

# TOPICAL ESSAYS (2007–16)

## In Search of the Peace Dividend

The sense of relief that greeted the end of the cold war was soon joined by an eager anticipation of the peace dividend, an economic rebate after years of massive military spending. In the event the relief was palpable but the economic impact was short-lived. While world military expenditure in 2004 was still 6% below the 1988 cold war peak, this has to be balanced against an average annual rate of increase over the past 6 years of 4.2% in real terms. In the 3 years to 2004, this figure bounced up to 6%.

The major contributor to the escalation is the US budget for the ‘global war on terrorism’, primarily for operations in Afghanistan and Iraq, although the latter had no demonstrable link to terrorism. The money has come largely from supplementary appropriations on top of the regular defence budget. In 2003–05, these amounted to \$238 billion, more than the combined military spending in 2004 of the entire developing world, including China and the Middle East.

But developing countries have also increased their military spending, even more than official figures suggest, often to finance internecine warfare. Low national income and violent conflict seem to go together since eight out of ten of the world’s poorest countries are suffering or have recently suffered from large-scale armed conflict.<sup>1</sup>

The costs are hard to pin down. Governments engaged in civil war tend to play down military expenditure, which, in any case, does not take account of spending by non-government forces, often financed from the sale of natural resources. Moreover, the cost of fighting is only part of the total cost of war. Also to be taken into account, though difficult to quantify, is the impact on economic growth both on the country at war and on neighbouring countries that have nothing to do with the conflict.

Put like this it might seem that a sustainable peace dividend will remain beyond our grasp. But though not immediately apparent, there are grounds for optimism. Knowledge is increasingly emerging about the root causes of civil conflict starting with political, economic and social inequalities, extreme poverty, economic stagnation, poor government services, high unemployment and environmental degradation.<sup>2</sup> While some strategists call for the adoption of ‘co-operative imperialism’ which implies active military intervention in the affairs of developing countries by major powers, others argue that a long-term remedy requires an integrated policy on security and development, including new types of economic aid programmes, debt cancellation, the removal of barriers to trade in goods and services from low income countries and the sharing of technological know-how, some of which could be financed through a reallocation of resources from military to civil means of promoting peace and security.

This debate overlaps with the war on terrorism. The first official US reaction to the events of September 11, 2001 was to boost military spending and to spend more on internal security with increases in police manpower, more sophisticated intelligence services and tighter border controls. While these moves addressed the symptoms of terrorism, governments are aware of the need to address also the causes of terrorism. The National Strategy for

Combating Terrorism, adopted by the USA in February 2003, specifies long-term measures against the ‘underlying conditions that promote the despair and the destructive visions of political change that lead people to embrace, rather than shun, terrorism’.

Yet the USA still gives priority to military expenditure of a sort that could only be justified if a continental war was in prospect. Furthermore, the war on terrorism has also had a strong domestic impact in the USA. The Patriot Act, introduced after the attacks of September 11, 2001, sliced into civil liberties with powers for law enforcement agencies to use wire taps, search warrants and other surveillance techniques, often under the cloak of secrecy. That these radical changes to the US legal system were introduced with little in the way of public debate or protest is a measure of the widespread fear in the USA of what terrorists might achieve if they get their hands on high-tech weapons. But little has been done to help towards eradicating the breeding grounds of violence.

European countries spend less on the military but also give emphasis to internal security with wider powers to the police to hold suspects without trial, seemingly unaware that they risk the erosion of civil liberties and the alienation of minority groups whose co-operation is crucial to the success of counterterrorism.

All the evidence suggests that there will be little progress towards lifting the threat of terrorism until resources are reallocated from military build-up and ever more onerous domestic security in the richer nations to helping poorer countries achieve social cohesion, political stability and economic development. Policies to these ends might even produce the elusive peace dividend.

This is the thinking behind the concept of ‘global public goods’, embraced by the United Nations Development Programme.<sup>3</sup> At the national level, public goods, such as health, education and defence, are paid for, not by the individual citizen but by community-wide taxes. Similarly, global public goods—measures to promote peace and security—should be raised above individual countries to become world concerns. This may seem an obvious point but it has failed to make the required impact on developed countries. In fact, net resource flows from member countries of the OECD to countries in need of aid fell from \$264 billion in 1995 to \$151 billion in 2002. A World Bank study estimates that another \$40–60 billion a year in foreign aid is required to reach the UN’s Millennium Development Goals by 2015.<sup>4</sup> Broader policies to provide for poor countries and fragile states would require substantially more resources.

How is the necessary money to be raised? Various forms of global taxes have been suggested. In the 1980s, the Brandt Commission put forward the idea of imposing taxes on international trade, notably the arms trade, for development purposes. Grants from private foundations and other non-government organizations have increased in recent years. At the time of writing, Bill Gates has backed a health foundation for the developing world to the tune of \$29 billion. However, national governments are notoriously slow to get the point. The best laid plans are liable to be disrupted by short-sighted politicians in pursuit of votes. Yet in an increasingly interdependent world the international financing of peace and security on an unprecedented scale is a matter of urgency. We should not wait for another terrorist outrage to spur action.

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<sup>1</sup>F. Stewart. Root causes of violent conflict in developing countries. *British Medical Journal*, vol. 324, 9 Feb. 2002; p. 342.

<sup>2</sup>F. Stewart and V. FitzGerald (eds.) *War and Underdevelopment, vol. 1, The Economic and Social Consequences of Conflict*, OUP, 2001. (See also the UN’s High Level Panel Report: <http://www.un.org/secureworld/>).

<sup>3</sup>I. Kaul et al, *Providing Global Public Goods: Managing Globalization*. UN Development Programme, OUP, 2003.

<sup>4</sup>World Bank. The costs of attaining the Millennium Development Goals.

## Two Cheers for Democracy

*Barry Turner Charts the Uneven Course for a Political Ideal*

It is one of the great ironies of contemporary politics that while the western powers proclaim the virtues of democracy to the rest of the world, they themselves seem to be losing faith in the legitimacy of popular governments.

Judged by election figures, political participation has never been lower. In the OECD countries levels of voting in national and local elections is down by about 70% on 30 years ago. Political parties as mass organizations are a distant memory. Long gone are the days when party membership was the strength of grass roots organization. Even those voters who do turn out on election days are reluctant to involve themselves in the mechanics of democracy. Young people in particular find no virtue in championing political heroes; too many have turned out to have had feet of clay. Of all social groups politicians command least respect. Derided in the media for apparent or real ineptitude they are like the dreamer of the recurring nightmare entering a public stage, floundering with lines that have no relationship to the rest of the action. Few now look to politicians for examples of altruistic service to the community. The assumption is that they are in the job for all they can get.

The questions then arise: does all this amount to democracy in crisis? Should we not look to our own faults before counselling developing countries on how to manage their affairs? Even if it is pitching it too strong to talk of crisis to describe the state we are in, there are good reasons for reassessing the western practice of democracy, the better to avoid a crisis while giving constructive support to those countries that aspire to accountable government.

The starting point is to decide what democracy really means to us. Whatever this is, it is certainly not the same as the meaning attached to democracy by earlier generations. For the ancient Athenians, who were the first to put a form of democracy into practice, it suggested a process by which citizens could debate and decide collectively on matters of general concern. This sounds close to a perfect democracy until it is realized that the citizens of Athens were a small, highly select group. Nobody thought to consult the slaves who did most of the hard work, or those who were resident but unable to claim citizenship by birth or that half of the population who happened to be women.

When, 2,000 years later, democracy re-entered the European imagination, elitism was still the guiding principle. Those with property were alone regarded as qualified to have a share in government. A rising mercantile and professional class sought not an ideal of common consent so much as the right for themselves to determine how their taxes should be spent. The few communities where democracy had real substance were small and self-sufficient such as in Iceland where the sturdy and often aggressive individualism of the early Vikings was contained by the sure knowledge that to survive in a part of the world where nature gave little away, there was a need to stick together. Assemblies of freemen to resolve disputes were topped up by the Althing which served as a legislator, a fair, a marriage mart and the focus for a summer festival. It was by a majority vote in the Althing that Christianity was adopted as Iceland's official religion.

More mainstream were the Puritan congregations that devolved from the Reformation. Denying the authority of the priesthood and proclaiming equality in the sight of God, their experience of self government in religious and social matters gave them a taste for democracy as we might begin to understand it. Rejecting force as a means of implementing decisions, the Puritans sought collective agreement by the 'fellowship of discussion', or what the Quakers called 'the sense of the meeting'. It was a short step from the theological stance to a belief that politics could be managed in the same way.

The issue was put to the test in the Putney Debates (1647–49) which took place during the English Civil War that overthrew the monarchy and led to the trial and execution of Charles I. It was here that the practicalities of government, of getting things done, came up against the idealism of denominational egalitarianism which looked to rule by consent. That everyone should agree to every law before it could be implemented was clearly a non-starter. No matter, the radical voices at the Putney Debates made a powerful case for the universal right to be heard. As Colonel Rainboro famously asserted, 'the poorest he that is in England hath a life to live as the richest he'. It followed that 'every man that is to live under a government ought first by his own consent put himself under that government'. And in a later passage from the

Debates, 'Every man born in England cannot, ought not, neither by the law of God nor the law of nature, to be exempted from the choice of those who are to make laws for him to live under and, for ought I know, to lose his life under'.

Rainboro's strict logic came up against the fear that the uneducated and property-less rabble would act irresponsibly to destroy the social fabric. At the same time there was a firm rejection of the creed professed by Charles I on the scaffold, that a distinction had to be drawn between those born to rule and the rest who were born to obey. The argument would be familiar today in countries groping towards some form of democracy.

A century on from the English Civil War, civil upheavals on both sides of the Atlantic restored democracy to the forefront of political discourse. The starting point was the independence of the American colonies. The newly created states began with a clear political slate on which to draw the framework for government at regional and at national level. Borrowing from the philosopher John Locke, the constitution makers stressed individual rights to life, liberty and the pursuit of happiness as the essential safeguard against government abuse of power. What emerged was a hands-off type of administration that suited the vigorous, self-reliant society that was pioneering the new America.

The contrast with France in the wake of its own revolution could not have been greater. An established and independent nation sought to turn the political structure on its head by promoting the power of the people over the claims of aristocracy and monarchy to rule on their own terms. In February 1794, Maximilien Robespierre, the dominant figure of the Revolution who had a distinctly undemocratic way of dealing with those who disagreed with him, defined democracy as 'a state in which the sovereign people, guided by laws which are its own work, does by itself all it can do well, and by delegates all that it could not'. Since, for the most part, Athenian-style democracy was impractical for a country the size and social complexity of France, it was to representative government that Robespierre looked to express the general will. But having chosen their representatives, the people had to accept what was enacted in their name. In this way, the sovereignty of the nation took on an almost mystical power, a contrast indeed from the American model which supported a self-regulating society with little need of government.

The two ideals, though much adapted over 200 years, remain distinct and thus a source of confusion in any discussion of the function and organization of democracy. Following to varying degrees the example of France, other European countries tend to favour the state over the individual. In the US, the reverse holds good. European citizens expect their governments to do ever more to enhance their welfare and economic well being. Hence the social model that is derided in the US for its failure to acknowledge the virtue of rugged individualism. It is no coincidence that socialism thrived in Europe but failed even to establish a toe hold in the US.

On the face of it, there is no reason why the two styles of democracy should not continue to coexist, offering a choice to those nations that still have some way to catch up. The problem is that neither model is setting an example of unqualified success. As we saw earlier there are signs of disillusionment with democracy as a force for good government.

The reasons are not far to seek. Start with Europe. The distance between politicians and their electorates is widening. Those in power profess their enthusiasm for communicating with the populace but they do so in a hectoring, propagandist manner aimed more at manipulation than enlightenment. Sound bites have supplanted constructive debate. Rarely does a politician admit to error or even to lack of knowledge. Opposition, as defined by those under attack, is ill informed and counter proposals are seen as counter productive. Taking its cue, the media treats politics as a knockabout contest, a branch of the entertainment industry with not quite the pulling power of sport.

The gulf between government and people is nowhere better demonstrated than in the evolution of the European Union, a noble ideal that is foundering on the refusal of the administrative elite to accept the need for public accountability. Power is concentrated on an unelected Commission backed by a Council of Ministers who speak for their governments but who cannot be said to have any direct relationship with those for whom they legislate. Such accountability as there is centres on the European Parliament, a sad excuse for a popular forum which serves chiefly as a gravy train for politicians who have been unable to make the grade on their home ground.

Predictably, when there is a reluctant acknowledgement of the obligation to carry public opinion, the process can go horribly wrong. So it was with the referenda in France and the Netherlands on the proposed European constitution. That it was rejected decisively in both countries should not have come as a surprise. Next to no attempt was made to explain to voters what the

constitution entailed or why it was thought to be necessary. The patronizing assumption that they had no need to worry their heads about such complicated matters produced the inevitable angry response. But even then, the European establishment was unwilling to accept the lesson. The first reaction from on high was that the referenda would have to be repeated because, first time, they had failed to produce the 'correct' result. The same tendency can be seen in national politics where each state is citing the complexity of modern life as the excuse to take more power to itself in the day-to-day management of public affairs. This has happened most obviously with the counter action against terrorism, now regarded as a self-evident justification for lightly discarding civil rights.

Here the spotlight switches to the US, the country that traditionally governs with a light touch. For those of us who admire American democracy and the dynamic society it has created, it comes as a shock to find that the president can assume the power to imprison without trial anyone he decides is an 'enemy combatant' and wiretap ordinary Americans without a warrant. His defenders argue that the war on terrorism justifies extreme measures but it is precisely at times of national emergency that politicians, if they are to be effective, need to be sensitive to views of ordinary people. To ignore governmental checks and balances is to suggest a contempt for the electorate that must surely undermine the democratic process.

The irony is that President Bush has put great store by promoting democracy in those countries where terrorism thrives. Not surprisingly, many are confused by the messages coming from Washington. To the impartial observer it would seem that the American democracy is moving closer to the European concept of the state, with its attendant bureaucracy, demanding a loyalty that overrides minority or even majority concerns. This impression is strengthened by the role that money now plays in America in electing anyone to high office. The starting point for a Congressional seat is a fighting fund of up to \$5 million. To aspire to the presidency increases the stakes a hundred-fold. The advantages this gives to the wealthy and well-connected hardly need to be spelt out.

There are those who look to the IT revolution to restore power to the people. In a world in which everyone can talk to everyone else, opinion can surely be mobilized as never before. An example was provided in the run-up to the last presidential election. When Howard Dean announced his bid for the Democratic nomination, he was a long odds outsider with just 432 signed up supporters and \$1,100,000 in the bank. Within weeks he was a serious contender thanks to a campaign manager who used the Internet and mobile phones to win over 700,000 converts and raise \$50 million, mostly from donations. Though Dean fell well short of his ultimate objective, it is a safe assumption that presidential campaigns will never be quite the same again.

There is comfort too in knowing that while the authority of elected assemblies is increasingly called into question, citizens of the old-established democracies are finding other ways of making their opinions count. The power of lobbies in the democratic system is still imperfectly understood. While, by clever manipulation of the media, pressure groups representing dubious causes can exercise an influence out of all proportion to their popular appeal, there is a profusion of voluntary organizations, including leading charities, which engage the interest and energy of those who might otherwise belong to political parties. In the UK, over 50% of the population is regularly engaged in clubs and other social groups, all of which have the potential for exercising political influence.

There is one other source of comfort for true democrats. This is in knowing that even if politicians are inclined to ignore basic liberties when they think they can get away with it, there are two safeguards built into the system—multiple political parties and open and free elections. Politicians who take too much upon themselves while ignoring those who put them in power, are liable, eventually, to meet their comeuppance. Electoral apathy can reverse dramatically if, as A. D. Lindsay argued in his classic study of *The Modern Democratic State*, the average voter 'feels his shoes pinching'. 'Only he, the ordinary man, can tell whether the shoes pinch and where; and without that knowledge the wisest statesman cannot make good laws.' The low turnout at recent elections in the US and in Europe suggests that for the moment the shoes are not pinching too hard.

But this can change. Meanwhile, it ill becomes those countries that are used to democracy in one form or another to assume that they are beyond improvement. Equally, we must acknowledge that democracy comes in all shapes and sizes and what may fit one country at any particular time may not necessarily suit all. Countries like Russia and China that are only now beginning the slow progression towards responsible government deserve understanding and support.

It is a truism to say that democracy is most valued where it is absent. Wherever there is dictatorship, aspirations to democracy are growing ever more vocal. The appeal lies not so much in what democracy can do as in its hope of ending the corruption and cruelty associated with unaccountable authority. Those of us who are lucky enough to live in relatively free societies must recognize the need to protect and nourish what we have, the better to support those who are trying to join the club.

#### Further Reading

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 Robert Fatton and R. K. Famazani (eds.), *The Future of Liberal Democracy*.  
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## Looking Back

### *As China and India Make Their Impact on the World Economy, William Keegan Fears a Return to Protectionism*

If last year our theme was that 'nationalism is back in fashion', the most marked development since then on the economic front has been something traditionally associated with nationalism: the rise of protectionist sentiment in some of the major economies, and with it a feeling of insecurity which leads nations to move away from the 'multilateralist' ideals of the post-Second World War period towards nationalist strategies, bilateral trade deals and economic decisions based on strategic considerations.

