

NOTES: Conducive Production vs. Neo-Classical Economy

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I. Critique of “Market Economy” & Neo-Classical Economic Synthesis

A. HISTORY: Capitalism/ Democracy Synthesis for the West, the origins of a new Value System **Intellectual roots of capitalism's market economy, property, democracy concepts**

1. Locke's 1690 Refutation of Divine Right and monarchical tyranny (“1st and 2nd Treatise on Government”) was based on “private property” and democratic participation in governance: “material” property right, labor value, efficiency, consensus government.

The arguments changed and “created” Western European society, and had a major effect on US Constitution/ Declaration of Independence – and since then, have transformed the world.

a. Step 1. Locke first introduced (1689-90) a democratic and egalitarian “labor value theory” to upend despotic absolutism (anchored in a fundamentalist religious core).¹

b. Step 2. BUT – Notably - Locke’s explanation totally MISSED the “second labor value pathway:” the explanation relevant for CONDUCTIVE PRODUCTION (see next section).

c. Step 3. It is important how Locke “later revision” (~1700-1713) of a few Second Treatise paragraphs totally changed its political-economic implications. The ‘additions’ introduced the “Productivity Calculus” to defend material property **inequality**, which then remained unchanged ever since. (see Addendum: Citations: Locke).

2. Other contributions to “materialist calculus”

a. Bentham (late 1700’s): all value drives from an individual’s pain and pleasure calculus. And All social decision processes are “problematic” (only despotic) and thus to be avoided: “valueless.”

b. Ricardo’s (early 1800’s) gives pre-eminent explanatory position to non-productive rewards to capital (“rents”) - before industrialization’s mass-production output bonanza.

c. Malthus’ (early 1800’s) describes a “race-to-the-bottom” for human well-being in free labor markets.

(Bentham has never been out-of-date. Unfortunately, Ricardo and Malthus, (and Marx) are relevant again after over a century of relative obsolescence).

B. Material “Value Creation:” Social Organization of Work linked to Market Economy

Adam’s Smith's contribution (1776): Principles to permit “flourishing” of the new material value society: mass production of material objects, via specialized division of labor and market exchange leads to rapid increases in material well being (and serious new problems: see III below).

1. Specialized social organization of work, “productivity” and profit from work organization, (or international trade), via “comparative specialization advantages” - for both workers in companies, and countries in global economy. Specialization implies larger scales of production.

2. Increased scale of Markets supports specialization and thus increases profitability.

¹ Locke’s “labor value” theory makes it clear why and how each and “everyman” shall have the right to control – to own (as “Property”) - the fruits of his labor:

#37. “...“Whatsoever then he removes out of the State that Nature hath provided, and left it in, he hath mixed his Labor with, and joined to it something that is his own, and thereby makes it his Property. ...For this Labor, no Man but he can have a right to what is once joined...at least where there is enough and as good left in common for others.” Locke gives examples: Fruits, Beasts, acorns, apples ... and in later sections (#37); [agricultural] improvement, tillage or husbandry. This range of material “objects” is thus “legally attached” to the producer, through his/her own labor as Property. The increase and protection of this “value” has now become, via Locke, the entire the point of the society: it is the cornerstone for stepping beyond the fundamentalist religion-based “raison-d’etre” for society that Locke debates in his 1st Treatise.

3. Undiscussed: these processes also increase the need for elaborate hierarchical structure for work organization.
4. Little discussed: Mass production makes workers “stupid,” and passive (A. Smith, Vol 2, Book 5, p. 302, U of Chic. Press).

II. CHARACTERISTICS AND DEFINITION OF COMMODITY VALUE

A. Market's Main Mechanisms: The Market” is an efficient allocator of scarce resources toward the most “productive” uses, insuring the best chances for all members of society to enjoy their “best” overall well-being (with no changes making anyone worse-off: Pareto-equality).

