

Is Trustice Possible?

In the spirit and logic of the previous essay on war, I coin the word 'trustice': that combination of trade and justice which sufficiently convinces people of the essential careful charity of our social systems as to command trust. Such trust can only be based on the belief that our systems are capable of building the best of all possible worlds. I suggest that this notion is the essential goal and rationale of the western world's "common model". The (only) recipe for human survival and prosperity is free trade and competitive economies, coupled with universal suffrage and democracy, and linked with the associated coercion of legal rights, responsibilities and reciprocal obligations. To examine this proposition, I do not intend to catalogue the manifest failures of our present attempts to practice trustice. These simply indicate that we have not yet got near to properly constructing and operating such a social transaction system. This is hardly surprising. We have not been practising it for very long. Even when we do, we are rather selective about our practice.

The fundamental question I wish to consider is whether we can ever hope to prosecute trustice properly. Is it logically and systematically possible? The previous essay (on war) strongly suggested that the answer is no. The argument there was that contract, convention and coercion are insufficient foundations for human happiness and fulfilment. Yet these three basic or primary transaction systems are the principle elements of the common model.

You may object that consent is also included - that being the point of universal suffrage and democratic control. I respond that one cross on one piece of paper every few years, in one specific locality, hardly qualifies as a transaction system for consent. Convention is a more accurate description of our present democratic transaction systems. By convention, we erect our leaders and parliaments to govern on our behalf, while retaining the rights to dissent from their edicts and throw them out of office as and when we have had enough of them. The ubiquitous resort to pressure groups, protests and social disobedience are the exact responses to be expected from a lack of general consent or to the means of continually granting it. If such protest does not reflect a widespread lack of consent, then it will wither and die - it will not command sufficient popular support to be tolerated. It is not obviously withering; the very opposite. And, if we are not sufficiently antagonised by our conventions to be antipathetic to them, we lapse into apathy. Which is a chronic condition of our present conventional democracies. So I stick to convention, and protest that it is not enough.

Our common model is too inbred to be fecund or robust. A sustainable transaction system needs broader and more inclusive parenthood than that. It needs more hybrid vigour. The previous essay attempted to outline such a lineage. It argued that our history of social evolution contains three important institutional phases not included within the common model. These are: first, genuine tribal and participative consent, incorporating some notion of love and respect for our fellows, even if we do not like them; second, a community civility as a willingness (nay, obligation) to tolerate and respect difference; third, social care, as a predisposition to both help one another and to seek to improve and secure social relationships. Our common model takes these transactions or institutions for granted. But they are not. They may well be fractured by the internal dynamics of the common model itself.

Third way rhetorics, joined-up government, inclusiveness and so on all seem to recognise that these foundation institutions are essential to the proper workings of the common model. But

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these exhortations are largely empty without an understanding of how they are supposed to fit in the ruling hegemony, and why they currently do not. Universal participation is not possible - most people have better things to do, less than convinced as they are of the social worth of the common model. Furthermore, universal participation requires a common understanding of the nature of the game or life in which everyone is presumed willing and able to participate. Such common understanding is patently missing from our current commentaries, and from our social sciences. Some may even argue that universal participation is undesirable, until or unless everyone is sufficiently secure, leisured, motivated and intelligent to participate constructively.

Nor is universal participation easily acceptable to rulers operating within the current hegemony - it upsets conventions, habits and associated networks too much. The examples are all too obvious. Nor is it likely to be practical within the conventional form of the common model - collective decision making, as incorporated within our democratic procedures, suffers inherently and necessarily from cycles and indecision, and is thus condemned to preserve the *status quo*, with only minor modification.

A third way alternative needs a road map, and an idea of the destination. It seems to have neither, at least as far as its popularised versions are concerned. Not quite true. There is a road map of sorts, amounting to the attempt to include consent, civility and care within the ruling hegemony rather than taking these for granted, or ignoring them as too wet and soft for decisive government, depending on your political perspective. No, it is the lack of a clear vision of what it is all about that seems its fatal flaw. There is no commonly acceptable and clear logic or demonstration of how genuine consent, civility and care can be integrated with the common model, or of what the resulting social transactions system might look like. Third-ways seem to take for granted the primacy of the common model, seeking only to alter the balance between its axes, rather than point to a new future where states, laws and markets are all relegated to their proper and rightful place.

The previous essay suggested what might be missing: commitment to common cause and values (beliefs, if you like); curiosity and fun in following questions and challenge to existing conventions and understandings and a fostering of experiment which encourages such motives; and finally a genuine and careful charity to grow faith, trust and legitimacy in the whole enterprise. Failure of any of these basic institutions will undermine the quest for human harmony and peace, third ways or no.