This is a far cry from the perhaps naive triumphalism that followed the fall of the Berlin Wall in 1989 and the collapse of the Soviet Union in 1991. Notwithstanding the 'irrational exuberance' (in former Federal Reserve chairman Alan Greenspan's famous phrase) that led to the Dot.Com boom, and its subsequent collapse, the 1990s and early years of the new millennium were characterized by a widely shared sense (on the part of both proponents and opponents) that neo-liberal economics had swept the board; that 'globalization' was the name of the game; and that economic interdependence and multilateral trading links were contributing to a more peaceful world.

In some ways the more extreme apostles for globalization were as optimistic as those, in an earlier phase of this phenomenon during the second half of the nineteenth century and early years of the twentieth, who convinced themselves that such global economic links would somehow provide nations with an economic incentive to eschew war. How wrong they were then, and how tempting of fate were those who took similar views during this more recent phase of globalization.

'Globalization' means many things to many people: essentially it has involved a proliferation of the links between different national economies formed by a growth in world trade at a far faster rate than the expansion of gross domestic product; and, in particular, a veritable boom in the size of overseas investment—foreign direct investment, or FDI as it is known by economists.

The importance of FDI is graphically illustrated by the official calculation that some 60% of China's exports and imports are accounted for by foreign-owned or foreign-controlled companies. Having turned inward for several centuries, China, under its Communist rulers, began to cultivate foreign capital and the expertise of foreign management during the closing decades of the twentieth century, in an attempt to 'catch up' with the 'capitalist' West, while persisting with one-party rule. After 1991 the Chinese rulers saw the chaos of 'Wild East' capitalism in the former Soviet Union, and were determined to exercise, when it came to encouraging the country's re-engagement with the rest of the world, a very Chinese form of 'economic liberalism'.

It is important to see China, and the much more democratic India, as re-engaging with the world economy after a long period of relative quiescence. Thus in 1820 China's share of world GDP had been some 33%, and India's 16%, compared with 24% for Western Europe and less than two percent for the United States. The nineteenth and the twentieth centuries saw the economic dominance first of Europe and then the United States.

By 1973 China's share of world GDP was 4.5% and India's 3%, against 26% for Western Europe and 22% for the United States.<sup>5</sup>

Between 1973 and 1998 China's share almost trebled (to 11.5%). India was slow off the mark—rising from a 3% share to a 5% share during that period; but by the time of the January 2006 meeting of the World Economic Forum in Davos, the surge in economic growth in both countries was one of the principal focuses of interest. By 2004 China had overtaken France and Italy in size of GDP, and in 2005, according to one reckoning, it was the turn of the UK to be overhauled. This meant that, although not a member of the Group of Eight countries (the US, Japan, Germany, France, the UK, Italy, Canada and Russia that attend the annual economic summits), China was now ranked fourth largest in the world economy, although in terms of GDP per capita it was still way down the list, with average income of US\$1,500 per capita, compared with \$40,000 for the US.

Economic analysts have been vying with one another in the production of forecasts of when China might eventually overtake the US in sheer size of the economy; and, of course, there has been much discussion of whether the entire Chinese growth phenomenon is sustainable, or whether there will be some kind of social implosion.

Whatever the outcome, the importance for the world economy has been that the 'outsourcing' of so much industrial production and assembly to Chinese 'cheap labour' has led to a revival of protectionist pressures in the West, most notably in the United States. One may also see the negative results of the referendums on the European Constitutional Treaty in France and the Netherlands in 2005 as in part reflecting 'fears for jobs' associated with the 'outsourcing' that has become a feature of globalization.

There is a paradox here, because when they go to the shops or buy (as happens increasingly) 'on line', members of the public benefit from the low prices resulting from intense competition in what economists like to call 'product markets', and in particular from the competition that comes from 'low wage' countries such as China. But the problem is that often this is perceived to be at the price of jobs at home. Economists can preach until the cows come home about the virtues of 'comparative advantage' (each country specializing in producing what it is especially good at, and at the most economic prices) but the victims who lose their jobs (and therefore have less to spend at Wal-Mart) are understandably less enthusiastic. In theory international trade is not a 'zero sum game'; in practice economic policymakers do not conduct policy in such an enlightened fashion that the 'losers' can easily find alternative jobs elsewhere, for all the politicians' talk of 're-skilling' and improving 'competitiveness'.

A closely related paradox has been the coincidence in recent years of a remarkable period of sustained economic expansion in the US and a marked rise in protectionist feeling in Congress. In France, during the 2005 referendum, unease about globalization and neo-liberal economics was manifested less in complaints about the Chinese threat than in fears of competition from the Polish plumber.

It is interesting, but perhaps not reassuring, that protectionist sentiment has been manifested both on a side of the Atlantic where unemployment was relatively high (Western Europe) and a side where, until the Federal Reserve embarked on a deliberate policy of monetary 'tightening', unemployment was relatively low.

The importance politicians, officials and economists attach to China was graphically illustrated when, in discussing the impact of the sharp rise in energy prices between 2002 and 2005, Mervyn King, the Governor of the Bank of England, preferred to couch the impact on the rest of the world in terms of a 'China shock' rather than, as economists have traditionally done, an 'energy shock'.

Thus a spectacular increase in demand for energy on the part of the Chinese and Indian economies had contributed to a doubling of the price of oil within 4 years. By past standards, notably the two 'oil shocks' of the 1970s, this could have been both 'inflationary', in prompting trade unions to press for higher wages in compensation for lost purchasing power, and 'deflationary', in that the diversion of purchasing power from domestically-produced goods to imported oil can have an adverse effect on demand and employment.

But the 'China shock' seemed to alter the equation: while the price of energy rose, there was little sign of inflation in the price of internationally traded goods; and the reduced power of the trade unions diminished their

ability to secure compensatory increases in wages, and thus produce what economists call 'second round effects' (on inflation).

Here one can point to a significant difference between the experience of 'globalization' in the nineteenth and early twentieth centuries, and the more recent phenomenon. In the hey-day of the British Empire, Britain was 'the workshop of the world', and the Empire provided it with both a source of raw materials for its products and a market for those products. The modern phase of globalization, however, involves the production or assembly of those goods themselves in cheap locations all over the world, not least China.

Before the Thatcher Revolution and the revival of neo-liberal economics, with their emphasis on the importance of 'markets' and 'the consumer', there was a widespread feeling that governments in Europe tended to be cowed by 'producer groups'. When a factory was threatened with closure, it would be bailed out by government funds in order to preserve jobs. The neo-liberal counter-revolution was against such practices, and in favour of letting ailing firms take their punishment in the market place. If consumers' preference had shifted, or if they wished to buy similar goods from cheaper sources, then the market was said to be 'working'. In the 1980s and the 1990s the bias of economic policy shifted away from interventionism and towards the interests of the consumer as opposed to the producer.

But, as regards the labour force, the consumer and the producer may be the same person. As noted above, 'losers' cannot always find employment elsewhere, as the economics textbooks glibly suggest.

One can see the dilemma in the 'China shock'. Multinational firms, the 'capitalists' of old, seek higher profits (or to restore falling profit margins in a more competitive world) by 'outsourcing' to, or producing in, 'cheap labour' locations such as China. The Western consumer takes advantage of what seem amazingly cheap prices. But he or she or their cousin may lose their job. It is this phenomenon that lies behind the growing protectionist pressure in the US Congress, and the reaction against 'neo-liberal economics' in the French referendum in May 2005.

But there is another aspect to the 'China shock', and that is the impact on the global energy balance. For, although the price of oil and gas had been rising for several years, it was in 2005–06 that the world became conscious once again of the possibility of a serious energy crisis.

During the golden years of economic prosperity that followed the reconstruction efforts after the Second World War, energy, in the words of one OECD economist 'was something we took for granted'. The quintupling of oil prices in the mid-1970s by the newly aggressive OPEC group was most certainly a shock, as was the second oil crisis in 1979. There were sporadic efforts at conservation and there was a search for new sources of supply. And despite a protracted false dawn, when the real price of oil seemed to have stabilized in the late 1980s and 1990s at a lower level than the crisis points of the 1970s, there was some conservation. As a result, the initial reaction to the rise in the price in recent years was that there was no need to panic, because energy consumption per unit of GDP was virtually half what it had been in the 1970s.

On the other hand, there was a lot more GDP, not least in China and India. By 2005–06 it had become clear that there was also a shortage of refining capacity. Despite President Carter's dictum in the late 1970s that the battle to cope with the energy crisis had become 'the moral equivalent of war', the US, for all its natural endowments of energy, was still dependent on supplies from the troubled Middle East. Indeed, somewhat ironically in view of the way things turned out, the desire to secure supplies of energy was undoubtedly one of the factors that prompted the joint US/UK invasion of Iraq in 2003.

By 2005 Britain, which had enjoyed the remarkable windfall of North Sea oil and gas from the 1970s, had once again become a net importer of oil. During the intervening period, with 'globalization' and privatization all the rage, the prevailing philosophy was that it did not really matter who owned the ultimate sources of energy supply, and Mrs. Thatcher had insouciantly made a virtue out of fighting the miners and running down indigenous sources of coal in favour of imports.

But with the revival of nationalism, and the doubling in the price of oil between 2002 and 2005, came a revival of concerns about security of energy supplies. These concerns were epitomized in the shocked reaction around the world to the brief period in January 2006 when the Russian energy company Gazprom cut off supplies of gas to Ukraine, with consequential effects on a number of Western European countries during what happened to be a particularly cold spell.

Although brief, and followed by protestations from President Putin and his colleagues that this was a special case to do with a prolonged political dispute between Russia and Ukraine, the episode concentrated minds on the issue of the security and reliability of energy supplies. In the UK, for instance,

<sup>5</sup>*The World Economy*, Angus Maddison, OECD, 2004

the controversial subject of nuclear power came back onto the agenda. Moreover, such were the alarmist forecasts about future pressures on resources of energy that the government appeared to be seeing nuclear energy not as an alternative to other sources, but as part of an approach in which no possible source of supply could be dismissed from the equation of future needs.

Meanwhile nineteenth century geo-politics seemed to have returned with a vengeance as China and India in their turn sought to establish secure sources of energy from regimes that met varying degrees of approval or disapproval from Washington, and complicated the US government's attempts to formulate an agreed United Nations policy towards Iran and its nuclear ambitions. In one particularly interesting episode, Congressional opposition prevented China from making a bid for a prominent US energy corporation.

On top of all these worries about security of energy supply and protectionist pressures associated with 'globalization' there was increasing concern about the medium to long-term implications of demand for energy for the future of the world as we know it. This promised to make the 'sustainability' of economic growth a key concern of governments and economics in the next few years.

## Globalization

### *A Winning Formula with Too Many Losers?*

The attractions of globalization have worn thin. Why should this be so? When it first came into popular currency, globalization was tied to the breaking down of trade barriers and the spread of democracy, thoroughly good things by all accounts since free trade boosts prosperity while democracy promotes individual choice, the antidote to oppression and exploitation. In the closing years of the twentieth century the success stories of globalization were all around us, from the collapse of the centralized economies of Eastern Europe to the entry of India and China into the world market. Over the past two decades of globalization, the proportion of the world's population in absolute poverty has dropped from 30% to 20%.<sup>6</sup>

And yet. The sheer pace of globalization has aroused hostility and not just from those who fear change of any sort. Unemployment, particularly amongst the unskilled in developed economies, has been blamed on the outsourcing of jobs to countries where labour is cheap. The twin themes of deprivation and exploitation have led to a regeneration of Marxist calamity merchants peddling fears of power-crazed moguls of the sort that populate James Bond movies. There is reaction too on the right. The US elections in November 2006 bolstered the protectionist tendency in Congress while in Europe politicians who proclaim the free market invariably temper their enthusiasm with promises to rein back on globalization. The image of capitalism out of control is reinforced by headline stories of overpaid business leaders who are ready to break or bend the law to their corporate advantage. Inevitably the cry goes up of democracy itself at risk from the anonymous men in suits who exercise power without responsibility.

As in every caricature there are particles of truth in all this. To return to basics, there can be no doubt that globalization is changing the pattern of employment with a movement of unskilled work from high cost to low cost economies. The losers are naturally aggrieved and see no reason why governments should not act to protect their livelihood. But the deadlock over the Doha round of world trade talks notwithstanding politicians know very well that there can be no return to old-style protectionism. To put up barriers against cheap imports would not only invite retaliation, which would further damage employment, but would also lead to price increases. At this point, consumer self-interest invariably wins out against sympathy for the unemployed.

There is always the option of state subsidies but like import duties these can invite counter measures and are also socially disruptive in that they favour certain groups who may not be seen as particularly deserving. As a last resort, appeals for protection of the home market are backed by protestations on behalf of low-paid workers in developing economies, portrayed as the

victims of capitalist exploitation. The alternative, of having no work at all, is rarely mentioned.

Can, therefore, nothing be done to boost employment in the advanced economies? It would help if the sights were raised on education and training. The demand for skilled workers outpaces supply in all the developed countries. But the greatest benefit would come from a change in knee-jerk thinking about employment. It is no coincidence that the USA has one of the best records in job creation. The American way of life demands a readiness to adapt—even if some sectors, such as the steel workers, cotton growers and farmers, seem to be able to claim special status. The contrast with Europe is with societies where the job for life, irrespective of the value of its output, takes on the force of natural law.

It is not only globalization that makes this position unsustainable in the long run. The pace of technological change is such that many jobs which now look to be reasonably secure will soon be overtaken by pushbutton machinery. There is an irony here. Of all the European economies, France and Germany come under attack for the rigidity of their labour laws. But the mere fact that employers are reluctant to take on additional staff if they are liable to be stuck with them for the duration has added to the attraction of labour-saving technology which can be changed at will. This helps to explain why French and German productivity is higher than that of Britain where the labour laws are flexible enough to allow for short-term hiring, one way of postponing capital investment.

The protectionist backlash against globalization gains strength when it shifts the focus from employment as such to the transworld firms that do the employing. Needing big business to underpin their economic strategy, politicians readily submit to pressure for special treatment ranging from tax breaks to state contracts on generous terms. The popular impression of major companies having it all their own way is reinforced by stories of dodgy dealings that go unpunished. Arrogance is displayed all too visibly when less than competent CEOs award themselves lavish salaries and benefits. The potential for shareholders to check excesses is rarely exercised. Profit comes before public responsibility.

The flip side of the argument tells us that, for the most part, global companies are giving their customers what they want. When they fail to do so, their profits and power fade away. A few years ago the price of a plane ticket was kept artificially high by the big five airlines. Then along came the no-frills independents to break the oligarchy and to send prices tumbling. Open competition is a wonderful corrective to vaunting commercial ambition. Of the 100 top companies listed in 1970, over half have shut down, largely as a result of failing to keep up with consumer demands.

Competition is the only sure way of putting the customer first, though evidence points to growing business awareness of social issues. In particular, environmental campaigns have had their effect on company behaviour. CEOs are well aware that an unfavourable image is liable to damage the bottom line.

The role of consumer democracy in raising the ethical standards of big business looks set to increase. Even as the power of mass labour loses out against the ability of companies to move their centres of operation to wherever they can achieve the best terms for hiring and firing, consumers have the potential for organizing powerful lobbies to influence policy on the treatment of employees as much as on standards of production.

Where does this leave democratically elected governments? Opponents of globalization make much of a supposed weakness of the nation state in its relations with the giant corporations. The argument turns on a correlation between company turnover and government tax revenue. Thus, Noreena Hertz is able to assert that '51 of the 100 biggest economies in the world are now corporations'.<sup>7</sup> But this is to compare like with unlike. What matters to a company is not so much turnover as profit, in other words turnover minus all the costs of production. Government income via taxation is not subject to the same condition. Whatever comes into a state exchequer is real in the sense that it can be spent in whatever way the government directs. A valid comparison demolishes Hertz's claim that corporations now rule the world. In fact, the financial resources available to a modestly sized country exceed the profits of all global companies combined.

Moreover, all governments, democratic or otherwise, possess powers that company executives cannot begin to contemplate. Where is the global business that can raise its own army or issue its own currency? When times are hard, it is to governments that business turns to for protection or for bailing it

<sup>6</sup>Globalisation, Growth and Poverty, World Bank, 2002

<sup>7</sup>Noreena Hertz, *The Silent Takeover: Global Capitalism and the Death of Democracy*. Heinemann, 2002

out of trouble. But if the balance is weighted so heavily in favour of the politicians why are they not more effective in forcing business to pay its fair share of tax? The short answer is that governments do just that. Allowing for a degree of tax avoidance, a feature of society since money let alone globalization was first thought of, the employees and shareholders of a global company pay tax of up to 50% or more on what they earn and consume. The taxpayer with a stake in Unilever, with more than 500 subsidiaries in over 90 countries, is treated no differently than the taxpayer who runs a small business from a back room.

