

SECTION IV: The Theory (Chapters 26-30)

26 The Conceptual Framework

Living In the Future Tense means having a personal coherent sense of self-direction without Marx, Jesus or a flag. Economic, social and political ideologies are not pre-emptive. Each taken alone is insufficient. Rather, wealth, beliefs and power are each dependent on the other two and therefore require simultaneous resolution.

We now have UN sponsored data comparing 180 nations of the world on various measure of the human condition, allowing us to plot the actual relationship between economic, social and political ideologies to show their effect on each of the measures: no single ideology is either necessary or sufficient to ensure a high level of well-being.

In simple terms, wealth, social beliefs and power are inexorably connected and must be treated as interactive components of the human condition as a single entity. Living in the future tense requires simultaneous, not successive thinking, thus treating the human condition as a vector, not a linear projection from a primary economic, political or social ideology.

Assumptions/Assertions

$$A = \int(B, C)$$

$$B = \int(A, C)$$

$$C = \int(A, B)$$

$$A + B + C = \text{Constant}$$

An Example

A = Cheap (vs. expensive)

B = Fast (vs. slow)

C = Good Quality (vs. poor quality)

Under these assumptions/assertions you can only have two of the three. Maximize cheap and fast and you will get poor quality. If you want it fast and good, it will be expensive. If you want it cheap and good it won't be fast. Now, let's apply the example to Living in the Future Tense.

Application to Living In the Future Tense

A = Economic efficiency, wealth, growth, large GDP (vs. weak economy)

B = Social stability, low crime, good health, sense of community, high satisfaction (vs. social dysfunction)

C = Political freedom from governmental constraints (vs. governmental regulation and constraints)

Again, you can only maximize two of the three. If you have economic efficiency and social stability there will be significant externally imposed political constraints. If you have a social stability and wide individual freedoms you will not have a strong globally competitive economy. If you have a strong friction free capitalist economy with little external constraint you will have high levels of social dysfunctions.

Thus, the issue is not whether capitalism, individualism or democracy is best, but what trade-offs between the three elements result in what kind of outcomes. And, what would the outcome look like if the goal was to maximize the value of each, when each is an exponential function that can only approach the limit of 100%.

$$\lim_{n \rightarrow \infty} \left(1 + \frac{x}{n}\right)^n$$

That is, increases in each unit of one element (say quality) requires increasingly larger units from the other two (say delay and cost), i.e., if you push high quality to the extreme limit, it will be at a huge expense of time and money; whereas, larger increases in quality at the low end of the scale costs relatively little in terms of extra time or money. This rule from the example also applies to the nature of the interactions between the political (power), social (beliefs and values) and economic (wealth) realms: Taking the concentration of individual and national wealth to the limit will be at a cost of extreme reductions in governmental regulation and social stability, whereas at the lower end of the economic inequality scale this is not the case (i.e., when Gini Coefficients are small). Consider the relationship between these three comparative indexes collected by the UN for all of the nations of the world:

Inequality and Quality of Life. As disparities of income and wealth increase (a larger Gini Coefficient), there little change over low values, but at larger values there is a big increase in such things as per capita prison population and infant mortality rate.

Inequality and Role of Government. Countries with small disparities of income and wealth have either high levels of progressive taxation (as in Social Democracies) or extensive state economic authority (as in Cuba).

Role of Government and Quality of Life. Nations that impose government regulation on income and wealth inequality have fewer social problems such as large prison populations or high rates of infant mortality.

When these three relationships are plotted there are clear trend lines, but there are exceptions which can be largely accounted for by two qualifications:

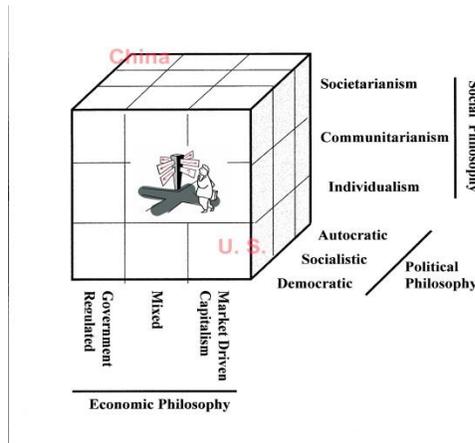
Relative Wealth. Large amounts of national wealth (high per capital GDP) are strongly related to measures of quality of life (prison population, infant mortality rate, poverty etc.). Rich, developed countries have a higher absolute quality of life than the less developed nations. Absolute wealth requires relative comparisons: high infant mortality rate is a function of both national poverty and economic inequality. Among poor countries those with income and wealth equality have fewer social problems.

