

Master Thesis within the main profile of International Business

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## **A Psychological Look at Economic Growth:**

### **An Omni-political Manifesto**

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This thesis was written as a part of the master programme at NHH. The institution, the supervisor, or the examiner are not - through the approval of this thesis - responsible for the theories and methods used, or results and conclusions drawn in this work.

## ABSTRACT

This master's thesis is an attempt to synthesize the psychological theory of self-esteem, as formulated by Nathaniel Branden, with economic thought in order to provide an innovative way of analyzing historical economic data. The nations of examination are The United States of America and the Kingdom of Bhutan. Initially there will be an exploration of why this type of analysis may be useful at this time in the procession of economic and psychological history. Branden's six pillars of self-esteem are all examined, and translated into suggested ways of how to go about analyzing nations. This is followed by looking the aforementioned nation's economic vitals, and then their national-economic-esteem.

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## *Preface*

*“What I am in search of is not so much the gratification of a curiosity or a passion for worldly life, but something far less conditional. I do not wish to go out into the world with an insurance policy in my pocket guaranteeing my return in the event of a disappointment, like some cautious traveler who would be content with a brief glimpse of the world. On the contrary, I desire that there should be hazards, difficulties and dangers to face; I am hungry for reality, for tasks and deeds, and also for privation and suffering.”*

Hermann Hesse<sup>1</sup>

## 1 INTRODUCTION

### What Is to Be Done?<sup>ii</sup>

*“Our time revolts against the inexorable necessity of specialization and therefore cries out for synthesis.”*

Jospeh Schumpeter<sup>iii</sup>

There has been a call from many an economist and psychologist alike to bring into being a useful synthesis of economic and psychological theories. Both fields of study are after all mere human partitions of the broader study of life. So in uniting that which was only ostensibly divided, all that should be required is a bit of creative follow through with that presumptive synthesis. This paper is an attempt to follow through with the oft suggested psychological systemization of historical economic facts in a way that may be helpful to policy makers as well as cathartic to economic and psychological theoreticians.

Hoping to broaden and deepen the color and hue of the analytic tapestry, the main direction will be to venture into an alternate style of illustration, accepting value in iteration of ideas spoken by separate scholars of different eras, fields, and in separate works. In an attempted consiliation of these two different immature fields among the sciences, both economics and psychology, the hoped destination will be one where ideals prove to cohere. The means of propulsion will not necessarily be cutting edge academic technologies brought to bear on modern issues, but an anthropocentric sentiment and expanded, yet perhaps eclectic awareness.

In the past policy makers in the developed world of the West have looked to economists like Simon Kuznets and his academic progeny for theoretical tools such as Gross Domestic Product (GDP) by which to discover ways to foster economic improvements on a path to a unifying theory of economic growth.<sup>iv</sup> Kuznets conceded that economics was a disintegrating field and agreed with this sort of scholarly adventure, stating that “in any case, awareness of the full range of factors – regardless of their classification in the rather uncertain nomenclature of the

social sciences – should be useful in an analysis of problems of economic growth.” (Kuznets, 121-122).

The context of this world is dictated by our developing awareness and understanding of its natural laws, and the history of our living and interacting within those laws. The world has born witness to the procession of nations vying for survival and greatness into this present day of threats of mutually assured destruction by purposeful nuclear means, or by negligence toward our environment. The questions of survival by what means and greatness on what terms remain. Not convinced that Kuznets’ analysis would answer these questions, W. W. Rostow was one of the economists who tunneled down into the aggregates of GDP into leading sectors in order to examine the historical trajectories of nations moving toward development.

Both esteemed paths of analysis were at the mercy of incomplete data that could only begin to explain the vast complexities of human existence. Some human rational was missing, or all too necessarily assumed away in order for the data to fit the mold of Nobel Prize-worthy mathematical elegance, or as Rostow stated, the economists repeatedly condemned the Muse of History to lie upon the bed of Procrustes.<sup>v</sup>

While on the other side of the Iron Curtain in the developing East, dictatorships of the proletariat were driving forward and making great economic progress in competition with, and in spite of the more capitalistic nations of the West with some of the same engines of progress and modernization like industrialization and urbanization to name a few.

Still, after material wealth has reached staggering heights in the developed world in stark contrast to some developing nations, some policy makers are beginning to ask if all this accumulated wealth is really bringing welfare to them or to those they serve. Should the focus continue to be numerical goals of economic growth or something more qualitative? One answer coming from the Himalayas has been to begin measuring Gross National Happiness (GNH).

Happiness is no doubt important, but there is much argument and confusion though surrounding what happiness actually is. There is a crude idea that pleasurable emotions

themselves contribute to happiness, but surely imbibing a soma like drug from Aldous Huxley's *A Brave New World* is not the true path to happiness. Aristotle told us in his *Nicomachean Ethics* that happiness should be the ultimate purpose of human existence, and should be achieved by cultivating our virtues. Buddha teaches that happiness is something that can be achieved through first understanding suffering, and then cultivating rather similar virtues. Today, American psychologist Martin Seligman, of whom more will be discussed later, has attempted to side-step from the shifting sands of happiness to flourishing, which entails a set of a sort of virtues to be followed as well.

Earlier this year, instead of happiness or flourishing, the Davos World Economic Forum proclaimed resilient dynamism as the appropriate focus. Resilience and dynamism were offered as after all more fitting terms for national-economic goals in this time of great crises, and perhaps happiness and flourishing should be left to literary folk, philosophers, monks, and psychologists. Those at Davos crafted resilient dynamism to mean "tackling immediate problems and long-term challenges at the same time."<sup>vi</sup> To the uninitiated layperson this may sound like trying to hold fire and ice simultaneously in one's hand, and perhaps it is just that.

Resilience though, is a word that has been discussed much in psychological circles. In fact the Davos Forum goers might be interested to know that the path to human resilience is through self-esteem, as has been explained by another American psychologist, Nathiel Branden.<sup>vii</sup> It might therefore prove beneficial to use Branden's theory of self-esteem, and convert it into a national-economic-esteem, and in turn a path to national-economic-resilience.

This exercise of the mind in forming old and new ideas together is most of all inspired by and humbly presumes to follow in the footsteps of monumental economic theoreticians like Thorstein Veblen and Karl Marx in synthesizing separate fields, and "sharpening the tools of analysis proffered by the science of [their] day." (Schumpeter, 21).

### **Further Justification for This Presumptive Union**

In order to be authoritatively convincing that this union of sorts should be carried through with, and in fact is a very natural pairing, the words of many a renowned scholar will be appropriated.

First though, we must consider the nature of economics. From the Judeo-Christian beginning, Norwegian economist Agnar Sandmo points to *The Bible's Book of Genesis Chapter 41* as Joseph considers the dream of the pharaoh as an early mention of economic thought,<sup>viii</sup> but perhaps earlier in the *Book of Genesis* we find something that agrees with British economist Alfred Marshall's definition as the study of men in the ordinary business of life<sup>ix</sup>:

*Be fruitful, and multiply, and replenish the earth, and subdue it: and have dominion over the fish of the sea, and over the fowl of the air, and over every living thing that moveth upon the earth.*

Of course this spiritual notion came before dominion over our fellow man came into practice, and before the practice, or malpractice rather of subduing the Earth had taken a harmful path.