Nothing is ever simple. The army of accountants and lawyers on the payroll of a global company exercise their combined talents on minimizing the tax that has to be paid on profits, invariably by registering the head office in one of the offshore tax havens or in one of the other financial centres of easy virtue where bankers ask few questions and answer even fewer. It is all desperately unfair though it has to be said that government revenue lost in this way is petty cash when set against the gains generated by economic growth.

But the question still hovers. With so many well publicized abuses of the system, should not governments take a more active role in policing the activities of global companies? The push for governments to be assertive is led by the Marxist tendency who are still hoping that sheer greed will eventually cause global companies to implode. Meanwhile, they argue, politicians should do all they can to frustrate commercial hegemony. The end product would be a return to the highly centralized, politically dominated economy. Given its track record of incompetence and corruption, few would welcome a revival of the model. But there are many who visualize a halfway house where the free market can be allowed to operate within politically determined boundaries.

For democrats who are so inclined, and they are to be found in every parliamentary assembly, the challenge is in knowing where to draw the line. It is one thing to assert, for example, that the state should impose minimum terms of employment but at what point does the bureaucratic passion for expanding the rule book conflict with commercial logic? A rational decision on whether to open or close a factory is more likely to be made on commercial rather than political (vote catching) grounds. It is a safe general rule that a heavy handed bureaucracy frustrates entrepreneurial initiative and is thus the enemy of prosperity.

There is a much stronger case to be made for politics as the safety net. Instead of trying to behave as business managers, they would better serve their electorates by easing the transition to globalization. High on the priority list would be a social wage for those displaced by economic change. In some European countries, notably in Scandinavia, generous welfare benefits are available to the jobless while they look for work. In Denmark, payments are as high as 80% of previous earnings. To deter the workshy, the social wage is linked to retraining schemes. The result is low unemployment combined with labour flexibility, a formula that less innovative governments claim is impossible to achieve.

A variation on the social wage theme is attracting support in the USA where government-sponsored wage insurance covers any worker over 50 who is forced into a lower paid job by the changing trade pattern. The government pays half the difference between the old and new wage for 2 years up to a maximum of \$10,000. Germany and France have similar schemes and in France there are no age qualifications.

While looking after their own, the rich nations should spare some creative thoughts for the emerging economies. The undoubted benefits of globalization for countries like India and China which, for the first time in their history, can visualize the eradication of poverty, should not be allowed to mask the teething pains caused by their industrial revolutions. In a recently published exposé of the toy industry, we find that manufacturing for the American retail market (a \$21 billion business) is concentrated on the Pearl River Delta in southern China. Three million workers in 8000 factories make 80% of all American toys. Working conditions are atrocious. Young women work 15-h shifts, 7 days a week.<sup>8</sup> Everybody agrees that they are entitled to a better life but the companies that exploit cheap labour are disinclined to push for minimum standards and an effective system of inspection. Here, globalization is the excuse for maximizing profits at the expense of human dignity. Free trade deserves better, sooner.

And then there are those countries still struggling towards the lower slopes of economic subsistence. Saddled with debt (and, yes, of course,

corruption comes into it but crippling debt is still crippling debt) much of Africa will remain in dire poverty until the imbalances of globalization are corrected. The World Bank calls for investments to remove bottlenecks in infrastructure, education and health. Above all, lowering trade barriers to allow for easier access of poor countries to global markets would boost incomes.<sup>9</sup> The philanthropist, George Soros, is among those who believe that a more radical policy is needed. Soros puts the case for the USA to take the lead with a Marshall Plan updated for the twenty-first century.<sup>10</sup> Bearing in mind that US non-defence foreign aid is just 0.1% of GDP as against 3% when the first Marshall Plan was launched in 1947, this is asking a lot. Nonetheless, such an imaginative project would do more to civilize globalization, not to mention combating ideological extremism and terrorism, than all the money spent on military hardware.

But why should the USA act alone? Quite apart from the commercial commonsense of creating prosperity (and markets) in what are now the poorest regions, charity cries out against a world in which more than a billion humans live on less than a dollar a day, 826 million suffer malnutrition and 10 million die each year for lack of basic health care.

Joseph Stiglitz, former chief economist of the World Bank and Nobel prize-winner, has called for a new global reserve currency financed by countries running trade surpluses. The resources created would be used to encourage development in the poorest countries and to create global public goods such as promoting public health and increasing literacy. In these enlightened times, some 770 million people round the world are unable to read or write.<sup>11</sup>

If the governments of the rich nations hold back from a massive redistribution of resources they could at least give closer attention to the environmental side effects of globalization. The World Bank identifies three global public goods—mitigating climate change, containing infectious diseases and preserving marine fisheries—that ‘demonstrate the need for and benefits of international policy cooperation’. It would be a start.

Globalization offers the best chance for reducing world poverty. The prospects according to the World Bank are ‘nothing short of astounding’. In the next quarter century the output of the global economy is set to rise from \$35 trillion to \$72 trillion. The number of people living in dire poverty could halve.<sup>12</sup> But if the scaremongers have their way it could so easily all go wrong. The need for bold, constructive politics has never been greater.

Barry Turner

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## In Defence of Scepticism

Of all the English words debased by overuse, ‘expert’ and ‘expertise’ are among the most frequently abused. Anyone who does anything, however mundane, with a modicum of skill, is said to be an expert. And along with the appellation goes the presumed right to instruct the rest of us on how to think and act.

An exaggeration? Then think only of the power of the fashion merchants and other arbiters of ‘good taste’, the marketing and public relations gurus, religious dogmatists, scientists with research grants to protect, futurologists, self-appointed moral censors, educationists (I mean those who pronounce on the practice of education), purveyors of psychobabble and, more influential than all the rest, the guardians of financial institutions who, in a crisis, are forever telling us not to panic, at least not until they have secured the safety net for their own investments.

The rot starts at the top with governments increasingly relying on ‘expert’ advisers whose qualifications and experience lend credence to ‘I know’ rather than ‘I know’. Moreover, it is ‘I know’ within an ideological context. The public servant offering objective advice, some of which may be unpalatable, has been sidelined. This trend in state management is aimed at getting things

<sup>8</sup>Eric Clark, *The Real Toy Story*. Transworld Publishers, 2007

<sup>9</sup>*Global Economic Prospects. Managing the Next Wave of Globalization*. The World Bank, 2007

<sup>10</sup>George Soros, *On Globalization*. Public Affairs, 2002

<sup>11</sup>Joseph Stiglitz, *Making Globalisation Work*. Norton, 2006

<sup>12</sup>The World Bank, 2007

done with maximum agreement and minimum fuss. It is often said of politicians that they delight in the cut and thrust of open debate, that they ask nothing more than to elicit and then to implement the popular will. Not true. Most start with a clear idea of what they want to achieve. Their aim is to win the argument not to extend it. Hence the reliance on experts to deflect opposition and to reinforce the political message.

Policies that fail are excused and quickly forgotten in the rush of yet more experts to advise on how to do better next time. And we believe them. Why?

Largely it is because we live in a complex society driven by specialization. Since there is only so much we can absorb, the desire for predictability allows others to make decisions on our behalf. After all, those who know most must surely know best. But expertise does not sit well with argument or contradiction. Over broad acres of life, thinking for ourselves is becoming a rarity. Told in an authoritarian tone that black is white and two and two make five, we are liable to pause before disagreeing.

The voluntary surrender of independent judgement is evident in every society, however liberal its image. Rules and regulations proliferate while the pattern of life is ordered and constrained by those who wrap themselves in the mantle of expertise. In Britain, even those governments pledged to cut back on interference in day-to-day life have soon converted to dedicated meddling. It was in the time of Margaret Thatcher, paragon of the free market, that the phrase ‘nanny state’ was coined. Tony Blair was another who somehow managed to reconcile his professed love of freedom with the urge to control. His term in office added new laws at an average of 2,684 a year, up by a quarter on the preceding decade.

Experts with the heaviest clout trade on fear. Health hazards are an obvious example. Hardly a day passes without a warning from some government body that we are eating or drinking too much of the wrong thing. Success in identifying real dangers, such as the risk from smoking, is outweighed by the plethora of scare stories that turn out to be less than earth shattering. Not long ago it was a bird flu epidemic we all had to worry about. The current fad is for doomsday warnings of the effects of obesity. There is one simple rule for losing weight; eat less. But that doesn’t stop the dietary experts, often in government employ, from giving out lengthy advice on adopting a healthier lifestyle. Evidence that many fat people are as they are because their bodies contain a higher than average number of fatty cells is studiously ignored. Instead the heavyweights are urged to spend their free time jogging round the park where the casual observer might conclude that they have more chance of dying from heart failure than of achieving a lower reading on the scales. The slim and disgustingly fit do not escape scot-free. They are given plenty of other spurious reasons for fearing for their lives.

Washington’s obsession with terrorism has spawned a government-backed security industry that parades its ‘expert’ credentials to justify restrictions on civil liberties. In the wake of 9/11 over 20,000 specialist security firms were set up, dedicated to instilling fear of the unknown. One enterprising company does well by providing bullet-proof jackets for sniffer dogs. Yet where is the logic in devoting unlimited resources to combating terrorism when many more lives are lost from poverty and disease (arguably the root causes of terrorism) or, in the context of western affluence, road accidents and family shootouts? In the 5 years following 9/11 there were 100,000 murders in the US, the equivalent of a World Trade Center disaster every 2 months.

Another area of life which touches us all and where politically motivated expertise has run riot is education. Who can doubt that the system is failing us? Illiteracy levels remain stubbornly high while teenage standards of general knowledge and understanding of the world begs the question as to how students fill their time in 15 or more years of full-time learning.

The cause of failure can be traced to the 1960s when a justifiable reaction against rote learning produced a less justifiable bias against academic teaching. According to the experts, those who were quick to get out of the classroom and into the lecture hall where they could tell their former colleagues how to do their job, what to teach was less important than how to teach. Most of this new found expertise consisted of stating the obvious while avoiding the first essential, that to be a successful teacher you must know your subject. The result today is that we have teachers loaded with pedagogic qualifications but with a less than adequate grasp of the scholarship they are supposed to hand on.

Misguided policies have led us away from the cultural, moral and intellectual purposes of education to career-orientated learning. Yet beyond the central skills of reading, writing and numeracy, there is no evidence of an economic return on education. Quite the opposite, in fact. In a technological world, a workforce needs, above all, the ability to adapt to change. Rigid vocational training, which is what most youngsters get, puts up barriers to change. But politicians and their advisers are victims of their own spin. They

cannot bring themselves to believe Alison Wolf (*Does Education Matter?*) who shows convincingly that the more effort put into organizing education for economic ends, the higher the likelihood of waste and disappointment.

Never have we had so many qualifications, yet productivity continues to fall below forecasts. We are encouraged—maybe we encourage ourselves—to be over impressed by letters tagged on to a name. In industry, the advent of the MBA has done little to increase the supply of imaginative entrepreneurs though it has led to greater influence for ‘expert’ consultants.

The frailty of expertise shows up most blatantly in economics. One might think that examples of economic planning that have gone horribly and expensively wrong—from the short term rescue of clapped out industries to investing taxpayers’ money in prestige projects like the supersonic airliner—would dent public confidence. Not a bit of it. Increasingly, we look to economists to reassure us that all is well in the best of all possible worlds.

In the spring of 2007, before the markets began to turn somersaults, Martin Wolf, writing in the *Financial Times*, warned against the chorus of expert optimism on the future of the world economy.

‘The most obvious reason for taking today’s euphoria with a barrel of salt is that nobody ever expects shocks. That is what makes them shocks. If I think back to the noteworthy events of my own adult lifetime, I observe that none of the big events was expected. The oil shocks of 1974 and 1979, the determination of Paul Volcker, then Federal Reserve chairman, to crush inflation in the early 1980s, the Mexican default of 1982, the stock market crash of 1987, Saddam Hussein’s invasion of Kuwait in 1990, the collapse of the Soviet empire between 1989 and 1991, the ‘tequila crisis’ of 1994 and 1995, the Asian and Russian crises of 1997 and 1998 and, not least, September 11 2001 were, if not “unknown unknowns”, at least “ignored unknowns”.’

Wolf added, ‘People who think they know what is going to happen next are fools’, while Samuel Brittan, another commentator with a welcome sense of fallibility, observed that ‘experts are never as likely to be wrong as when they speak with near unanimity’.

The economic model that takes account of all variables simply does not—cannot—exist. Yet assertions bordering on certainty are a large part of the daily diet of economic intelligence, much of it from government sources.

It is unfair to suggest that all spurious expertise is politically led. A roundup of past scare stories that turned out to be spurious or, at best, misleading, suggests that there are experts quite capable of making fools of themselves without the assistance of the state. We recall the Club of Rome warning 30 years ago that the depletion of the world’s natural resources would bring economic disaster in the 1990s. It didn’t happen. Then there were the threats of a population explosion. Now, apparently, we must worry about a population decline. Global warming is the latest big fear but in the 1960s we were told to prepare for a second ice age. Nuclear energy was once declared to be the biggest single threat to our survival. Today it is widely touted as environmentally friendly.

The argument here is not anti knowledge. The more people in and out of government who know their subjects the better. But it is perilous to award the experts, many of them self-proclaimed, the freedom to rule our lives. We should reawaken the spirit of the Enlightenment, defined by Immanuel Kant as ‘man’s emergence from his self-imposed immaturity’. He went on, ‘Immaturity is the inability to use one’s understanding without guidance from another. This immaturity is self-imposed when its cause lies not in lack of understanding, but in lack of resolve and courage to use it without guidance from another.’ We can start by recovering our childlike curiosity. There is never any harm in asking ‘Why?’. Scepticism is second nature to intelligence.

The Net is an encouragement to think for ourselves. At one level it can overwhelm by the sheer weight of information—much of it unreliable. But to any forceful argument, the Net can be relied upon to offer a counter argument. It is no longer an excuse to say, ‘I didn’t know’ or ‘I didn’t know enough’. More, we should always be conscious of the telltale signs of expertise overlapping with dottiness or downright mania—the arrogance of the scientist who is always ‘right’, the mission rant of a preacher, the cosy ‘trust me’ assurance of the guru. Even those experts who come over as relatively sane cannot be one hundred per cent right. No one ever is. Including the present writer.

Barry Turner

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## The Way It Was, and Is

The old, old question is back on the agenda. Can history teach us anything? Do the experiences of the past provide lessons for the present and the future?

There are those who argue that history can be used, or abused, to support any action or inaction. There is always a justifying precedent or a lesson to be learned if you search hard enough in the archives. At best, history is a false friend. 'There has never been a time,' argues Tony Blair, 'when, except in the most general sense, a study of history provides so little instruction for our present day.' There speaks the true radical. Until Blair came along, his Labour party had been weighed down and made virtually impotent by a slavish regard for its Marxist-Socialist tradition. For Blair, history was a brake on fresh thinking, the knee-jerk antidote to change.

The counter view holds that to ignore history is to deny something that is fundamental to our understanding of ourselves and our place in the wider scheme of things. Recently, the debate has been hotting up.

The revival of interest has a lot to do with the invasion of Iraq and the overthrow of Saddam. In defending his action, the former US President was wont to call history to his aid by invoking Munich and the fatal consequences of trying to appease an evil dictator—Saddam portrayed as Hitler. This begs several questions. For a start, was stopping Hitler before he became a world menace really a practical proposition?

Received wisdom has it that World War Two could have been averted if the democracies had taken an early initiative instead of allowing Hitler to dictate the international agenda. Germany was certainly vulnerable in 1936 when, sending his troops into the demilitarized Rhineland, Hitler delivered the first heavyweight shock to the European security system. Propaganda magnified German military power. If Britain and France had acted decisively, the Nazi reign of terror might now be the stuff of horror fiction.

Instead we had appeasement, with the democracies all the while backing off as Hitler absorbed Austria and began the carve-up of Czechoslovakia. The culmination of this unedifying and, in the end, fruitless attempt at pacification was the false promise at Munich of 'peace in our time' and the indelibly humiliating spectacle of Neville Chamberlain, an elderly prime minister, a politician from another age, alighting from his aircraft waving a scrap of paper to demonstrate the Führer's good faith.

When it all ended in *blitzkrieg* and a long bloody war, appeasement and Munich became the hate words of the political lexicon, to be deployed against anyone suspected of weakness in the face of a real or imagined enemy.

But this is to ignore the fact that in the mid-1930s there was virtually no public appetite in the western democracies for action against Germany, least of all among those who would have to do the fighting. Then again, suppose Anglo-French forces had confronted the Wehrmacht as it marched into the disputed territory of the Rhineland? Knowing what we know now, it is unlikely that Hitler would have been long deterred from his territorial ambitions. Unless, of course, the Allies had overthrown the Nazi dictatorship. But what then? There was no evidence of a friendly government in waiting and it is almost beyond credulity that France and Britain could have imposed direct rule.

Even if this had been achieved, opposition could have been expected from what we now call the international community. Had Britain and France stood up to Germany in the Rhineland, it is likely that they would have been seen as the aggressors, not least in the US where Roosevelt had been elected on an isolationist ticket. Joseph Kennedy, US ambassador to Britain, came out publicly in favour of Munich. There was a mark Hitler had to overstep before the democracies could achieve a unity of purpose. He did so with his invasion of Poland.