[See all basic [micro] economics textbooks from 1960’s to 2000’s: for example: Chap's 1 to 5: Samuelson, McConnell]

B. Characteristics of Commodity Value

1. Scarcity: all goods are scarce because of naturally-limited supply and "insatiable" human needs.
2. Value is captured in “things” (finite, object-like, "packages"), with relative value to be determined in a “market auction.”
3. All value is immediate, short-term, and market assessable – there is no “mysteriously growing (indefinite) future value” (fx: as in Conducive Value)
4. Customers/clients are anonymous. There are NO social links permitted in the “market process.”
In fact; no social decision processes are ever needed or desirable (even in “government”). Instead: the “invisible hand” of market value assessments will make all needed social decisions (A. Smith, 1776).
5. Consumers have preferences rankings that are “external,” (exogenous: not affected by the production /consumption process - a la Bentham’s pain and pleasure calculus, not as in Conducive Production).
6. Value is “zero-sum,” non-multiplicative (i.e. like dividing a chocolate cake, or making a budget - NOT like not re-teaching a set of lessons to a new group of students, as in “education’s” value).
7. All contributions to the value production process are non-synergistic and “additive.”
8. *The are diminishing returns to production scale -! (claimed in 1960’s, but bizarrely unrealistic and not equal to A. Smith in his Chap 1, 2)*

Some Results/ and Exclusions

9. All value – in production processes for example - is added to "dead objects"
10. There is zero (or negative) value for “social relationships:” meaning the market value/ processes discourages them.

Thus there are no societal reciprocity bonds to insure fairness. So while Locke provided a potentially egalitarian labor-based value model (above), there was an inherent risk of major inequality (and Locke eliminated his protective “self-use” property ownership restriction in his later work, replacing it with the Productivity Calculus, which became a major basis for inequality, and is now even more questionable). The result: there was a maximum labor demand at subsistence wage, and for non-skilled work - leading to Malthus and Marx’s social critiques, below.

11. Societal “reproduction” is limited to a minimum (Rita Lilljestrom, 1980)
12. Mental demands, loss of control are not seriously “addressed” at all in the model – nor basically is skilled work.

III: CAPITALISM’S CURRENT HISTORICAL BASIS - REVISITED:

A. ENDEMIC INEQUALITY: The classic critique of Capitalism: unequal material distribution (Marx)²

B. GREAT PROGRESS: However, major progress was made with the evolution of the Welfare State. Already by 1900: universal suffrage, union organization, labor protections had begun in some "social welfare state," and by 1930's-1970's, there was substantial equalization of material distribution in some countries.

C. CURRENT REVERSAL: But already by 1970's policy changes - exchange deregulation, labor protection deregulation, increased international division of production – led to beginning of increasing inequality. This “new inequality“ now has very rapidly reached historically dramatic levels (Piketty, 2014), with no end in site.

D. ADVERSE EFFECTS-1: Unequal distribution – and “Too Much” Productivity -!

1. Unequal distribution destabilizes economy/society via loss of middle-class, and low-income population expansion.
2. At the top: the unequal distribution leads to too much surplus – which is not effectively invested (to build overall social welfare, as Locke required) – resulting in too much (un-invested) surplus. This surplus has led to “speculative bubbles,” which have been leading factors in destabilizing otherwise harmonious and effective economies/societies: Japan and Sweden in the 1980's, the US: 2000, the US: 2007/8 affecting the global economy, still now.

E: ADVERSE EFFECTS-2: Conflicts w/ democratic goals:

- A. Specialized of social roles/ position and passivity: political drop-out. Inside-company hierarchy vs. outside market and political “freedom” (which has a reality component, and a myth component).
- B. Scale of market actors: small consumers, single-workers (un-organized) vs. large corporations. Huge institutional financial power undermines democratic institutions and one person / one vote government.
- C. International divisions of labor: continual impoverishment of some regions: internationalization of market poverty: lost social development and possibility of "social reproduction" in an increasing number of countries.

F. ADVERSE EFFECTS-3: “Over-Commodification:”

1. Commodification of production and falling profit, leads to extension of market sphere into "safe," formerly, public services of transport, health, social services, education – placed under "privatization."
2. Contrasts Conducive and Commodity value dramatic differences in the Value of Information – in an information society.
3. Capitalism lost the value of creative collaboration/social relationships. The Result: the need to move to an alternative Value Model that adds value to “living entities.

² A. Marx: all activity becomes exchange value production under capitalist factory organization: surplus for owners, and subsistence poverty only for masses.

-Industrial Revolution in England: free-holding farmers loose land, go into factories at long hours and impoverishing wages, social upheaval.

B. Marx's “mistakes/omissions:”

1. Missed "active social participation" as main political dimension
2. Missed the transformation of production beyond material production and material analysis.
3. Historical dynamic missed evolution of new classes of social needs (and new classes), and political alternatives.

