'separation' was initially expressed in his contribution entitled 'Economic Theory and Institution', for the 1992 EAEPE Conference in

⁷See Fusari (2000) and (2014), Eskedt and Fusari (2010), Fusari and Reati (2013).

The bifurcations, catastrophes and singularity theories attached to the study of non-linear systems of equations with multiple solutions (see Thom 1985) may seem to raise some doubts on the disequilibrating/re-equilibrating process delineated above. I think that social students may consider, in a long run perspective, this argument as a mathematical joke and hence give no importance to the related transformation process. The bifurcations etc. occur as a part of well defined qualitative geometrical structures. But a substantial part of the development process, precisely the innovation-adaptation (innovation-structural organization) mechanism above implies, mainly through appropriate changes of structural parameters, the return from disorder to order; and this is, after all, what matters.

⁸Let's give a brief quotation from my book on *Methodological Misconceptions*: "An important merit of Pasinetti's idea of 'separation' is to provide a precious analytical tool for distinguishing necessity from choice-possibility in the organization and management of social systems.... Unfortunately Pasinetti's formalization places important institutional 'necessities' on the right hand side of his 'separation' between the 'natural system' and the institutional aspect, as they are intended as non-fundamental. But, as just noted, institutions are now to be seen as appearing in both fields, that is, in both the field of 'necessity' and that of 'choice-possibility'. See Fusari (2014), pp. 99 and 101.

Paris (with some extensive comments by G.M. Hodgson and A. Reati),⁹ and was resumed with improvements in Pasinetti (2007). But, with my great surprise, neither the book ‘Darwin’s Conjecture’ nor two Hodgson’s articles published in the *Journal of Institutional Economics* (vol. 10, no. 4, 2014) with attached two very detailed lists of references, give mention of such fecund Pasinetti’s contribution to institutional and evolutionary economics. The method that we suggest seems to allow a profitable combination between the institutional and evolutionary aspects, observation and organization, being and doing. I dare say that the methodology we propose is a valuable candidate in social thought, with the potential to replace the inconclusive patchwork offered by current heterodoxy and the astute but no less misleading orthodox methodological combinations.

A Criticism of the Methodological Foundations of the Supposed ‘Queen of the Social Sciences’ Economics and Political Economy

G. Lunghini has written: “in economics the paradigm that in the course of time follows another one is not necessarily progressive, in contrast to the other sciences”.¹⁰ Why does this happen? I have concluded, after careful reflection (and I think I have shown) that this arises from great equivocations in relation to method. As we know, the methods that the main schools of economic and social thought use are two: the experimental-observational method, born from the study of nature; the method of abstract rationality typical of the logical-formal sciences; or some combination.

Neither the Neoclassical model, centered on such notions as utility, homo-economicus, equilibrium prices, and so on, and the Classical-Marxian approach, centered on the notions of surplus, labor value, social classes and social struggle, are able to provide useful teaching and knowledge on the organization of economic and social systems. The two models generate serious misunderstandings in the matter, albeit for opposite reasons: the very idea of deriving such knowledge through the mere observation of factual reality; the claim to derive knowledge from senseless abstractions.

In the Neoclassical model of the general equilibrium, history does not matter; the formalization of such a model is inspired by Newtonian astronomy and, more generally, by the criterion that I denominate ‘abstract rationality’, typical of the logical-formal sciences. The ‘realism’ of postulates is disregarded and basic economic variables such as radical uncertainty, the entrepreneur, the profit rate

⁹See *The Political Economy of Diversity. Evolutionary Perspectives on Economic Order and Disorder* Edited by R. Delorme and K. Dopfer, Edward Elgar, 1994.

¹⁰See Lunghini (2015).

(properly understood, that is, not simply as a surplus or a rate of interest on capital), are ignored. For its part, Classical-Marxian economics has been built up through analysis of the functioning of capitalism.¹¹ So, in Classical and Marxian thinking history matters too much, that is, historic observation conditions the whole theoretical construct, while such thinking is unable to provide lessons as to the organization and rethinking of social systems. As previously seen, Marx attributed an organizational role to the ‘imagination of history’, which indeed produced in due time the degenerations of ‘real socialism’. In short, both Classical and Marxian economics are strictly observational constructs. But while classical students have the propensity to underline, on the basis of historical observation, the virtues of capitalism, Marxian thought, born in a successive historical phase, mainly insists on the limits and contradictions of capitalism and, due to Marx’s strong dedication to the interpretation of history (following the methodological observationism), is liable to generate misinterpretations and deceit out of that strict observation.