Yet this logic, if such it be, is far too all-embracing (even fantastic) to be generally convincing. Furthermore, it is impotent in the face of widespread conviction of the logics, theories and evidence in favour of the common model - our political sciences and economics especially. These, typically, do not find it necessary to indulge in the sort of philosophical speculation of the previous essays. Why not? What have they got wrong or misplaced, if anything?

I have already argued that the predisposition for communities and societies to trade and specialise became ingrained in our social fabrics well before those of conventional nation states and their associated coercive 'ocracies (cocracies, if you like). I suggest that there is an evolutionary logic which explains this natural order in the development of civilisations and cultures. Barter precedes the habit of government and nation states. It precedes the fear of social coercion inherent in legal convention in the development of human society, both in

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history and this outline logic. The motives and interactions of the market place are deeply ingrained in our conceptual, and thus social fabrics, so deeply that many people regard the rule of the market place as the law of the jungle - a recipe for life which is nasty, brutish and short.

The Ancestry of the Market

Before we became human, we were apes, and part of the natural world. And we continue to ape our ancestors. The law of the jungle applies to the natural world. In its simplest terms, the law of the jungle is: do whatever you can as effectively as possible and to fit in as neatly as possible with the surroundings. Maximise the prospects of growth and replication and minimise threats to existence. The more uncertain the environment, the faster one should grow and replicate, and more offspring one should parent, and the less care one should take of the offspring. The ecologists call this 'R' selection. Which, if you say it fast enough, sounds just right. The strategy lies at the heart of the Malthusian proposition: that populations naturally grow to exceed their life support systems.

But, in more reliable environments, it pays to take more care. It pays to ensure that your offspring are grown up to be better suited to the environment than you are, and that they are given a sufficiently secure start in life to be able to replicate at least as well as you have. We need to take care that we remain secure, lest Malthus finally be proved right. Our life support system - the planet - needs to be kept reliable, and for that we need to take more care of it.

The system of natural selection, coupled with the inevitable invention provided by mutation, assisted by the continual re-mixing of predispositions and adaptations spawned of sexual reproduction, is self-evidently able to produce a natural ecosystem of massive variety. The capacity of the natural ecosystem to exploit the remotest and most inhospitable terrains, to recycle and re-process natural resources, and to grow a globally coherent and integrated biosphere, is simply wonderful. It makes the best possible use of scarce resources, such that no one part can be made better off without making another worse off. Progress (as increased sophistication or fitter organisation) happens when one bit 'discovers' that it can be better off, and is allowed to get away with it by the rest of the system. In other words, there are sufficient advantages in the one being better off for all the others to adapt and adjust accordingly. It is, in short, efficient. This law of the jungle is ingrained within the system of life. It is an emergent phenomenon of the flow of the universal system.

It is competitive, but not typically combative or conflicting - the very opposite. Natural ecosystems are inter-locking and typically symbiotic rather than parasitic; they are cooperative rather than rival. Our natural cousins and ancestors do not care, but they contrive to be prudent by default - Adam Smith's story of the invisible hand in a nutshell (well, in a Gaia biosphere, actually). It is a pity that Smith pre-dated Charles Darwin by a century, otherwise our popular conception of the market mechanism might be better understood. Most natural life is only nasty, brutish and short from our blinkered and biased perspective. Of course, there are some brutal bits - eating and drinking is a necessarily brutal activity for the food and drink. But, by and large, the natural world is live and let live. It is the survival of the fittest - the ones which fit better with their surroundings and neighbours survive and prosper better than their neighbours.

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It is not the survival of only the biggest or strongest or brainiest. It is not warfare. It is not exploitation in the sense of abuse. There is competition for available resources, since it is the resource base, the life support system, which limits the size and extent of life. But there is not naked aggression or coliseum contest. There is no best in this natural ecosystem, there is only fittest. There is, as a consequence, trade and specialisation, beyond anyone's wildest dreams. Could we really imagine the diversity, extent and coherence of living systems if we had not grown up amongst it for so long as to take it for granted? Don't we still find ourselves amazed by the sophisticated complexity and integration of the natural system every time we discover new bits of it?

The market system

In spite of considerable elaboration over the last three hundred years, the basic notion of the market remains as Adam Smith outlined it. The invisible hand of exchange is supposed to ensure that pursuit of self-interest can satisfy, even optimise, the social good. Here is not the place to indulge in a traditional academic dissection of the flaws, assumptions and simplifications of the modern versions of this theory. That is being done, by practising economists *par excellence*, in other fora. Rather, we should concentrate on the essentials of Smith's story.