Though Marshall's definition is broad and inclusive, in recognition of a unifying social science to be formed, he was not one to wait idly for its formation. He claimed that serious economics must be a biological or organic study as best it can with present resources.<sup>x</sup>

Another British Economist, Lionel Robbins defined economics in a sense a bit more narrowly as follows:

*Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses.*<sup>xi</sup>

Understandably faced with a wide net of understanding, whose catch is overwhelming to any merely human researcher, economics has been forced to diverge from social and political sciences. Attempts have been made in order to create an economic laboratory partitioned away from reality by assumptions necessitated by the limited available data.

Despite the trend to diverge we can still catch glimpses of an implied union, especially to psychology, like in the Scottish political-economist Adam Smith's invisible hand. It can be seen as merely an aggregation of psychological choices made by far too many hands to be able to view. Also in British economist John Maynard Keynes' mention of an underlying psychological barrier, we are left to dig deeper into why Keynes justifies his economic hypothesis on

aggregate income and aggregate demand's relationship as being a "fundamental psychological law."<sup>xii</sup>

Further than implied union, there have been many suggestions of our presumptive union that will hopefully help answer the call of Simon Kuznets in moving further toward a theory of economic growth, and to develop economic theory in line with the prediction of English economist Frank Hahn:

*Instead of theorems we shall need simulations, instead of simple transparent axioms there looms the likelihood of psychological, sociological and historical postulates.*<sup>xiii</sup>

and in a balanced way taking heed of the thoughts of American economist Edward Lazear:

*The strength of economic theory is that it is rigorous and analytic... But the weakness of economics is that to be rigorous, simplifying assumptions must be made that constrain the analysis and narrow the focus of the researcher. It is for this reason that the broader thinking sociologists, anthropologists, and perhaps psychologists may be better at identifying issues, but worse at providing answers.*<sup>xiv</sup>

We can already see a continued growth of our presumptive union in behavioral economics, led by economist like American Daniel Kahneman. That growth is hopefully moving toward an ideal union that exhibits some of the following characteristics: that as Seligman states about a good science, it "requires the interplay of analysis and synthesis" (Seligman, 60); that it not be as divisive or violently revolutionary as the introduction of Marx's synthesis of economics and sociological theory; that it be workable from current statistical measures as a base; and as American neuroscientist Sam Harris would prefer that it deal with maximizing human flourishing while asserting a scientific basis for it.

Specifically, the question before us is, can the concept of self-esteem as devised by Nathaniel Branden be applied as a framework for effectively evaluating nation's economies? By combining quantitative economic measurements and historical facts in order to qualitatively assess economic development, this method of analysis should fill in where other economic indices alone have been lacking. As Rostow demands, it should also put flesh and blood into

data, and not wring truth out of crude data (Rostow, 246), take into consideration that the human being is the unescapable variable (Rostow, 257), and acknowledge that all cases are unique (Rostow 247). Moreover, along our journey into the information age the possibilities for mankind to collect data have greatly increased, and now it is imperative that that data be scrutinized to get to the quality of things. And if that is not a tall enough order already, the hope is to find a way for the paradoxical concept of so called resilient dynamism to be understood, or rather properly named, and put into practice.

### **Brief Method Outline**

The method to tackle this perhaps herculean task begins with examining the shortcomings of a variety of popular contemporary indices. That will be followed by examining the concept of self-esteem and its economic applicability. Thereafter each pillar of Branden's theory will be explained in psychological terms and translated into economic terms, or national-economic-esteem, so as to create a way of measuring or analyzing The United States of America and the Kingdom of Bhutan.

The analysis of each nation will begin with a short introduction to each nation, informed somewhat by what contemporary indices lead us to believe. The six new pillars of national-economic-esteem will hopefully illustrate the usefulness of examining nations in such a way, supported primarily by anecdotal histories of an economic nature that include the dramatis personae: corporeal, corporate, body politic, or other entities that wield their own unique caprice upon the world.

## 2 METHOD

### A Comment on Popular Contemporary Indices

*“The problem of how to construct an index number is as much one of economic theory as of statistical technique. Indeed, all discussions about the ‘best’ index formula, the ‘most correct’ weights, etc., must be vague and indeterminate so long as the meaning of the index is not exactly defined.”*

Ragnar Frisch<sup>xv</sup>

Contemporary indices flow from the more easily mathematized modern measures of human life which does make them useful, but not yet in illustrating the larger, complete picture of economic development. American statistician W. Edwards Deming points out that “statistics show figures not root causes,” (Deming, 475) and his counterpart in the field of statistics, American Lloyd S. Nelson, is famous for saying that the figures even more important than the figures on the chart are unknown and unknowable.<sup>xvi</sup> Another applicable sentiment for American writer H. L. Mencken is that “for every complex question there is a simple answer, and it is wrong.” And yet, economists still need to be productive in some manner or another.

From the early 1930s onward Kuznet’s GDP has been the preferred tool of policy makers for measuring the economic vitality of nations, as well as an implied level of well-being thereby achieved. To be sure, Kuznets himself was not supportive of relying solely on GDP as a definitive measure of a nation’s economic health, but it does have its benefits when it comes to simplicity for policy makers to wield in tackling the issues of economic crisis or collapse in the short term, as occurred in the great depression, as well as dealing with the issue of unemployment. Rostow derided GDP as a highly aggregated black box (Rostow, 184), and himself sought to pierce the veil of aggregative analysis since the 1960s (Rostow, 20). Many other criticism of GDP have arisen, and of the veracity of implications that are drawn from it.

GDP has spawned many offspring that intend to give a clearer picture where GDP alone is lacking. These derivations, still grosser estimates in many nations, lack clarity, especially in how they elucidate quality aspects of development. This is particularly true pertaining to the

enhanced utility to be enjoyed by the nation, and exceedingly so when it comes to the wide array of differences between nations.

GDP per capita, also modified in various ways, shows a picture of how much of the increase in wealth would be shared by each member of the nation, but we know of the great disparities present in wealth in most every nation. To measure wealth distribution a Gini coefficient is used, again though, questions of quality of data and usefulness of comparing nations have their limitations. The Consumer Price Index measures a change in prices of a basket of goods and services, but once more the quality of the numbers lacks precision and flexibility to changes in consumer habits, goods and services, among other things.

One alternative index, the Human Development Index (HDI), was developed by the United Nations in order to open the debate as to how to measure the somewhat nebulous condition of human Development. In order to focus more on measures other than GDP that affect human development, HDI falls victim to the same sort of oversimplification. It also leads one to believe that numerically, the more developed nations have less progress ahead of them. The Human Development Report, in which the HDI is presented, acknowledges its limitations in taking into account the contextual intricacies present in each unique nation.<sup>xvii</sup>

Another alternative with a negative focus is the Failed States Index (FSI) produced by Washington D.C. based The Fund for Peace. It intends to recognize uneven development, criminal state institutions, and demographic pressures that lead to a state failing.<sup>xviii</sup> The Fund for Peace uses 12 indicators, each with an average of 14 sub-indicators to calculate its index. Alternately one might bypass the sophisticated statistical artistry and simply look to the geopolitical, historical narrative to indicate which states might be failing. For example, those states like Yugoslavia or Iraq that were created by outside powers, or states like North Korea or Afghanistan that were proxy battle grounds for the US, the Soviet Union, or China, or those past states which have been subject to a steady extraction of resources by foreign entities before ever having a stable semblance of an indigenous ruling government like Rhodesia or the Belgian Congo.

