

The Ethics of Decent Society

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Conservatism vs. innovation

It takes 100% gain to cover a 50% loss. A sufficiently long string of losses bankrupts any entity. A decision always entails a chance of loss. An economy is close to zero-sum game, GDP rise being in single-digit percent. When several companies or states decide on the same goal, such as a particular product or a war, only one or a few succeed, the rest fail. The majority of decisions are therefore wrong, leading to losses. Statistically, the more decisions a company or a state makes, the faster it will completely fail.

Conservative policy is, however, also detrimental to business entities: while conservative corporations outperform the majority of competitors, they are inferior to a few companies risking successfully either by chance or through unique leadership. Conservatives survive longer than average, but they are doomed. Enterprising ventures are on the average short-lived, but some of them rise to dominance; there is no way to dominance other than through risky policies.

States, unlike corporations, are monopolists. An economically failing state does not lose its citizens (customers) to another locality. A conservative state could survive indefinitely, waiting for the more enterprising ones to rise and fall, and assimilating only the policies of time-proved efficiency. This strategy leaves its citizens much worse off than in the currently most advanced states, but much better off than in most other states. Since warfare is the ultimate risk, the best conservative states avoid wars. Conservatism is behind a decent level of otherwise mediocre economies of Sweden and Belgium.

Conservative country might do better over a longer period than

continuously innovating country like the United States. Very active country, similarly to a gambler, makes many errors, eventually enough of them to bankrupt itself. Conservative country does not reap the top income, attainable through economic innovation and bold political moves, but learns on the others' errors, and accumulate wealth relatively slowly, but steadily. Envy of the more advanced economies, coupled with incomprehension of the benefits of being conservative, might push these countries for active policies: stability is against the human nature. Already the more enterprising Swedes operate internationally or emigrate.

In the economy, competent and well-informed entrepreneurs err in most of their decisions. Only because each of them has limited funds, the errors are swiftly extinguished, and only the best decisions proliferate. States, possessing huge financial resources, could continue with wrong policies almost indefinitely, accumulating costs and distortions. Politicians generally take decisions out of the areas of their competence. Political decisions are often wittingly counter-productive, serving the lobbying groups at the expense of the rest of the people. Legislative innovation is therefore almost always detrimental to society. Bureaucracy at best acts as ballast, sustaining conservative policies. At worse, the bureaucracy formally succumbs to populist demands of innovation, but its innovation is only a new regulation. Indeed, innovation cannot be institutionalized; a closed system of government does not qualitatively upgrade itself. Radical changes come through revolutions or exceptionally strong formal and informal leaders. Since some innovation is required in developing society, new laws should be as much as possible tried in small areas, preferably various variants of the same law in different areas,

volunteering to try them for a fee. Government could hold an auction, choosing the lowest bidders (the areas which requested the lowest fee) for legislative experiments.

If conservatism is so good, why not grant monopolies to the conservative mega-corporations instead of spending the resources in fierce competition? Because the conservatives depend upon liberals who try and mostly fail, but sometimes develop viable products or policies which the conservatives eventually adopt. Also, conservatism benefits shareholders; consumers profit from innovation.

Relations of the bureaucrats with clients and superiors

In private ventures, owner is the source of sovereignty. In public companies or states, this source is shareholders or citizens. The position of citizens is more complicated: they are simultaneously owners and customers of state. The lower-level bureaucrats in a state deal with the citizens in their hypostasis as customers, not as owners. Bureaucrats are monopolistic providers of government services, therefore enjoying control over the people. Controlling the citizens, the source of state power, gives lower bureaucrats considerable control over that power. Daily communicating with citizens, lower bureaucrats acquire detailed knowledge of their profession and local situation, and develop attachment with population who is often more concerned with local officials than with the top ones. Because any regulatory system has a degree of flexibility, lower officials exercise much control over implementation of laws; while the legislature fixes a law, bureaucrats continuously interpret it. Thus, the citizens often

depend on bureaucrats more than on the parliament. These circumstances make lower bureaucracy powerful compared to the top echelon. The closer contact the officials have with the population (paperwork processing by mail allows for the least contact), the more flexibility they have in interpreting the laws, the more powerful they are. Lower bureaucrats are less visible to media than the top ones, and are more stable in their offices; government employees are hard to fire, while political appointees are easy to change. Mid-level officials are the most stable: not communicating with citizens-customers, they are almost immune from complaints. Shareholders, unlike citizens, are not customers of their managers. The corporate equivalent of citizen-customers is employees who are personally attached to lower-level managers. Because the power and de facto jurisdictional legitimacy is dispersed throughout the bureaucracy, the top officials cannot command their subordinates as in the small private companies, but have to resort to somewhat consensual decision-making, considering the views of the lower officials.

Since an individual bureaucrat could oversee only a limited scope of activity, whether of employees or subordinate officials, the bigger is an entity, the more hierarchical layers are required to administer it. Besides personal attachments, each bureaucrat acquires experience, making him not transparently replaceable; certainly, a top manager cannot fire a large group of administrators without disrupting the operation. Bureaucrats are not conveyor employees, but micro-managers with complex knowledge about their field which is not taught generically in universities, who make silly legislation or corporate orders workable and tolerable for the people; this knowledge provides them with bargaining power the higher officials

have to consider. Hierarchical management systems operate similar to the market: no one could issue orders, but rather induces others to accept his offers. The bargaining power differs between the societies: lower bureaucrats usually possess most power in primitive economies lacking basic control and response mechanisms; in advanced economies, lower officials are emasculated into clerks through pervasive control both by the higher echelons and by the public aware of its rights, and only the mid-to-high level officials have the informal power to wreck the unwelcome laws.

Since the administration requires much of arbitrary decision-making, rather than simply paperwork processing, current generation of computers cannot significantly replace bureaucrats. Computers are more important for control of subordinate officials: from mundane monitoring of them being at work to verification of their results to analysis of their performance. Better communication and control allows for higher concentration of power in hands of top managers. This trend is partially offset by complex modern legislation in states and complicated operations in business entities, requiring the officials at every level to take more diverse and thus less controllable decisions. Possible arrival of computers with AI capabilities might allow for greater centralization, with computerized bureaucrats operated from the top as a single body. Such a tremendous advance in inexpensive data processing would likely give more knowledge and power to people, providing for greater decentralization.

Shortcomings of bureaucracy

Bureaucracy suffers from the same rationalist fallacy as the central planning, or any positive regulation: arbitrary decisions by opinionated managers applied to the whole system. Market, on the contrary, tests huge number of possible decisions on each issue; only the best solutions survive, and eventually proliferate to universal adoption.

Top bureaucrats can impose almost any solutions on humble citizens, but not on subordinate officials with whom they share the illegitimate power in the implicit cover-up arrangement. Uninformed bargaining is the preferred method of cooperation between hierarchical levels: top official puts forward a goal, and lower officials come up with their requirements of the resources (money and authority) needed to reach it. Always accepting their demands in full would result in creeping concentration of powers at the bottom of bureaucracy. The superiors therefore have to bargain, cutting the demands. In market economy, many independent acts of bargaining allow determining quasi-objective price; in bureaucracy, bargaining is centralized, and any settlement is arbitrary. Neither the higher, nor the lower officials know how much resources are required; the latter could plausibly estimate, but the former could only capriciously reduce the demands. The lower officials know the game and routinely inflate their estimates to offset the highest likely reduction, and so with only average reduction they receive more than needed. Leaving the funds unused would discredit the subsequent demands; spending just the exact amount allocated is usually impossible because

planning is never so precise. Accordingly, bureaucrats overspend the already superfluous funds. Regulation is inherently wasteful.

Government, unlike companies, cannot appraise the work of its employees based on their input in the value added – because government operation produces no assessable value. State uses other factors to guess the salaries and bonuses due to bureaucrats: comparison with wages in private sector (where more knowledgeable employees do meaningful work), amounts of money controlled (or, rather, wasted), volume of documents processed (tremendous in bureaucratic organizations), or a number customers served (regardless of their satisfaction). None of these considerations suggests the officials to do their job better – but rather the opposite, to hire employees with bad education and vaguely defined responsibilities, to increase the volume of operations and paperwork, to demand more funds, and to apply the regulation to larger circle of people. Imitating the work pressure is salary-wise more effective than working. Ballooning operations and shrinking from work result in perpetual hiring of new bureaucrats and redistributing of workload among the employees. This process is uncheckable, because in the absence of competition between similar bureaucratic establishments, the top managers cannot ascertain the relative quality of work and capacity of their subordinates. When the money belongs to no one in particular, but to the state, and is thus free, hiring new employees is the easiest way to keep doing the job.