II. Towards a Conducive Value-based Production System: **Evolving beyond Material Object-based value (Neo-Classical Economy) -THEME 1**

A. PRESUMPTIONS

1. Limits Are Appearing in Evolving Platform of Global Material Wellbeing and (recently in-question) our societal security.

This increasing material well-being has been the case from the early 1800's almost until the present time ("crisis" 2008), providing the basic need security that has underpinned global enormous population growth. Now: it is clear that there are limits to continuation along this pathway.

The Result: A Meaningful Societal Engagement Crisis: The recent decline in relative distributive equity – in recent two decades – has increased the urgency of finding new social solutions to address "marginalization" (in advanced societies). These would have the goal of increasing "inclusiveness," providing a needed bases for meaningful and respected social roles ("jobs") for a larger percentage of the population - as the possibility for purely material-reward based satisfying "integration" declines.

(There has been a revolution in increased social network diversification, global multi-culturalism and some trust diversification, also via new electronic/Internet social media. (However, the intensity of multi-cultural exposure has lead to new forms of social instability, **requiring new forms of constructive social communication** with enhanced reciprocity and "bandwidth." We suggest a new focus on creative collaboration (see Social Relations in Conducive Production, BSTS, 2004 b).

2. The "Climate Change" Threat has dramatically increases the urgency of finding a formula for non-materialistic economic growth that reduces dependence on physical resource transformations, and energy utilization.

3. A New Work Organization Core for Economic Policy (WEP): For both youth and for the aging workforce what is now needed: (a) youth employment in "smart jobs" (globally), and (b) particularly in advanced societies: healthy, labor protecting jobs for aging workforces (and also globally: prevention of work stress-based chronic disease, and societal costs. Both are closely related to the social organization of work processes and economic interaction.

B. HISTORICAL Connection: the Missed "Second Pathway" out of Locke's State-of-Nature"

Something extraordinarily important for contemporary society is MISSING in Locke's 1690's description. A primitive farmer's "skills" are not discussed at all - only his material output, fx: the "corn," is discussed. However, such skills would be the basis for Conducive Production economic output³. So as Locke missed the "skill-based, Conducive component of Value" as

³ Consider the wise farmer who, sensing a change in the weather for the season, decides to grow potatoes instead of strawberries, or to plant corn instead of wheat. What about this component of value: the skills necessary for growing potatoes on the one hand and growing strawberries on the other, and about the wisdom of seasonal planting prediction. This knowledge is needed to insure the farmer a "full range" range of cultivation plans (these represent Ashby's Requisite Variety examples for human survival strategies in (1958) and our Higher-level Ordering Capacity creation processes, in the new (draft) "A-D/C Model" paper, here enclosed, 2016).

This extraordinarily "valuable" wisdom is not inborn; it comes – just as does physical Property - from the "labor" process: from the interaction of the laborer, acting as "the agent of transformation," investing energy altering his/her external environment – or with other skilled agents. Not only do physical objects arise – the corn – but also "skills-in-farming" arise.

This is a totally different kind of value than Locke describes, even though it can easily arise in the very same processes. This "new value" (Conducive Value) is not attached to an object, but it is attached to a "living being" - the agent who participated in its development. This will be a "living" agent" who can learn, act on

he derived our Western platform for contemporary society over three hundred years ago, perhaps now, this omission suggests the platform for a step beyond Locke's materialist economy. **Conductive Economy could provide the basis for an entirely different narrative about what is valuable in society**, what it is worth the protecting and honoring in human activity, and how social institutions should be best structured so as to best insure the human society and its member's ability to maintain stability and prosper.

II. CHARACTERISTICS AND DEFINITION OF CONDUCTIVE VALUE: **SKILL-BASED, ASSOCIATIVE PRODUCTION**

A. Characteristics of Conductive Value

1. Conductive value is a tool-like facilitation of/support for "customer's" growth and development. It arises as "active agents" (living entities), combine and re-combine their skills and capabilities, and then link them to potential users – often in an interactive dialogue.

Note: a focus on the paradigmatic importance of skill and capabilities has been a major topic in recent decades, now with a substantial list of contributors, including Nobel-Prizing winning economists (see list, section IV-B below).

2. This value is based on mutual induction of skill-provision and need satisfaction decisions:

a. Mutual reciprocity requires relative social equality of horizontal network-based production

b. This value is in "the association of capabilities" (their combinatorial utility for an external user): i.e., in the association-of-parts, not in the nature of the material qualities of each part.