In vowing not to repeat the calamitous errors of the appeasers of Nazi Germany, President Bush was presumably relying on his audience knowing little of modern history. If they had been better informed they would surely have recognized, as Bush himself should have recognized, that Saddam, whatever his pretensions, was no Hitler. More than that, the odium heaped on Munich is largely wisdom after the event. Finally, there is nothing inherently wrong in politicians trying all ways to negotiate themselves out of trouble.

An undeserved knee-jerk condemnation has landed Munich with its sour reputation. But it is arguable that the years after Munich have provided more than enough evidence of the damage so called anti-appeasers can cause when they are too quick on the draw. Korea, Vietnam, Suez, and now Iraq spring to mind. As Winston Churchill reminded President Eisenhower, 'To jaw-jaw is always better than to war-war.'

In other words, the debate on Iraq could have done with more history, not less. As Johan Tosh points out (*Why History Matters*), to know more about the past is to illuminate the contours of the present, equipping us to make intelligent decisions. To take examples at random, a study of the antecedents of modern terrorism would suggest that for governments to imitate the methods of terrorists is no way to defeat the evil itself. Attacking poverty, ignorance and the other sources of violent dissent might produce more positive results.

Closer to home, every generation discovers youth crime while bemoaning the loss of the good old days when young people respected their elders and spoke only when spoken to. An illusion, of course, as even a brief reading of social history quickly reveals. The fears engendered by tumultuous youth have been replicated since the days of ancient Greece.

To connect with yet another current concern, dramatic ups and downs of the international economy seem always to come as a surprise to the latest generation of financial high flyers. They choose to believe, maybe for sanity's sake they have to believe, that they have the means to break the business cycle. Eventually, experience teaches them otherwise. The market turmoil of the past year has unquestionably been acerbated by the arrogance of those financial analysts who are so preoccupied with the neat rows of figures that show up on their computer screens that they ignore the social, economic and historical context in which we all have to operate. Belatedly, the central banks have realised that the risk models used by the commercial banks take a short term view of the past, often as little as 10 years. Yet, in the UK alone, a further look back into history would have shown fluctuations in gross domestic product four times greater than that of the past decade, that of unemployment five times greater, that of inflation seven times greater and that of earnings 12 times greater.

Ground-breaking economists from Adam Smith to Maynard Keynes may have lacked computer power but they did have an understanding of history that enabled them to give due weight to the human element in monetary and fiscal affairs. A positive side effect of the current recession could be second thoughts on the academic tendency to think of economics exclusively as a branch of mathematics.

But there is no virtue in rushing to the other extreme. History, by itself, is always fallible. That much is clear when historians take sides, falling out on the validity of the evidence, let alone on the interpretation of the evidence.

A totally objective history, the aspiration of Leopold von Ranke and his school, 'only to say how it really was', is a chimera. There is always room for argument. Historians who take to prediction are especially suspect. Leading the pack are the Marxists who must now be wondering how it all went so horribly wrong for them. The literary market can always find a place for the historian who is keen to tell us how it will be. Often they are right in theory but misguided in practice. One of the historical bestsellers of all time, Norman Angell's *The Great Illusion*, published in the build-up to World War One, argued convincingly that in the modern industrial state there can be no victors in war, everyone stands to lose. But then he went on to conclude that major conflicts were a thing of the past, an overestimate of political intelligence if ever there was one.

In our own era we have had most famously, the 'End of History' thesis attached to the collapse of the Soviet empire and the apparently conclusive, all embracing triumph of social democracy. For many obvious reasons, there is less confidence now that the western democracies are likely to have it all their own way. It is an unyielding rule that prophecies based on history are invariably negated by events beyond the range of reasonable expectation.

If the futurologist can give history a bad name, so too can certain types of popularizers who draw on the past to reinforce national prejudices and myths. The heritage industry with its emphasis on sanitized versions of life in wildly different circumstances to our own can mislead but is not necessarily harmful. More contentious is the deployment of selective evidence to support dubious claims of past injustices and to justify lasting antagonisms. Think of Northern Ireland, in itself a case study of historical misinformation.

At its best, history helps us to explore options by opening up questions. It is part of the search for truth, or at least the semblance of truth, for the real thing is almost certainly for ever elusive. The Greeks knew this since their word that became 'history' originally meant 'to inquire' and to choose wisely between conflicting accounts. As Ludmilla Jordanova shows (*History in Practice*), 'The study of the past is indeed inspiring and instructive but it is not a fount of clear unambiguous lessons or recipes. Rather it is an arena for contemplation and thought'. And, it may be added, a source of endless fascination for amateur and professional alike.

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## Keeping Up with the News

### *Online Competition is Putting Newspapers at Risk—Should we Care?*

Asked to lead a university seminar on careers in the media, a journalist friend spoke about his life in newspapers and the role of the press in a functioning democracy. He invited comments. Silence. To provoke discussion, he put a question. How many of you take a daily paper? No hands went up. Weekly? No hands went up. Now and then? A few, a very few hands were lifted. It dawned on my friend that instead of talking about the future of his industry he had instead given a history lesson.

That newspapers are in trouble no one can doubt. On both sides of the Atlantic they are either shutting down or cutting back on costs to a point where the value of the product risks being fatally undermined. We all know why this is happening. Online competition is taking away readers and advertisers, each accelerating the decline of the other. The question is, does it matter?

There are those who argue that newspapers, their owners and the journalists they employ, had it coming to them; that in their pursuit of the trivial and artificial, their dependence on a celebrity culture ('An individual emptiness gawped at by a collective emptiness . . . a manifestation of the cretinisation of our culture'.<sup>13</sup>) they are all culpable. It is surely no coincidence that journalists rival politicians for the lowest rank in public esteem.

There is, however, a strong counter argument, put succinctly by the philosopher A. C. Grayling who asserts that a free press 'although it always abuses its freedom in the hunt for profit, is necessary with all its warts, as one of the two essential estates of a free society, the other being an independent judiciary'.<sup>14</sup> For all the miles of column inches devoted to mindless, often degrading, ephemera, the press is the first line of defence against the political, doctrinal and commercial manipulators who try to work the system in defiance of the public interest. Television has its role but traditionally, the BBC excepted, it depends on the press for its lead as do the online bloggers and twitterers. Though opinion is unfettered it is diminished if not supported by serious and costly investigative journalism.

Cost. It always comes back to that economic imperative. Newspapers have not done themselves any favours by making much of their content available online free of charge. This apparently loony business model was based on the assumption that internet users would be so inspired as to rush out to buy the print version or become so hooked on the online service that, eventually, they would be happy to pay for access.

The strategy has foundered on the popular conception of the net as a benevolent information provider unencumbered by the profit motive. Specialist services such as those provided by the *Wall Street Journal* and the *Financial Times* can sustain a substantial price tag but general news, by definition short-lived and easily discarded, has yet to find a profitable niche.

As the mightiest media mogul of them all, Rupert Murdoch is characteristically robust, predicting that 'newspapers will reach new heights in the twenty first century'. The form of delivery may change but 'the potential audience for our content will multiply many times over. Our real business isn't printing on dead trees. It is giving our readers great journalism and great judgement'.<sup>15</sup>

No one would argue with that though there might be disagreement on what constitutes great journalism and great judgement. In a vigorous attack on

the BBC for trying to dominate the market with 'state-sponsored news', James Murdoch, Rupert's heir apparent, claims that 'the ability to generate a profitable return is fundamental to media quality, plurality and independence'.<sup>16</sup>

But while the BBC has its faults, the denigration of public service broadcasting would be more convincing if the privately owned media was shown to be genuinely independent. Even if we have moved a long way from the dictum of Lord Beaverbrook, creator of the mass circulation Express group, who told a Royal Commission on the press that he owned newspapers not for profit but for disseminating political propaganda, it is still true that press freedom often translates into the freedom of newspaper owners to promote causes they hold most dear. Editorial judgement is only free within the parameters set by those who hold the purse strings. Readers know this. It is not surprising to find that public broadcasting has the higher trust rating.

Even if the BBC cuts back on activities that threaten open competition, it is not about to abandon its online ventures. Indeed, non-profit online services are set to increase as wealthy foundations, mostly in the US, are persuaded to back independent investigative reporting.

The success of free newspapers which account for 7% of global circulation, 8% in the US and 23% of circulation in Europe alone, suggests that advertisers are by no means convinced that only paying readers make the best customers.

That said, subscriptions, if they can be made to work, are unarguably the best guarantee of newspaper survival. In Japan, where 90% of newspapers are sold on monthly subscriptions with a guarantee of home delivery, circulations are holding up remarkably well. The challenge for the American and European press is to hold together on the need for subscriptions. It takes only one major paper to offer free journalism for a potentially devastating circulation war to break out. If this happens, and it is a distinct probability, the paying option will have to be made more enticing by newspapers creating their own distinctive websites. It will not be enough simply to reproduce hard print onscreen. There has to be more must-read content with more inside information on high value subjects.

Leading the way is the *New York Times* with a digital edition that is awash with videos, charts and specialist blogs, all calculated to entice the reader to sign on for the long term. The *NYT* will charge for full access to its website from 2011. But it is still to be seen whether this editorial profusion will generate sufficient income to support worldwide news gathering of the quality traditionally associated with America's top newspaper.

Meanwhile, the search is on for ways in which powerful brands (which is what newspapers with instantly recognizable names really are) can be used to generate revenue from add-on services and products. The Murdoch papers already have this well in hand with enterprises ranging from fantasy football associated with the tabloid *Sun* to a wine club promoted by the upmarket *Sunday Times*. The full potential of branding has still to be realized as the digital guru Chris Anderson points out; there might even be a case for reassessing free online access since 'companies ought to be able to make huge amounts of money around the thing being given away as Google gives away its search and email and makes its money on advertising'.<sup>17</sup> One possibility for Murdoch with his multimedia interests is to bundle print and television together in a one for all subscription. Equally, stand alone newspapers might forge strategic partnerships with parallel media.

Another option to be taken seriously, though up to now entirely foreign to the private enterprise instinct of the Anglo-American press barons, is state subsidy. Put baldly, the acceptance of government help would seem to place at risk the first requirement of a free press, that it should be immune to political interference. But no one is suggesting an all-embracing subsidy which shifts the balance of ownership.

In Sweden, financial support for the press is largely in the form of a grant-aided national system of early morning delivery. There are also easy term loans to encourage the updating of print technology. France has a novel scheme whereby eighteenth birthdays are marked by the gift of a newspaper subscription, compliments of the government. Press subsidies in one form or another are common in Austria, Norway and Spain where they are judged to be essential to the diversity of the press, particularly at regional and local level.

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<sup>13</sup>Raymond Tallis, *The Times*. October 14th, 2009

<sup>14</sup>A. C. Grayling, *Liberty in the Age of Terror*. Bloomsbury, 2009

<sup>15</sup>Boyer Lectures. ABC Radio National. November 16th, 2008

<sup>16</sup>MacTaggart Lecture. Edinburgh International Television Festival. August 28th, 2009

<sup>17</sup>Chris Anderson, *Free: The Future of a Radical Price*. 2009

The formula is attracting interest in the US where Leonard Downie, a vice president and former executive editor of *The Washington Post*, has put his name to a report advocating a national fund for local news with money collected from a federal tax on telecom users, broadcast licensees and internet service providers. Grants would be made by independent local news fund councils for innovative reporting and support services.<sup>18</sup>

But whether by self help or state help, newspapers can only meet the online challenge by reinventing the ways they do business and the ways they serve their readers. The accountants' knee jerk solution to a deficit, to fire expensive front line journalists, is to accelerate the downward spiral—falling circulations following superficiality. Swamped by gossip served up as information, readers of hard print as much as those seduced by online, will need more guidance on finding a way through the maze of irrelevancy. That means hiring top rank journalists who combine inquiring minds with the ability to communicate clearly and persuasively. Such paragons do not come cheaply.

Time is short. Even if all that needs to be done is done, it may not be enough. Waiting in the wings are Google, Microsoft and the other internet giants who must see news gathering as one of the next big things in their business plans. The media revolution is only just beginning.

*Barry Turner*

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## What Hope for the Jobless?

Is there any return to full employment? Or will mass unemployment be ever with us? Barry Turner weighs up the options.

There are 15 million unemployed in America. And another 15 million without jobs in Europe. That's a lot of people. The raw figures are somehow more revealing and more terrifying than percentages which delude by their simplicity. A point up here, a point down there, what's the difference? Which is perhaps why unemployment is not yet the hot political issue it should be. Optimism, some might say, unnatural optimism, is the other reason. The assumption is of a rising demand for labour carried along in the wake of economic recovery.

It could happen but the evidence for national growth creating a healthy demand for labour is hard to find. Some job opportunities will appear but others are likely to be lost as technology takes up the slack. Plans for government-sponsored job creation in labour-intensive services such as education and care of the elderly conflict with the need to reduce national deficits. There are no prizes for guessing what will take priority.

One does not have to be a doomsday prophet to recognize that we may never return to the near full employment enjoyed by previous generations. This suggests we should start now to adapt to a culture which no longer has the day at the workplace as the very focus of being.

This is hardly a revolutionary thought. But ideas on advancing what in the 1930s was called the Leisure Society have rarely moved beyond think tank publications. Could it be that the work ethic is so fundamental that we can't bear to contemplate the alternative? To hear politicians talk, you would certainly believe so. Jobs for all is a slogan shared by all parties.

The complaint is not simply that the objective is almost certainly unachievable but that it is also unimaginative, a step back into the future.

There is something inherently ridiculous in the concept of work for work's sake. As Ralf Dahrendorf was fond of pointing out, we act as if our lives depend on work while at the same time doing all we can to reduce its burden. It would be a simple matter, for example, to multiply the jobs in road building by replacing mechanical diggers with picks and shovels. But who in their right mind would really want this to happen? There is no going back on the technological society, nor should we want to. The only alternative is to begin a serious reassessment of what life is, or should be, all about.

Theoretically, we all enjoy leisure. Those in work say they can't get enough of it. But when it does come in abundance, the hours prove hard to fill. Depression follows. This is why so many of those among the long-term unemployed, who have all the time in the world, find it impossible to organize their lives constructively. Or why some retired people who have hitherto led frenetic lives, fall into apathy and die early.

It would help to encourage a more positive attitude to leisure. This has to start with education which, in recent years, has become vocationally orientated, on the bullish assumption that qualifications make for job creation. Even if this is true, the emphasis on training for work, and work only, sharpens the distinction between those who have it and those who can't get it. For the latter, there is a consequent loss of identity, social status and self esteem.

A stronger cultural element in education would bring out talents that make for life satisfaction beyond the wage cheque—learning to play a musical instrument, say, or to paint or to climb a mountain. It is no coincidence that those blessed with a good rounded education seldom have any difficulty in filling every waking hour which is why schemes for voluntary redundancy often find the brightest and the best first in line.

If changes in education depend on a political initiative, so too do changes in work practices which must come if the gap between the have and have nots is to be narrowed. Increases in productivity should not simply be translated into wage increases for those who have work. Instead, the trend should be towards shorter working weeks, shorter working years and a shift in social values that allows for work sharing. To some extent this is already happening. Longer paid holidays and maternity leave, the introduction of paternity leave and sabbaticals are common to advanced companies. Time off for community service has great potential for stimulating voluntary activities that overlap work and leisure. Old-fashioned employers fear that work sharing is synonymous with idle hands. But there are many case histories where flexibility in the traditional work pattern has resulted in greater all-round satisfaction and higher output.

The tragedy of the current recession is that fear of unemployment and its consequences, at best a fall in living standards, at worst requisitioned homes, has made enlightened work practices harder to implement. When France introduced the thirty-five-hour week, the net result was for those in work to claim more overtime, the reverse of what was intended. Fear of unemployment was greater than the desire for leisure. That fear has intensified so that, for example, older people are hanging on to jobs that might otherwise go to their children, a tendency increased by a general lifting of the retirement age. We have entered what Tony Judt has called the 'age of insecurity' and it will take great political skill and imagination to get us out of it. Failure will be a society at war with itself, the ultimate paradox of the liberating power of technology.

*Barry Turner, 2011*

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## At the Outer Limits of Knowledge

We are defined by science. No matter if we are mystified by equations or never get to shake a test tube, we all function in a scientific framework that determines the way we think and act.

This is a recent phenomenon. For most of history the boundaries of Western inquiry and creativity have been set by religion. Without subscribing to the fable that science and religion are necessarily in conflict (many, if not most, of the great scientific discoveries have been set firmly in the Christian or, at least, the deistic tradition), it is nonetheless true that in matters of dispute, the clerics commanded the high ground.

The kick-start to a long process of change came with the Enlightenment when the brotherhood of sceptics—Voltaire, Hume, Kant among them—questioned the need for divine intercession of any kind, at any time. It was not long before the challenge was put to the test. The evolutionary theories that took hold of the nineteenth century imagination were deployed by Darwin's acolytes, though interestingly not by Darwin himself, as weapons against religious orthodoxy.

<sup>18</sup>*Financial Times*. October 21st, 2009

The contest was between two types of fundamentalism. On the religious side were those who refused to give up on the literal reading of the Bible. Opposite them, at the other extreme, were the disciples of reason and progress who proclaimed science as the new religion, the only source of knowledge and the deliverer of truth.