Form of Government. Democracies (e.g., UN measure of “freedom”) have greater wealth (higher GDP) and less inequality of income and wealth. Although this trend is strong, there are clear exceptions, suggesting that democracy is an important factor, but not a necessary or a sufficient condition for either wealth (strong per capita GDP) or economic equality (low Gini Coefficient). The role of “freedoms” (press, speech, movement, etc.) serves as a check on the abuse of absolute authority that, most often, limits per capita wealth and equality.

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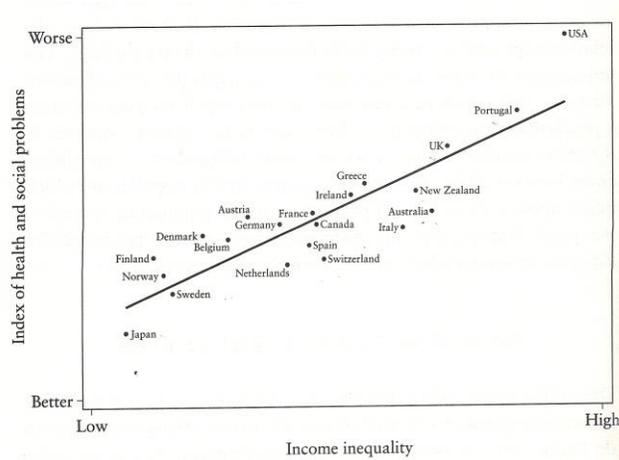
Pure political, social and economic ideologies are simply irrelevant. Empirically, each is a function of the other two and cannot be separated from them. The only question is how to best balance their interdependence for the specific cultural and geo-political circumstances of individual nations. There is no universal absolute ideal combination. What is universal is that for any given set of national circumstances there is a balance point that will maximize economic efficiency, social stability and minimize social constraints. The ideal balance, for say the

US, is most likely very different than that for China, given that both countries are culturally different and at different stages of economic developmental.



Our economic (e.g. capitalism), political (e.g. democratic) and social (e.g., individualism) ideologies are increasingly meaningless hypothetical distractions. We do not live in a fact-free ideological world. There is rational empirical knowledge from the biological, natural and social sciences for clarifying the beliefs and values necessary for living peacefully and sustainably on a crowded planet – how to find and maintain this balance is the psychological process of Living In the Future Tense (LIFT).

The comparative national world databases now available allow us to calculate the relationship between political, economic and social outcomes for similar categories of nations. The results for the Developed Countries of the world show that balance is necessary to avoid the extreme costs of excessiveness. As an empirical example, large economic inequalities are related to lower levels of social functioning.



From E. Renner, For Quality of Life, US Trails Its Peers. Tampa Bay Times, Nov. 20, 2011. The Full article is available at: <http://forumsforafuture.blogspot.com/2011/11/in-quality-of-life-us-trails-peers.html>. See also Thomas Piketty’s new, best-selling book on *Capital in the 21st Century* for a full historical accounting of the social consequences of large economic inequalities.

The End of Growth

Further, the social science information (the political, social and economic) can no longer be considered in isolation from the scientific information from the biological and natural sciences. We live on a finite planet. Human activity has placed a severe strain on the water, food, energy and climate necessary to support a growing population and to address poverty and the quality of the human condition. These are the natural limits – a ceiling – that constrain the economic, social and political inter-dependencies (i.e., $A + B + C = \text{Constant}$).

The constraint of a constant sum has not always been the case. Historically, economic growth has fueled human progress by enabling more highly developed social and political institutions, including higher levels of individual wellbeing and personal freedoms. However, we can no longer assume unlimited growth as the engine for progress. Because we are approaching ecological limits, the distribution and balances of finite resources, mediated by social and political mechanisms, must become part of the geo-political process of Living In the Future Tense.