Transparency International, the global coalition against corruption with offices all over the world, has created a way of measuring corruption and ranking nations against each other.<sup>xix</sup> One is left to ponder whether that measured corruption is wholly endogenous, or does it exist due to exogenous bad actors fueling and fanning the flames of corruption. In the same vein as the FSI, when a poor underdeveloped country peaks the interest and intervention of geopolitical and corporate actors who have little care of or accountability to the local population is it a surprise that failure and corruption occur, and is it altogether useful to focus on whether or not the nation itself has a culture of corruption, or should the negative publicity be thrown more upon those geopolitical and corporate actors?<sup>xx</sup>

On the positive side of economic measures, and paying heed to the attention drawn by American economist Richard Easterlin<sup>xxi</sup> and British economist Richard Layard<sup>xxii</sup> to the paradox that countries are getting richer but not happier, Gross National Happiness (GNH) is an idea being applied in Bhutan that uses certain quantitative and qualitative measures that correlate positively to subjective well-being. GNH consists of nine domains: psychological well-being, health, time use, education, cultural diversity and resilience, good governance, community vitality, ecological diversity and resilience, and living standards.<sup>xxiii</sup> These domains are broken down further into a total of 33 indicators. GNH is distinctly separate from western notions of happiness, and can be seen to be heavily influenced by Buddhist thought.

The elements of happiness and subjective well-being are criticized as allowing for too much room for political meddling as to what the goals are, and what achieving those goals means or how that achievement and meaning is to be measured. In other words, of British economist Helen Johns and Paul Ormerod, "happiness evidence... is an ideal vehicle for policy-based evidence, rather than evidence-based policy."<sup>xxiv</sup>

The form and actual experience of happiness though can vary within cultures thanks to centuries of social conditioning. Certain individuals in one culture, or with one personality type, may feel happy with more or less independence, or more or less of something that might cause stress or unhappiness to another.

Being that he is considered the father of modern positive psychology, Seligman was asked by UK's Prime Minister David Cameron to help develop a happiness index for the UK. He came to the conclusion that the goal should not be a simple concept of how happy one feels. After all, "positive emotion is the rock-bottom meaning of happiness." (Seligman, 13). He points instead to a focus on the concept of flourishing, which is similar to the term adopted Davos, resilience. Seligman stresses that the world is full of pain and suffering, and trying to gloss over the negative parts of life is not part of living a healthy life.<sup>xxv</sup>

Considering what has been said we should be encouraged by the words of Kuznets in proceeding to "examine that which is not amenable to economic analysis." (Kuznets, 29). Also, we should take heed as Deming would have us do, remembering that "to copy another [country] is to invite disaster."<sup>xxvi</sup> (Deming, 36). And lastly, we should find confidence in the research that Branden cites stating that self-esteem is the best predictor of happiness (Branden, 7).

### **Psychological Theory of Self-Esteem**

Looking to the Oxford and Webster dictionaries, there is a disparity in the history of the word esteem, and unfortunately likewise in the theory of self-esteem that has resulted in an overblown self. (Seligman, 9). Oxford gives a definition closer to the original Latin, *æstimare*, which means to estimate.<sup>xxvii</sup> Webster warps the definition toward a positive connotation, and brands the plain sense of estimation as archaic.<sup>xxviii</sup> A common phrase of holding someone in "high esteem," has linguistically morphed together making the "high" part unnecessary.

In 1890, William James, Harvard professor and the father of American psychology, began to formulate self-esteem citing the nursery rhyme about Little Jack Horner, who declared what a good boy he was. James thereby said that "our self feeling in this world depends entirely on what we back ourselves to be and do. It is determined by the ratio of our actualities to our supposed potentialities; a fraction of which our pretensions are the denominator and the numerator our success: thus, Self-esteem = Success / Pretensions."<sup>xxix</sup>

Branden, critical of James' concession to such a subjective measure, points out that lowering one's pretensions could easily raise one's self-esteem (Branden, 5). It is not difficult to

understand that this would not, in a more objective sense, be a healthy way by which to live one's life and function as part of a human society. James does acknowledge this though when he mentions that "a just man is the one who can weigh himself impartially," or establish an objective intellectual comparison of oneself to others. (James, 328).

In his 1943 paper, *A Theory of Human Motivation*, Abraham Maslow puts self-esteem on the fourth level of his pyramid of human needs.<sup>xxx</sup> He concedes that self-esteem actually permeates through all the levels. Again though, there is room for subjectivity, but it is limited and increasing as one climbs the pyramid. The needs at the bottom of Maslow's hierarchy are more universal human needs, and the needs at the top like morality and creativity are contextually, culturally, and societally dependent.

Later psychologists like Carl Rogers have concluded that self-esteem pertains to the notion that one is loveable and capable.<sup>xxxi</sup> This definition, Branden argues, lacks complete explanation, such as what one is capable of, and by what reasoning one is lovable (Branden, 37). Rogers' concepts, along with Branden's 1969 work, *The Psychology of Self-Esteem* became popular and misapplied through over praising individuals, particularly in the American school system. This reinforced the misconception that self-esteem somehow necessitated positivity rather than objectivity.

In 1994, Branden sought to correct this misconception by writing *The Six Pillars of Self-Esteem*. Therein, Branden's philosophy of self-esteem is a set of interrelated premises that inspire behavior leading to a strong sense of efficacy and worth. Rather than a diffuse high or low conceptualization of self-esteem, Branden grades one's self-esteem on the spectrum of unrealistic or unhealthy at one end, to realistic and healthy at the other. The premises, or pillars, are living consciously, self-acceptance, self-responsibility, self-assertiveness, living purposefully, and personal integrity. His general definition for self-esteem is:

*Self-esteem is the disposition to experience oneself as competent to cope with the basic challenges of life and as worthy of happiness. (Branden, 27)*

This definition allows for an objective measure, that of being successful at living, or surviving. Critics of this line of objectivist thinking point to a cold-hearted, world where an individual would take the life of another to advance their own survival, but, especially in the scope of the accomplishments of national economies, we can see that peaceful coexistence is more often the end of even cold-hearted calculation.

This line of thinking is in terms of base human needs counter to the subjectivity or relativism of Hamlet where there is nothing good or bad, but thinking makes it so (). Likewise, it can be seen as a subtle affront to religious thought, championing reason over faith. However, one can find support from American economist Veblen in his call for causal sequence and not mystical causation (Veblen, 184),<sup>xxxii</sup> and from Kuznets with his notion of knowledge by means of preserving life (Kuznets, 84). In other words:

*to meet the requirements of the highest economic efficiency under modern conditions, the world process must habitually be apprehended in terms of quantitative, dispassionate force and sequence. (Veblen 198);*

*...at least as far as the Western civilization in concerned – and it is rapidly spreading to the rest of the world – the loss of an overriding religious faith and of the sanctified traditions connected with it not only freed the human mind and effort for the cultivation of science and the arts but also reoriented a vast corpus of human activities. (Kuznets, 104).*

This objectivity is being used in Western academic circles as a model for measuring moral and ethical systems. Though reason is usurping religious thought, there are objective scientific studies supporting certain religious practices. In Jonathan Haidt's book, *The Happiness Hypothesis*, having a religion to follow is itself positively attributable to one's levels of happiness.<sup>xxxiii</sup> Also, neurological studies of the Buddhist practice of meditation have been found to greatly benefit human flourishing.