This form of value is missed by both capitalism and its alternatives (Marx's critique).

3. A new, post-biologic economic dynamic arises from demand-stimulation for skilled work: skills "need" to be used (see below).

4. This value resides in growth-capable (living) entities, which directly involves:

a. Societal /organizational growth: reproductive (vs. old "productive")

b. Needs for sustainable human development

5. This value is non-zero-sum, synergistic, For example the value of education is non-zero-sum in that lessons can be taught over and over without losing value.

6. This value is long-term developmental - with the result: the value is not "packagable," or commodifiable.

7. This value is promoted by:

a. Increased dialogues for constructive social interaction between skilled parties

b. Broadly skilled participants as workers and customers

c. Overviews of the market and production possibility "contexts" of production, and social dialogue.

nature, and "grow"/extend these new skills, also into the future. This value is invested in living entities: in person, in organization, and even in societies.

By contrast, Locke's Property is invested in "dead" objects whose "packaging" must remain intact and immutable (at least as "value" is being assessed in the market price discovery process in neo-classical economics).

Of course, some of the Lock's objects can be very effectively used by living agents to create more value: to create either material or skill-related. Thus, we can make a "Conductive Value" assessment for material objects – as well of course, for skills, for training, for innovation ideas, etc. In fact the Conductive Value of a "tool-like" object is precisely its ability to facilitate the development of Conductive Value in its agents (this is the basis for the word: "Conductive," in English usage).

This Conductive component of Value is thus the basis for an entirely different narrative about what is valuable in society, what it is worth the protecting and honoring, and how social institutions should be best structured so as to best insure the human' society and its member's ability to maintain stability and prosper.

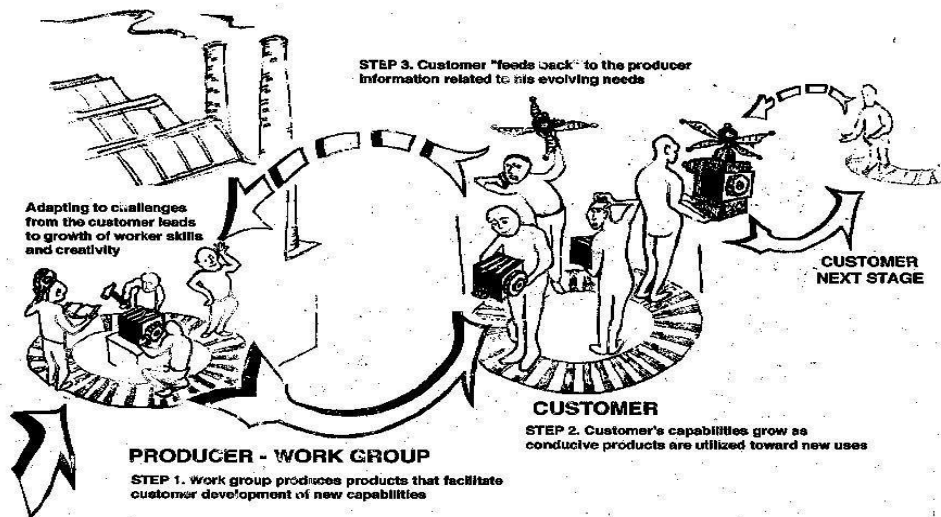


Figure 1

Conductive Production

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III. IMPLICATIONS OF CONDUCTIVE VALUE

A. Post-biological, "Conductive" needs and production processes

1. "Skills have a 'need' to be used" (these represent: post-biological-survival needs)

2. The process: the social form of Conductive production:

- A group, with diverse, but potentially combinable skills, convenes.
- The group senses and finds a potential User/Customer for its collective contributions/engagement.
- Then it develops an evolving "gestalt" of production possibilities, customer communication linkages, and customer satisfaction alternatives – to coordinate this dynamic production and exchange process (see Social Relations in Conductive Production, BSTS, 2004 b).

3. Limitations on Conductive engagement

a. The primary limitations can be found in the recent additions to Conductivity Theory from Stress-Disequilibrium Theory (see enclosed paper; the "A-D/C Model"). In order to be "creativity engaged," the individual (or organization) have an "equilibrium of flows" (a Platform of Stability) that allows an "extra surplus" over that needed to insure stable daily existence. It is this "extra surplus" which can be invested in the new Conductive combination (This is simply a restatement of Maslow's Need Hierarchy in psychology – but with a more detailed and general applicable explanatory framework).