Our present theory of competitive markets, capitalist accumulation and development is little more than an elegant restatement of Darwin's theory of natural evolution - one person's food (income) is another's output (growth) - or the other way round; it hardly matters. As each strives to do better, so both become better suited to survive and reproduce within their own self-generated circumstance and context. In so doing, they collectively manage to make more, and more diverse, use of the available resources of the planet than seems possible. More than seems presently sustainable. So, if the market works properly, we could hope that it might generate more sustainable ways of doing things? Good question. If not, it and we will die.

Market and ecological behaviours have much in common, as well illustrated by the increasing cross-over between economic and ecological models of such behaviours. But there are differences. We humans have adapted and adjusted the essential mechanism of ecological evolution to our own subjective purposes. We think we get to choose what we do and how we do it. We set the goals and the aspirations. These are above and beyond simple survival, growth and replication. We substitute money for food and cognitive information for autonomic feedback through life and death, and replication of genes. We invent and adapt ideas, cognitive institutions and cultures rather than life forms. Our machines and artefacts are nothing more than ideas made material. We thus generate accumulations and exhibitions of power.

We think we are in charge. Are we capable of taking command? The market system does not admit internal command. Animal farms fail because animals cannot exercise power sensibly. Animal farms can only work so long as power is dissipated and dispersed. But then the notion of a farm fails as well, and we return to the wild. Hunting and gathering is then all we can do.

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The inevitable tension between the market and the state - spawns 'ocracies

But evolution did not and does not stop. We learn, too slowly and with too many mistakes perhaps, that animal farms fail. We seek new ways of coping with the failures and resolving the conflicts. We invent states (eventually) to both enshrine our collective aspirations and formally govern our behaviours to better make progress towards these hopes. And the states exist as the long arm of the law, necessarily attached to the invisible hand of the market, to protect property rights; to enforce contracts and reciprocal obligations; and to encourage competition.

But we then go further. We recognise that incomes and wealth are the fortunes of the fortunate. Command over resources is determined in the market system by historical accident of birth, or the good fortune to be in the right place at the right time - to be fittest. To be sure, some subjective control and managerial competence helps. But no amount of managerial competence can offset a fundamentally poor endowment. How many Gates are never opened because of misfortune of birth or nurture? Turning poverty or disadvantage to wealth and advantage takes a substantial measure of luck and good fortune, as case study after case study well demonstrates. Winners need to be in the right place at the right time, and have the right character and culture, as well as the skills, to maximise their opportunities. Otherwise, winning takes very substantial external assistance, or outright theft.

So we prevent theft, and also seek to compensate for bad luck and misfortune. We try and help those less fortunate than ourselves, since that is how we began to grow up as humans rather than animals - in our tribal loves, our community care and our social civility. And we try to use our state interventions to preserve the best of the market system (to encourage efficiency) to simultaneously adjust the capricious and accidental distributions of good fortune. Our states, then, necessarily need some system to add up or aggregate personal judgements and preferences into a social preference, which includes equity and justice as well as efficiency and effectiveness. We re-generate the terrible conflict between individual liberty and social fraternity, and try to invent a blind and disinterested arbiter of *égalité*.

We spawn ocracies: autocracy, plutocracy, bureaucracy, and perhaps finally, democracy, when all the previous efforts have been tried and found wanting. Necessary failure to win control over market conditions (enforced by the conditions of competition) for suppliers will inevitably lead to these ambitions for control being pursued through the political machinery of the state. Here, the marginal net returns to political action for suppliers are necessarily more concentrated than for consumers, because of specialisation in production. Consumer dominion over the market-place is thus necessarily over-ridden by producer (or factor ownership) domination of public intervention in the name of fair and just distribution, or of prudent market management. We accumulate socially coercive power and authority, which do not exist in the wild.

Starvation

Developed country agricultural policies are the archetypal examples, typically resting on arguments about just farm incomes or contributions to economic activity and trade balances. The result has been a strong tendency for richer countries to protect their agricultures, denying others less fortunate the chance of selling to the rich. The rich flood the world market with their unwanted surpluses and depress the price facing the poor. The poor are

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condemned to subsistence farming. Wars and conflicts, frequently coupled with corrupt authorities, produce starvation in the midst of plenty - Amartya Sen's story in a nutshell. Yet, starvation is not (thank heaven) as common or widespread as it once was. Does this mean we are learning how to do better? Or have we just been fortunate with our invention and with the nature of our climate?