Branden explains that we are at a point in economic history of ever increasing complexity that requires individuals with healthy levels of self-esteem that will indeed provide for a resilient

dynamism. Rather than look at individuals, this will be an examination of nations as the base unit. Instead of aggregating individuals' self-esteem, a national-esteem will be constructed.

Unlike the human corpus a nation is not so easily defined. For our purposes of this analysis, a nation shall be envisioned in a fluid manner that incorporates the productive elements that contribute to the survival of, and share an identity with a particular nation state. The mind of each nation that shall be sat upon the psychoanalyst's couch will vary with each nation depending on its political structure that wields said productive elements, and most forcefully controls that nation's identity.

Kuznets centered his analysis on the nation because it exercises sovereign power based on a historical cohesion of groups within its territory (Kuznets, 113). Today we have a blur of territory with multi-national corporations that often carry an implicit backing by their home nation's force, and partial voluntary abdications of sovereignty to larger institutions like the UN, the European Union, or other international treaties, pacts, or agreements. Despite these blurring affects Kuznets' notion that "the individual country is the locus of decisions on changes in social, political, and economic institutions," should prove useful for our analysis.

That being said, there will be no propagandizing by this author of a certain political viewpoint. There is no fulfilling sense in aggrandizing perfect ideals that do not exist in reality. Fulfillment does reside rather in exploring messy realities that struggle to exist, for it is reasonable to assume that a monarch or dictator may run a nation at a healthier level of esteem than that of a democracy or republic, and that is the reasoning behind the subtitle of an omnipolitical manifesto. Although it will be noted that both American economic historian David Landes in *The Wealth and Poverty of Nations*,<sup>xxxiv</sup> and Branden (Branden, 200) discuss the harmfulness of variation forms of religious, cultural, or political despotism being a punishment upon consciousness, both harmful to self-esteem and to economic development. For example, holding the tribe as the supreme good or being overly respectful to elders.

So, Branden's six pillars of self-esteem should prove a useful psychological theory to synthesize with economic theory in a manner acceptable to many a policy maker around the globe. In the

following sections each pillar will first be explained in psychological terms, and a corresponding measure will be created in national-economic terms.

## **Living Consciously**

### **Psychological Definition**

*“Our mind is our basic tool of survival, betray it and self-esteem suffers.”*

(Branden, 68)

Without delving too much into ontological or epistemological arguments about the true nature of being or knowing, we can acknowledge that the human body is capable of receiving sensory data from the body’s own senses or indirectly through the senses of others. That data is processed so as to aid in the survival of the human organism, or in enhancing one’s quality of life. Additionally, the mind is capable of recognizing what it is unaware of.

Often though there is a flaw in human perception, whether it be an actual blindness of the eyes or deafness of the ears. One may as well be partially deficient in one’s ability to process what one senses. One may have an optimistic or pessimistic disposition, or perhaps something more pathological.

The whetstone that is experience sharpens one’s awareness. Through being mindful or actively engaged in living and learning one can improve their awareness, and in turn their self-esteem. Living consciously might more fittingly be described as the foundation upon which Branden’s other five pillars stand.

## National Economic Consciousness

*"...net human behavior is seen not as an act of maximization, but as an act of balancing alternative and often conflicting human objectives in the face of the range of choices men perceive to be open to them."*

(Rostow, 149)

Like the human organism, a nation is capable of receiving economic data, processing it, and expanding its economic awareness. With more centralized and closed economies the locus of control and its nature should be easier to evaluate, whereas evaluating a decentralized and more open market will depend upon our ability to track all the hands, be they visible or invisible. After establishing the species of economic intervention, we can briefly interrogate the statistical collecting capacity this mind uses to inform itself.

The raw economic data and the simple accounting for it in our modern age can have qualities of incomplete or less incomplete, and trustworthy or untrustworthy, due to the immensity of variables and lack of perfect measuring tools, or due to Winston Churchill's assertion that he only believes statistics that he doctored himself. Also we must weigh the estimations built upon the sturdiest statistical theories thus far conceived, judging whether or not they may be susceptible to Nasim Taleb's black swans, or base human errors.<sup>xxxv</sup> The focus will then move to the awareness of certain issues a nation exhibits as it applies its analytic methods to answering the range of question pertaining to rational utility maximization, short term utility versus long term or net utility, and false utility.

These issues will be product costs, labor costs, and environmental costs. These costs will be limited to the disparities between pecuniary price paid by the consumer to the producer, and the measureable or immeasurable price the consumer pays that represent a proximate causal link to the consumption of the product. When the nature of the cost is immeasurable it seems rational to consider whether the nation takes any precautions to mitigate the accrual of the cost, or chances of unwanted costs accruing.

As biological sciences expand, the awareness increases of how products people digest, wear, or interact with in some way effect the human organism. Certain substances have a detrimental effect, and those effects may be calculated through exact medical costs incurred. Other effects take their toll in indefinite periods, long attenuated from the initial interaction. There is growing criticism, especially of agricultural products, that despite awareness or unawareness of harm certain producers receive subsidies, legal protections, or even the power to regulate themselves. Granted, this level of awareness is one that touches all nations. The analysis will be as to how nations cope in their own way.

Labor cost is another issue in economies the world over, especially in this current age of outsourcing. The advanced nations generally have strong unions that have substantial bargaining power to set wage rates, and insist that certain working conditions be met. There is no denying that this bargaining power is in some cases overly exploited. In the advanced nations other advocates for the worker like American writer Upton Sinclair (), have also proven powerful initiators of changing working conditions by increasing consumer's awareness of the deplorable manner in which their product was produced. The less advanced nations though lack infrastructure that empowers advocates. They also lack strong unions, or unions altogether, and those setting wage rates and working conditions exploit that disparity. In Austrian economist Friedrich von Hayek's concept of a free market this kind of information would be taken into the price of products, but even the freest of modern markets are still struggling with making consumers aware of the disparities, and enumerating the costs to their own nation's economy or to those of the exploited nations'.<sup>xxxvi</sup> Economist are similarly struggling with assessing the effects of corporations taking this jurisdictional long jump from one jurisdiction where powerful workers demand more than the corporation can afford, to one where the corporation can make nearly all the demands.

The awareness of environmental costs is one that receives much attention and vitriol in the media. In the early 1990's the focus was on tackling pollution. The rhetoric then shifted to reducing global warming. Now the battle cry is to halt global climate change. Despite the nomenclature of the argument, it is evident that the negative externalities accruing to the Earth's ecosystem are not completely understood. There is an absence of a clear cost, a unified

system for collecting from those producing negative environmental externalities, and a method of repairing damage to the Earth's ecosystem. Since it can be said that the world is in an era of fossil fuels, and since that is primarily what drives the economies of the world forward, there arises a dilemma between profiting from extracting the remaining non-renewable energy out while risking an ecosystem crisis, or greatly disrupt economic systems around the world toward renewable energy and hope that the ecosystem has not already been irreparable damaged. How a nation acknowledges this dilemma will attest to its level of awareness, or more aptly put, its level of humble unawareness.

As to expanding a nation's economic awareness, we can examine policies that the national economic decision makers have in place to educate themselves in order to utilize and improve upon the world's present technology stock. Conversely, we can establish what obstacles are present that dampen and stifle education or greater awareness. Obstacles, as we know, may take the form of powerful economic sectors that are readily able to lobby the economic decision makers in order to steer production in their favor. Another may take the form of Schumpeter's "citadel of faith," (Schumpeter, 126) of Landes' "religious totalitarianism." (Landes, 392). Also, depending on the form the economic decision makers take, a democratic nation will require an efficient education system for its demos, while a monarch will require their own form of personal education.