3a. "Social norms" can moderate demands, because of reduced social distance between engaged parties.

4. There is a second, "Psycho-social" class structure that has been found in US and Swedish samples (See Draft, A-D/C Model paper, p. 16, ff 21). This is now indirectly reflected in the US political news as an emerging source of limitation for the Democratic party: a pre-occupation with highly skilled professional elites and an omission of lower-skill level occupations (a Conductive Value class differentiation), while the Republican party has traditionally favored the high income groups, omitting low income groups (a material wellbeing class differentiation).

B. Socially "associative," network-like production - in service industries and 21st century employment

1. For example, care-giver employment (often denigrated as "women's jobs," using market-model criteria), are relevant for society's needs for "reproduction," social network, and social capital development - not just "material" output/production.

2. A Problem: Destruction of Conductive Value can occur via inappropriate use of commodity production principles. Defining "Productivity" in services without measuring true output in commonplace: relying only on the labor input cost component. This is a misuse of Commodity

value/market based theory for service production: the failure is well documented in Scandinavia for “New Public Management.”

3. Breadth of definition of the value of social roles, via the market’s “wage evaluations,” are too restrictive as a measure of societal contribution. To address the current “meaningful societal engagement” challenge, a broader basis for both self-respect, and socially-recognized “worth” and contribution will be needed.

C. "Packaging" digital value/ culture for market exchange:

1. The Market price value indeterminacy for Conducive value
 - a. Value of a digital “program,” or App(lication).
 - b. Value of Microsoft, the Value of Internet companies/programs at birth; the Value during stock market bubble of 3/2000, and current company and product market evaluations.
2. Increasing economies of scale and market domination in some impersonal, but “Conducive-like” products: an (unfortunate) effect of network scale (Barbasi, ~ 2005). Also: the effect of a market possessiveness hangover?

D. Conducivity-based critique of market economic growth dynamics

Our claims:

1. There will be no active consumers to sustain economic growth, without activity-promoting products - or consumer’s active life experiences as active workers.
2. There will be no active products to train active consumers, without active production
3. Thus: Commodity Production alone - cannot sustain next stage of historical development: Conducive Production - with Active work roles - will also be necessary.

Thus from our perspective, the Keysean economist’s problem of “insufficient demand” is only a particle explanation of our “current economic crisis.” The demand deficit can certainly be partly explained by the inequality of income distribution - which puts too little money in the hands of low income persons who would spend the largest percentage of it (and encourages its unproductive “hoarding” (and worse: speculation, by ultra-high income persons -with no real need or use for it).

However, there is a second explanation in the context of Conducive Economy. This is supported by the empirical results in Sweden in 1970’s Karasek, 2014 I-a (see **Figure 3, Appendix - attached**) which show that as work becomes more “passive” leisure and political activity become more passive. We would translate this into a claim that work passivity leads to inactive, non-dynamic consumption. Michael Porter in 1990 (The Comparative Advantage of Nations [?-x]) also convincingly discusses the need for “active consumer participation” to drive economic development. Thus, the second component of “insufficient demand” is insufficiently Active Work.

IV: CURRENT RELEVANCE OF CONDUCTIVE ECONOMY:

A. The New Challenges in the World of Work and New Economy

Almost all of the current central challenges in economy and work organization require a value definition that goes beyond material, “Commodity Value.” For example, the list below of current health and the productivity issues Conducive Economy principles (close to current work and organizational psychology and sociological knowledge) are at the core of the New Work Organization. All require a definition of value that goes beyond simple material value:

1. Motivation, learning processes
2. Skills, competency development, intellectual capital
3. Stress, anxiety, depression
4. Burnout, chronic disease
5. Social trust, social capital, networking

6. Communication methods, and creative coordination strategies
7. Work organization, and quality of working life
8. Organizational structure, participative process
9. Organizational complexity, uncertainty, equilibrium maintenance.
10. (*perhaps here political science is at the core*) Distributive justice, fairness, diversity.

B. A new “Narrative” is emerging involving SKILL-BASED PRODUCTIVITY.

This narrative is based on human skills or capabilities facilitating growth of other capabilities, not a focus on material object development. This demonstrates the new centrality of Conducive Production-like principles, where “association” of skills in living organizations replaces “transformation” of inanimate physical objects in classic material technology and economics.