Turning to more recent times, we find Sraffa’s Neo-Ricardianism damaged by over-simplification and sharing with the Neoclassical model of the general equilibrium an unconcern for the realism of postulates. Sraffa’s main critical contribution concerns the aggregate function of production and the ‘reswitching of techniques’; but these contributions do not affect the logical rigor of Walrasian microeconomics. Moreover, Sraffa ignores, no less than does Walras, radical uncertainty, entrepreneurship, expectation, innovation and the resulting phenomenon of ‘dynamic competition’, as well as profit properly understood.

A much more profitable position on method was developed by Keynes, and is distinguished by the explicit conjugation of the observational and organizational aspects, being and doing. Keynes starts with the demonstration of a very important phenomenon, ‘the deficiency of effective demand’ (through profound reflection on the phenomena of uncertainty, entrepreneurship, and expectations). The work of this author contains important lessons on the organization of social systems (welfare state, deficit spending, etc.) that have propitiated fortune and made possible the advent of a true golden age of capitalism with regard to social justice, welfare politics, employment, and the dynamics of wages.

Unfortunately, the principle of effective demand is only one of the realist postulates that should inspire and lead the organization of the economy. This limitation has condemned Keynesian teaching to great distortions. In particular, the abuse of deficit spending, a formidable instrument of social consent and a useful tool to attenuate social conflict, has promoted a growing public debt; and this in turn has favored the advent of a different and opposite situation than that treated by the principle of effective demand; has generated, that is to say, a situation in which production is disturbed by high taxation, waste and inefficiencies in public administration. And the result is an irresistible push toward restrictive policies, with

¹¹G. Lughini writes: “Economics is born as science of capitalism”. See Lughini, *Ibidem*, p. 3.

a consequent fall of investment, production and the demand for goods. We see, therefore, that the organization and management of the economy need much more than the inspiration of the principle of effective demand.

This confusion on method allows mainstream economics, through clever even if fictitious adjustments (which include the pretense of incorporating Keynes as a special case, the idea of rational expectations, and the introduction of technical progress to the function of production), to preserve its dominating power.

The organization of the economic system must be such as to meet three main exigencies: productive efficiency, social justice and full employment. These exigencies require the theoretical and practical ‘separation’ of income distribution, with its related conflicts, from the firm, as we have clarified in Chap. 8. But, contrary to this, Neoclassical and Classical-Marxian economics, as well as Sraffian and Keynesian economics, are all based on the hypothesis (suggested by the observation of historical events) that income distribution takes place largely inside the firm. And there is the rub. In fact, the modality of income distribution described above prevents the requisite engagement with these three exigencies. Such a distribution modality is an indispensable constituent part of capitalism, but it is not necessary that it must be so.

The observational method states that the market, the entrepreneur and profit (often identified with the interest on capital) are merely capitalistic organizational institutions. These institutions were disliked by ‘real socialism’, which therefore attempted the elimination of the market and the entrepreneur; but in doing so generated organizational contradictions worse than the capitalist ones. For their part, social democracies and self-management have held that income distribution should be largely determined inside the firm; but, in this way have fallen into the organizational contradictions underlined above.¹²

Chapter 8 shows that the market, the entrepreneur, economic decentralization and the rate of profit (this to be conceived distinctly from the rate of interest on capital, that is, as a fundamental indicator of the degree of success of the entrepreneur’s action, but considered apart from its attribution) are all indispensable in modern dynamic economies. But it also demonstrates the importance of overcoming their capitalistic contents, that is, their links with income distribution, in order to make possible the achievement of full employment and social justice, and to avoid the hegemony and great degenerations of the international financial system, etc. These theoretical developments need a method that combines the observation and the organization points of view, and which is able to distinguish

¹²J.S. Mill was the only economist that tried to escape this confusion. He asserted the independence of income distribution from production, *underlining that the second is submitted to natural laws and technical requirements, while the first is a matter of choice*. But he did not prove such an assertion and this has allowed Neoclassic economists’ pretension to prove the dependence of income distribution from production that has caused diffuse prejudices on the organization of the economy.