The propensities of bureaucratic establishment to increase employment and the scope of operations are mutually reinforcing, providing for continuous rise of the bureaucracy and its powers. This rise is only checked by economic capacity of state: bureaucracy both

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takes from this capacity (wages of the officials), and diminishes it (bureaucrats could be productively employed in private sector; regulation stifles the economy, and forces many enterprising people to move to less regulated jurisdictions). Wealthy states with technological economy sustain unprecedented levels of bureaucracy and regulation, but they are no exception to the historical rule that overregulation kills states. This should not happen in democracies with responsive and responsible government; unfortunately, there are no such governments. Shifting politicians, even if wise and honest, cannot change the slough of bureaucracy, which is the real government. A closed system does not kill itself; parasite kills its host. Bureaucratic government expands until it kills a state. Reforms help only temporarily: new bureaucracy soon emerges. The only preventive means is the love of freedom, when people resist the bureaucratic regulation of their life.

Optimizing the bureaucracy

An obvious way of administering the huge, ineffective structures is breaking them into small semi-independent operations. Feudal societies employed this approach out of necessity because a king was unable to directly control the people in the age of poor communication and transportation. Presidents of states and top managers resent sharing of their power with "feudal" heads of such operations.

The ventures, involving dispersed independent decision-making on significant issues, are uncontrollable and lack a coherent policy. When the control could be achieved, as by the people keeping an eye

on their municipalities, dispersed decision-making works well: local administrations wield significant power, using it reasonably efficiently and responsibly. Higher-level officials gradually encroach on the power of local administrations through obligatory laws and subsidies.

Breaking a large entity into small ones does not decrease the bureaucracy, but rather introduces more managers (heads of individual operations) with authoritarian powers, making the system more active. Since each small entity (a corporate subsidiary or state department) nominally belongs to multitude of owners (shareholders or citizens) with diverse views, its policy is still conservative, and therefore less efficient than of the best private entities. Besides this systemic inferiority, bureaucrats develop the qualities opposite to those that bring entrepreneurs to market dominance: loyalty to the superiors, aversion to the initiative and risk-taking, moderate intellect and criticism. A habit of working with money belonging to other people but not controlled by them generally results in corruption or carelessness. Unlike the market, the bureaucracy promotes the people with worst traits, squeezing out those with decent character.

Market promotes the people and behaviors which best serve the interests of customers. Since the desires of citizens and even shareholders cannot be objectively assessed and quantified, advancement of bureaucrats theoretically cannot be related to how well they serve the people. Thus the officials are unconcerned with the people's/ shareholders needs. Customers implicitly decide on advancement of entrepreneurs; superiors explicitly decide on advancement of bureaucrats. Rational officials serve their superiors, not citizens and shareholders. People often hate those whom they

offended: rationalizing the offense as just helps to escape from feeling the guilt. Daily violating their fiduciary obligations before citizens or shareholders, bureaucrats hate and despise them to preserve their own self-esteem. The group loyalty, hostility to other citizens or shareholders, and routine abuse of the trust makes the bureaucracy a perverse self-serving institution.

Promoting the officials down up, by vote of the colleagues or subordinates instead of the decisions of superiors, would improve the bureaucracy by replacing loyalty with professionalism as a major factor in advancement. This approach will also considerably insulate the bureaucracy from ignorant political appointees. Conservatism is statistically better than swings of policy.

Bureaucracy should be replaced with market entities as much as possible. Full privatization is a must; government services should be outsourced. In outsourcing, government generally pursues its interest at the expense of citizens, though in the limits set by laws. So the concessions go to the highest bidder, not to the most lax the citizens would naturally prefer. For example, tax farmers might replace tax administration, passing to the state 90% of the collected revenues, but not less than the minimum amount that they bade at the auction of tax farms. Tax administration might then be limited to a small body auditing the tax farmers, and even this work could be outsourced to private auditors. In the instances when the citizens directly benefit from public provisions, vote is preferable to auction: various private security companies could offer their services to a county at different rates, with the inhabitants voting to choose one of them.

Legislation, centralized setting of procedures might in some cases give way to setting of the objectives. The end of ecological

laws is to provide the environment acceptable to locals; they are entitled to accept a polluting factory for the jobs it offers – if they wish. Similarly, the inhabitants might impose more stringent pollution controls in their area than the government suggests. State only needs to empower the localities to adopt ecological rules. Likewise, local bureaucrats might be allowed to set their own procedures within the prescribed limits; tax flow would reward the localities with the most streamlined regulation.

Because the laws cannot describe every situation, their implementation must remain flexible: a rigid bureaucratic system is ineffective. Too much flexibility transforms into arbitrariness: economic operators, on the contrary, need predictable government policy. Good bureaucracy strikes a balance between rigid predictability of most decisions and flexibility (generally favoring subjects at the expense of government) in rare instances.

Corruption

In market economy, people do not care about the efforts and merits; they pay for results, for goods and services rendered to them. The results of bureaucratic work cannot be ascertained: the value of the official services is negative; the best procedures are not cumbersome to customers (not very negative). None of the bureaucratic affairs (licensing, taxation, etc) has positive value to citizen-customers; even if such an affair is theoretically devised (the government helping to prepare resumes), it would still be cost-wise inefficient compared to the similar private service, and thus of negative value to customers. Clients could reward the reduction of

negative value with bribes, or rather tips for doing the official work pleasantly to the client or in overtime without violating the procedures; bureaucrats work in service sector and are entitled to tips promoting the behavior enjoyable to customers.

Bureaucrats are forthcoming to bribes. Corruption furthers self-interest of entrepreneurs who often receive a significant portion of their profit from the government (orders, subsidies, concessions, tax breaks). Politicians, inherently dependent on businesses and wealthy individuals for campaign financing, are corrupted. Their appointees in higher echelons of bureaucracy therefore also welcome bribes. Mid-level officials, aspiring to these higher positions, are relatively prone to corruption, as well.

Mid- and high-level bureaucrats enjoy more flexibility in their decisions than their lower colleagues, and could often influence political opinions which are bound very little. The government from politicians down to mid-level bureaucrats is therefore both willing to take bribes, and is sufficiently flexible in making the decisions to offer them for sale to bribers.

This qualitative difference in corruptibility between bureaucratic echelons is fundamental and inextinguishable. Political decision-making is inherently arbitrary – otherwise the computers could replace the government. Politicians heavily depend on the bureaucrats for carrying out their decisions, thus having to share the flexibility—the power—with them. The officials above certain level would always retain the power of arbitrary decisions, attractive to some who could benefit from such decisions.

No public control could prevent moderate abuse of the arbitrary powers: every decision is justified by seemingly rational concerns,

and could not be dismissed as unambiguously wrong. Corruption is inherent in democratic states where each group employs its voting power to get a maximum part of the budget pie: democratic politicians are used to solutions detrimental to the society but favoring the lobbying groups on whom these politicians depend. Whether this dependence is for votes (a congressman demanding pork barrel spending for his district), or for the money which buy the votes (through advertising or jobs in his district), does not matter in the environment of blurred morals.

Public intolerance to bribes, strong police, and detailed regulation allowed the advanced states to extinguish the low-level corruption. This might not be entirely beneficial, because the detailed regulation became overregulation, stifling economic growth. Public, unlike mid-to-large entrepreneurs, has a good reason to not tolerate bribes: corruption is ineffective. When multitude of low-level bureaucrats is corrupt, every suitor is in the same situation: the officials are easily approachable, the required kickbacks are well known, the concessions are predictable. No briber could further his interest through bribe more than the others could. Bribers do not get comparative advantage. The situation changes on the higher levels: mid-to-top bureaucrats are relatively few, and mid-to-large companies are few, as well. A major factor required for isomorphous operation is multitude of transactions. When parties are few, and the volume of transactions (bribes and concessions) is very limited, the "market" for bribes is not homogeneous. Large bribers correctly expect to gain the comparative advantage over their competitors through corruption: to pay less, to receive more, or to approach an

official whom their competitors cannot bribe. A demand for mid-to-high level corruption exists in every state.