## **Self-Acceptance**

### **Psychological Definition**

*"Self-acceptance is my refusal to be in an adversarial relationship to myself."*

(Branden, 68)

Branden delineates self-acceptance into three levels: being for oneself, being willing to experience reality, and being compassionate. He asserts that self-acceptance is almost synonymous with self-esteem.

As the mind becomes aware of the world around it, and of the self within that world, there follows an acceptance or non-acceptance of those realities sensed. Many people languish in a state of non-acceptance or denial, although for some it is the only way they know of coping with problematic realities. Often self-acceptance is confused for a sense of active approval or condonation. It is rather a self-recognition where one admits to oneself the existence of one's abilities or inabilities, and accepts them as such.

Both religion and science now recommend a compassionate self-acceptance be practiced in one's life. The key being that one not be overly harsh or overly up-beat, but honest. Here again a rational objectivity is important.

### **National Economic Self-Acceptance**

*"Not every society can muster the necessary ingredients: a minority that can assume leadership and an organizational framework and set of values that can hold the population together and make it accept the costs and cooperate with the minority."*

(Kuznets, 107)

Using Branden's delineation we can ask: towards whose benefit are the economic decision makers acting for ostensibly or actually, is there a practice of openness to reality or denial of it, and is there a compassionate acceptance by the economic decision makers toward the nation, especially if those entities are entirely different.

Who received the benefit will be found through an examination of the national and international trade relationships. If goods are produced at a national disadvantage in an exploitative trade relationship, then it will be concluded that that nation is not being for itself.

The willingness to experience reality can be seen in one sense in a laissez-faire economy that is open to passively experience what the free market decides, or in a more active sense we can imagine a command economy that may be purposefully suppressing internal economic forces, while it is aggressively seeking every economic advantage externally.

Concerning compassion, we can also examine the spectrum of demographic differences, and the tensions that have historically arisen out of those differences. This may also include population segment growth as mentioned by Kuznets, different coalitions present as Rostow discusses in his works, the change resistant versus change embracing à la Schumpeter, or the working caste versus the leisure class from Veblen. The dynamics of these various groupings will be illustrated through examining any statistical fluctuations in concert with historical events.

## **Self-Responsibility**

### **Psychological Definition**

*"No one owes me the fulfillment of my wishes."*

(Branden, 106)

After having an awareness and accepting what one is aware of, there comes an additional act of acceptance. This is the acceptance of oneself as an acting agent in control of one's own life, and the agent by which one's needs and desires are met. Branden also asserts that this applies particularly to thinking for oneself rather than merely recycling the thoughts of others. Within this pillar lies a recognition that other human beings do not exist to meet desires and needs not their own, and if others are called upon to do so then recognition that they possess their own desires and needs and deserve due recompense is required.

### **National Economic Self-Responsibility**

*"The price of greatness is responsibility."*

Winston Churchill

We can examine the legal structures of nations, or their systems for establishing accountability be they legislative, social codes, contracts, or any other of the panoply of binding to non-binding agreements to be found at all levels of national and international governance.

The actual manner in which these structures are followed will be examined in the section regarding integrity. Here though we can point to any disparities where the awareness of certain

dangers or difficulties may not be reflected in any body of law. Looking back to the section on living consciously, we can again focus on the various costs of products, labor, and environment, and see what measures are in place to account for them.

In examining how nations respect the needs and desires of other nations, particularly in the trading of commodities, we can ask who is taking responsibility for the benefits accrued from the extraction of those commodities of concern. Other unique influences being exerted by one nation upon another will be considered as well. These influences may come through international agreements to act responsibly, or corporate proclamations of social responsibility.

### **Self-Assertiveness**

#### **Psychological Definition**

*“Self-assertiveness means the willingness to stand up for myself, to be who I am openly, to treat myself with respect in all human encounters.”*

(Branden, 119)

There is a cornucopia of assertiveness training models, the worst of which have trouble separating assertiveness from aggression. On a spectrum of assertiveness, healthy self-assertiveness lies between timidity or passivity, and arrogance and aggressiveness. In passivity there is a blindness towards one’s own rights, and in aggression there is a blindness towards the rights of others. Of course there are certain contexts that can merit passivity or aggression, flight or fight, but a continued practice of either in inappropriate contexts leads to problems. People who lack self-assertiveness have issues such as not being able to say no, not communicating clearly, and not appearing authentic, to name just a few.

A healthy level of self-assertiveness entails respect for oneself, respect for others, and respect from others. It does not entail always trying to live up to the expectations of others. Self-assertiveness is an action that both contributes to healthy self-esteem and is a product of healthy self-esteem.

## National Economic Self-Assertiveness

*"...since a major purpose of the sovereign state is to secure the country's 'place in the sun,' there is considerable opportunity for conflicts, for the exercise of political power may run from a mild negotiated agreement like securing trading rights with other countries to a major intervention like assuming sovereignty over another area and its inhabitants as a colony."*

(Kuznets, 114)

Historically we can examine the nature of how a nation became independent, and follow through with a look at if and how that nation remains independent. In the past and current century the nuclear question has been a check on nations asserting their own power, and has further contrasted the dichotomy of hard and soft power. This had been made tenser with the division after World War II of the world into so-called capitalist and communist spheres of influence. All manner of new nations have since been formed out of conquered kingdoms that are recent or current locations of martial conflict.

Within that context, there can be a sense of whether or not a nation deals with self-respect and receives respect from other nations in return in trade relations, and other forms of international intercourse. The forms of a sovereign nation asserting its national interest may include: being a party to strategic or economic treaties that may or may not be judged as healthy forms of collective self-assertiveness; having as Kuznets called it, a monopoly of physical sanction within one's borders (Kuznets, 16); creating policies of protectionism; or political rhetoric or actions exerting different forms of Kuznets' "secular religion of nationalism." (Kuznets, 40). Additionally, we can explore whether the nation produces to meet its own needs for the sake of being its own more vital nation.

## Living-Purposefully

### Psychological Definition

*"To live purposefully is, among other things, to live productively, which is a necessity of making ourselves competent to life. Productivity is the act of supporting our existence by translating our thoughts into reality, of setting our goals and working for their achievement, of bringing knowledge, goods, or services into existence."*

(Branden, 130)

We often set goals to achieve a certain purpose in life, and this is motivated by a chosen set of values, or accepted life meta-narrative that one feels comfortable with. Actually achieving one's purpose of course has great value, but the act of choosing to shape one's future-self by thinking, and planning in the longer term does as well. Initiation of one's own purpose can itself bring empowerment and satisfaction despite the overall objective truth behind a person's faith or moral convictions.

The range of purposes and their efficacy in contributing to one's self-esteem are culturally or contextually dependent. The substance of the purpose itself can be of a highly subjective nature. Branden might argue that the degree as to which one's purpose lends to improving one's self-esteem raises the quality of that purpose.

Branden's four core elements of living purposefully are: 1.) conscious responsibility for one's own goals and purpose; 2.) concern for figuring out the exact steps to achieving one's goals, or in other words to turn hopes and dreams into an executable plan of precise action; 3.) monitoring of one's actions as being congruent with one's purpose guiding one to either redouble their efforts or modify their goals; and 4.) assessing the results of one's actions, which may merit one having to change their methods. These elements echo the idea of constancy of purpose developed by Deming as a requisite for succeeding in business.