The nature of political economy

Income distributions are determined by ownership-endowments of resource - the economist's factors of production: land, labour, management and capital. The market mechanism itself generates a mal-distribution of such income, as the necessary incentive to adapt and adjust. Capital, even under a perfectly equitable initial distribution, is necessarily concentrated by life-cycle characteristics. It is further and more capriciously concentrated by the dynamics of the market mechanism, as it seeks an equilibrium through success and failure of enterprise and initiative. An inevitably inequitable endowment of labour skills and expertise is capriciously rewarded by accident of birth, location, experience and history, only to be slowly and expensively ameliorated through necessary education, relocation and transformation. The state becomes a natural institution through which people will seek to remedy these capricious consequences of their social evolution.

It follows that income distribution under any political economy, even under ideal competitive conditions, will be determined by political influence and authority, typically manifesting as an uneasy balance between the owners of capital and of labour. Right and left are thus natural manifestations of state politics. The former is predisposed to believe in the supremacy of the market, which apparently generates the factor incomes. Both paid labour and atomistic sectors, on the other hand, find themselves governed by the apparently capricious markets and avaricious capitalists and seek remedy through the political systems, inventing and reforming these as necessary.

Wider distribution of capital, to be sure, narrows the economic power divide. But this cannot narrow the political counterpart of control, since capital is necessarily concentrated in application and thus management, even if not in ownership. The governors of capital, and thus of its politics of distribution, are not necessarily or even typically the owners. Meanwhile, traders in and managers of this capital are tempted to shave the coinage of the realm. For capital, in the terms of the natural selection essence of the market system, is a natural resource. Its price is an appropriate signal of its scarcity, encouraging its efficient use. Use it or die is the law of the jungle. Abuse it, and the law of the jungle will wipe you out. It is its use, not its ownership, which in the jungle determines the just reward.

So we come to grow our political systems, which determine our conceptions of social justice, so that they are democratic. But Arrow's impossibility theorem demonstrates that such systems, even if defined as perfectly as possible, will typically generate inconsistent public preferences. Voting results in 'A' being preferred to 'B', which in turn is preferred to 'C', which is then also preferred to 'A'. Elected judgements will thus cycle, depending on rhythms of conviction amongst (especially) the labour constituency of the social desirability of unrestrained markets, and on the political control over the negotiating or voting agenda. Meanwhile, the right are ultimately governed by what the masses will allow it to get away with - the Marxist story, embellished by the insight that the rich need the poor to survive and

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prosper more, since the poor provide both the labour input and the potential demand growth, as well as the necessary socio-political legitimacy, for the systems as a whole. And what a hole.

If the market fails to perform according to commonly held opinions of justice, fairness and equity, then it will not be politically legitimised. The resulting political action and intervention will necessarily undermine the supposed optimality of the market mechanism. The intervention and coercion frequently involves preservation of special and local (frequently accidental or historic) interests, undermining the market system. Appeals to international law, without the associated sanction of international democracy, exacerbate the potential for inconsistency and incoherence in the common model, and encourages conflicts at least in the law courts and negotiating councils, if not actually on the battlefield.

Meanwhile, the rich get richer while the poor, the disenfranchised and the disadvantaged become ever more suspicious of the power and motives of the rich. Continued legitimacy can only be sustained through the active participation and universal suffrage of the population. Democracy becomes inevitable, albeit serviced (or abused) by bureaucracies, plutocracies and autocracies pretending to be democratic or to service popular interests.

So what?

The emergence of the state and its associated paraphernalia of conventions and constitutions does not resolve the inevitable conflict between individual liberty and civic responsibility. It merely alters the arenas in which this tension is played out. The simple fact is that the human condition is one of choice - we are blessed or cursed with the option of making decisions in our own favour or in favour of others more or less unrelated and disconnected from ourselves. Our ancestry of the market mechanism does not include the means of making this choice. We have to invent the choice systems for ourselves. We come back to the selection of which authority we choose to use to determine and enforce the selection or election.

As Amartya Sen has cogently and persuasively argued, starvation is our choice. We get to choose who lives and who dies by our choice of governance and governments. We have escaped (perhaps temporarily) the tyranny of bio-physical law in making such difficult choices. But we necessarily have to respect the bio-physical laws in refining and re-defining our own substitutes and developments of these laws.