‘necessity’ from ‘choice-possibility-creativity’ in the organization, interpretation and management of social systems. More specifically, it needs a method that allows the identification of long-lasting aspects and organizational pillars of social systems, primarily by way of the notions of ontological and functional imperatives and the notion of civilization forms. This is crucial if we are to be able to understand and manage social systems despite their growing non-repetitiveness caused, in the main, by the technological and scientific progress of modern societies. But this refers to the first part of this Appendix and to Chaps. 2 and 11.

Considerations on Christian Social Thought From Galileo to the Encyclical *Laudato si*

It may be of interest to underline some affinities of our proposal on the method of the social sciences and the Medieval Christian thought, which attributed a great importance to the organizational aspect and, in a sense, to the combination of being and doing. Christian teaching has insisted, from its origin, on some very important ontological imperatives, often specified by Gospel: the role of individual, his dignity and the respect for his autonomy and creativity, tolerance, social justice, the notion of service-power, even though those principles were often confined, in the practice and sometimes due to opportunism, to the spiritual sphere. Moreover, these fecund positions were damaged by some connected shortcomings, e.g. Aquinas’ insistence on the labour theory of value and its presumed ethical substance. But B. Forte has written: “the archaic world and also Greek culture did not know the infinite dignity of the person as a unique and singular historical subjects” (see B. Forte 1991, p. 12).

The vicissitude of Christian social thought is indeed very instructive in relation to the deceitful power of methodological equivocations.¹³ A profound lacuna afflicted the Roman Church’s organizational view on society: an absence of a distinction between ‘necessity’ and ‘choice-possibility-creativity’, which distinction (as we know) is a true backbone of the organizational view. In consequence, the beginnings of medieval dynamism as a result of the initiative of the capitalist entrepreneur and the capitalist market induced the Roman Church to profess great hostility to three of the basic institutions required by economic dynamics: the entrepreneur, the market and the profit, which it saw as vehicles of exploitation and corruption. The inquiry on the organization of human societies ignored (and still ignores today) the fact that, while the entrepreneur, the market and profit rate (this intended distinctly from the interest on capital and as an accountability variable, that is in its monitoring role of indispensable indicator of the degree

¹³For better clarifications on this topic see Fusari (2014), chapter 10, section 10.6 entitled ‘Further considerations on religious social thought: faith and reason’.

of success of the entrepreneur's action but apart from its attribution) are indeed organizational necessities of dynamic societies, their capitalist content simply expresses a choice of civilization.¹⁴ In other words, a primary recommendation of the organizational perspective was ignored: the 'separation principle' between the firm's productive activity and the side of income distribution, with the implied notion of the market as 'a pure mechanism of imputation of costs and efficiency' (see Chap. 8); that is, the market as distinct from its capitalist content.

This confusion establishes a real impotence in the face of capitalist exploitation; it very much contributes to the survival of capitalism as it makes its abolition resemble the throwing out of the dirty bath water (capitalism) along with the baby (that is, the market and the entrepreneur) with very negative consequences on the dynamic motion of modern societies. In fact, this senseless opposition on the part of Roman Christianity against the entrepreneur, the market and profit intended as stamped with an inevitable capitalist imprint, was counteracted by the Protestant ethics (emphasized by M. Weber), which gave a push to the capitalist spirit. This has resulted in an erroneous observational imprint on the organizational view, that is, an imprint absent from which is the distinction between the organizational necessities of the phase of social historical development in action and the rising civilization form.

In addition, Christian thought pretended to extend the organizational view also to the study of nature, that is, it intended to penetrate the reason why God had created the natural world as it is; a senseless pretence that, due the unfathomable character of divine will, allows the designation of paralyzing organizational forms of human societies in the name of faith. Galileo demonstrated the inappropriateness of such an organizational view for the understanding of the natural world and substituted for it the observational view: a position strongly opposed by the Roman Church for a long time.¹⁵ In the end, the great practical and theoretical success of the observation-verification method for the study of natural phenomena gave rise, by imitation, to a hegemonic extension of the observational method also to social

¹⁴Some effects of misconceptions in this matter are illustrated by the vicissitudes of Italian managerial public firms operating in the market. Initially these firms, under the guidance of great managers, performed very profitable actions in the service of the national economy. But more recently a total disregard for the monitoring role of the profit rate has had very negative effects: instead of producing profits to the advantage of the national budget, public firms have started to 'achieve' ever greater losses, covered through the provision of large endowment funds (and hence public debt) by the state. Meanwhile, the guidance of public entrepreneurs who are loyal to those politicians who have secured their nominations and very high rewards, but lack entrepreneurial skills and attitude, has ensured that the inefficiency of those firms has reached scandalous dimensions.