The middle ground was held by scientists who recognized the limits of their discipline and by believers who saw that scientific laws along with the dramatic advances in industry, technology and medicine did not preclude a Creator or militate against the value of Christianity as a cultural heritage and a way of life. But, as ever, common-sense argument was all but drowned out by the sound of dogmatic fury.

By the turn of the last century, the mechanical view of nature as promoted by T. H. Huxley, otherwise known as Darwin's bulldog, had extended beyond the basic tenets of evolution to encompass much that was distinctly unscientific. Tying their creed to 'the survival of the fittest', a sharper version of Darwin's 'competitive struggle for existence', Herbert Spencer and Ernst Haeckel gave the lead to a form of social Darwinism that was racist and militarist. It was but a short step from claiming that some humans are less fit than others to a conviction that inferior types are expendable and that only an elite deserve to live.

Marx brought his version of rational analysis to bear on politics and economics while Freud, on even shakier empirical evidence, claimed to have plumbed the deepest recesses of human consciousness. Both turned out to be horribly wrong on most of the essentials but such was the fervour, one is tempted to say the religious fervour, they engendered, their cause was taken up in other guises. New academic disciplines struggling for recognition adopted the scientific label as a sign of legitimacy.

So it was that the insights of the early psychologists and sociologists were sidelined by a passion for measurement which, trading on the obvious, had the supposed virtue of scientific validity. In economics, mathematics assumed the dominant role with policy based on increasingly elaborate macro models, noted for their predictive value of telling us what we ought to have done last week.

Giving up on the big questions, philosophy became entangled in the roots of human language where the minutiae of human intercourse could be dissected and analyzed to the point of impenetrable tedium. The extension of linguistic analysis to literature reduced criticism to a study of the particular use of words. Judgements as to what was 'good' or 'bad' were said to be irrelevant to 'structuralism' which 'like any science, made a virtue of impartiality . . . and would as happily treat a children's nursery rhyme as Paradise Lost'. For visual art, the scientific trend was towards hard definition of what constituted works of art, with phrases like 'significant form' and the 'common core of emotional expression' attempting a precision that proved to be more controversial than any value judgement. Even in architecture, the subjective idea of beauty lost out to functionalism, a laudable concept of producing 'more beautiful things for everyday use' which deteriorated into a formulaic aim of achieving maximum efficiency at the lowest cost. Hence the concrete and metal configurations designed from the inside out. They were not much to look at but they did the job.

Inevitably, the scientific mindset carried over to general education where tests of mental agility, a key factor in scientific reasoning, were assumed to give an accurate reading on all facets of intelligence, including creativity. A parallel movement worked against those studies – art, music, the classics – that were not strictly practical. That an increasing share of the standard school curriculum was directly vocational was a response to those who asked, what point can there be to education if it cannot be measured in material benefits?

Recent years have brought a healthy reaction against some of the more dubious exercises in scientism. Linguistic analysis and structuralism have just about had their day. Economic models are no longer held to be inviolate (how could it be otherwise after the recent banking implosion?). Intelligence tests have proved, at best, to be an unreliable guide to ability or performance. Arguments on relative values in art, architecture and literature are back in fashion.

Yet no sooner is the stage cleared of the debris left by shoddy scientism than a new set is constructed for a reprise. This time it is the turn of the militant atheists who tie themselves to evolution as the incontrovertible truth. While this is not the place for theological debate, it is surely relevant to point out that the harsh, supercilious tone adopted by Richard Dawkins, Christopher Hitchens, Sam Harris et al., recalls an earlier generation of intellectual dogmatists: God is dead; science reigns; end of message.

'What is most repellent about the new atheism,' writes James Wood, 'is its intolerant certainty; it is always noon in Dawkins' world, and the sun of science and liberal positivism is shining brassily, casting no shadow.'

To which Marilynne Robinson has this to add:

The degree to which debunking is pursued as if it were an urgent crusade, at whatever cost to the wealth of insight into human nature that might come from attending to the record humankind has left, and without regard for the probative standard scholarship as well as science should answer to, may well be the most remarkable feature of the modern period in intellectual history.

A justifiable response to Dawkins peevish complaint that society has been brainwashed to excuse the failings of Christianity is that we have been brainwashed into expecting science to provide all the answers, that a scientific overlay is all that is needed to give veracity to dubious propositions. This is not to deny the huge advances made by science or the benefits mankind has accrued by way of painstaking research and brilliant insight by some of the finest minds of any generation. But that is a long way from claiming science to be all embracing.

The track record of the various branches of science is by no means uniform. As David Papineau points out, while post-1800 chemistry can claim a succession of triumphs, cosmology has done less well. Overall, 'if you look at post scientific theories, they all turn out to be wrong, so our present theories are probably wrong too'.

In the early part of the last century, Bertrand Russell dismissed the need for a Creator with the supposedly inarguable assertion that the world did not have a beginning in any ordinary sense of the word. 'The idea that things must have a beginning is really due to the poverty of our imagination.' Then, a few years later, after Edwin Hubble found that the universe is expanding, the steady state theory gave way to the Big Bang, an explanation for the origin of the universe that, as Marilynne Robinson reminds us, is closer to Genesis than Russell's extrapolation.

It was not long before we were introduced to quantum mechanics and geometrodynamics where the excitement of breaking new ground tended to obscure the fact that in this strange realm nothing is as it seems, where the very process of observation disrupts calculations. As noted by Brian Ellis:

Many space-time quantum physicists would be quite puzzled by the suggestion that the theories they accept and work with might literally be true, since they have no clear conception at all of the reality with which these theories might correspond.

If quantum theory leaves many unanswered, maybe unanswerable, questions, so too does evolution, at least in the blanket form touted by popular science. The imponderables start with the most fundamental of all questions, the origins of life. Images of creatures emerging from the primeval slime are the stuff of science fiction but remain unsupported by the fossil record. Claiming too much for evolution takes us into perilous territory.

Writing at around the time when Spencer was adding an extra dimension to evolution, William James was engaged on his classic *The Varieties of Religious Experience*. In his summing up he had this to say:

I believe that the claims of the sectarian scientist are, to say the least, premature. The universe . . . [is] . . . a more many-sided affair than any sect, even the scientific sect, allows for. What, in the end, are all our verifications but experiences that agree with more or less isolated systems of ideas . . . that our minds have framed. But why in the name of common sense need we assume that only one such system of ideas can be true?

He concluded, 'The obvious outcome of our total experience is that the world can be handled according to many systems of ideas.'

Or as André Gide put it: 'Believe those who seek the truth, doubt those who find it.'

Barry Turner, 2011

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## Where Do We Get the Energy? The Nuclear Debate

The nuclear debate is at risk of overheating. It needs to cool off, argues Barry Turner.

'Nuclear' and 'crisis' go together. Any environmental setback catches the headlines but with the nuclear label attached it takes on mammoth proportions. It happened 25 years ago when the pride of Soviet nuclear technology at Chernobyl (now part of Ukraine) was ripped apart. It happened again when the recent earthquake and tsunami in Japan knocked out the nuclear plant at Fukushima. Led by vocal public opinion, which instinctively associates anything nuclear with wipe-out weaponry, governments across the globe have hastened to reassure voters that their policy is safety first. Of the 400 new stations planned worldwide, many are now on hold with cancellations a real possibility. Among the leading economies, Germany has announced a nuclear phase-out.

An overreaction? Energy experts who take global warming seriously certainly think so. Nuclear is free of carbon emissions while producing vastly more energy per unit than fossil fuel, a multiple of up to 2 million according to one assessment.<sup>19</sup> As clean options, solar and wind power have their cheerleaders but the wind comes and goes and the sun does not always shine.

Anyway, who is to say that nuclear power is inherently unsafe? In the first of the nuclear scares, at Three Mile Island in Pennsylvania in 1979, no lives were lost. There were 57 fatalities at Chernobyl and while the risk of cancer was increased for those closest to the radiation fallout, estimates for the number affected have fallen over the years from the high hundreds of thousands to the low tens. As for Fukushima, it is too early to be certain but so far there are no deaths or even serious health hazards directly attributable to the accident.

Contrast this with the human cost of exploiting fossil fuels, starting with the thousands who have died digging for coal or drilling for oil. The pollution caused by coal burning is a killer on a massive scale, not to mention the environmental problems it is building up for future generations. In 2009 alone, the world's electricity generators spewed out 9 billion tonnes of carbon dioxide.

Yet public concern at these hazards is muted or, at least, not evidenced in the marches, demonstrations and intense political lobbying associated with the nuclear industry.

Familiarisation is the key. We have grown up with coal and oil, forgetting, for example, that worldwide, there are over a million road deaths a year. But nuclear energy is new and, by definition, unpredictable. And while no energy fix is entirely without risks, one of those attached to nuclear is really scary.

The overlap with military technology was demonstrated as early as the mid-seventies when India tested a nuclear weapon design using plutonium separated out of its breeder reactor programme. The current worry is that the uranium enrichment plants in Iran will be used to produce nuclear weapon materials. Diplomatic nerves were stretched early in the year when it was reported that the Iranians were having problems in getting their first nuclear reactor to work. A shortage of home-produced expertise in operating a nuclear plant safely suggests that Iran may have a disaster in the making.

But a nuclear ban across Europe and America, even if it were feasible, will not call a halt to weapons proliferation or, for that matter, to the development of nuclear energy for entirely legitimate purposes. While the Fukushima accident created a backlash in some countries, notably Germany and in Japan itself, there was no move in China to hold back on the 77 reactors it has at various stages of construction or in Russia which has ten reactors in the making.

As might be expected from a country nuclear-dependent for 80% of its electricity, the reaction from France was measured, with commentators pointing out that the Japanese reactors survived the sixth most powerful earthquake ever recorded and that the crisis was caused by the loss of electric power from the grid and the failure of the backup diesel generators. No one doubts there are lessons to be learned. Strengthening the lines of defence will be a priority for the industry, which can expect to be more heavily regulated.

Though this will add cost it will be a long way short of making nuclear energy prohibitively expensive.

Meanwhile, fears of contamination from nuclear waste (a big issue in the US where a US\$20 billion investment in storing spent nuclear fuel in the Nevada mountains recently succumbed to political pressure for alternatives to be explored) will fade in the wake of new technology. Already, most of the nuclear waste in France is processed for reuse.

But whatever reassurances the industry can provide it is likely that expansion will be slower than predicted before the Japanese earthquake. Many governments will pause before they agree to commission new reactors. Sensitivity to voters' wishes—or prejudices—will be one factor. Of greater moment is the dawning realisation that alternative sources of energy are more readily accessible than was previously supposed. Far from running out, oil will soon be flowing more freely with vast reserves discovered off the coasts of Africa and Brazil. The latest oil sand projects in Canada now supply more oil to the United States than Saudi Arabia. Natural gas, cleaner and cheaper, looks set to take over from coal as a primary energy source. Supplies in the US are so plentiful as to hold out the prospect of a thriving export market. Other regions, including Europe, Asia and North Africa, are similarly favoured. Most significantly, the price of gas has fallen by half in the last 5 years, making the initial heavy investment in nuclear energy less appealing.

Nuclear energy will have its day but not yet. It could well turn out that Fukushima is less the reason than an excuse for applying the brakes.

Barry Turner, 2011

## Openness. Not Always the Best Policy

How far can we trust politicians? The Wikileaks controversy shows that much of what we think of as democracy is conducted behind closed doors. But perhaps that is as it should be. Total freedom of information, argues Barry Turner, would make effective government impossible.

You don't have to be crooked to go into politics, but it helps. That is the typical voter talking. It is a view strengthened with every well publicized instance of chicanery in high places. But the real causes of cynicism go much deeper and have more to do with the way we manage our democracy than with individual transgressions.

As with so much else that is changing in the social fabric, the starting point for discussion is the power of modern communications. Instant news has revolutionized our perception of democracy. For public consumption, political issues are reduced to the lowest common denominator of understanding—or supposed understanding. Politicians are bombarded with deceptively simple questions which demand equally simple answers. But since every contention is multi-layered with subtleties, clear and straightforward responses are rare. Instead, politicians resort to prevarication or, when pressed, to meaningless waffle which in turn leads to the charge of duplicity. And duplicity is the close cousin of downright dishonesty.

The problem is aggravated by the constraints of party discipline which minimize the opportunities for politicians to speak freely. Even at local level, party loyalists are liable to react aggressively if the person they have elected to speak for them shows much independence of spirit. It was a tendency Edmund Burke warned against over 200 years ago when he told the electors of Bristol: 'Your representative owes you, not his industry only but his judgement, and he betrays instead of serving you if he sacrifices it to your opinion'. He was right. Democracy can only function effectively if politicians are allowed to do their job without for ever looking over their shoulder. Much of what happens in government simply does not lend itself to free and open discussion.

Every emergency throws up examples. In the latest recession when some countries faced a run on the banks, it would have taken recklessness bordering on insanity for politicians in power to express openly their nightmare fears. A bad situation could only have been made worse. Instead, all the talk was of recovery round the corner, even if fingers were crossed while the words were uttered. Dishonest? Up to a point. But to quote again the great Edmund Burke, if 'falsehood and delusion are allowed in no case whatsoever ... as an exercise of all the virtues, there is an economy of truth' which can be justified on practical grounds.

<sup>19</sup>John Hofmeister, *Why We Hate the Oil Companies*. Palgrave, 2010

The failure to recognize this fundamental fact (the very phrase 'economy of truth' when used some time ago by a senior British civil servant was judged to be a clear indication that the administration he represented could not be trusted in anything) inhibits political initiative and puts politicians in the way of slavishly following public opinion instead of leading it. So it is that the failure to abide by the letter to election pledges, even when unpredictable events demand a change of emphasis or direction, is judged to be dishonest whereas it could just as logically be evidence of responsible government.

Politicians make it worse for themselves by adopting a defensive strategy of obsessive secrecy on the principle of what the voters don't know, they won't question. The overlay is a bureaucratic failure to recognize any distinction between what is really important and the mere trivialities of routine administration. It would be healthier for democracy if more transparency was accompanied by a willingness among politicians to confess not to knowing all the answers and to accept, occasionally, that they could be wrong. They might also resolve to give short shrift to interviewers pressing for worthless sound bites on complex issues.

The new media is often credited with narrowing the gap between politicians and their electors. This is true to the extent that those in public service are besieged by appeals for support, help, justice, compensation or any of the other remedies for real or supposed grievances. A British politician, a senior minister in the present government, tells me that when he was first elected 40 years ago, he received at most a dozen letters a week. Now, he needs a full-time assistant just to keep track of his post.

Maybe that is as it should be. Electors have a right of access to their representatives. And they are entitled to a hearing. What they should not have is the prerogative to dictate which invariably gives power to unelected lobbyists for single-issue pressure groups.

What of politicians who really are dishonest? Voters should certainly be able to hold to account representatives who betray their trust. But longer term, the only sure way of reducing the number of dodgy characters in public life is to pay our politicians salaries that are sufficient to lift them above temptation. The recent scandal of British politicians abusing their expenses revealed a culture in which extravagant or, in some cases, outrageously venal claims were accepted on the nod as the only way of compensating for inadequate pay. As Burke might have said, it is another fundamental truth that if political standards fall short, it is the voters who must ultimately accept the blame.

*Barry Turner, 2011*

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## Spread a Little Happiness

What makes people happy? For many, the question is rhetorical. Happiness is an abstract concept shaped into something tangible by individual choice. What delights one person can drive another to distraction. That said, on the biggest concerns of life there must be some common ground. Most of us accept that a comfortable income brings greater happiness than poverty. Maybe there are other, less obvious, areas of consensus. Could it be that what divides us in terms of personal choice has been allowed to obfuscate the essentials of a happy state?

There are politicians who believe so. Some time before he became Britain's prime minister, David Cameron was arguing that simple economic indicators tell only half the story. His call for the 'big society', which he carried over into government, remains short on detail. But in so far as he is promoting a more active community spirit he is signalling a retraction of the rampant individualism that favours material prosperity over all other forms of human endeavour. In this Cameron is echoing the views of many other European leaders, notably President Sarkozy of France, who espouse 'quality of life'—how people relate to each other and to their surroundings—as the only valid means of assessing human happiness.

Devotees of unbridled capitalism are not impressed. They dismiss the quality of life argument as a defensive cover for the failure of Europe to match the energy, innovation and economic growth of the United States. There is some truth in this. Envy of American achievement is a powerful

engine for anti-American sentiment. Yet beyond political point-scoring, inquisitive psychologists and economists who ask questions before propounding grand theories are finding evidence to suggest that while minimum standards are a prerequisite, happiness cannot simply be counted in possessions or judged by the size of a bank balance. Surveys conducted over half a century show that while, unsurprisingly, the rich are happier than the poor, affluent societies as a whole have not added much, if anything, to their happiness quota.

Part of the explanation is that happiness is relative. Many of the luxuries of yesteryear such as electronically equipped kitchens and cars that rarely break down are now taken for granted. But it may also be true that in becoming more individualistic and in giving way to rampant consumerism we have lost touch with values that tend towards a general happiness. Family relationships have declined (the unmarried account for over half the households in the US) despite evidence to suggest that married people are happier. Broken families put children at risk, leaving them emotionally isolated at a time when they most need support.