Opposing the corruption does not straightforwardly benefit the society, but only when the corruption could be fully eliminated. Repressions against the corrupt mid-to-high level officials are detrimental to the society, as any futile struggle is. The bureaucrats in underdeveloped corrupt countries often siphon 10-30% of the value of government concessions as kickbacks. Developed states with better public control, do not allow such abuse. The officials there receive sometimes less than 0.1% of the government concessions as bribes. Superficially good, this arrangement results in skyrocketing pork barrel spending: in order to receive a meaningful absolute amount of bribes, the officials award huge wasteful contracts and other concessions which, not being unambiguously wrong, pass the public control with limited outcry. The bribers benefit from the fight against corruption: they receive more resources for the same amount of bribes.

Corruption, as any phenomenon, should not be driven into extreme, including the extreme of zero corruption. The natural urge of the people holding the official positions to benefit from the money flow they control, would find the ways around any legislative and public-control obstacles (which are only defensive, reactive, thus always lagging behind the innovations of profit-seeking officials). Pushing the bribes below a certain point, perhaps 0.5-3% of the value of government concessions, counterproductively increases the pork barrel spending. Losses of government funds to lobbying corporate interests are small relative to other waste, such as wages of state

employees or superfluous welfare. Corruption is not very significant economically in transparent societies.

Profiting from money flow controlled is a standard feature of market economy. CEO of a larger corporation receives higher salary than CEO of a small company. Stock valuations are based in no small part on sales. Investment bankers take commissions on the issue amount.

A policy of toleration to minor bribes would allow regulating them. Lobbyists might be required to register their projects, providing for better control by the public and especially by the competing bribers. Incomes of the officials would become known and taxed. Legalization of bribes would check the alienation of bureaucrats who now engage in criminal, immoral activity, and despise their victims, the commoners, to preserve self-esteem. The bureaucracy released from prohibitions on natural non-violent behavior would become more transparent, less ugly. Bureaucrats, legally profiting from bribes, would be tempted to demand more money and powers, which might inflate the budget. This is not a shortcoming of the legalization, but happens now, anyway. Allowed and accounted bribes would normalize the relations between different hierarchical levels. The bureaucrats receiving more tips are more efficient. They would buy allegiance of subordinates and goodwill of superiors, allowing the efficient policies and behavior to proliferate through the bureaucratic system, improving it.

Legalizing bribes would go a long way toward minimizing them into non-significance. A major factor behind the corruption is a hope of the bribers to approach the bureaucrats inaccessible to their competitors, thus assuring themselves of relative advantage. With all

bureaucrats equally and legally accessible, bribing them brings no comparative advantage. Bribes would turn into insignificant tips. With several officials usually doing the same job, each having the signatory right, they would compete for the tips, also pushing them down. Any unusually high profit they would spend on appointments, paying to the superiors and financing the elections – returning the bribers' money into the economy. Everyone realizes that people without financial means (their own, of a group or a party) practically cannot be elected to the high political offices: good or bad, this is the only way of elections in a large country where the candidates depend on mass media for promotion. Government likewise could auction the mid-to-high offices to qualified bureaucrats who would pay almost as much as they expect to receive in bribes, making the corruption almost unprofitable.

The "market" measure of legalizing bribes would work only in reasonably transparent, democratic, market economy; in oligarchic economy with limited access to power, this measure would only aggravate the problems and legalize hitherto illegal fortunes.

Political term

Seeking to engage more voters, the mainstream political parties watered down their platforms so that they became alike. A major remaining differentiation is negative: rejection of the policies of the competing party. A party coming to power aims at abrogating the programs instituted by its competitors, and instituting the opposite or at least different programs. This approach kills the long-term projects, creating two trends: short-term outlook of the government

(reinforced by the political necessity of demonstrating achievements during the election term), and extremely risky long-term policies embarked by some administrations for populist reasons in the expectation of subsequent government checking these policies.

In democracies with transparent lawmaking, outright wrong programs are rare. Almost any policy, sustained over the projected period of its implementation, is better than the continuous reversals of policies. Society might limit the possibilities of such reversals.

A governing political party is unlikely to exploit this permanency by introducing the programs detrimental to its competitor's electorate, if only for fear of reciprocation. In interrelated society, a policy continuously detrimental to one large group often negatively affects other groups. A governing party expecting to come to power again soon, would rationally refrain from undermining the economy.

Absence of the real platform differences provokes hostility between the political parties to sustain a chasm preventing the voters from swinging to the competitors. Society constrains the hostility among its members by tit-for-tat doctrine, reciprocally punishing the non-cooperation. Political parties now do not fear reciprocation: coming to power, they can abolish the predecessor's decisions, eliminating the threat. Long-term legislation closes this loophole, making the political parties mutually accommodative, and cooperating.

The lobbyists, unconcerned with the society or reciprocation, might attempt to exploit the extended term of government programs. This would not make the things worse than now, when the lobbied programs are usually the long-livers. The lobbied programs cannot be

especially abusive in transparent societies, and perhaps are more efficient than other legislation: lobbying at least proves that the projects benefit significant groups or business interests (thus also groups of workers or shareholders).

Predictability of government policies is a major factor for unimpeded operation of the market. Rational subjects from subsidized minorities to school districts to weapons manufacturers would prefer certainty to possible temporary gains – and no less possible losses. Society welcomes long-term policies.

The long term does not mean immutability. The programs could still be revoked – but the burden of proof is on their opponents. Abolition could be achieved by supermajority vote of parliament, guarding against clearly abusive decisions.

Many practices are ridiculously short-term. Why adopt the budget annually? It suffices to fix most expenses as a percentage of government income, setting aside a small amount for emergency provisions. Every proposed change to the budget might be re-voted annually for five years – and adopted only if consistently voted for. This would allow the congressmen a chance to study the changes, while now most of them have no idea what they vote for.

Why hold frequent elections, when platform differences between the mass parties are minuscule? Most democratic countries have two major parties or coalitions, intermittently coming to power. Each such party represents about the same number of voters; the one that came to power in a particular period, is not more legitimate than another. Longer election term would wrestle the disproportionate power from the minority voters and small parties who now preside over the balance of power, deciding the elections by aligning with

this or that major party. This alignment is usually unprincipled, coming out of dissatisfaction with the amount of sops received from the previous government. At every election, both major parties compete for the allegiance of this small critical group, gradually and persistently increasing its power and share of budget. Many people vote for opposition because the incumbent politicians acquired a publicized bad reputation; the opposition, away from the power, naturally comes to the elections cleaner.

Why elect a president every four or five years? Ten- to fifteen-year term would not make him a monarch, yet would allow for less populist, wiser policies. A politician have to demonstrate his worst personal qualities (conformism, unscrupulousness, corruption) to ascend; a long office term allows him to become a decent human again. Two-term limit is impractical: tyrants could disregard or circumvent this legal restriction, while democracies with free speech and transparent elections need not fear a president arrogating lifetime power. A president so popular that he is re-elected the third time, who grew in experience, and whose policies came to fruition during these years, is a boon to his nation, worthy to be awarded a prolonged third term of fifteen years, not to be thrown out of the office. The two-term limit was introduced to allow the parties better chance to contest the power, not to comply with wishes of the people. On the other hand, why retain for five years a leader whose support dwindled sometimes to mere 10-12%?

To mitigate arbitrariness of term limits, introduce contracts with politicians. Candidates should register their promises with the election authorities. Violation of these promises, attested by court, should result in impeachment without a recall vote. Most candidates

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The Ethics of Decent Society would offer vague programs whose breach is impossible to prove. On their background, honest candidates with clear and realistic promises might gain support. Similarly to commercial contracts, the candidates could be prohibited from employing misleading or vague statements in their contracts with the public.

Buying the votes

The prohibition of buying the votes is unwarranted. Democracy presumes responsibility of voters. If the state considers them irresponsible, then the proper choice is paternalistic rule of aristocracy, meritocracy, or autocracy. Voters in a democracy are entitled to prefer a particular politician for any reason, even for his facial appearance. Even more, the people might align themselves with a candidate for immediate financial gain instead of waiting for the future fulfillment of dubious promises by another candidate. Given the dismal record of the politicians delivering on their election-time promises, getting at least some real cash by selling one's vote is a rational decision.