¹⁵When I was a very young man living in a village near to L'Aquila, the missionaries, who every year came to give sermons in the parish church, opposed with animosity Darwin's teaching concerning biology and even sympathized with the doubts of old people on the movement of rotation and revolution of the Earth. I was scandalized by such an attitude, which made me suspicious of religious thinking. A suspiciousness that persisted till 25 years ago, when my deep historical studies on societies, civilizations and religions existing or once existent on Earth convinced me that Christian religion has been much more favorable than other religions to social development.

sciences: an extension that was helped by the (just considered) ambiguous observational inclination of the organizational view and that has represented a very unfortunate and misleading event indeed.

These methodological misspecifications have deprived the organizational view of Christian social thought of the ‘separation’ principle, with its enormous power to promote social justice and to warrant the role of the domestic and international financial systems of servants, instead of *masters* of production, that is, putting capital at the service of production, not vice-versa (see section “[The Financing System of Firms, the Abolition of Interest Rates and the Principle of Effective Demand](#)”, in Chap. 8). The great importance of the above possibilities and perspective for the ecumenical action of the Roman Church and other religions, mainly in underdeveloped countries, is evident; yet such potential actions are opposed by various contradictions and derided as mere utopianism by the dominant, but theoretically impoverished and at times servile social thought of our day. There is more. The methodological equivocations underlined here leave a deep imprint upon contemporary Christian social doctrine, leaving it unable to oppose the social science practiced within the universities; an academic social thought that looks with disdain upon Christian social thought, which it considers lacking stringency from scientific point of view, but which has the great merit of being based on substantial good sense.

It is important to recall, at this point, another primary teaching of the Medieval Church, namely, the Franciscan view on the relation between man and natural world. Such a teaching has remained marginal, mainly as a consequence of the push that the natural sciences have given to human skills in the dominating of nature and putting it at the service of society. These results have facilitated the transfer of the observational-experimental method, as author of such marvels, also to the study of human societies, thereby strengthening the presence of domination in their government. The well known biblical statement on the mandate given to man to subdue nature has been long interpreted as religious approval of such behavior.

The encyclical states: “But today we cannot avoid acknowledging that *an ecological approach is always obliged to become a social approach* that must integrate justice into discussions of the environment *in order to lend an ear both to the shout of the Earth and of poor men.*”¹⁶ A sort of methodological short circuit emerges here that generates harsher and harsher inconveniences: the great advance of the natural sciences has entailed the great submission of the natural world to man, and this has favored domination power to the detriment of the notion of service-power evoked by the Gospel. By speaking of the technocratic paradigm, the encyclical criticizes the experimental method as a technique of domination. But which is the alternative method? The encyclical says nothing on this point.

Unfortunately, social encyclicals are quite lacking in method. I have considered this question in my book on *Methodological Misconceptions in the Social Sciences*, mainly in its final chapter. The negative references of the encyclical to the market

¹⁶Encyclic *Laudato si*, Edizioni San Paolo, p. 62.

and profit may generate serious equivocation. The two organizational forms above that, as we know, constitute important organizational necessities of modern dynamic economies, are nevertheless strongly condemned by the new encyclical; a condemnation based on the hypothesis that those institutional forms have necessarily capitalist content. The encyclical does not pay attention to scientific (and hence methodological) aspects, probably as a consequence of the evident unreliability of current social science. Consequently, there is no perception of the merit, for the understanding and government of modern human societies, of the organizational vision of the Medieval Church.

The encyclical says: “if... we do not know objective truth or principles as universally valid, laws are considered as arbitrary formulations and hence obstacles to avoid”.¹⁷ But the encyclical says nothing on the way to derive objective truths, of the kind, for instance, of what we call ‘organizational necessities’. This epistemological limitation works to the advantage of pseudo-social science; in particular, its implications serve the interests of autocratic rulers and financial speculators.