People find it easier to establish purpose and set goals in the workplace where specific steps are more easily conceived and executed as compared to attaining purpose in important personal

areas that are more emotional and diffuse ideas like loving one's spouse, children, or friend. The achievements in the workplace can therefore mistakenly take priority. Difficulties arise then in measuring one's efficacy and personal worth based on achieving these workplace goals, and other tasks more easily achieved.

The remedy is an increased awareness of dealing with both kinds of achievable goals, and realizing that external achievements themselves are not at the root of one's self-esteem, but the internally generated practices which make those achievements possible.

### **National Economic Purpose**

*"Modern economic growth, as revealed by the experience of the developed countries since the late eighteenth to early nineteenth century, reflects a continuous capacity to supply a growing population with an increased volume of commodities and services per capita."*

(Kuznets, 1)

If Maslow had devised a hierarchy of national needs, then Kuznets' statement might be seen as meeting the lower needs of those developed nations, but here we want to delve into the broader purpose nations purport to pursue, and the goals they set out toward fulfilling their purpose. As Deming states, a system must have an aim (Deming, 50), but to be sure a nation has many aims, some competing, and some complementing each other.

By examining the words of the national economic decision makers we can account for proclaimed goals and purposes. We can also look to other present purposes un-proclaimed for whatever reason, or covert but still noticeable, or proclaimed by other segments of the population that hold sway of considerable economic force. There will be ample constitution preambles and mission statement for which to draw purpose and goals, for example the UN Millennium Development Goals if in fact the national economic decision makers subscribe to them.

We can venture to judge how well nations simultaneously delegate, balance, or regulate the pursuance of varying goals as they attempt to think, plan, and live within a long-range mindset as the nation intends to bringing knowledge, goods, and services into existence. We can also judge whether or not goals are in general realistic or rather hopeful dreams, bearing in mind the unique context within which the goal is set, as pertains to the presence of conflicting goals or some adverse situation on the ground.

### **Personal Integrity**

#### **Psychological Definition**

*“When we behave in ways that conflict with our judgment of what is appropriate we lose face in our own eyes.”*

(Branden, 144)

The question is simply whether or not the intentions are accompanied by matching behavior. One must be true to their sense of what the appropriate responses are to their perceptions within their own context. Again that perception is subject to more objectivity when meeting more basic lower level needs, and more subjective when meeting higher needs.

Branden notes that breaking someone else’s moral code is not a self-betrayal that would preclude someone acting with integrity. Breaking someone else’s code in a way that violated basic human survival would be though. A person whose ideals match their behavior, who is truly congruent, not struggling with guilt or moral self-reproach, responsible for their choices, and not perpetuating an illusion of efficacy will be better able to maintain self-trust.

### **National Economic Integrity**

*“Methods are what matters.”*

(Deming, 37)

To answer whether a nation walks its own talk we will explore what the results of a nations actions show, and if survival and purpose are achieved, what is the actual method of

achievement. The culture of accountability or corruption will be examined, but also the identities of the corrupt parties, the corrupt means, and their origins.

As Veblen suggested, we can look to the presence of freedom and facility of economic adjustment that is influenced by conservative classes that may prevent institutional changes, and in turn prevent congruence with contemporary challenges (Veblen, 128). In Schumpeter's words, we can inquire whether or not the process of creative destruction is free to unfold, and if not, what is holding it back (Schumpeter, 81). As might prove too easily discoverable we can shed light upon the behaviors of the conservative classes, or obstacles to creative destruction, and ask just how they are positioning themselves within the particular economic system to perpetuate their existence.

### 3 THE UNITED STATES OF AMERICA

*“Well, I spent six or seven years after high school trying to work myself up. Shipping clerk, salesman, business of one kind or another. And it’s a measly manner of existence. To get on that subway on the hot mornings in summer. To devote your whole life to keeping stock, or making phone calls, or selling or buying. To suffer fifty weeks of the year for the sake of a two-week vacation, when all you really desire is to be outdoors, with your shirt off. And always to have to get ahead of the next fella. And still – that’s how you build a future.”*

Bill Loman from Auther Miller’s *Death of a Salesman*<sup>xxxvii</sup>

#### **Introduction**

The first nation upon our psychoanalyst’s couch is the world’s number one nation with regard to GDP per capita. It ranks third on the HDI in the category of very high human development,<sup>xxxviii</sup> and 159<sup>th</sup> on the FSI in the sustainable range.<sup>xxxix</sup> The US is notably founded as a nation securing the rights to life, liberty, and the pursuit of happiness for its people. It was a great experiment in liberty for its time, a great shining city on the hill, and it continues to be a champion of democratic and capitalistic ideals throughout the world. Admittedly though, those democratic and capitalistic ideals are more easily preached than practiced.

This past century though, the American dream has begun to tarnish, with growing government interventions encroaching on the liberties of its citizens, particularly as of late in the electronic or telephonic sense,<sup>xl</sup> a regular occurrence of foreign military entanglements, and an economy that has shifted to services from a stolid history of manufacturing. There is a great drive for profits these days at negligently if not wantonly inexact costs. The competitive market ideal of perfect information is frustrated by new so called needs that are innovated at marketing firms down on New York City’s Madison Avenue and sold to, as the circus entrepreneurs of the 18<sup>th</sup> century infamously said, the suckers born every minute.<sup>xli</sup>

As Deming states, the US has been riding on gifts of non-renewable resources and luck of its WWII location (Deming, 4). Also, The US dollar has, after the World Wars, risen to the status of

a global reserve currency. This burden of responsibility can be seen to have been abused as a beggar-thy-neighbor benefit by US lawmakers and their corporate constituents, where regulator and regulated are often too hard to differentiate. All in all, this makes for a complex and controversial national-esteem to be analyzed that could be derided as conspiratorial, but that would be too flattering to the base human actors involved to say that they have some grandiose machinations that they have set in motion.

### **National Economic Consciousness**

What though is the mind of the US economy? Since the US is a constitutional based federal republic, we can perhaps say that the US is a nation of the people, by the people, and for the people, but we need recognize that what drives the US economy forward are its corporations. Granted, the people elect from a list of officials who have the ability finance campaigns. These officials then write laws that boost or restrain the economy. Corporations wield great power by financing those campaigns and lobbying lawmakers at all levels of government. One could argue that the corporations serve the consumers, and the consumer's needs, and in a free market the consumer is king, but we will hopefully come to satisfy some of the missing information that one arguing thusly lacks.

The history and growth of the US can be seen as a glorious expansion of the modern world across new frontiers, where the great American people marched forward, fulfilling their Manifest Destiny. Frontiersmen and women worked new land that once belonged to less productive natives. Moving west on the Oregon Trail, settlers were promised land in exchange for them making productive use of it. This sort of implied productive use of land can be extruded from the property tax that has long been paid by the American people, and more easily seen with the legal concept of eminent domain. If property owners stand in the way of production and progress they may be taxed out of their property possession, or have it reasonably seized by the government. This is not a derisive account, but one intending to show the innate productive force engineered into the structures or being of the US.