Widespread unemployment persists with little in the way of social programmes to combat the accompanying malaise and sense of failure. Mutual trust is at a premium and while mental illnesses are increasing at an alarming rate, their treatment is judged secondary to finding cures for physical ailments. Depression is now the most common cause of long-term sickness in the UK. Then again, though we are all richer than our forerunners of 50 or 100 years ago, the gap between the haves and the have-nots remains as great as ever while media preoccupation with the affairs of the wealthy prompts envy and resentment. And not just the media. Cheap and easy travel is a constant reminder of how other lives are apparently better or worse than our own. The poor are easily forgotten, it is the rich who leave the enduring impression. We aspire to the bigger home, car or television screen and we are unhappy when they remain out of reach. Add to all this a work pattern which makes a virtue of stress and we are left with the paradox that, for many, the pursuit of material comforts actually militates against quality of life.

As nobody in their right mind wants to do away with the fruits of prosperity, the solution must be to achieve a social balance, wealth creation without accompanying pain. In pursuit of this objective there is much to learn from the Nordic countries which are consistently among the highest scorers in the international happiness stakes. Not all the conditions that are said to favour general contentment can be easily replicated. Denmark, for example, is a small, homogenous society with a strong sense of national identity. Problems of conflicting cultures which beset other western countries are rare though the resistance of recent immigrants to doing things 'the Danish way' may portend a shock to the system. For now, however, the Danish social contract which puts a high value on mutual trust and consensus in politics and business has produced enormous benefits, not least an enviable living standard extending to decent housing for all, a generously funded health service and cheap, efficient public transport. Most critically, education is driven by a spirit of egalitarianism. Knowledge and qualifications are sought as much for advancing the public interest as for individual aggrandisement.

Critics hasten to point out that the Danes, as all Scandinavians, pay highly for their privileges with tax rates that are way above the international average. But the general feeling is that the money collected by the state is well spent. If other governments demand less, more goes in waste and incompetence. Even so, while the evidence points to a correlation between income equality favoured in Scandinavia and a culture of trust and respect as the basis for a healthier lifestyle, it is improbable, to put it mildly, that a political programme founded on these principles would find favour in countries that have, for generations, promoted individualism. At best, a broader view of national well-being will support more family friendly practices at work such as flexible hours and parental leave and encourage activities that promote community life.

More hopefully, the findings of positive psychology suggest that individualism might be made to serve the happiness of the greatest number with the simple realization that taking the initiative in caring for others by engaging in voluntary services brings its own reward in an enhanced sense of purpose and personal fulfilment.

'Produce any happy person,' writes Richard Layard, 'and you will find a project'. He added, 'Happiness comes from outside and within. The two are not in contradiction. The true pilgrim fights the evils of the world out there and cultivates the spirit within.'

*Barry Turner, 2011*

**More Reading**

- Daniel Dorling, *Injustice. Why Social Inequality Persists* The Policy Press, 2011
- Pascal Bruckner, *Perpetual Euphoria. On the Duty to be Happy* Princeton University Press, 2011
- Michael Foley, *The Age of Absurdity. Why Modern Life Makes it Hard to be Happy* Simon & Schuster, 2010
- Richard Layard, *Happiness: Lessons From a New Science* Penguin, 2011 (2nd revised ed)
- Martin Seligman, *A New Understanding of Happiness and Well-Being and How to Achieve Them* Nicholas Brealey, 2011
- Ivan Robertson and Cary Cooper, *Well-Being, Productivity and Happiness at Work* Palgrave Macmillan, 2011

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## The Future Balance of Economic Power

*The Economic Confidence of the West has Taken a Battering in Recent Years While the East has Flourished. Is this how it will be for the Long Term?*

Do we progress? The conviction that mankind is moving towards some sort of promised land gains popular currency when times are good. Some years ago a sample of college leavers was asked to grade the events in their lives to date and then to say how they saw the future. When their answers were transposed on to a graph, the early part showed a roller coaster of ups and downs while expectations were represented by a smooth rising curve. Needless to add, this was in the days of economic boom when higher education was a passport to a safe and well-paid career. If the experiment was repeated today, the prospects would not look so rosy.

**Future? What Future?**

The dark mood that weighs on much of the western hemisphere appears to float away over that part of the developing world embraced by the example of India and China. After generations of underachievement or no achievement at all, these countries are finding hidden strengths that have raised the competitive stakes in the global economy and are causing unease or downright fear among those who have had it so good for so long. When jobs are lost and incomes remain static or decline, there is always someone to blame.

But the highs and lows can both be overdone. If it is too soon to write off the West, by the same token the emerging superpowers may soon be in for a few knocks to their self-confidence. This is not to suggest a catastrophic reversal of their economic fortunes though clearly that is always a possibility. Rather, the headlong rush towards prosperity will engender social and political pressures that will upset the timetable.

The history of the industrial powers that had their start in the steam age provide a salutary warning. As the ruling oligarchies of Europe and America gave way to the class of wealthy entrepreneurs they had helped to create, so it will be in China. Can popular democracy be far behind? And what will that do for tightly managed economies?

As a functioning democracy, albeit with oligarchic tendencies, India might be said to enjoy a head start in accommodating rapid growth. But with millions still in abject poverty, one does not have to be a Marxist to anticipate disruptive, possibly violent, demands for a more equitable distribution of national wealth.

Then again, everywhere there are powerful underlying movements which weigh against unbridled expansionism. This certainly happened in the second half of the nineteenth century when Britain was at the peak of its commercial and imperialistic power. The industrial revolution, parallel in many ways to what is happening today in the once quiescent nations of the East, spurred a fierce reaction from the opponents of materialism, those who believed that the 'dark Satanic mills' brought nothing but misery and degradation. Incredible as it must now seem, the favoured

antidote to change was a cult of medievalism, the conviction popularized by some of the outstanding intellectuals and commentators of their day (including, incidentally, Thomas Carlyle, the originator of *The Statesman's Yearbook*) that everything was so much better in the thirteenth and fourteenth centuries. The image was of a social idyll, with benevolent rulers watching over the lower orders, who, snug and secure, were content to live their simple lives. The reality, of course, was hunger, violence, dirt and disease when, as Thomas Hobbes observed, lives were brutish and short.

Rival powers to Britain created their own legends to offset the pain of industrial expansion—for example, hundreds of Western movies have fixed the image of the sturdy independence of the New World settlers, beholden to no man and ready to overcome all obstacles in the pursuit of the American dream. The money men had no part to play in this drama, except as villains. We might expect the developed countries to have dispelled their fantasies about the 'good old days'. Yet in times of crisis there are many who gaze longingly in the rearview mirror. In the States, support for the Tea Party comes largely from disaffected voters who somehow imagine that the country can run itself perfectly well without the attention of politicians and bureaucrats. Similarly, in Europe, the far-right parties and the far right of the main parties trade on a populist agenda that would have them backtrack on a European union that has delivered peace and prosperity unprecedented in any single member country.

Fortunately, on both sides of the Atlantic the democracies are sufficiently resilient to combat narrow nationalism and bigotry. When voters are focused on choices that really matter, as in national elections, they can usually be relied upon to reject rule by the rednecks. Countries in transition have a long way to go before they reach this level of maturity. Which is why we should not visualize their progress as an uninterrupted upward curve. Who can doubt that there are countercultures, looking back to a supposed golden age, at work today in India and China? In Russia, there are even those who reflect fondly on the days of Stalin.

There are many other imponderables, more or less significant depending on how events unfold. One is the knowledge explosion which is louder in the US than anywhere else on earth. Whatever the next big breakthrough—something, say, on the scale of the internet—the balance of probability is that it will have its start in Silicon Valley. The point here is simply that economic advance is not a precise science. The rise of the East, if it continues, need not be accompanied by a decline of the West, even if the present omens suggest otherwise.

In countering the doom merchants we need to remind ourselves that while the Western model of mixed economy capitalism has its fault lines, notably the widening gap between the affluent and an underclass frustrated by its inability to realise its potential, there is no reason why, given time, imaginative politics cannot meet the challenges.

Do we progress? Yes, but only in fits and starts.

Barry Turner, 2012

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## The Battle for Berlin

Three years after the end of the war in which American and British air forces had all but obliterated German cities, Allied aircraft were once again circling Berlin. But this time they were carrying not bombs but food and fuel for a city under siege by Soviet forces. It was, quite simply, the most ambitious relief operation of its kind ever mounted.

Berlin was a divided city in a divided country in a divided Europe. It was not supposed to be like that. In the immediate post war, the Western allies—America, Britain and France—hoped to cooperate with the Soviet Union to make a lasting European peace. But between communism and democracy there were few meeting points. Holed up in the Kremlin, the ever distrustful Stalin saw himself surrounded by enemies. Above all, he feared a resurgent Germany fed by democratic and thus anti-Soviet doctrine.

So it was that the four-power occupation of Germany and of Berlin settled into an East-West split. The problem for Berlin was that it happened to be a hundred and twenty miles inside the Russian zone. In the euphoria of victory, the Western powers had assumed right of access to the German capital but the only firm guarantee specified three twenty-mile wide air corridors linking Berlin to Hamburg, Hanover and Frankfurt. For road, rail and canal, the Russians claimed absolute control. As one Eastern European country after another—Hungary, Romania, Bulgaria, Poland—fell to Soviet control, Stalin saw his chance of raising the stakes in Germany.

Supposing all the land routes to Berlin were cut off. By Stalin's calculations the Allies had only two options—a humiliating withdrawal or buying the right to stay in Berlin by accepting Soviet terms for the rest of Germany. It was almost inconceivable to Kremlin strategists that their former allies would resort to force. Stalin decided to test their resolve.

Without warning, all land routes to West Berlin were closed. For the two million citizens trapped in the city, there was enough food and fuel for just 27 days. General Lucius Clay, the US military governor in Germany, was all for calling Stalin's bluff. His request to Washington was for authority to reopen the road and rail routes with all traffic accompanied by armed escorts ready to shoot their way through. Clay's British counterpart, General Sir Brian Robertson, urged caution. 'If you send an armed convoy, it'll be war,' he warned Clay. But apart from caving in, what possible alternative could there be?

The answer was provided by a mid-ranking Royal Air Force officer, a veteran of the Allied invasion of German-occupied Europe. Air Commodore Rex Waite worked away at planning an airlift. No one asked him to take on what was thought to be an impossible job. It was just something he felt he could do, like a crossword puzzle. The result was a brilliant exercise in logistics.

He first identified eight air bases in West Germany for loading and two receiving airports in West Berlin—Gatow and Tempelhof, both of which would need radical upgrading to bear the extra traffic.

But the most daunting task was to plot a schedule that would allow convoys of aircraft to land safely, unload and take off with precision timing. He worked alone, jotting drawings and calculations in a tiny notebook with the stub of a pencil.

Waite took his plan to his sceptical superiors, who passed it up the line until it reached Clay. For want of other constructive ideas, the general took it seriously. On June 26, 1948, he ordered the US Air Force to begin a daily routine of flying 225 tons of provisions into Berlin.

Clay conceded that the venture 'may prove me to be the craziest man in the world'. As for the Russians, they had no doubt that it would fail, and revelled in the fact.

That it did not was down to ingenious ways of improving carrying capacity. Fresh bread contained a third of its own weight in water, so bags of flour were sent instead. Sacks and cardboard replaced tins and wooden boxes for packaging.

Goods such as newsprint and cigars were given priority as morale boosters. Under the same heading came a grand piano for the Berlin Philharmonic.

Pilots who saw hungry children gathered outside the perimeter fence started dropping tiny parachutes made of handkerchiefs loaded with bundles of chocolate and sweets as they made their final approach. As word spread of the warm gesture of the 'candy bombers', so the loyalty to the West of a whole new generation of West Berliners was cemented.

The Americans flew into Tempelhof, which had been Hitler's showpiece airport close to the city centre. The British used Gatow, but only after tar for the runway was purloined from a factory in the Russian sector, barrels of it rolled through the wire at night by sympathetic East Berliners.

When the call went out for steamrollers to finish the job, one well-wisher drove his from Leipzig, 100 miles away, past the secret police checkpoints along the way.

Air traffic control, a technology in its infancy, was a nightmare. At Gatow, it amounted to a single radio operated from a van parked beside the runway. Rigid rules were learned, from hard experience.

No plane was to be on the ground in Berlin for longer than 50 min. There was to be no stacking over the airport. With planes landing so closely together, it one missed its slot, there was no going round: it had to fly back to its home base and start again.

With overcrowded air corridors and frequent engine failure, inevitably there were accidents. On what was dubbed 'Black Friday', the weather suddenly turned hostile over Tempelhof. Low, dense cloud and blinding rain cut out the radar and 'everything went to hell'.

A massive American C-54 Skymaster carrying ten tons of supplies missed the runway and crashed. Flames from the wreckage brought the next arrival to an emergency stop, which blew its tyres. Meanwhile, banks of waiting aircraft were at increasing risk of collision.

For months on end, the British and American relief planes roared in, one after another in a constant stream, often landing only minutes apart. In one 24-h period, an astonishing 1,400 aircraft came into Berlin's two airports, one every single minute.

And the Soviets tried every tactic to stop them, short of shooting them down. They buzzed, they threatened, they tried to blind the pilots with bright spotlights.

But, for all the difficulties, supplies were getting through. By September, planes were delivering 4,600 tons a day, more than enough to meet minimum demands. Confidence that the Airlift was succeeding drowned out Soviet propaganda.

As winter approached, it became clear that everything now depended on the severity of the season ahead. It didn't look good when pea-souper fog grounded the planes for half of November. Then December was bitterly cold, putting an extra strain on the city's inhabitants.

Electricity and gas were restricted to four hours a day, and one hot meal a day was the best any ordinary family could hope for. Soap and clothing were scarce. Freedom came at a high price but most West Berliners were prepared to pay it.

In the end, a mild January came to the rescue. The planes were able to keep up their delivery schedules and the risk of a total shutdown of West Berlin's essential services vanished. Supplies were now coming in at an unprecedented 5,547 tons a day, and the Airlift organizers were confident of pushing that figure up by another 1,000 tons if they had to. The Soviets knew they were beaten. As early as mid-December, Stalin had ordered a toning down of triumphalist propaganda. On 12 May 1949, the blockade was finally lifted. It had been an extraordinary achievement.

Over eleven months, from June 1948 to May 1949, 2.3 m. tons of supplies were shifted on 277,500 flights. Average daily deliveries included 4,000 tons of coal, a bulk cargo never before associated with air carriers. That record day of nearly 1,400 aircraft—close on one a minute—landing and taking off in West Berlin created a traffic controller's nightmare at a time when computer technology was still in its infancy. But just about every statistic of the Airlift broke a record of some sort. For those who took part, the sense of achieving something remarkable was to stay with them for the rest of their lives.

But for the Airlift the whole of Germany might well have fallen under Soviet control. France and Italy, with powerful communist parties, could have followed. Eastern Europe was already in thrall to Moscow. The Airlift sent a message to Stalin. America and Britain would stand firm. Less than a year after the blockade was lifted, America abandoned the last vestiges of isolationism with the creation of NATO and a commitment to lead the defence of Europe. There was to be no retreat. The confrontation in Berlin was the first and arguably the decisive round in the Cold War.

Barry Turner, 2013

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## The Reeds at Runnymede

*Magna Carta was 800 Years old in 2015. Barry Turner Explores its Origins and Explains how it came to be the Guiding Spirit for the British and American Constitutions.*

I was brought up on Magna Carta. As a schoolboy in Bury St Edmunds, a rural market town of medieval origins, I learned that it was here, in January 1215, in the once great abbey, that the heads of England's noble families gathered to pledge mutual support in their opposition to the tyrannical rule of King John. The sequel, 6 months later, was at Runnymede, a riverside

meadow between London and Windsor, where John put his seal to a programme of reform called the Charter of Liberties or, subsequently and more famously, Magna Carta.

My introduction to the 'greatest constitutional document of all times'<sup>20</sup> came in the aftermath of a world war against fascism. It made for an inspiring story of an earlier victory over despotism, one, that for young people, was given a lift by tales of Robin Hood and his band of outlaws who ran rings round King John and his villainous Sheriff of Nottingham.

But while it did not take long to discover that Robin Hood was the stuff of legend, the myths attached to Magna Carta had more staying power. Even now, with the status of near holy writ bestowed on the 'oldest liberty document' it can come as a surprise that John's reputation as a thuggish oppressor was overstated, that the barons were by no means united in their resistance to the monarchy and that liberty, as understood by the champions of Magna Carta, was narrowly confined.

Like all warrior kings, John could be treacherous and brutal. With a personality driven by jealousy and suspicion, he was not one to inspire loyalty. But his problems were not entirely of his own making. Inheriting the crown from his brother Richard Coeur de Lion, or Richard the Lionheart—names that remind us of the strong Anglo-French connection—John came to the throne at a time when England was beginning the long transition into a modern state. While Richard, the great Crusader, had put military prowess above all else, he had fought his battles abroad. In his absence, which accounted for most of his reign, the English countryside was at peace. Benefiting from technological advances, ranging from water power to windmills, the barons, ensconced in their great castles, needed to feel secure in managing their estates. It was a reverie that became increasingly remote once John had taken on the mantle of royalty. As he saw it, he had a divine right to rule as he thought fit. This included surrounding himself with a talented bureaucracy (John was, above all, an efficient administrator) to enforce his will and to swell the royal exchequer.