Possibility of buying the votes meant great inequality for candidates in city-states, and still the bribery was common in Rome. Candidates in nation-wide are already unequal: those without large financial support cannot mount an effective election campaign. This difference suggests a criterion: the purchase of votes might be allowed where it does not significantly add to the existing inequality of candidates. Local councils' elections are relatively inexpensive endeavors, with candidates relying on meetings with people and small-time advertising; like in the ancient democracies, candidates

could change the outcome by buying the votes. When large number of voters is involved, from large-city mayoral elections up, the elections are so much dependent on money, anyway, that legalizing the purchase of votes might even decrease this dependence by making the use of money more efficient, thus requiring less of it. Equality of candidates is not a legitimate concern of states that cannot provide equality of opportunities in other matters, from intellect to beauty to luck. Money is just one major distinction between candidates. Asocial advantages, such as connections and proficiency in demagogy, often proved more important.

Advertising is essentially the same buying of votes, adding them by spending money without the voters knowing or even being concerned with actual qualities of candidates. Advertising is a rich man's way to bribe the voters; the restriction on doing so directly is relatively more disadvantageous to less well-off candidates.

Unnatural prohibitions do not work, and often lead to the results opposite to intended; prohibitions of murder and stealing generally benefit everyone, while ban on bribing the voters runs again the wishes of the very citizens it intends to protect.

The indirect bribing affords huge advantage to incumbents who routinely and legally bribe the constituencies with government funds through state contracts, subsidies, and tax breaks. The "bribing by promises," a legal means of extreme corruption, allows the candidates to entice the voters with public money, promising them the financial advantages *if* the candidates are elected. Since each candidate strives to come up with the highest bid, eventually they squander the budget, earmarking it for kickbacks to the support groups. This approach is free for candidates, and most detrimental to

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society; allowing the candidates to bribe the voters directly might reduce the need for budget-sharing promises. Superfluity of budget provokes its squandering. The only way to almost eliminate the budget waste is keeping the state revenues to a minimum required to finance the most urgent needs.

Cost of buying elections is not prohibitive to common people; at least, not more prohibitive than now. Candidates' expenses generally amount to less than ten dollars per vote, an amount that could be easily collected from the support base. Candidates still retain an option of influencing the voters through traditional channels, such as advertising, instead of buying the votes.

In absence of spending restrictions, billionaires could buy their way into presidential office. Politicians fear the scenario that would put them out of business, but citizens might embrace it. People who earned or even handled without squandering so huge amounts, are likely more prudent than the political incumbents. Historically, offsprings of rich families proved decent presidents.

Paying for votes would not corrupt the politics, but rather make corruption unprofitable, since price of votes would rise to about the expected benefits and, likely, above them – a natural occurrence in the irrational political market with limited supply (a number of seats). People who seek profit would neither buy the offices, nor finance other to do so. One exception is very bright and immoral entrepreneurs who expect to squeeze above-average profits from being close to government; they, however, have similar possibilities, albeit informal, under the current system. So clever people in parliament might benefit society even if they appropriate a bit; unprofessional politicians are on the balance worse.

The concept of anonymous donations is impractical. The mass of small donors gets no influence on candidates, anyway. The large donors, even if submitting anonymously, could always inform the candidates of their payments, and the candidates could always verify that so large payments, indeed, were posted. Limiting the election funds by modest amount is unreasonable and undemocratic, leveling the opportunities of candidates with mass support and without it. If the allowed funds are limited, it makes more sense to candidates to fill them with few large donations than working hard with small donors.

One solution is limiting a per-voter donation by small amount, and prohibiting anonymous contributions, making the financial resources of candidates approximately proportional to their popular support. This approach puts new parties at disadvantage: not yet popular, they rely on few sponsors, even those ready to sacrifice all their wealth to promote the idea. The approach might be adjusted by allowing a limited amount of large donations. Any particular limit would be entirely arbitrary: discriminating against new parties if too small, creating a loophole for big donors of ruling parties if too large, and in any case inefficient since there is plenty of soft money around the elections. The soft money cannot be fully regulated without quashing the grassroots democracy: who can prohibit various groups to support the candidates they like with advertising, demonstrations, or other means? So long as such support is allowed, large donors could buy advertising, trade unions could stage demonstrations, and so on, without directly subsidizing their candidates.

Just elections

Majority (winner-takes-all) voting translates into members of parliament (MPs) having different number of votes. And vice versa, the voters' share in parliamentary representation varies. In a district of 100,000 voters, sometimes 50,000 votes win the election, sometimes only 10,000. Accordingly, from ten or fifty thousand voters share a single representative, and each citizen's weight in the parliamentary decision-making varies (fivefold, in this example). That the MPs represent the whole districts, not only those who voted for them, is a fiction. The majority voting inescapably creates conflicts of interest: voters' preferences clash, and the MPs cater foremost to their core support groups at the expense of others whom they ostensibly represent.

Equal representation could be achieved with proportional voting without electoral barriers. Many countries institute barriers, usually 3-5% of the votes, to push fringe parties out of parliaments and make the assemblies manageable. Such objective is dishonest and counterproductive. Fringe groups and emerging ideas are critical for evolution of societies, and excluding them from parliaments freezes societies, impedes their development. Barriers put dubious expediency before equality, and infringe on representation rights of many voters. The number of thus effectively disenfranchised voters is especially large in new democracies without established political spectrum. In developed democracies, barriers considerably deter voters from new parties with new ideas which the voters do not expect to pass the barrier. An especially hypocritical practice associated with the election barrier is distribution of the seats of

parties which did not pass the barrier to those who did. That practice amounts to assigning to voters the parliamentary representatives for whom they did not vote, and often whom the voters oppose. That creates conflicts of interest similar to those in the majority elections: MPs cannot honestly represent citizens who voted against them and their platforms.

Monopolies are condemned, and start-ups encouraged elsewhere; in politics, election barriers put obstacles to start-up parties, and two or three behemoth parties guard their monopoly. If anything, large parties must be forcibly dissolved, like monopolistic corporations, and the maximum number of MPs from each party must be limited.

Legal responsibility for electoral promises would also cap the metastasing parties. Parties try to snare the largest audience, and offer something to everyone; promises are often contradictory. Government routinely controls advertising of pharmaceuticals; potentially more damaging political advertising is unchecked. Like drug manufacturers must state certain facts, so the parties should be obliged to issue a set of electoral promises, violation or non-fulfillment of which for whatever reason must impeach the party from the current parliament.

Youth is unreasonably excluded from elections. Teenagers could marry before, and certainly can elect. Adults' election choices are often so bad that hardly any other choices could be worse. Young people are more responsive to new ideas, and would diversify the political spectrum. Ageing population would otherwise force reactionary conservatism in politics.

When physics became fashionable, and many people streamed into the occupation, Einstein suggested shooting one in a hundred to assure that only the most dedicated join the ranks. That might be more than a joking approach to politicians who seriously affect much more lives than could be lost in such a selection.

A curious feature of parliaments is one MP – one vote system. Such is entirely unwarranted. Imagine, say, hundred MPs elected in a country in proportional elections, where one MP received 10% of the votes, while the others – 0.9% each. Their voting power must be proportionally different. A modern solution to this problem is party lists: a party with 10% votes receives 10 seats; voting power roughly reflects the election results. The correlation is only rough because the votes are rounded: 1.49% votes make only one seat in a hundred-member parliament; the rounding may especially harm small new parties which can lose up to a third of their votes, as in the given example (0.49 out of 1.49%).

Party lists generated a problem of spongers: people unknown to the public, unable to gather a substantial number of votes, yet included in the lists to fill the seats. For example, in 400-member parliament, a party which expects to obtain 50%, must have minimum two hundred people on the list, usually more. Yet, the public effectively votes only for the first five-to-ten candidates at the beginning of the list. Others, virtually unknown to the public, pass into the parliament without the effective endorsement of voters, and are non-elected in any meaningful sense. Yet, they are plenipotentiary representatives of people, and theoretically vote individually, rather than mechanically reflecting the decisions of parties whose lists they fill. Parties recognized the problem of non-

compliance, and often bind their MPs to vote according to the party line under the threat of excommunication. That practice, however, infringes on the recognized duty of each MP to vote according to his conscience in the best interest of his voters; the issue, meanwhile, is that the “list-ballast” MPs have no voters. Looking from another angle, people who voted for a party list expect the elected MPs to vote coherently, according to the platform or to the stated opinions of well-known members of the list. Thus, the list MPs are expected to vote as corporate body. In that case, why elect individuals to parliaments?