Multiple contributions have already been made:

1. **Porter’s** (1990 vs. Adams Smith’s Wealth of Nations, 1776) current core of economic development:(a) skilled labor force, (b) social networks of suppliers, (c) active customers) (d) motivation
2. **Sen’s** (Nobel Prize winner) **Competencies** (1992)
3. **Karasek’s Conducive Production** (1981, 1990, 2004 -(Demand/Control active work extended)
4. **Visionary Scandinavian work-change (Emory and Thorsrud, 1964, Gustavsen, 1990)**
5. **Hvid & Hasle’s, Developmental Work** (2003)
6. **Ellegard’s Reflective Production** (1997)
7. **Florida’s Creative Class** (2002)
8. **Stewart’s Intellectual Capital** (1997)
9. **Toeffler’s Prosumption** (1980, 2006)
10. **Sveiby’s Knowledge Management**(1986),
11. **Brown’s Information Economy** (199_).
12. **White’s, Concept of Competence** (1959).

III. Value Transitions – (and Current Value Confrontations) -THEME 4

Moving Beyond Capitalism's Value Framework

We now need to find the “outlines” for new social solutions: solutions that can take Capitalism's labor theory of value to a more comprehensive and socially inclusive level. Unfortunately Capitalism's current momentum is actually significantly undermining its previous virtuous transformations of the last ¾ century - with increasingly destabilizing results. The current inability of capitalism to continue to deliver a “good life,” for otherwise marginalized populations, represents an acute “new” defect (and a problem sustained by limitations on materialist “growth,” such as global warming, etc.).

The situation of low-status males is a very basic problem now receiving increasing attention. For low-status males in the Mideast (but all over the US and Europe as well) – this never-attained or deteriorating material wellbeing under Capitalism – a failed economic social role - is combined with the “traditional” relative attractiveness of fundamentalist-religion society's value platforms for low status males⁴ - in relation to their familial social roles. These two role deficits, especially in the last decades, together put Capitalism on a knife-edge of instability with major population groups it previously could satisfy in its welfare-state solutions.

In new “trade-off” this puts Western society precisely back into the 17th century fight” waged in Europe by Locke in 1690 in his, less-known, “1st Treatise on Government,” a direct battle against a religious fundamentalist basis for society (see Appendix Locke), as the prelude to bringing Capitalism's conceptual platform into being. This renewed tension is relevant with respect to conflicts with some current-day fundamentalist monotheistic populations (Islamic - and Christian, and Judaic).

Currently major value system confrontations are in the news. They also highlight the further difficulty of skipping a Stage in Cultural Value development. Such difficulties are now evident in

⁴ There is a particular monotheistic value transition problem that often appears to involve freedom-of-behavior for women. The real issue is that all of the monotheisms have a strong guarantee that all males will have the opportunity to build families. Otherwise low-status males were often relatively “irrelevant” in terms of societal reproduction in earlier historical eras – just as is the case for all our Primate ancestors. The highest status members of the primate society were “Alpha Males:” very few in number (nominally “only one” in the society: who reproduces with all of the females). Thus, all of the rest of the males were relatively superfluous, and thus represented the lowest status strata of the society. However, all females are needed to secure reproduction of the society: so their status is “in-between” the highest males, and all of the other males.

So what to do with low-status males moving from very primitive to very complex human societies? The answer in the Axial Era of human development 1800 BC to 600 AD was: monotheism. Otherwise there was no a stable formula for human society to go forward, as it moved from small villages, with face-to-face reciprocity and behavioral guarantees, on to larger urban aggregations. Karen Armstrong (The Battle for God, 19___) asserts that the one of the primary gifts and advantages of the Axial Era (the age of the monotheisms) was that it guaranteed a far more equal set of life chances to the vast majority of members of these more complex emerging society: in particular securing a chance to have a family for low status males, and then to have a stable social situation for those “family's” members – if employment/income distribution possibilities also sustained this.

This possibility is now “controversial,” - since it is secured by strong monotheistic behavioral restrictions for women, who otherwise are free to have families without permanent male attachment. These restrictions are completely obvious in the more primitive Islamic sects (and in other primitive monotheisms). Indeed they only disappear in the “most advanced, “Capitalist” societies: Scandinavia, for example. They are one of the main “flash points” of controversy now between fundamentalist Islam and the West.