Science has garnered great prestige from the benefits it has given to humankind; therefore, the mystifications enacted in its name exert great influence if they are not unmasked. If we are to efficaciously combat the mystification of pseudo-social sciences, it is necessary to start again from the organizational vision of the Medieval Church but referred to society (albeit, this time, not extended to natural world). That is, it is necessary to start from the clarification of the equivocation expressed by Galileo’s condemnation. The achievements of the natural sciences and the domination logic implied by the experimental method have favored a great development of the capitalist world.¹⁸ But this impulse seems to be exhausting itself.

Christian social thought can offer, through its organizational vision, an important scientific contribution; one that promises to mitigate the great confusion that human societies are living through today. But such a contribution is conditioned on a propensity to innovate, and Roman Church has learned, through long experience, to distrust innovation and the innovative spirit. The cultural revival that followed Feudal times was very much propelled by the monasteries and other religious institutions within which famous thinkers enunciated fearless innovations. The interlude of the great and irreverent culture of Humanism followed, together with the torment of schisms, reformations and counter reformations. Afterwards, the naturalist landfall of the cultural efflorescence of the Renaissance opened the road to the great technical and scientific developments of the modern world; but this naturalist landfall has favored the blindness and aridity of current social thinking.

The cautious conservative attitude that these vicissitudes have fostered in the Roman Church appear today culpable, for it is guilty of serious omissions. In fact, the ecumenical action of the Church is in need (as previously seen) of great

¹⁷*Ibidem*, p. 120.

¹⁸Calvinism, which connected the notion of predestination with the success achieved during one’s life, and hence identified economic success as a sign of predestination, blessed the work of capitalism far beyond the more appropriate Lutheran insistence on duty and responsibility. See, on this matter, A. Fusari, *Human adventure*, pp. 606–613.

innovations carried out in social thought, primarily through the ‘separation principle’, which should be facilitated by the openness and fertile intellectual position of Christianity in the field. We hope that our analysis may stimulate an awareness of such need and intellectual fertility, thus opening the door to the connected great perspectives.

So deep methodological misconceptions of social thought greatly affects ethics. The clash of civilizations and cruel oppositions between people and social systems that bathed in blood the first half of the last century are at work also in the present day; a product largely of the way that Western social and philosophical thoughts has conceived of the question of ethical values, mainly through the hegemony of cultural relativism that postulates a kind of free choice with regard to ethics and civilization forms. As we know, ethical relativism has been (and is) complemented by a no less erroneous notion: cultural absolutism, assessing that ethical values are a matter of faith (see Chap. 12). There is a scientific way to overcome these misconceptions; it is represented by what I call *ethical objectivism*, that is, the demonstration that very important values can be the object of scientific investigation, a matter on which this booklet and some other books of mine¹⁹ insist, pretending to show the scientific nature of important values.

Unfortunately, this scientific possibility is denied by many social scientists who claim to adhere to a version of ‘Hume’s law’ that ethical judgments cannot be derived from factual judgments. But Hume in fact was very cautious with regard to such a presumed law, which has been loudly proclaimed by more recent students and, in a sense, consecrated by the Weberian notion of ‘diffuse rationality’, that is, the spontaneous tendency of social systems in the very long run towards organizational rationality through selective processes of trial and error (for discussion on this see, Chap. 9 on Weber and paragraph 10.7 on Hume in my book ‘Methodological Misconceptions...’).

Let me give some important examples of ethical principles that can be scientifically expressed through the organizational method. The Christian religion states that men are God’s sons and, as such, brothers. This implies principles of solidarity and equal dignity among men. The scientific content of these two principles can be proved by reasoning on the question of individual skills, considered in relation to the rational and efficient organization of human societies. We have treated this topic widely in Chap. 7. Here it is enough to repeat that these skills vary greatly among individuals, and that they are allotted at random among men (and, we may add, also among animals) by a ‘natural lottery’. A primary need in the development of human societies and the self-fulfillment of each individual, and in the increasing of the degrees of personal satisfaction, concerns the knowledge and appropriate use of individual skills. To meet this need requires the ethical principle of equal dignity and of solidarity, combined with the separation principle. (These principles go well beyond the ethical content that the scientifically wrong theory of labour value pretends to express). People are very eager to use their skills, especially their

¹⁹See Eskedt and Fusari (2010, 2014).

highest ones, independently of making money through them (separation principle). Living in poverty, Vincent van Gogh painted masterpieces; if he had not been so poor he probably would have produced more paintings, but if he sold his paintings at today prices he would no doubt have produced less valuable works, for wealth dissipates energy and corrupts the will. It is a primary interest and desire of the individual to use his skills. Only the lowest and disgusting jobs need monetary incentives in order to be practiced. We have seen all this in our discussions of Dunatopian society. It is not enough to proclaim *the duty of mercy* for the humble and afflicted peoples; it also needs to insist on the ‘necessity’ of such a duty as required by reasons of rationality and organizational efficiency of social systems.