To do away with the ballast MPs, the parties should be allocated voting power proportional to the electoral results. Thus, a party that received 30% of the votes should have 30% voting weight in the parliament, and realize that weight as a corporate body. The party lists should be abrogated; parties might advertise their famous members as an election effort, but that membership should be irrelevant to parliamentary process. Rather, each party, after internal deliberation according to its own procedures, should submit a single vote. The internal deliberation procedure may vary to suit citizens’ tastes: from bureaucratic and secret to public discussion and open vote by several prominent members of the party. Take, for example, a parliament that consists of four parties which have voting weight of 40, 30, 20, and 10%, respectively. A resolution passes if the first and the third parties, amounting between them to 60% of the parliamentary vote, accept it. This system of all-party voting makes rounding of votes unnecessary: a party that received 1.49% of votes during election has 1.49% voting weight in the parliament.

The party voting also deals with problems of manageability of parliament and its resistance to populism which are now confronted with election barriers: parliaments are transformed from mass operations where the majority of members do not influence legislation but engage in lobbying and self-promotion, into the small councils of reasonably efficient and responsible parties. Such councils are more likely to arrive at sensible decisions. Empirically, large parliaments are neither transparent, nor professional. Adding more MPs does not result in mutual control and transparency, because they loathe criticizing their own parties, and criticize the other parties only superficially to limit reciprocal damage. Adding more MPs does not increase knowledge pool, since the people ascending the political ladder are mostly lawyers, demagogues, or unsuccessful in their previous occupations; even if a rare expert arrives, other MPs cannot evaluate his knowledge. Parliaments never adhered to the ideal of abstract legislation, and pass laws on thousands of specific issues, and cannot assemble the MPs knowledgeable of every field they regulate. At any rate, parliaments are not expert, but commonsensical institutions, and increasing the member count reduces the common denominator of sense.

The party voting in no way excludes individuals from parliaments. People can form one-man parties, and join parliaments with whatever voting power they acquire during elections. In a country of a hundred million population, anyone could get a hundred votes, and potentially join the parliament with 0.0001% voting power. To keep the things practical, a threshold is necessary, perhaps at 0.1%. Such barrier does not exclude meaningful ideas from the political process, and is much lower than barriers in one MP – one

vote parliaments. Popular politicians would find it feasible to run alone and assemble the voting power of possibly 15-20% for themselves, rather than lead the parties to get a bit more votes at the cost of accommodating various interests. Now the popular politicians have to join the parties as the only way to realize the support they enjoy: running alone, a politician receives a single vote in the parliament, while dragging ballast candidates along in the party list, he receives additional voting power of his partisans in the parliament. If he would be able to get to himself all the voting power that the citizens award him during elections, instead of a single vote, he might shun the party lists. Bright public figures might replace party functionaries in parliaments. Such assemblies would be, in a sense, aristocratic, consisting of worthy or at least outstanding people with strong characters. They can very well evaluate candidates for prime minister, and control him after the appointment.

Real-time voting

Internet could dramatically change the power structure by allowing continuous voting. Now, for technical reasons, voting can only be conducted once in a while. With real-time voting, people express or change their opinions when they wish. Once a presidential or MP candidate accumulates more support than incumbent by reasonable margin or holds advantage for a meaningful time, he replaces the incumbent. The election becomes continuous, liquidating the loophole now enjoyed by incumbents who behave irresponsibly until the next elections. With continuous voting, deviation from electoral promises would be punished immediately.

Voting power of MPs would not be anonymous, but a sum of the express power of attorney given by a number of certain citizens. Voters effectively become principals, and MPs – their attorneys. No MPs would represent the citizens who did not vote; shedding that fig leaf of nominal representation (MP representing even the constituency that did not vote for him) might encourage people to vote. People may even appoint different representatives for different issues: it makes sense to appoint different attorneys for military and economic matters. Practical realization might be cumbersome, though, since many issues are hard to categorize. People may appoint ad hoc representatives for particular issues. Such system would spell an end to parliaments as close self-serving bodies, and create a mess for lobbyists.

Real-time voting could be taken a step further. People would find it expedient to delegate most decision-making to MPs. But citizens can vote directly for the issues they deem important. For example, an MP represents 100,000 people who voted for him. When the parliament discusses declaration of war, 70,000 of his voters choose to vote directly through Internet. His voting power, accordingly, drops to 30,000 votes. Possibility of such fluctuations would diminish lobbying, because no MP could guarantee his promises to lobbyists: at the time of vote, his voting power may shrink considerably. Voting in such scenario would not be instantaneous, but take perhaps a couple of weeks; MPs represent their principals who did not vote during that period.

Extreme liberal societies might eventually dissolve parliaments, and retain only voting by individual citizens. Such voting could be organized as two ballots: one citizen – one vote, and tax-proportional

voting power; measures should pass both ballots. Rallying people for every proposed piece of legislation would be very cumbersome, and the amount of legislation would drop drastically. Pure direct democracy cannot pass laws by the majority of those who voted; that would open it to abuse of, say, 2% of population passing a law when 1% opposes and 97% do not participate. Laws should be adopted only by majority of entire population.

Direct voting would seriously diminish the power of interest groups which now disproportionately influence elections and parliament decision-making. Vociferous minorities influence elections by higher-than-average attendance to election booths. When, however, each MP represents only those who specifically empowered him, that disproportionality ceases to be advantageous. Individual citizens who vote for line items from their homes do not have to be politically correct like the MPs and nod to every special interest wrapped in morals. Population cannot be lobbied, and the PR campaigns have little effect when attempting to induce people to forsake their interests, like increasing taxation for benefit of some. Moreover, individual citizens may vote not the budget as a whole, but particular allocations. The ability of really influencing the government decisions may increase popular participation, further diminishing the power of groups which unbalance societies. Direct voting without the counterbalancing corporate chamber of parliament would force detrimental legislation on businesses, and drive them to more welcoming jurisdictions. That would force the governments to scrap complex taxation and return to customs duty and sales tax as main sources of revenue.

A tremendously important by-product of direct democracy is stratification of societies and appearance of virtual states with varying policies. Thus, voters unable to obtain the majority decision to finance Nicaraguan contras may choose instead to direct part of their own taxes to this purpose, or to collect extra-taxation funds to finance the goals of their choice. Likewise, another group may choose to pay more taxes, using them to provide free healthcare for the group members. Eventually, territorial state may perform only basic functions, while virtual groups tax themselves and spend the proceeds as they wish. Importantly, such virtual groups are ad hoc creations: a person may join a group A for one purpose, and group B for another, e.g., group A collects 1% tax to counter hunger in Africa, and group B collects 0.2% tax to preserve butterflies in Amazon. In theory, such groups can be created around every line in the budget: some people supporting (and financing) this expense, and other – that. Because disagreements would arise as to the amount of spending on each budgetary line, the stratification would eventually stop at the level of individual, with each person deciding how much he wants to spend for each budgetary or other purpose. Since his enjoyment of that purpose must be regulated accordingly (e.g., he cannot use highways for free if he does not direct his taxes to their construction), public projects would be effectively dissolved into private pay-as-you-use, or communal use-as-you-paid endeavors. Essentially, people would spend from their own tax accounts, and severely limit the government-controlled budget. They would spend their own money with grater care than politicians do. It is technically possible even now to track myriad votes by individual citizens, and to direct funds and allow (or bill) usage accordingly.

People may find support for direct democracy among bureaucrats. Direct democracy weakens the corrupt representative institutions, depriving them of the power of arbitrary decision-making on the most important issues, which would be subjected to real-time referenda. Such weakening would increase the relative position of bureaucrats who implement the decisions – whether of representative body or of referenda. Direct democracy would decentralize bureaucracy: each ad hoc group would appoint mini-president to manage its budget and program. Bureaucrats love decentralization, which establishes more independent offices, and offer better career possibilities, if on a smaller scale.

Having satisfied their basic needs, people in affluent societies open for themselves a large variety of interests, and have very different aspirations. They no more represent a coherent electorate, or two-three constituencies as before. Direct democracy allows them to attain their very particular goals when lumped into large groups.