The king's tax-raising powers were many and various. They included 'scrutage', the money paid in lieu of military service, an inheritance tax on large estates and a sort of transfer fee on wealthy widows who remarried. Though underpinned by feudal custom, these charges were resented on several counts. For one thing, John enforced them more rigorously than any of his predecessors. His coterie of treasurers and bailiffs seemed to take malicious pleasure in bending established rules to maximise the royal income.

At the same time, the rate at which taxes were levied was liable to be raised arbitrarily. There was some justification for this since the increased flow and circulation of coinage had doubled or even trebled prices. But with the concept of inflation as yet unknown, the barons concluded that they were paying more merely to satisfy royal greed. The censure might have been lighter had not John spent lavishly on ill-fated adventures across the Channel. Pressure on him mounted after his attempts to regain family territory in northern France ended ingloriously in 1214 at the Battle of Bouvines when Brittany and Normandy were irretrievably lost to the French crown.

Recognising the discontent that was bubbling up around him, John conceded enough to give the impression of reform. But it was too little too late. To add to his troubles abroad, he was soon faced with rebellion at home. With more than their share of grievance, it was the northern barons who took the lead. But they failed in their attempts to create a united front. Challenging the King in the exercise of his hitherto undisputed right to have the last word was, for many powerful landowners, an offence against the natural order. In the incipient civil war the barons who were for or against John were evenly balanced while the majority kept well in the background. Playing on the strength of tradition, John might have faced down the crisis but for one critical factor, his failure to hold London, the strong point of any campaign to win the country.

Both sides moved cautiously towards a deal. Casting himself as mediator, Stephen Langton, Archbishop of Canterbury, delved into ancient documents to find some sort of precedent for restraining the royal prerogative. But how was it possible to limit some kingly powers without limiting all his powers? And who would act as the impartial judge of royal right and wrong?

For those of us who are distant observers of the scene, another question arises. Were the barons speaking for themselves alone or do we go along with the nineteenth-century historian, William Stubbs, that their demands 'were no selfish exaction of privilege' and that they had 'cut themselves loose from Normandy and Norman principles and reconciled themselves to the nobler position of leaders of their brother Englishmen'?

Phrases like 'community of the whole land' and 'consent of the kingdom' are not hard to find in Magna Carta. But it is surely inconceivable that the barons had in mind a nation in any modern sense, let alone a constitutional monarchy. Their idea of good government was oligarchic with king and nobility working more or less in harmony supported by those of sufficient wealth and social standing to be called freemen. Excluded were the unfree, the serfs or villeins who made a subsistence living in service to their lords. They comprised over half the population.

So it was that much of Magna Carta addressed specific grievances with financial concessions to the barons as the first consideration. For the rest, the clauses that had bearing on the relationship between the king and his subjects were cast in vague terms that made for easy adaptation over the centuries. Thus 'consent of the kingdom' without which 'no scrutage or aid shall be imposed' eventually took on a much wider significance to the point where the American colonies, looking to independence from Britain, could cite Magna Carta in support of 'no taxation without representation'.

This was a concept beyond the wildest imaginings of the gathering at Runnymede who had no compunction in exercising autocratic judgement on the lower orders. The claim that the barons were championing the liberties of all men can only be sustained on the supposition that they were doing so without knowing it.

But if Magna Carta was not the birth certificate of freedom, it was, as Simon Schama argues, the 'death certificate of despotism'. Schama goes on to say that Magna Carta 'spelled out for the first time, and unequivocally . . . that the law was not simply the will or whim of the king but was an independent power in its own right, and that kings could be brought to book for violating it'.<sup>21</sup>

The implications were not lost on John. Within weeks of the ceremony at Runnymede it was clear that he had no intention of holding to his part of the agreement. Claiming that his consent had been secured by force he appealed to the Pope, as supreme overlord, to intervene. Conscious of his own vulnerability, the Pontiff declared Magna Carta to be 'illegal and unjust'. For their part the barons enlisted as standard bearer Prince Louis of France, whose asset was a distant claim to the English throne. A lengthy civil war was in prospect when King John reputedly lost a large part of his worldly wealth in an ill-fated journey across The Wash in East Anglia and promptly succumbed to dysentery. His heir, a nine-year-old boy, was crowned Henry III in October 1215. No longer feeling under threat, the barons quickly rallied to the young king while Prince Louis, whose invasion force disembarked at Sandwich in Kent in May the following year, was soon sent packing.

While Henry was growing up under the tutelage of those who had stood against his father, Magna Carta gained authenticity. Supplemented in 1217 by a Forest Charter that gave freemen the right to turn forest land to commercial advantage so long as they did not cause damage to their neighbours, Magna Carta was amended slightly before it was reissued in 1225. It was this document that entered the statute books.

Curtailed of royal power was tightened in 1258 with the Provision of Oxford, which created a 15-member privy council, selected by the barons, to advise the king and to oversee his administration. A parliament was to be held three times a year. The battle between king and nobility had a long way to run but the principle of consent could no longer be ignored. In 1354 a statutory reference to the 'due process of law' was assumed to extend to all men, free or otherwise.

As the years passed, lawyers and political philosophers, keen to assert beyond challenge that England was governed by common laws to which even the highest in the land were subordinate, adopted Magna Carta as the cornerstone of a constitution. Critical to its evolution was the work of Sir Edward Coke, the foremost jurist of Renaissance England. Stressing the freedom of the individual, Coke attempted to show that Magna Carta was 'the fountain of all the fundamental laws of the realm'. His selective interpretation led, in 1628, to the Petition of Right, an attempt to constrain

<sup>20</sup>Said by Lord Denning, (1899–1999) a leading member of the British judiciary

<sup>21</sup>Simon Schama, *A History of Britain*; p. 162

the king's power to impose taxes without Parliamentary approval or otherwise to behave as if the entire country was his to command. For his part, Charles I was content to make formal recognition of Magna Carta but resolutely rejected any attempt by Parliament to limit royal prerogatives. The upshot was civil war culminating in the execution of Charles in 1649.

But there was still some way to go before Parliament was recognized as the supreme legislative institution. This came with the Glorious Revolution of 1688 when the throne was occupied by the Protestant William of Orange and his wife Mary. Their accession was marked by a Bill of Rights containing 13 articles defining the limitations on the royal prerogative and confirming the rights of Parliament and of all citizens. In effect, the Bill was an updating of Magna Carta, with, for example, Parliament as guardian of the common law and the sole authority for levying taxes.

By then, Magna Carta was making its impact on America. Its first appearance across the Atlantic was in the royal charter supporting the settlement of Jamestown, Virginia in 1607. Drafted under the direction of Coke, the founding document declared that 'the persons which shall dwell within the colonies shall have all the Liberties as if they had been abiding and born within this our realm of England'. These or similar words appear in the inaugural charters of, among others, Connecticut, Maine, Maryland, Massachusetts and North Carolina where, in 1663, land was granted on the same terms as the 'Great Deed of Grant' of Virginia, known as the 'Great Charter' and as 'a species of Magna Carta'. The governor of the Commonwealth of Massachusetts consulted books of English law including Coke on Magna Carta 'to the end we may have better light for making and proceeding about laws'.

The suggestion is that whatever the popular conception of Magna Carta, the framers of the rule of law for the New World knew well enough that the instrument of government, acknowledged reluctantly by King John in 1215, was not in itself a blueprint for a new society. Rather, it was a basis on which a consensual form of government could be built.

So it was that the barons who met at Runnymede were mythologized into champions of popular sovereignty. This was the guiding principle for the framers of the American Constitution and the subsequent Bill of Rights, which guaranteed freedom of religion, assembly, speech and of the press.

The spirit of Magna Carta is as potent as ever. While, 800 years on, we celebrate Magna Carta, not for what it was but for what later generations made of it, Runnymede marks the origin of the two essential tenets of working democracy—the accountability of government to the people and liberty from arbitrary arrest and imprisonment.

But in celebratory mood, it is easy to be complacent. Politicians pay lip service to essential liberties but recent experience suggests that they have other priorities. In the name of security, democratic governments collect masses of data on their citizens who remain unaware of how much the authorities know about them or how the information might be used.

There is more than enough evidence to show that intelligence agencies should be hauled in before they inflict real damage on those they are paid to protect. It is still hard to believe that as part of the Bush war on terror, prisoners were held in Guantanamo Bay without trial and that torture was justified as 'enhanced interrogation'.

Then again, the impact of the commercial giants on legislation and executive decision-making raises questions of transparency and accountability. And we have hardly begun to understand the reach of online search engines. Google alone is the 'largest holder of information, both public and private, in world history'.<sup>22</sup> Could Google's dominance be a threat to civil liberties? Who can say? But its co-operation with the Chinese Government between 2005 and 2010 in censoring politically sensitive search words is hardly encouraging.

Facebook with over one billion users has built an enormous resource of data on individual profiles that could put ordinary privacy at risk. The fact that most of the information is freely given does nothing to reduce the risk of commercial or political abuse. By way of balance the web with its myriad links between protest groups has the potential for exposing infringements on civil liberties and for containing the political tendency to meddle in affairs that are best left to the private domain.

Maybe what is needed is a Magna Carta for the twenty-first century, an attempt, however imperfect, to reassert fundamental freedoms in the age of globalization of knowledge and of unprecedented concentrations of power. There are no easy answers. Nor were there any in 1215. But the barons made a start on finding solutions to what then must have seemed to be intractable problems. In this anniversary year, we would do well to follow their example.

Barry Turner, 2014

## Falling Out Over Suez

*60 years on from the Suez Crisis, Barry Turner reflects on an episode that tested Anglo-American relations.*

The special relationship between the United States and Britain has had an uneven history. Its high point was in the early months of the Second World War when President Roosevelt responded to Prime Minister Churchill's appeal for aid by mobilizing the American economy as a life support for the British war effort. Less than 20 years on came the lowest point.

In 1956 Britain, France and Israel invaded Egypt. The ostensible justification was to protect the international status of the Suez Canal, a waterway of world significance not least for connecting Middle East oil to its European markets. Oil accounted for half the Canal's traffic and met two-thirds of Europe's demand.

In reality, the crisis was more about the threat to Anglo-French interests and to the very existence of Israel posed by President Nasser of Egypt, the prime exponent of Arab nationalism. A populist of formidable talent, Nasser was intent on eradicating what he called 'colonial' influence in his country. In July 1956 he declared the Suez Canal, for generations under Anglo-French management, to be nationalized. In one swift, dramatic move he had proved himself a leader who could defy two big powers.

They resolved to strike back. With good reason to fear Nasser's ascendancy, Israel joined an alliance that gave the excuse for a pre-emptive strike against a declared enemy.

In Washington, President Dwight Eisenhower watched the unfolding events with a growing sense of dismay and anger. To his advisers, Eisenhower spoke of his 'double-crossing allies' while in a sharp telephone conversation with Prime Minister Eden in London he skipped the usual preliminaries to get straight to the point. 'I can only assume that you are out of your mind' was his opening gambit. He spoke closer to the truth than he realized.

How did it get to this? At the heart of the crisis was the failure of European politicians to grasp that the days of Western imperialism were drawing rapidly to a close (Soviet imperialism was another matter) and that Europe itself had been marginalized in a Cold War that recognized only two world rivals—the USA and the USSR. With their history of empire building, the truth was particularly galling for France and Britain, both sensitive to whatever touched on their self-importance.

For almost a century, Britain had played a dominant role in Egyptian affairs. While the French had built the Suez Canal, it was the British who gave a much needed boost to Egyptian finances with the purchase of a 44% holding in the enterprise. That was in 1875. By then, the Canal had gained significance as the gateway to India, the jewel in Britain's imperial crown. After putting down nationalist rebels, British forces stayed on in Egypt to create a protectorate—in effect a British colony by another name.

French interest, however, remained strong. It was not simply that the Suez Canal Company was managed from Paris or even that Egypt was imbued with French language and culture. What really concerned the Quai d'Orsay was the possibility of unrest in Egypt spreading to French-controlled Algeria and Tunisia.

After the Great War, the American ideal of self-government for subject peoples came adrift in the Middle East where Arab princes took power under

<sup>22</sup>Peter Dahlgren, *The Political Web*; p. 57

the mandatory guidance of France and Britain. The setting of new boundaries, however neat and tidy on paper, was a recipe for tribal and ideological conflict. The biggest muddle of all was reserved for Palestine, selected by Britain as the setting for a Jewish homeland. From the first days of a British mandate, Palestine was marred by violence. Today we might ask: what has changed?

Egypt gained independence of a sort in 1923. While constitutional government was created, Britain held on to control of defence and security, rights that became all the more important in the build up to the Second World War when it was clear that Italy had designs on Egypt. Efforts to secure Egyptian loyalty led to the 1935 Anglo–Egyptian Treaty. The moving force was the young Anthony Eden, recently promoted to foreign secretary. Credited with a diplomatic triumph, he could not have guessed that the document he signed contained more than a hint of the finale to his political career. The period of entitlement of the British military to remain in the Canal Zone was to end in 1956.

As a loyal supporter of Winston Churchill in his opposition to the Hitler regime, Eden was highly regarded as foreign minister and as Churchill's closest colleague. Assumed by all to be the heir apparent, he followed Churchill as premier in 1955. But by then, though only in his fifties, he was a spent force. In poor health and given to violent mood changes, his political thinking was rooted in the past. Britain without her empire was beyond his imagination.

'The Empire', as he put it, 'is our life; without it we should be no more than an insignificant island off the coast of Europe.' His conviction was echoed in the Quai d'Orsay. France 'n'est rien sans les colonies.' Nasser played on these fears. Having come to power after a military overthrow of the Egyptian monarchy, he all but persuaded Washington that his political ambitions were in line with the best traditions of American democracy.

Britain and France were having none of that. The view from their side of the Atlantic was that Nasser was a Hitler in the making, a nationalist fanatic who planned a takeover of the entire Middle East while annihilating the recently created independent state of Israel.

Neither side had it right. Nasser was no democrat but his power to damage the Western alliance or to inflict pain on Israel was limited by territorial and political rivalries that were endemic to the Middle East. His mistake was to overplay his hand with Washington. Eisenhower favoured rational discussion over confrontation but he was no soft touch. When Nasser tried to hurry along an arms deal by threatening to transfer his allegiance to the Soviet Union, the warning sirens in Washington were loud and clear.

Relations between Egypt and the USA deteriorated further over the financing of the Aswan Dam. A worthy project to bring into cultivation two million acres of arid land came up against doubts that Egypt could guarantee a massive loan. When the USA pulled out of the deal, Nasser appealed to the Russians who were far more accommodating.

The fear of the Cold War spreading to the Middle East seemed to justify the stance of Britain and France. But US disillusionment with Nasser fell a long way short of securing Washington's willingness to bring armed pressure to bear. In the naïve belief that Eisenhower would be compelled to follow their lead, the two European powers pushed ahead with their scheme to bring down Nasser.

The nationalization of the Suez Canal was the spark in the tinderbox. With France as Israel's closest ally, a triple alliance took shape. The arch plotters were Eden and his opposite numbers in France and Israel—Guy Mollet and David Ben-Gurion.

To say that the plan was fantastical is to put it mildly. After a half-hearted attempt at conciliation, Israel was to attack Egypt; Britain and France would then intervene with an expeditionary force to separate the combatants and save the Canal. No account was taken of world opinion which, in the event, turned out to be almost uniformly hostile. Little account was taken of the United Nations; a fact even more remarkable given that Eden was one of its principal architects.

At 3.00 p.m. on 29 October 1956, the Israeli Air Force struck against Egyptian positions in Sinai. The next day, an ultimatum from France and Britain was addressed to the governments of Israel and Egypt. It called on them to stop hostilities, to withdraw their forces to a distance of ten miles from the Canal and to allow Anglo–French forces to occupy key positions.

The ultimatum, rejected by Egypt, set off a veritable hurricane of protest. It was led by the US Secretary of State, John Foster Dulles, who with a 'heavy heart' spoke before the UN General Assembly to discuss two of America's

oldest and closest allies. To add to his discomfort, the Soviet Union joined him in condemning the 'aggressors', a gesture of staggering hypocrisy in view of Moscow's decision to send troops to Hungary to bring into line the liberal reformers who had taken over the government.

The USSR continued to bluster with contrived outrage. Nikita Khrushchev, the new strong man in Moscow, threatened rocket attacks to 'curb aggression' against Egypt. However much Eisenhower was opposed to the Suez adventure, Soviet involvement was not to be tolerated. 'If those fellows start something', he told his advisers, 'we may have to hit 'em—if necessary, with everything in the bucket.'

That the Suez War was a gigantic mistake destined to end in disaster became apparent to the British political elite at an early stage of the campaign. At least six members of Eden's cabinet had severe doubts while the minister of defence, no less, came out openly against the use of force. He also recognized, along with others, that Eden—with his fragile temper and refusal to acknowledge reasoned argument that told against him—was close to a breakdown. Yet, there was only one resignation and that of a junior minister.