It is striking to observe that the above ethical principles, fundamental for the efficient organization and development of human societies and decisive for individuals’ satisfaction and self-fulfillment, have been badly violated everywhere in the world. The ancient Greeks had great consideration for the individual, but with strong limitations: non-Greeks were considered barbarians and Aristotle accepted slavery as natural. The Church proclaimed the abolition of slavery, but accepted the institution of serfdom. A vast range of skills belonging to the masses of slaves and serfs remained undiscovered. Racism is present even in our own days. Gypsies set their sons to robbery instead of sending them to school; billions of children live in conditions of total decay in underdeveloped countries, as in Europe during the great industrial revolution and in the Sicilian mines of G. Verga’s novel *Rosso Malpelo*. The Muslim world discriminates against one half of its population, women—consigning their skills to oblivion. Living conditions in the world would have been higher and the development of civilizations more rapid and enjoyable if the skills of so many down-and-outs had been put to good use. Men are different and equal to each other: different in skills and dispositions, equal in dignity. This observation and principle merits great consideration: *ethical principles of equal dignity and solidarity represent indeed great ‘organizational necessities’, thereby partaking of a scientific substance.*

I do not see any reason why, in the name of factuality, the study of “the list of crimes, the follies and the misfortune of mankind”, as Gibbon defined human history, should have scientific character and instead the search for institutions, organizational proposals, etc. directed to prevent these follies must be considered absent of scientific content.

What we see in the landscape of social thinking is something similar to Galileian vicissitude, but with opposite content: as we said, in Galileo’s time the Roman Church wrongly proclaimed the extension of hers organizational view also to the study of nature, contrary to Galileo’s observational-experimental proposal on method; in our time, by contrast, social science wrongly insists on the extension of the observational view also to the social world, in opposition to the much more pertinent organizational view.

Long historical experience shows, let’s repeat, that the best guarantee for the survival of capitalism is constituted by the refusal of the market and profit, in the absence of a specification that the refusal must be referred to the *capitalist* market and profit.

Two teachings of the Medieval Church seem to express quasi-prophetic intuitions in the light of modern experience: its organizational vision, albeit referred to human societies only and not also to natural world; and Franciscan ecological teaching. The organizational vision has been defeated by the extension of the method of the natural sciences to social thought, in opposition to the previous pretension of extending that vision also to the study of the natural world, by which the Church opposed Galileo. For its part, the Franciscan ecological conception has been neglected due to impressive technological achievements that have seemed to give substance to the biblical statement on man as master of the world, thus probably contributing to the acceptance of the hegemony of the experimental method by Christian social thought.

The recent encyclical dedicated to Franciscan ecological thought merits great attention. But the encyclical will find it difficult to yield results in the absence of a recovery of the organizational vision, in particular, if the ‘necessity’ of the market and profit rate, but conjugated to the separation principle, is not understood. If these ‘necessities’ continue to be considered as indissolubly linked to their capitalist contents, we shall remain imprisoned in capitalism and its great scientific ally, the observation-experimental method as used in the study and interpretation of the social world.

To be affective, the message of ‘*Laudato si*’ needs to remedy the lack of scientific character that afflicts social thought, thereby allowing for the clarification of the organizational necessities and ethical objectiveness that this booklet largely discusses. Hitherto, the dynamics of Earthly societies has been driven by a predator spirit and domination attitude; in our days, it is an urgent need that it be based on the spirit of service.

Eighteen centuries were required to come from Archimedes and Alexandrian School’s scientific achievements to Galilei (and specifically, to come from a well known insight of Aristarchus of Samos, adverse to Ptolemaic system, to Copernicus). I dare hope that the substantial correctness and fecundity of some insights of Medieval Christian thought on the method of social sciences will be quickly perceived after five centuries of growing confusion. Modern dynamic world cannot further wait for clarifications; even more Christian teaching and action, which have mainly to do with society, cannot wait for clarifications.

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