Proponents of stealth democracy assume that public cares only about economic issues while ready to entrust politics to professionals. MPs who hardly ever read the laws they pass are not professionals; law degree does not make one economist or political intriguer. Some MPs are skilled bureaucrats, but their workflow efficiency does not make the laws beneficial to public. People discuss eagerly and with uncanny knowledge sports and movies, both less relevant practically than politics. Disinterest in politics stems from frustration. People prefer declarative disinterest to feeling powerless and cheated in something important. Direct democracy would make the individual opinion count again, and bring people to vote; lively debate by curious and interested individuals often knowledgeable in the

discussed areas would replace cynicism. Reasonable laws are more likely to be passed by many independent votes of citizens than by a compromise vote of MPs who strive to arrive at the (lowest) common denominator.

Citizens might prepare to direct democracy by honing their skills in managing corporations. Minor shareholders could continuously vote on corporate matters instead of the proxy representation. Such involvement in daily operations would reduce the abuse by managers.

Voting by money

Money could not be taken out of the political equation. Nor should it be, since the government mostly deals with redistribution. It is only understandable that people with large financial stakes seek more influence over the government than do the people with modest means. It is not against reason that people or corporations contributing high amounts to state revenue or GDP are accorded more control over the allotment of budget. Other minority groups, based not on finances, but on ethnicity or occupation, routinely press the government for the concessions they could not obtain by democratic voting; this approach is universally accepted. Why refuse the same right to the financial minority?

The extent of possible money-wise participation is flexible: from a “security council” with veto power checking excesses of democracy’s redistribution to a chamber of parliament. Voting power of senators in that chamber is a function of taxes paid by their private and corporate voters. The elections could take place territorially, and winners acquire the voting power based on the taxes collected in their

districts. Each voter could have a vote equal to his taxes; one dollar – one vote. Since to account for taxes paid the ballot cannot be secret, elections could be replaced with appointment of parliamentary representatives: each private or corporate taxpayer appoints an attorney, and a hundred attorneys who received the top dollar votes enter the parliament. Taxpayers could change representatives through online system at any time, switching from the attorneys who did not pass into the parliament to those who did, and between the latter.

Parliamentary representation of corporations is odd, but they are implicitly represented now through lobbying. Representing them is no more odd than taxing them. Mandating disbursement of all corporate profits to shareholders, taxing only individuals, and representing only them in parliament would reestablish the common sense shattered by legal fiction of artificial entities.

People and Money chambers would check and balance each other like the current systems of popular vs. regional representation cannot. Ambitious corporations and individuals would have an incentive to pay more taxes. Transparent political process would largely replace lobbying, corruption, and even engineering of public opinion through mass media. Bright entrepreneurs would create policies, now a prerogative of demagogic politicians. Educated middle class and the rich would shape the elections results in the Money chamber, and make the parliament more intellectual than now. Many members of the Money chamber would represent their own fortunes, and be more responsible than politicians who divide others' money. This would solve a major problem of democracy: majority redistributes the money of the productive minority and thus the investment resources until the economy is exhausted.

Parliaments originally balanced the power between people and money, represented by aristocracy. After Industrial Revolution, aristocracy represented not money, but land holdings. After massive sale of land to agricultural bourgeoisie, aristocracy was left with nothing but the title for representing territories. This gave rise to nominally two-chamber parliaments where senates account for territories. This system is not effective even in federal states; autonomies can oppose the house only on rare issues important to a majority of them. After decades or centuries of federal coexistence, controversies between central government and autonomies become minimal, often only redistribution quarrels. House and Senate do not check each other. Introduction of the Money chamber would return parliaments to historically tested balance of ends and means, people and resources.

Money chamber would offer the financial interests reasonable influence, and make the current level of corporate involvement in the elections of people's representatives not feasible. To further impede collusion between the chambers, house members could be appointed randomly from among the population. Reliance on the common sense of average citizens worked in jury trials, and would similarly work in parliament. Current elections are a reverse selection, bringing to power people of the worst moral qualities; random system might do better. A small number of parliamentarians could be elected to allow direct legislative influence to popular leaders.

Regulating non-isomorphous societies

When states expanded from city to nation level, they incorporated groups with diverse, often contradictory values and interests which could be correlated by two basic means: going down to the lowest common denominator, or bribery. In the first scenario, the regulatory decisions are primitive. When public control is weak, the decisions become chaotic, exploiting the temporary weaknesses in other groups' positions. Expecting retaliation or curtailing of thus acquired privileges, interest groups exploit the opportunities to the maximum, to beef up their position for subsequent bargain. Special interests similarly exploit concessions they received from the other groups in return for acquiescence to benefits those groups claimed for themselves. Bribery by reciprocal concessions skyrocket along with redistribution demands: people and groups get used to the benefits and demand more, and claim more of the budget pie ahead of the others. Chaotic regulation and increasing demands bankrupt states.

Earlier, only few groups ruled a state, and they could often reach consensus, especially since they had common opponent, the people. Increased social mobility, resulting activism, and political transparency brought many more groups to the fore of politics. Their diversity and fluidity precludes cooperation, and they predatory exploit regulatory and financial powers of states.

In less developed societies generally, and in liberal democracies on urgent issues, the power of groups depends less on numbers, and more on their aggressiveness. Otherwise, the power of political parties is largely proportional to their voters' base. Parties increase that base by two ways: aligning with large donors and fooling the

people into voting with massive deceptive advertising (right), and appealing to voters with lucrative promises (left). Deception is not a great long-term policy in transparent societies; even the right appease their voters, albeit less than the left do. In result, parties compete in bribing the voters, spiraling redistribution. That process was evident even in homogeneous democracies, such as Rome, and facilitated in modern heterogeneous democracies. Plebs asked for concessions; interest groups ask for *preferential* concessions. When each of many groups continuously demands benefits larger than given to others, government expenses increase exponentially.

Aristocracy balanced popular demands, delaying the bankruptcy. Totalitarian states similarly checked redistribution. The two checks in transparent liberal democracies are rationality of voters, and the ability of politicians and their corporate sponsors to fool the people. Both are flimsy, and liberal states eat themselves through redistribution.

Homogeneous democracies often produced illustrious leaders; heterogeneous societies are content with dull politicians agreeable to most groups and threatening neither one's interests. The more diverse groups comprise the society, the more compromises are necessary in ascending to power, assuring the mediocrity or mendacity of leaders in general. Such politicians cannot persuade the people to limit redistribution.

Political parties aim at attracting more voters even though their interests clash. Election platforms thus become fuzzy, to attract more and offend less people. Heterogeneous democracies facilitate political isomorphism. Parties offer similar programs, and voters choose them either habitually, or randomly, or based on advertising

tricks, or opposing unsatisfactory current rule. Except during crises, when something needs to be done, rational leaders prefer inaction - to not offend voters and to not obstruct pay-offs to donors.

The above factors make states decline more rapidly than in antiquity, a tendency offset in the past three centuries by extremely fast increase of wealth, allowing states to finance the increasing demands and sustain crippling regulation. Communalist societies like traditional Japan that have less of internal group struggle, thus less of chaotic regulation and welfare demands, develop very fast, but accumulating affluence breaks homogeneity. Societies are torn by conflicting interests and decline, except, theoretically, if they become fluid and continuously reshuffle the population into relatively homogeneous mini-states, or remain economically liberal with very little regulation and redistribution.

Why intellectuals lean to the left

The intelligentsia is independent and respects dissent, thus liberal, unlike modern humanitarians with socialist leanings. Intellectuals on government payroll spur irrelevant knowledge on the topics of interest only to themselves, which would could be researched or published only with government funds. They loathe liberal society where they could not find customers or sponsors for the gibberish they work on. They favor bureaucratic state with plenty of regulation, since they expect to influence such state with their theories or at least justify its policies. With highly specialized knowledge, they do not see incognizable complexity of the world. They are rationalist, and support government positivism.

Centralized funding created the intellectual bureaucracy, turning science into a regulated establishment, where advancement depends on scribbled PhD dissertations and papers dusting in libraries, and which inhibits free thought and resists outsiders. The “official” intelligentsia carried out an educational revolution, stifling study outside universities. When the intelligentsia turned professional, they called spontaneous inquiry amateurish and quashed it.

When Plato imagined wise philosopher heading the ideal state, he did not mean scholarly bureaucrats. The hierarchy of intellectuals makes them self-righteous (since government certifies that they are right by funding them), intolerant (critique endangers their income), leftist (they depend upon the government), opposing liberal economy (inability to earn causes contempt of private property), and positivist (intellectuals influence regulation). Government subsidies bribe intellectuals to justify the regime before the people – at people's cost in taxes.