For otherwise unemployed, and family-less, low status males these cultural value norms represent a major advantage of a rigid fundamentalist monotheisms - of Islam for example for many mid-Eastern males.

For Western women in the protective context of welfare-state Capitalism, this conflict was long forgotten, and the new challenge - their challenge - is female-equality according to Capitalist criteria.

decaying Mid-Eastern absolutist societies and also in marginalized Western populations also, when fundamentalist values clash with advanced forms of Capitalism (from for example, Scandinavia).

This author does not see any possibility for moving directly from a Fundamental religious platform to a Conducive Value Society. Capitalism that includes a well-functioning welfare state security platform is the necessary platform for a Conducive Economy. This would give sufficient stability to allow allowing a diversity of new “humanistic,” and often individually or locally differentiated growth possibilities. Skipping the Welfare-state step, would not “work.”⁵ With the challenges noted above, even a failure to evolve a “new step” forward for the current Welfare State could loose sufficient momentum for positive global societal change to risk backsliding at a broad scale.

What to do? Now a new stage of social value progress needs to be made. This would “pull in from outside” previously overlooked “new resources,” and then reorganize current internal social solutions so as to enable a new stage of societal growth (for example, as in the Ordering Capacity Creation discussions of the draft A-D/C Model paper, enclosed). Such a step would need to be **built upon and preserve – not reject – the progress made by both the monotheisms and Capitalism.**

The resources for such a change exist in advanced economy’s social welfare states. As we have noted, all of the New Economy resources cited in the Conducive Economy discussion are currently available but not maximally utilized - and in fact are often wasted, disavowed, or even actively undermined.

If such a thought seems “unthinkable,” certainly also disturbing would be a failure to re-energize (or if possible, re-stabilize) welfare state-based Capitalism.

⁵ The difficulty of skipping a Stage in Cultural Value development is perhaps observable in confrontations now in the news involving the most fundamental of the Islamic sect versions (and also with Christian and Judaic fundamentalisms). Most of Islam developed - as did Judaism and early Christianity - in a mid-eastern context where much of society had stable small, scale agrarian social structure and value structure. In this context the chief “Evil” to be overcome by the monotheisms was the diversity of “false,” local pagan gods.

However some of the most fundamentalist Islamic sects have instead attempted to develop an Islam that to convert populations who only in 1913, for example the Ikhwan, were still in nomadic tribes. For example, the Saudi Arabian state religion, Salafism/Wahabism, evolved from religious/political “bargains” made by the soon to predominate bin Saud royal family already in the mid-1700’s: bargains to eradicate “innovations” from even-earlier, original Islamic principles. This seems to risk a “skipped a step” in cultural evolution. These are by far the most “rigid” Islamic sects seen from a welfare-state Capitalist perspective.

Unstable value confrontations occur these sects of Islam occur even in attempts to recruit agrarian societies, and can lead to more intense contradictions when confronting the advanced Capitalist forms. Reviews of historical transformations often notice similar difficulties. Value confrontations certainly occurred also in the early history of the US as 18th and 19th century European settlers conflicted with the native-American hunter-gather populations. A “skipped stage” developmental transition problem is claimed by some to be a cause of the eventual failure of the attempt to introduce “socialism” into a primitively feudal Russia in the 1918.

Locke's Second Treatise (1690)

The source of much still current economy and political theory:

1. GOAL OF SOCIETY:

"The great and chief end therefore, of Men's uniting into Commonwealths, and putting themselves under **Government, is the Preservation of their Property.**" (P. Laslett/Locke, 2nd Treatise: Section# 124).

2. LABOR THEORY OF VALUE :

"Whatsoever then he removes out of the State that Nature .. he hath mixed his Labor with, and joined to it something .. his own, and thereby makes it his **Property.**" (P. Laslett/Locke, 2nd Treatise: Section#27).

3. RESTRICTION ON ACCUMULATION:

"As much as any one can make use of .. before it **spoils**; so much he may by his labor fix a Property in. Nor was this..., any prejudice to any other Man, since there was still **enough, and as good left**, and more than the yet unprovided could use." (P. Laslett/Locke, 2nd Treatise: Section#33).