Trade and competition is efficient - of that there can be little doubt. It is also deeply ingrained in our human condition as animal life forms. But it is necessarily inequitable and ungoverned in the social or community interest. It is, at root, inhuman. It permits starvation and poverty in the face of luxury and extravagance. As a natural system, it appears wasteful, as any farmer well knows. But, furthermore and more fundamentally, the evolutionary operation of the system will ensure, in time, the elimination of luxury and extravagance as ultimately inefficient. That is the nature of the natural system and is, as a consequence, deeply understood, even if mostly inarticulate. Once again, intuitive notions in favour of at least some equality and justice are ingrained in our natures.

We 'know', from our ancestry, that luxury is a naturally ephemeral condition. Natural ecologies do not permit the persistence of luxury or extravagance, except as side-effects (or

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emergent phenomena) of better fits. It is only through their contribution to survival and replication that such phenomena can persist. They need the continual calculation that the efforts necessary for their provision are outweighed by their contribution to survival and replication. Their persistence is under the continual threat that someone else can survive and prosper better with the resources to which we lay temporary claim. This is written in our genes, which record the history of our evolution. Lest you think this argument fanciful, consider the historical fate of households and societies which have sought to pursue extravagance and luxury at the expense of social responsibility. We, therefore, try to take steps to protect our temporary advantage, and dress-up the protection with a rhetoric of community responsibility and enlightenment. Such is the nature of most of our policy debates and positions.

Ultimately, we are faced with the moral dilemma, which is not a dilemma at all. We know we need a moral authority to settle and enforce our collective judgements. We need balance between self-interest and community responsibility; to ensure the reciprocal obligations inherent in the balance between rights and responsibilities. For it is our human condition to recognise responsibility. The dilemma is the moral code and moral authority we choose to use. Our history as a human race clearly indicates the options we have so far tried. We can invent or discern gods. We can erect undisputed leaders and governors. We can elect our presidents and prime ministers. Or we can seek to act according to our own subjective judgements, and bemoan the fact that they are inconsistent with or disputed by our neighbours and traders.

But, whichever we choose, we are back with the nature and condition of authority - the subject of the first essay in this quintet. And our moral authority is our own construction (or interpretation). For those who feel naturally inclined to believe in some supreme authority, the second essay on knowledge suggests that it might be that the rest of the universe and its birth-pool of May automatically and inevitably 'knows' of our choice constructions. Whether or not it will also judge the suitability and fitness of our choices remains to be seen. But the logic of the evolutionary progression strongly suggests that 'wrong' or ill-fitted choices will prove to be unsustainable and ephemeral. To that extent, at least, the logic is that moral choice needs to be made fit. Whether or not this means there is only one such fit is another question. Certainly, the logic suggests that fitness is conditioned by circumstance, character, context and culture. But these, too, are continually evolving.

Closer to home, there are two substantive dimensions to morality - the authority underpinning justice. The dimensions are its domain and its power (or authority), analogous (perhaps) to the primordial dimensions of matter-space and action-time as outlined in second movement of this quintet. The domain is the scope of actions and behaviours which our chosen morality seeks to govern, while the authority is the power of its span. The greater the domain over which we seek to exercise our moral authority, the greater the divergence and diversity of the 4Cs we seek to govern and the stronger our authority needs to be - the more powerful our governments need to become.

Domain expansion without the necessary authority is self-dissipative. Authority growth without domain expansion is invasive and self-implosive. Harmony and balance is required, as is well known by all those engaged in or studying public decisions. To achieve heaven on earth, we need a second coming, a 'final' judgement. But how would we understand the

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answers such a second coming is supposed to provide? If we have already asked the right questions, we should be able to work out the answers for ourselves. If we have not begun to ask the right questions, the answers we get will be unintelligible. The answer is 42. What was the question?

The question, I suggest, is the topic of the final movement in this quintet. Equality is frequently coupled with liberty as the ultimate humanist morality. The synthesis of the freedom thesis with the antithesis of égalité, is supposed, in at least one nation state mission statement, to breed fraternity. Yet, according to the logic and argument of this series of essays, if we seek to reduce the status of one by promoting the interests of the other, we are destined to revolve or revolt rather than evolve. We need inequality - that is the engine of evolution and the parent of diversity and efficiency. If we deny inequality, we simultaneously deny individual freedom - that is a logical consequence, according to this argument. Yet we also are required to choose how much inequality and of what sort we are willing to accept. That is our blessing or curse as humans. And choosing means judging since judging means exercising criteria for choice and discrimination. And we elect or erect the judges, and thus the criteria, for ourselves. How we do so, then, is critical to the sustainability of our systems, and crucial to their prospects for improvement, development and progress.

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