Cognitive Tools for Rational Thinking

The person in the box represents our collective human challenge of figuring out how to live in the future tense by balancing the respective interplay of wealth (the economic), power (the political) and beliefs (personal and social). This resolution seems like an intractable problem because of four fundamental mistakes in terms of how we think about economic, political and social issues. Living in the future tense requires:

- *Matrix not hierarchical thinking.* From some reason we use economic (or political or social) concepts to try and resolve economic (or political or social) issues, and this seems reasonable to most people. This results in hierarchical thinking. Once an issue is defined as, say political, then ever thing else must flow from that starting place. Yet, for many other topics, such as planning a trip, we think simultaneously of speed, time and distance. If it is 200 miles away, and at best you can average 50 miles an hour, then we need at least 4 hours. In a situation where three things are each a function of each other, the way to address an economic issue (say income inequality) is to alter a political process or change a set of beliefs.
- *Exponential not linear relationships.* We tend to think in linear terms: the present as a continuation of the past, and the future a continuation of the present. However, this is not the natural order of most things: Population of the earth is a good example. When I was born there were 2.4 billion people in the world; there are now 7 billion. Never in all of recorded history has the population of the world tripled in one lifetime. Exponential functions have two important features: *inflection points* and *limits*. An inflection point is when there is a fundamental change requiring new ways of thinking (such as happened in my lifetime with the size of the world population). A limit is when a value approaches some finite point (such as more people than the earth can support). The ecological limit on the carrying capacity of the planet is an example of an absolute constraint on our political, economic and social arrangements and institutions. The concentration of wealth into the hands of fewer and fewer people is a similar example.
- *Constructs not concepts.* Concepts sound absolute and definitive. I prefer to use the term constructs rather than concepts because they imply that they are made-up for some purpose, but have no absolute value beyond their immediate usefulness. People have a hard time changing their mind in part because their fundamental concepts (beliefs and values) feel real; and, in part, because they form the basis of one's sense of self. On the other hand, a construct is clearly an expedient belief that can more easily be negotiated and relinquished.
- *A coherent sense of self- (not ideological) direction.* Political (e.g. progressive/conservative), Economic (e.g., free market capitalism), and Social (e.g., Christian) ideologies are external packages of beliefs and values that can be recited and are often based only on implicit assumptions and articles faith, rather than facts and knowledge. In contrast a coherent sense of self is an internal package of rational, explicit beliefs and values base on the best information available from verifiable knowledge.

The Fourth Dimension

Wealth, power and social beliefs and values are the three dimensions of interacting forces that must be reconciled with each other. Who does the resolution is the fourth dimension.

The same principles apply at the personal (individual) level, as well as at the family, group, community, nation, and international level. Too little money (as in conditions of large inequality) limits an individual person no less than world poverty limits the human condition and human progress.

The self is a microcosm of the larger geo-political drama, and all of the levels in between.

When a person is very poor, a small amount of money adds great value to the individual's level of happiness. But, each succeeding increment of wealth adds successively smaller amounts of happiness, until the limit is reached. For a person living in the United States only insignificant increases in happiness occur after an income of \$50,000 per year. Among developing nations, increases in the GDP add greatly to the quality of life. But, once the economy is developed a limit is quickly reached. It is not the absolute per capita size of a developed nation's GDP, but other factors, that determine the level of wellbeing or reported happiness of its citizens.

In fact, there is some reasons to believe that excessive accumulations of wealth can actually begin to have a negative effect of reducing the level of individual happiness and the overall well being and happiness of a nation.

Fundamental Assumptions (from Forums for a Future)

As a starting point, it is impossible to escape from constructing some fundamental basic conceptual units; I will call them core constructs. These fundamental assumptions should be: explicit, rational, internally consistent, debatable and grounded in verifiable information and knowledge. I have three that are the products of my previous Forums for a Future:

- *World citizenship is increasing more important than citizenships of the world.* In a globalized world other countries are our neighbors no less than the family down the street. The political process must encompass the breadth and complexity of competing international components of self-interest.
- *The power of balance is increasing more important than the balance of power.* Excessive wealth and power diminishes the human condition nationally and international no less than interpersonally. Social processes must be as inclusive and respectful As the complexity of actual relationships between all of the components.
- *Knowledge as public domain is increasingly more important than knowledge for financial gain.* Knowledge is now the currency of exchange for determining the balance between wealth, power and beliefs. Economic processes in the past have been determined by land, in the present by resources, and in the future by the ownership and control of knowledge and information.

If there be any doubt, think of these three things. They are a prescription for a coherent sense of self-direction for living in the future tense.