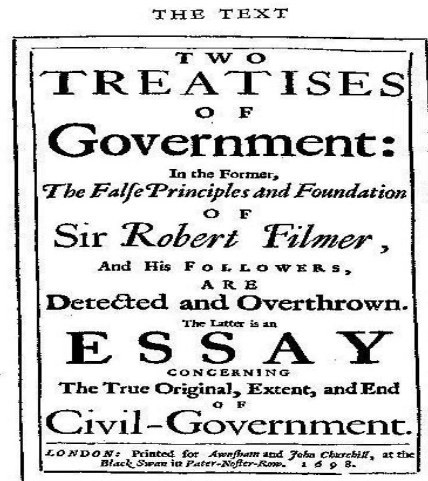
(#51) "it is very easy to conceive, without any difficulty, how Labor could be at first begin a title of property... This left no room for controversy about the title, or for encroachment on the rights of others. What portion a man carved for himself was easily seen, and it was **useless as well as dishonest to carve too much, or take more than needed.**" (ff: 1689, 1690). ." (P. Laslett/Locke, 2nd Treatise: Section#51).

4. A MAJOR CHANGE-!: "PRODUCTIVITY CALCULUS" AS A LEGITIMIZATION OF PROPERTY ACCUMULATION (Locke's manuscript changes ~ 1770 to 1713)

"He who appropriates land to himself by his labor, does not lessen but increase the common stock of mankind. ...And therefore **he, that encloses Land and has a greater plenty of the conveniences of life from ten acres, than he could have from an hundred left to Nature, may truly be said, to give ninety acres to Mankind.** "

(P. Laslett/Locke, 2nd Treatise: Section#_).

Quotations from (P. Laslett, "John Locke: Two Treatises on Government [1st and 2nd Treatise]," Cambridge U. Press, 1960/'70/'94)



Locke (1690): The Contents of First Treatise

Chap. III. Of Adam's Title to Sovereignty, by Creation

Chap. IV. Of Adam's Title to Sovereignty by Donation, Genesis I

Chap. V. Of Adam's Title to Sovereignty by Subjection of Eve

Locke (1690): The Contents of Second Treatise

Chap. II. Of the State of Nature

Chap. V. Of Property

Chap. VII. Of Political, or Civil Society (absolute monarchy & law)

Chap. VIII. Of the Beginning of Political Societies (consent)

Chap. IX. Of the Ends of Political Society and Government

(First goal of government is to protect private property)

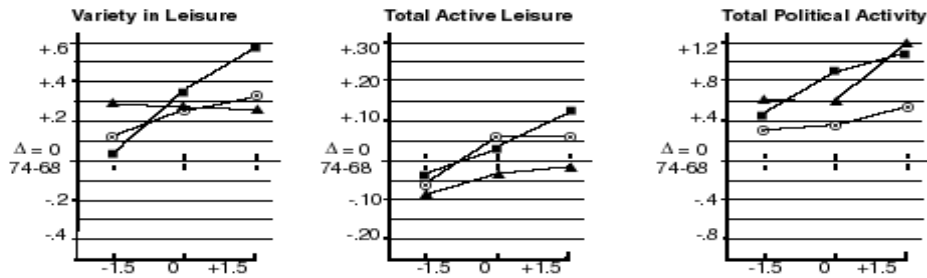
Chap. XI. Of the Extent of Legislative Power

(Law governs power, citizen assemblies make laws)

Figure 3: Changes in Active/ Passive Work and Changes in Leisure and Political Participation (Swedish employed males/1968-74) (source: Karasek, BSTS 2004-A2)

Diagram 3: SWEDISH LEVEL OF LIVING SURVEY 1968-1974 EMPLOYED MALES AGE 18-60 (n = 1638)

CONTROLLING THE "JOB SOCIALIZATION" ASSOCIATIONS 1968-1974 (Δ LEISURE BY Δ JOB CONTENT) BY EDUCATION AND FATHER'S EDUCATION: TESTING THE "JOB SELECTION" ALTERNATIVE HYPOTHESIS VIA JOB MOBILITY DETERMINANTS



Change in Job Activity Level ($= \Delta$ Discretion + Δ Demands) 1974-1968

- Own Education (> Elem) Father's Education (= Elem)
- ▲ Own Education (> Elem) Father's Education (> Elem)
- ⊙ Own Education (= Elem) Father's Education (= Elem)
- (- Own Education (= Elem) Father's Education (> Elem)
- n=48 - No Analysis Possible)