The bias of corporate media

Shared ownership of the media and manufacturing corporations creates conflicts of interest, especially when the suppliers, like weapons manufacturers, are involved in government business and depend on public opinion. This effect is significant in undeveloped economies where oligarchs monopolize the media, less so in developed countries.

While much or most of population is uncritical of the information it receives, some refuse to swallow the lies. There is

always a demand for truth, and some media stick to the facts. The truth is not unlike other goods: high quality products are relatively rare and expensive, while cheaper imitations and outright trash abound. The media produce biased "trash reporting" heavily subsidized by lobbies, corporate interests, and ad revenues. Quality dissent is more expensive and rare but still available wider than ever before and enjoys considerable subsidies from ideologically charged funds, institutes, and political organizations, like trade unions, the Greens, and activist charities, and often from the competing political or business interests. It uses the free grassroots support less available to the established media and earns significant ad revenues, though less per subscriber, than the established media. Dissent usually addresses radical and educated audiences less vulnerable to promotional hype. Readers of the leftist press are often poor, making it less attractive to advertisers. *The Daily Herald* earns about half the British average per-subscriber ad revenues.

Like other corporations, media companies try to get bigger. Media outlets fight for market share just as Nike and Reebok. Truthful reporting does not compete; sensational reporting does. Undermining the opposition is a marketing strategy, so media entities watch each other to keep the lies from going too far. Commercial interests behind major mass media companies cannot promote themselves too blatantly or the competition blows the whistle. Similarly, media cannot unreservedly support a government: damaged credibility means less income. Media balance commercial interests of its owners (conservative, right-wing, militaristic, advertising-only) with market share concerns and therefore audience preferences (democratic, left-wing, pacifist, advertising-free).

GE and Westinghouse compete as weapons manufacturers, but as media giants, they promote militaristic policies and the arms race together. The conflict of interest is morally reprehensible but hardly avoidable: corporations are entitled to promote products and build markets by brainwashing if they like. People can take it all with a grain of salt or switch channels.

Is there really a conflict of interest? Are the media responsible to the people? Perhaps so in totalitarian societies with government controlled media, but in market economies with a great diversity of privately owned media, information is just another good for sale; let the buyer beware. Short of outright lies, biased advertising or reporting based on facts are acceptable, just like a contract might be ambiguous but not outright deceptive. Political parties twist the facts to suit their policies, even though they are responsible to the people. No one could be forced to diligently explain every side of the truth, and opinions are inherently subjective. Forcing promoters to present the facts even-handedly is impossible, like any positivism. Each side argues his case, whether before jury or public. People must discern the truth by comparing opinions and information critically.

Most media share basic interests, such as loyalty to legitimate government or consent to unpopular or demagogic rule, and do not present information that works against their interest. This situation is neither admirable nor bad, in the sense of opposed to a good. Dissent has always been risky, and good enough that liberal societies allow it. There is no practical way to popularize dissent, and it is not evident that fringe views should be promoted, especially since they often contradict each other. By definition, fringe views are unacceptable to most people, and usually for good reason.. The public does not

benefit from facilitated access to radical opinions it cannot critically assess without specialized knowledge. Viable opinions filtering through time, suppression, and the judgment of people who find, research, and discuss them. Globalization and the information revolution make the dissemination of dissent easier.

Absence of law vs. lawlessness

Since central planning does not work, bureaucrats act arbitrarily. They either create *ad hoc* legislation, like the early Soviet commissars, or formulate arbitrary decisions as acts of planning or simply bend the law.

When anarcho-socialists advocate abandoning legislation, they argue for lifting constraints on bureaucrats, but they want to retain control not only of most property but also just about every aspect of politics and even morals, determining what income distribution is just.. Without a legislative framework, such control foments lawlessness.

True anarchists demand an end of law only because they reject regulation. Where no individual or group can impose its views without popular consent, there is no need to frame laws to that end.

Anarchists vs. socialists

The difference between anarchists and socialists is clear from German and Spanish history. In Germany, many communists joined the Nazis, because both preached essentially the same totalitarianism, with insignificantly different objectives of national or class

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supremacy. Both enjoyed the supposed transition period, featuring draconic means to achieve elusive objectives.

Anarchist Spain was the only country to resist fascism on principle, but not because it posed an external threat. The power in anarchist communities was distributed and opposed totalitarianism naturally.

In the areas they dominated, the socialists immediately built bureaucratic government economies agreeable to both the local bourgeoisie and the soviets and not far from fascist model, a fact which later led to rapprochement with the fascists.

The morals of a free society are not inferior to socialist morals

The killing of a single person is irrelevant to society yet is harshly condemned, because it is relevant to the killed person. Society prefers to punish political deviation but does not, since universal freedom of thought is essential. Natural law corresponds to the values of typical people, not transcendent social goals.

Liberalism presupposes that people are mostly good, and few criminal laws curtail evil inclinations. Socialism presumes people evil and stupid, in need of government support, regulation, and guidance.

Some capitalists are repulsive. But if they are so bad, why many people initially cooperated with them, and allowed them to ascend? Rather, power of money, as any power, corrupts, and top entrepreneurs often show their worst qualities to the powerless. Free societies with developed economy, liquid labor and capital markets limit such manifestations to mere unpleasantness, not detrimental action. In socialist system, big government promotes incredibly

worse behavior, sifting for bureaucratic positions people of unthreatening mediocrity and loyalty to superiors. Mega-corporations have much of the same bureaucratic culture, though significantly mitigated by the necessity of keeping themselves economically efficient; corporations, unlike a government, compete.

Free society is not inherently individualistic: people may still live in communes, but they are not forced to. Only free people could unite in harmonious communities. Like atoms, people are held in communities by opposing forces of attraction and repulsion. Like black holes destroy the matter, so the unnatural unification in classes, religious groups, or nations breaks connections between people. Propaganda cannot induce compassion, a major factor behind neighborhoods. Suggesting transcendent collective ethics, socialists have to treat community either as synergetic product of complex adaptive system, or as living being. In the first case, communal ethics is not completely comprehensible, just like the operation of free market. Just like the planning should not replace economic decisions by individuals, so the imagined societal ethics should not replace ethics of individuals. Socialists want collective ethics just as they want planned economy, and reject people's aspirations which contradict centralized decisions on economics or morals. People become expendable screws in the supposedly rational, but in fact arbitrary machine of society. Community becomes self-sufficient, and ignores its members. Liberalism accepts real ethics of real people, and avoids clashes through minimal regulation.

Individualism is not egoism, but prevalence of individual interest, checked by societal interests only in extreme situations and

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manifestations. Bible proclaims individual ethics by enjoining from following the majority to evil.

A major threat to freedom now comes not from totalitarian rulers, but from democracies. Coercion by rulers is easily recognizable, and causes revolts. Big Brother states trick people into abrogating their freedom for supposedly higher ideal of nation. People who want to regain freedom are thus presented as egoists who disregard the collective. But they just want to return to natural balance of interests that existed before governments invented nations to subjugate and rule the people as single bodies. In fact, people convinced that they are irrelevant part of all-important bodies, nations, restrain and rule themselves for benefit of governments.

Not only socialism but all rigidly ordered societies suppress people's feelings until they finally break out with devastating effects. The German example is instructive: its wars, especially its civil wars—the sixteenth-century Peasants' Wars, the twentieth-century Holocaust were exceptionally brutal. Free society vents grievances by readjustment, ongoing political action or low-level civil conflict.

Societies disregarding property soon need to diminish freedom, and despise life. They are aggressive. Economically liberal societies are tolerant and respectful. People concerned with their life, lifestyle, and property do not want to risk them in aggression.

Modern socialists oppose capitalism. But what is it? Supposedly distinctive features as private property on the means of production, and hired labor existed since time immemorial. Socialists therefore oppose historical norm to arrive at egalitarianism that only existed in the most economically primitive societies. Since primitive economies are more egalitarian, socialists often side with luddites

against improvements, such as banks, bigger factories, and globalization.