If the will of the people or consumers coincides with that of the corporations then it is easy to understand how one could believe that the mind of the people should be the target of this

examination. Also, there are cases where fiduciary measures of productivity are set aside when it comes to religious institutions being exempt from property taxes for example. This exemption is no doubt motivated by providing caretakers of the immortal souls of the populace opportunity to do so, thereby encouraging the spiritual enrichment of society. Though perhaps not too tenuous of a connection, this can also be seen as something that bolsters society's productive capacity, which again corporations can benefit from. This productive vital essence, lends to the conclusion that the species of mind that should be examined is that of the US corporations. Of course, at different times different corporations rise to a level of conscious control of or power over this mind.

The statistical capacity of this collective corporate mind is aided by bureau after bureau in Washington, D.C. of statistically minded men and women, but the prime source of information is the market they operate in, and prices therein. Thanks to today's technology this information travels ever faster and ever more efficiently. Whether or not the understanding of this information is increasing is an important question. As Deming points out, even corporations following the principles of Motorola and GE's Six Sigma Black Belts and other thoroughly professional and fun sounding statistical management methodologies are going out of business.

In the realm of product costs we can say that there is a mixed awareness. Products being sold that have detrimental effects to the consumers are constantly the target of human interest groups and their growing awareness. Somehow though, despite for example expanding consumer awareness of various food diseases of such a wealthy nation, corporations are able to repackage and rebrand the same or similarly harmful products and continue raking in the profits. So the mix is between the conveniently unaware and the genuinely unaware corporations.

Due to the increase in outsourcing in the US it is not hard to see how aware corporations are of wage disparities. In the case of manufacturing there has been a litany of flagrant labor exploits abroad that arise to the awareness of the consumers. Some products do suffer the wrath of conscious consumers, but for the most part large US multi-national corporations are able to roll with the punches and continue thriving.

Regarding environmental costs, the US is rife with environmental champions like Al Gore, Greenpeace, or the Surfrider Foundation just to name a few. Thanks to these defenders of Nature regulations pertaining to the environment are relatively high compared to other nations around the globe. Corporate awareness of damage to the environment is often mandatory by local laws that require environmental impact reports to be produced. Increasingly consumers are pondering things like what sort of carbon footprint consuming this product creates. Some corporations are attempting to be proactive in at least displaying environmental concern, while others do the bare minimum to deal only with what consumers or regulators are aware of.

The way this mind of the corporate economic decision makers in the US is sharpened can be seen to be primarily through markets, to include product prices and stock values. The members of the board or employees of a corporation can broaden their awareness through all manner of information sources such as the hallowed halls of educational institutions, themselves profit driven corporations. Corporations also have their proprietary research and development departments. In more competitive markets corporations have an interest in protecting unique awareness through patents, non-disclosure agreements, and the like. This can be seen to hinder broad awareness of the market players at the same time as it incentivizes other to increase their individual awareness.

Again though there are benefits from convenient unawareness or outright denials of awareness that a company can hide behind. If a corporation can take shelter behind the aegis of some plausible deniability and continue to earn profits, or lobby to somehow protect their liability for higher levels of awareness, then that will hamper developing a healthy growing awareness and in turn a healthy national-esteem. This agrees with the capitalist ideal of a perfectly competitive market having perfect information. Those corporate entities that do persist in increasing their awareness and provide customers with products and services based on that heightened awareness, Deming argues, will ensure success in the long term by building trust and loyalty. Game theorists would also lend support to this conclusion

## **National Economic Self-Acceptance**

Just looking at some particular economic issues faced by certain corporations in the US we can illustrate a lack of economic self-acceptance, and a resistance to facing certain realities. At the same time there are other corporations who can be used to illustrate the opposite, so we will have to try to balance the corporations to be examined. Compassion may be seen in few instances, but short term profits often drive corporations to take every advantage present, because that is what is expected from shareholders. The adversarial relationship in an ideal sense is an integral part of the US economy with each corporation being for itself, and not for the economy as a whole. US corporations or modern corporations in general can be seen to be monopoly seeking, and not by developing internal strengths, but by weakening the relative market position of their competitors.

Deming's fix for this would be for corporations to focus more on cooperation in the long term between producers and consumers at all points along the value chain (). He asserts that this will help focus on quality and thereby reduce costs. This also brings up clear parallels in human relationships. In order to foster such relationships transparency and trust are vital.

The Automotive industry, which was once ruled by US corporations, is now crumbling under competition from foreign firms, as well as poor internal management. Heavy competition has been coming specifically from Japan where Deming's philosophy of quality management was adopted after WWII. Rather than, for example General Motors (GM), focusing on its weaknesses and improving them, they continue to seek to benefit from government intervention on their behalf. The most recent bail-out is a fitting example. This has been a repeat behavior on GM's part that has been preceded by intervention of one form or another. The US lawmakers were convinced that the fall of GM would be too great of a negative impact to the US economy, earning GM the moniker of too-big-to-fail. So, while GM continues to hold this fact to the throat of the US government, they continue to resist the rising tide of creative destruction. Especially this kind of non-acceptance of a growing need to adapt is detrimental to national economic self-esteem.<sup>xlii</sup>

A counter-example of healthy acceptance can be found in Elon Musk. His continually shows an aware acceptance by identifying economic opportunities where current corporations were lacking. He has then been able to proceed toward an economic future that he has correctly predicted. He first began developing solutions for practical internet applications, to include his billion dollar success with PayPal. After that success, Musk spread his efforts into the electrification of the automobile with Tesla Motors, making solar panels more affordable with SolarCity, and making space travel more affordable with SpaceX. The advantage of his endeavors and the ease of his acceptance of economic weaknesses that needed remedying can be seen to be that he was not already a part of producing something that was a part of the problem. He was able to invest in the innovations disruptive to the established economic players.

One lack of non-acceptance that Musk has observed is that oil sustaining the unsustainable. He likens it to playing Russian roulette with the environment, while continually adding bullets to the chamber. Oil corporations are no doubt powerfully defended behind the ramparts of the current global economic system's dependence on oil, and there immense financial means to influence policy makers and the populace.

The question to be covered next is how the corporate mind approaches the various demographic changes in the US. Efforts abound to hire representatives of different minorities in order to ameliorate tensions and inequalities. Some of these hiring practices are influenced by government edict, but some are useful for enfranchising a broader group of consumers.

Immigration in the US has been a contentious issue among policy makers. Corporations have managed in general, to benefit from it. Immigrant laborers from Mexico particularly have provided relief to increasing wage rates corporations are meant to pay. Some instances of course breach the realm of legality, but lawmakers are mired in the manner and method of enforcing that legality. Corporations can continue to benefit from the arguments for immigration reform that are framed in a vainglorious way that blames the US being so great as the reason for immigrants continuing to pour across the border. This sanctuary might be

threatened by considering whether or not subsidizing US farms is putting foreign farmers out of business, and driving them to seek gainful employment in the US.

### **National Economic Self-Responsibility**

We all can't help notice the modern seemingly well intentioned buzz around corporate social responsibility (CSR). Modern corporations can't tell the consumers enough times how socially responsible they are. They so generously offer to unburden the weary consumers of responsibility to consume responsibly. After all, it would seem that the powerful corporations are in a better position to take care of whatever ill they presume to have to power to remedy. Corporations are able to improve their images through their so called philanthropic acts, despite there being no convincing argument for the existence of corporate altruism.

The US litigious legal structure, within which corporations acts, deals with more measurable damages that more directly affect specific individuals or specific classes of individuals, and this is something that often favors corporations. This helps corporations foresee their responsibility, or liability particularly regarding the areas of products, labor, and environment. The following will examine what specific corporations face, how they claim to act, and if they are present in other legal jurisdictions directly or indirectly doing harm to others.