When eventually Anglo–French forces landed in Egypt, the conflict was short and sharp. An overwhelming majority in the UN in favour of an immediate ceasefire, together with an oil embargo against Britain and France, concentrated minds on finding an exit. But it was financial pressure from the USA that clinched the argument. Harold Macmillan, as finance minister in the Eden government, warned of fast disappearing gold reserves and threats from Washington to expose sterling to turmoil in the currency markets. A run on the pound was the last thing the precarious British economy needed.

Macmillan exaggerated. Britain's financial plight was nowhere near as serious as he made out. Moreover, the US was not about to disrupt the world economy to score a point against Britain. As the Tory leader who took over when Eden was forced to resign, the suspicion is that Macmillan engineered his own succession. A more probable explanation is that he was convinced the government was in an impossible position. It was largely on his urging that Eden accepted a ceasefire.

What else was learned from the Suez debacle or, perhaps, what was not learned? It was many years before Britain and France recognized that imperialism was a lost cause. Independence for British colonies came slowly and often painfully while France bucked the trend with fruitless efforts to bind her overseas possessions ever closer to the motherland. It was only after a savage and demoralizing war that Algeria was surrendered to nationalists. It needed the exceptional prestige and presence of Charles de Gaulle to effect the change.

De Gaulle was less easily persuaded that on the world stage the USA was the undisputed leader of the Western democracies. France withdrew from NATO as the first move towards creating an independent nuclear deterrent. By contrast, Macmillan, who had succeeded Eden as prime minister at the start of 1957, moved quickly to repair and strengthen Anglo–American relations. When he met with Eisenhower in March 1957, the President reported 'by far the most successful international meeting I have attended since the close of World War Two'. The special relationship was back on track.

In bowing to the White House, Britain accepted, though implicitly, that worldwide responsibilities could no longer be sustained on such a small economic base. A start was made on reducing the size of the military while making it fitter for a more limited purpose.

The biggest loser of the Suez War, though he was the last to realise it, was Abdul Nasser. After the ceasefire he proclaimed a great victory over the invaders. It was true that Egyptian control of the Canal was affirmed but that was a long way from concluding that the Egyptian armed forces had emerged from battle with much distinction. In reality they failed at almost every stage of the campaign, their few successes being more the result of luck than strategic judgment. The myth fostered by Nasser was that with advanced military technology, his forces were invincible. The bitter truth became apparent a decade later with the Egyptian defeat in the Six Day War. Soviet arms were to no avail. Israeli raids destroyed 286 of 340 Egyptian warplanes on the ground. The story went around of Marshal Zokharov, chief of the Soviet general staff, telephoning Nasser to let him know that his latest batch of aircraft was ready for delivery. 'Or would it save time if we just blew them up now?'

As the true story of the Suez War began to emerge from the archives, Anthony Eden was cast as the undisputed villain of the piece. The real

indictment against Eden was not so much that he was devious or dishonest but rather he did not understand the country he was governing. Over 20 years of world travel in the grand style, cavorting with diplomats and politicians who themselves had outmoded, or at best second-hand, impressions of what Britain represented, had left him with an exaggerated view of his country's readiness or ability to fight for the values he held most dear. Eden had no feel for the better-educated and better-informed generation that was coming of age.

The rebellious spirit that was beginning to find its strength in the late fifties had its origins in America, where rising living standards and cash to spare had released teenagers from their parents' purse string and freed them from traditional authority. The new radicalism soon spread to Europe, where young people were besotted with American culture popularized by sound and screen. The gap between old and new was widening at the time of Suez. Eden and his friends, mostly of pre-war vintage, failed to connect with the young; few even bothered to try. To many of military age in 1956, the Suez episode was a throwback—evidence that their elders had lost their grip.

*Barry Turner, 2015*

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## What Future for Democracy?

*Barry Turner Investigates Democracy's Role in the Modern World*

Democracy is in poor health. Freedom House, a watchdog group which reports on political rights and civil liberties, calculates that of 195 countries assessed over the last 8 years, there has been a net decline in freedom. Democracy has languished in Bangladesh, Kenya, Thailand and Venezuela and would appear to be in terminal collapse in Russia and Turkey.

Expectations that the Arab Spring would spread democracy throughout the Middle East have been disappointed. Meanwhile, in the US and Europe where modern democracy was born and nurtured, there is widespread disillusionment with a system of government that is prone to inefficiency and to a none too subtle form of corruption which favours the wealth and power of a small minority.

If voting patterns are anything to go by, political participation is in sharp decline. According to the OECD, levels of voting in national and local elections are down 70% on 30 years ago. In several of what are dubbed 'advanced' countries there is a disturbing trend towards authoritarianism, a desire for a strong leader who will sort things out. Shades of the 1930s begin to close in.

And it has all happened so quickly. A mere quarter century ago, at the end of the Cold War, futurologists were as one in declaring that unrepresentative governments, of whatever political hue, had no future. What has gone wrong? Before venturing into muddy waters it would be as well to agree on what we mean by democracy. Commonly-held features can be identified—the right to vote in open and honestly managed elections, liberty of conscience, freedom of speech, universal education, minimum living standards, the protection of minority rights and the private ownership of property. But none of these are absolutes. Even the interpretation of something as apparently fundamental as freedom of speech fluctuates wildly between democracies. Similarly, across the range of democracies, the right to vote is more or less free depending upon the electoral system in place.

Throughout history there have been ebbs and flows in the direction and interpretation of democracy. The early Athenians were the first to practise a form of government by which citizens could debate and decide collectively on matters of general concern. The idea made no sense to Plato and Aristotle who argued that democracy, in handing power to the commonality, was a recipe for the destruction of the state. It was a contention that was to be echoed down the ages by the promoters of strong government led by a political

messiah, royal or otherwise. A more charitable view of the commonality was fed into the mainstream by Christianity. With each person judged to be spiritually equal in the sight of God, every individual was able to claim certain rights which a ruler was bound to respect.

Pre-eminent among the post-medieval philosophers, Thomas Hobbes attempted a rational foundation for the exercise of sovereign power by deducing that citizens willingly ceded some of their rights in return for protection. Their freedom was to do whatever they liked outside whatever was explicitly forbidden by law. With the advance towards a more structured society, elitism prevailed. The concept of private property was intrinsically linked to the state, and only by its mandate could it exist. However, in denying the authority of the Church, the Protestant Reformers experienced self-government in religious and social matters and got a taste for true democracy. During the English Civil War (1642–49), the Puritan Colonel Rainboro famously asserted, 'the poorest he that is in England hath a life to live as the richest he'. It followed that 'every man that is to live under a government ought first by his own consent put himself under that government'. In rejecting a distinction between those born to rule and the rest who were born to obey, he made an argument familiar today in countries groping towards some form of democracy.

A century on from the English Civil War, upheavals on both sides of the Atlantic restored democracy to the forefront of political discourse. In America, the newly created states began with a clean political slate on which to draw the framework for government at regional and national level. The constitution-makers stressed individual rights to life, liberty and the pursuit of happiness as the essential safeguard against government abuse of power. What emerged was a hands-off type of administration that suited the vigorous, self-reliant society that was pioneering the new America.

The contrast with France in the wake of its own revolution could not have been greater. Maximilien Robespierre, the dominant figure of the Revolution, defined democracy as 'a state in which the sovereign people, guided by laws which are its own work, does by itself all it can do well, and by delegates all that it could not'. In other words, having chosen their representatives, the people had to accept what was enacted in their name. The two ideals remain distinct and thus a source of confusion in any discussion of the function and organization of democracy. Following to varying degrees the example of France, other European countries tend to favour the state over the individual. In the US, the reverse holds good.

As depicted in popular history, the nineteenth to the early twentieth centuries was a people's march towards liberal democracy. But with the expansion of civil rights, the creation of political parties and wider participation in elections came counter-movements aimed at restraining democracy, driven by fear of rule by the mob. At its mildest the philosophy of restraint was expressed by Edmund Burke, who argued that once elected, representatives should be permitted to exercise independent judgment without pandering to popular opinion. But this was too subtle for uncompromising authoritarians who leaned on nationalism, with religious overtures, as the strongest antidote to democracy. When, as in Europe's revolutions of 1830 and 1848, regimes were overthrown, they were quickly succeeded by other authoritarian rulers.

At the same time, the resort to violent revolution proved the need for every ruler, of whatever persuasion and power, to be able to draw on a generous measure of popular support. If democracy has within it the assumption of government by consent, every government, however dictatorial, has within it an element of democracy. Nationalism, furthermore, can implode. This became clear after 1914 when hundreds of thousands of young patriots marched off to slaughter in northern France. Their sacrifice brought the old European order crashing down.

With the widening of the franchise, notably to women, the framework of modern Western democracy was put in place. But it was not secure. Two forces threatened to overwhelm democracy—fascism and communism. Each movement usurped the name of democracy for its own ends. Democracy's finest hours came in 1945 with the defeat of fascism and in 1989 with the collapse of Soviet communism. By 2000 the number of democracies had increased from 66 in 1987 to 121. The momentum of the freedom march was judged to be unstoppable. But we were wrong. Democracy has stalled and there is now a real threat of a roll-back. In the wide-ranging debate on what needs to be done to revitalize democracy, politicians are inclined to believe that once economic growth is back on track all will

be well. It could happen. Anything *could* happen. But the emergence from recession should not fool us into believing that democracy is in the clear. The fault lines go much deeper. For one thing, our technology-driven industrial revolution destroys more jobs than it creates. Andrew McAfee of MIT's Sloan School of Management estimates that 50% of current jobs will eventually be automated out of existence. The almost inevitable scarcity of employment is the biggest single threat to democracy. When a rising generation feels itself economically and politically emasculated, it is liable to lash out at those held to be responsible, notably elected politicians who have failed to deliver on their promises. Riots in American inner cities and in the French suburbs are a disturbing pointer to the future.

Globalization has become a hate word for the disaffected. While the dismantling of international trade restrictions has reduced the number of people in absolute poverty, at the same time the gap between rich and poor countries has widened, as has the gap between rich and poor within each country. Inequality is on display for all to see in the games played by powerful interest groups who make no pretence of representing the general public. Cosy capitalism feeding on greed is apparent everywhere as powerful lobbies vie with each other for a bigger share of government favours and handouts. Leading companies are now so powerful as to be beyond government (i.e. democratic control) and can frustrate political mandates by relocating the hub of their activities to wherever the profit is greatest and interference minimal. The commercial world's big players no longer think of national boundaries as setting any limit on their activities.

Public cynicism at the way business succeeds in manipulating governments is diluted by party pledges to spend, spend, spend. But this has done nothing to improve the health of democracy. Quite the reverse. With the state taking on more and yet more responsibilities, the machinery of government has become dependent on an overweight bureaucracy that is remote from the lives of ordinary citizens. A safe generalization is that bureaucracy feeds on itself to become ever fatter.

Those in power profess their enthusiasm for communicating with the people but they do so in a hectoring, propagandist manner aimed more at manipulation than enlightenment. Taking its cue, the media treats politics as a knockabout contest, a branch of the entertainment industry with not quite the pulling power of sport. The gulf between government and people is nowhere better demonstrated than in the evolution of the European Union, a noble idea that is foundering on the refusal of the administrative elite to accept the need for public accountability.

There are those, an increasing number, who argue that democracy in the Western tradition is simply no longer workable. For inspiration they look to China and other vibrant Asian economies where authoritarianism is tempered by self-government in small things that can be decided without upsetting the system. Technocrats in political guise are able to plan long-term policies that are said to be too complex for the vagaries of democracy dependent on promises and bribes of popular election.

While conceding that in our interconnected world it makes sense to delegate decision-making to experts in such matters as global warming, safeguarding computer networks, cracking down on money laundering and combating terrorism, the all-embracing rule by technocrats throws up too many fears of the abuse of power. Scant regard for human rights and the arrogance of unelected officials suggest that the path of 'managed' capitalism is anything but smooth.

Instead of giving up on democracy, we should focus on making it work better for the twenty first century. A start could be made by recognizing that democracy creates many of its own problems by trying to do too much. The top heavy welfare state, unsustainable in the long run, spreads its favours too widely. If democracy is to be saved, the resources of the state must be redirected towards those of the greatest need. This means putting a brake on the hand-out of goodies to the relatively wealthy. In the US the housing subsidy to the richest fifth, by allowing mortgage interest to be tax deductible, is four times the amount spent on public housing for the poorest fifth.

Targeting the outcasts—the socially deprived who, under the present system, have little hope of breaking out of the poverty cycle—will greatly improve their life chances. But the challenge is not simply to raise standards to achieve greater equality of opportunity. Rather, we should be looking to creating a society which evens the balance between earning a living and the time allocated to family and to life enrichment.

One way of encouraging voters to play a more active role in determining how their country should be run is demonstrated in the direct democracy practised in Switzerland where 50,000 signatures on a petition, just over 1%

of the total of qualified voters, are enough to submit any new countrywide law to a vote of the whole people. With twice that number of signatures a proposal for a new law can be voted on, effectively sidelining parliament.

Critics argue that what suits a small, relatively uncomplicated society is less obviously attractive to a large, diverse country. A more serious objection has to do with framing referendum questions that can be clearly understood. Furthermore, the resort to a nationwide vote on sensitive issues can offend human rights. In Switzerland a 2009 poll banned the construction of minarets attached to mosques—even though the Swiss constitution protects freedom of religion. It is easy to imagine that an over-hasty resort to a referendum in the wake, say, of a terrorist atrocity could lead to a majority vote for the return of barbaric punishments. Abrupt changes in public mood are no guide to good government.

This is not to dismiss the value of referendums but merely to suggest that they must be judged in relation to other aspects of a working democracy. It is relevant to note that Switzerland has a long tradition of linking referenda to devolution. The delegation of power away from the centre is vital to the re-energizing of democracy. There are encouraging signs that national politicians are beginning to realize this. In Britain, until recently a highly centralized state, devolution to Scotland and Wales is being extended to clearly identifiable regions such as Greater Manchester. France is beginning to move the same way with a new regional structure that is close to German federalism, the favoured model for decentralization.

The only way forward for the EU as a whole is for more democracy, not less. Democracy may not always produce the 'right' results according to the mandarins but the alternative is a breakdown in the system and the collapse of what until now has been one of the more successful exercises in international co-operation. The policy of subsidiarity, so often discussed for the EU, so seldom practised, should now be implemented in full. More European legislation should be referred to national parliaments in draft form; each member state should be free to decide its own tax policies; the Council of Ministers should meet in public and the European Parliament should be given increased powers.

A foremost concern must be the role of money in democratic elections. Even if wealth alone is not a guarantee of electoral success, the fact that it is near impossible to aspire to high office without strong financial support is a denial of democratic rights. Those who donate expect to be rewarded. Clearly spending limits need to be imposed but the much favoured alternative of relying on state subsidy tends to benefit the established parties. The better solution is to put a strict upper limit on individual and company donations, monitored by an independent watchdog. One of the welcome side effects of this would be the encouragement of parties to broaden their support.

Despite the current tribulations, there is comfort for true democrats in knowing that while there are open and free elections, politicians who are ineffectual or who take too much upon themselves while ignoring those who put them in power are certain, eventually, to meet their comeuppance. In Italy, the voters dismissed an oligarchic prime minister who discovered that wealth and media power are not in themselves enough to secure re-election. Democracy in Nigeria triumphed in 2015 when the incumbent president was ejected in a largely peaceful election, an example to much of the rest of Africa where democracy is respected more in theory than in practice.

There is comfort too in knowing that while the authority of elected assemblies is increasingly called into question, citizens are finding other ways of making their opinions count. While, by clever manipulation of the media, pressure groups representing dubious causes can exercise an influence out of all proportion to their popular appeal, there is a profusion of voluntary organizations, including leading charities, which engage the interest and energy of those who might otherwise belong to political parties.

Consumers also have the potential to make their wishes known. Every company needs its market; a threat to withdraw the market by ceasing to buy a particular product concentrates minds wonderfully. The role of consumer democracy in restraining business pretensions should not be underrated. Meanwhile, the potential of the internet to stimulate democracy by disseminating information and by promoting dialogue has still to be tested. Though an increasing proportion of news and comment is appearing online in countries where the media is otherwise tightly controlled, the censors are already at work. Even in the older democracies the freedom of the internet and its ability to create dissent is being cited within political circles as justification for official secrecy. For democracy to thrive this, of all exclusions, is in urgent need of demolition. The model here is the Swedish constitution, which rules that legal justification is required before a public authority can refuse access to documents or information.

Above all, politicians need to remind voters of the virtue of freedom. Democracies are typically richer than non-democracies, are less likely to go

to war and have a better record of fighting corruption. Democracy allows for the voice of the people to be heard. It is in the nature of democracy that it will always be a shifting concept, defined at any one time by a mix of high ideas and socio-economic practicalities. What may fit one country at a particular time may not necessarily suit all. But the fundamentals are clear enough.

Those of us who are lucky to live in relatively free societies must recognize the need to protect and nourish what we have, the better to support those who, sooner or later, will want to join the club.

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