Socialism suppresses some very powerful drives: ownership, business initiative, and hierarchy, forces which cannot be long inhibited unless eliminated by ideological brainwashing and the prohibition of dissent. Capitalist society, in contrast, is based on those drives and is more stable and usually unafraid of dissent. While implicitly opposing egalitarianism, liberal society prohibits not ideas but their violent realization. Wage demands and Chomskian moralizing benefit society by opposing the liberal ideal. More ideas are always good; people can find their way among them. Socialism's fear of liberal ideas and free markets condemns it.

Socialists contend that free market immorally wastes resources on competition instead of spending them for the hungry. But absence of competition eliminates pressure on prices, and consumers pay more than in market economy. Centrally planned economy works for itself, not for consumers. The primary objective of bureaucrats is covering their planning errors, thus forcing the unwanted products on consumers, and sustaining deficit of other goods. Planned economy is concerned with utilizing full industrial capacity, amortizing the assets. This precludes innovation which makes industrial assets obsolete before they are worn out. Socialists say political order ends suffering. Many other things, however, cause anguish besides lack of goods which is losing significance in developed societies. Socialism's real purpose, fed by envy of those better off, is to eliminate the benchmark, to level everything and everyone.

If the end of suffering is the goal, then why not create a perfectly hedonistic society with Huxley's hypnopedia? Why not

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The Ethics of Decent Society discourage love or mountain climbing, either of which could lead to pain? Shifting the definition of suffering from starvation to lack of high quality food and housing, the government builds an elaborate regulatory framework to protect people from the real world, restricting their freedom to live, to achieve, to suffer, to err. Absence of suffering, negation of negative, implies nothing about enjoyment, the positive. People who do not suffer might still be unhappy, and past suffering sometimes adds to happiness.

Societal harmony and evolution depends on the people being different, with varying and complimentary aspirations and achievements. Some push the economy by entrepreneurship. Some disregard money, but drive the economy even more by inventions. Some disregard any thing material or individualistic, pursuing intellectual values. Most avoid intellectual work or business responsibility, consent with what they receive from employers or government, like their hunter-gatherer ancestors received living from nature. Dull people are no less important than the advanced, and provide society with inertia, assuring its stability against unproven innovation. Rationalist attempts to make all people equally successful in business, similarly educated, receiving the same wage, politically active or subjugated to central authority, destabilize society. Socialism does not extinguish classes, defined as interest groups. Every significant profession becomes a class, lobbying the government for wage increase at the expense of others. In capitalist society, people who want to increase their income, serve others better. Bureaucracy, army, and ideological cadres are privileged classes under socialism that depends on regulation, restriction of property, and indoctrination. Socialism exacerbates class

antagonisms because policies are unidirectional, constantly propping some classes at the expense of others. Free market continuously readjusts the classes through myriad mini-confrontations, price and wage bargains. Socialists tend to nationalism, because international manufacturing cooperation depresses wages of inefficient workers in developed countries. Failure to unite the proletarians of all nations shows that workers do not form an interest group, but align with entrepreneurs against competing workers, their real enemies. Workers had passing common interest, opposing entrepreneurs, only in boundary case of the transition to industrial economy. In capitalist societies, only conscientious unemployed on welfare form a class potentially antagonistic to the rich, and even such unemployed realize that taking money from state is better than leveling wealth. All other people value the property. They might be jealous of the rich, but not fundamentally opposing them: protection of property remains the common interest. Recognizing absence of significant class distinctions in free market societies, socialists assert class-like boundaries between developed countries and the third world. Globalization establishes worldwide free market, blurring the borders similarly to domestic class distinctions. International aid and permanently restructured cheap loans soften the transition. Similarly to worker-entrepreneur integration in competing units, third world manufacturers and exporters align with their customers from developed countries, complimenting each other rather than warring.

Socialism is an oxymoronic framework for extorting charity, demanding beneficence, endorsing robbery. The poor are invited to hand responsibility for their lives to others. Class hatred is institutionalized, transforming charity into reparations. The poor

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consent to let the bureaucracy run the state and the mechanisms of redistribution in return for kickbacks in the guise of subsidies.

The physical world parallels social equality. Gas molecules move at different speeds, converging toward equality as the temperature approaches absolute zero. Similarly, social sophistication increases inequality. Incomes diverge first, and talents follow. Socialists must equalize talents before leveling incomes. The phenomenon is well known: socialist redistribution succeeds only where other liberties are suppressed and people made morally equal at the lowest common denominator. Only people who see themselves as equals would agree to level incomes. Unless they see themselves as brothers voluntarily, people must be reduced to homogeneity. Totalitarianism is socialism's other face.

Contrary to common opinion, unrestrained markets do not infringe on personal relations, except perhaps for communal dependence. On the contrary, free markets require each person to earnestly deal with multitudes of customers and co-workers to stay in business. Socialist economies do not require that, since activity is regulated, and very little depends on people's will.

The common misconception that free economies breed alienation arises when communal neighborhoods disappear when people are more mobile, wealthier, and less dependent on their neighbors.

Free market societies are more competitive than regulatory socialism, but competition is not enmity. Economic competition is a bloodless way to resolve class and even ethnic conflicts. International trade regulation often causes wars when markets fail to adjust economic relations. Competition with some means alliance with

others: a grocer competes against a couple of nearby shops, but stretches himself to serve his customers better. Competition is essential to innovation, the basis of modern technological economy. In a regulated economy, only curiosity drives innovation.

Evolution is eliminated not just the weak, but inefficient behavior. Socialism supports the weak, suppresses competition and evolution. Social benefits now come at the cost to future generations who would be worse off than in a competitive market system.

Extremism is unpleasant; balance, attractive. No wonder, many find the American get-rich culture repulsive, though that culture is not free market but rather unrestrained self-interest. Workaholic habits, extreme self-reliance, and idealization of wealth produce very strong economies, but not integrated societies. Such an economy is unsustainable. A large percentage of the American GDP derives from irrational activity: stock and money market speculation, currency exports, weapons produced for government consumption. Another important percentage comes from unnecessary goods or goods with unnecessary features. Foreigners subsidize Americans by importing dollars and bonds, investing in ballooning stocks and losing on the collapse, paying premium prices for American brands, and paying excessive prices to politically supported monopolies. Japan follows a somewhat similar pattern: a work-first attitude produces an overheated economy with booms and busts. Mass media exacerbate the trend with the consumerist ads Huxley predicted.

A possible reason for this "culture of gain" is the cultural blank slate of the melting pot of poor, uneducated immigrants. Uprooted and lacking the traditional guidance of intellectual and religious elites, and understanding liberalism only vaguely, they clung to the

The Ethics of Decent Society material. Poverty was the only evil in a free country. With no aristocracy, the rich were the only elite. Money was the totem because people saw no other, the clearest measure of independence and decency. The nation went after profit. Severing all ties (unlike Canada and Australia), people lost old morals along with old values. Getting rich by any means, gambling and swindling included, became acceptable. Reciprocity vanishes where profit is at stake. Theorists must define non-reciprocal society: whether exploitative strategies make the community richer faster, whether the bottom 50% or 80% get richer faster or not, and whether such an order is stable. But a non-reciprocal neighborhood is a very uncomfortable to live.

The high American crime rate is due not only to the inner cities, the multitudes on welfare, and the influx of ethnic groups into mainstream society. Consumerism builds anxiety. Demand rises faster than purchasing power, thanks to pervasive advertising and consumer habits, and produces dissatisfaction. When people sense they cannot close the gap, frustration increases,, and they consider crossing the line of criminality.

Nature comes into its own. American society is slowly acquiring a culture, which restrains the drive for gain. That might slow economic growth, but also might make people happier and society robust.

Family

Divorce, like adoption, changes children's environment forcibly. Divorce, however, more closely resembles natural calamity and lacks the arbitrariness of adoption for profit. Though the

distinction is blurred, prohibiting divorce is impractical; bearing a child cannot be treated as entering a binding parental contract, if only because children have considerable latitude in the reciprocal obligation of caring for their parents. If that obligation were fixed legally, as in Biblical times, parents could be kept from harming their children by divorce or disrespect. The significant damages both divorcing parents would pay their children would both discourage and resolve the matter. Society likewise might oblige children to support their parents after a certain age, repaying their imputed or factual expenses or paying a "parents tax" on income. That arrangement is superior to government-operated pension systems which could be reduced to the minimum. People would have more children. Such an arrangement is legitimate under economic liberalism, because parents are obligated to their children from birth, and children owe their lives to their parents, a good which requires compensation, as does any other.