Products liability in the US is dictated by legal precedence and consumer protection agencies that combat against fraud, ensure safety through product requirements, and write up certain procedures for regulatory approval. In addition to the legal responsibilities placed upon them, corporations US corporations assure their product's consumers and their shareholders that they are implementing the most up to date guidelines, as well as guidelines that they themselves have instituted in order to maintain their performance and reputation as producers.

Berkshire Hathaway's new accusation, H. J. Heinz Company, follows selected industrial standards developed by the International Standards Organization (ISO), as well as some proprietary standards to ensure that the ketchup it produces is safe.<sup>xliii</sup> It has also purports to be a company dedicated to "manufacturing nutritious foods that help to promote the health and wellness of consumers."<sup>xliiv</sup> Heinz ketchup has been found to be high in salt, so Heinz has

changed its recipe and seeks to educate consumers about consuming too much salt. Regarding genetically modified organisms (GMO), Heinz claims that it is “grown and not made.”<sup>xlv</sup> It is engaged in taking responsibilities, but whether or not those are enough, or even initiated in good faith, will be discussed later.

With the International Brotherhood of Teamsters building a mere stone’s throw away from the US Capitol building, it is no surprise that labor organizations in the US hold considerable economic power. Alas, it is not able to effectively sway consumer habits or bridle corporate labor practices enough to keep manufacturing job in the US and to unionize all US corporations. Despite countless stories along the lines of the recent Apple factor suicides in China,<sup>xlvi</sup> or the collapse of the textile factory in Bangladesh,<sup>xlvii</sup> the tides of union power still ebb.

Consumer goods retail giant Walmart famously prohibits its employees from unionizing,<sup>xlviii</sup> though it does take the initiative to enact labor policies beneficial to minorities, particularly veterans, and to empower women,<sup>xlix</sup> and yet consumers still shop in droves. Non-unionized Japanese automaker Toyota has been slowly eating away at Unionized US automaker GM’s market share in the US,<sup>l</sup> and consumers are still favoring Toyota’s quality.

All of these corporations are taking the risk of consumers being or becoming educated about their labor practices, which may make them decide not to buy their products or not to go into their stores. Clearly the requisite level of consumer imposed corporate responsibility to its labor force is still low, but there are still societal costs that are accruing. It is not essential that all corporations unionize, but in order to foster better self-responsibility corporations need to work harder to interact with their labor force in healthy, mutually beneficial ways, and to educate the consumers that a higher price is better for all parties involved.

The top environmental topic on the US Environmental Protection Agency’s (EPA) website today is climate change.<sup>li</sup> A logical next question would be what America’s largest corporations are doing about it. Fortune Magazine’s 2013 Fortune 500 list places Exxon Mobil, Chevron, and Phillips 66 in the two, three, and four spot.<sup>lii</sup> All of these companies purport to be doing their best to limit their own carbon footprint, but the fossil fuels that they sell, according to the EPA, are listed as the primary contributor in every category but agriculture, which made up 92% of

the total emission for 2011.<sup>liii</sup> In the extreme case, if these corporations took full responsibility for the emission of greenhouse gases (GHG) that they enable consumers to emit, then they would not be in the oil business for much longer. The same would go for GM, number seven on the same Fortune 500 list, continues to produce and actively market automobiles that earn the pejorative nickname, gas guzzlers. All of these companies claim to be working on cleaner energy solutions.

Again, the inherent trouble with corporate social responsibility in an imperfect market with imperfect information like in the US is that if the corporations acted in a more transparent way, competitors might crush them, so they would only be saved if they could rely on responsible consumers. Today's consumers seem to value lower prices more though.

Real responsibility, meaning actually bearing the burden of the consequences of the actions, more often in recent decades has gone to the tax payers. This has occurred in the case of GM as mentioned previously,<sup>liv</sup> but also with the big banks and financial houses having received substantial financial lifelines intended to "restore liquidity and stability to the financial system."<sup>lv</sup>

### **National Economic Self-Assertiveness**

In 1776 the US asserted its independence from the oppressive regime of King George. From then on it expanded westward asserting its Manifest Destiny, at the expense of the indigenous populations. For a time there was a tendency toward isolationism, but from the 20<sup>th</sup> century on the US has worked its way into the position of the policeman of the world. During the Cold War the US had asserted its democratic ideals in opposition to those of the Soviet Union and the presumed inevitable international socialist revolution, all in an effort to share the blessings of freedom and liberty with as many people around the world as possible. There have been many efforts in many forms ranging from the overt to the covert to roll back communism, to build nations, to secure peace, to fight terrorism, and to usurp vile dictators.

One common thread in this tapestry of liberation and freedom fighting has been asserting US economic interests, more often than not in securing and stabilizing the oil market. In the

debatably not entirely finished wars, or policing actions in Iraq, and Afghanistan the undesirable power structures that enabled terrorists, and destabilized peoples freedoms and the oil markets have been eliminated, or diffused. The oil extraction in Iraq has been secured, and the pipeline that the Soviets failed to build through Afghanistan has been completed.<sup>lvi</sup>

Overall, the US level of assertiveness can easily be deemed aggressive. Due to the context of geopolitical affairs throughout history, it remains to be seen whether or not the US has been overly or improperly assertive beyond a shadow of a doubt. If the standard of evidence were by a preponderance of the evidence, that verdict might be arrived at with greater ease. This aggressiveness has paved the way for US corporations to expand and flourish. The most grateful recipient of this degree of assertiveness has been the US military industrial complex, which has an ever expanding effect upon the US ability and arguably its propensity for military actions and interventions.

There was a great sense national unity in the US following the September 11<sup>th</sup> terrorist attacks, but not so much so as to sway consumers to start buying more things made in the US. Even the flags that citizens flew in order to show pride and solidarity were made in China. So although US corporations are still asserting themselves economically, they are not necessarily doing so with products made in the US. The Federal Reserve Bank of San Francisco recently reported that only a small fraction of the revenues generated from selling these products made in China actually goes to China.<sup>lvii</sup>

Conversely, in some cases US corporations that have been introduced into the immense market that is China have seen their revenue generation abilities far surpass what they were generating in the US. This can be seen in what Yum! Brands Incorporated has done with its Pizza Hut and Kentucky Fried Chicken (KFC) brands.<sup>lviii</sup> Competition for Pizza Hut and KFC was increasing in the US and these brands were starting to lose their luster. Now the revenue from these brands in China is expected to be double what it is in the US within the next five years.<sup>lix</sup> The success in this instance was due in part to a rebranding strategy that was flexible to the Chinese consumers. This can be seen as a more healthy level of national economic self-assertiveness, but most definitely not healthy in the dietary sense.

Looking to international relations that give us a sense of the how the US economic decision makers assert themselves we have many instances of cooperation with the US corporations benefitting from the US government often having a strong to unfair bargaining position. This bargaining power, as will be discussed in the section on integrity, has its temptations. On the more positive side, corporations are often the vehicles of international cooperation. In 1962 Phillips Petroleum applied to the Norwegian to explore the North Sea for oil. Both Phillips and the Kingdom of Norway have benefited immensely.<sup>lx</sup>

In personal or national conflicts it is widely accepted to meet force with force in the name of self-defense or defense of other human life, and fortunately war has not been waged at the corporate level with as violent a force as warfare among nations, though it has been the justification for entering violent wars, or the fuel of wars. International corporate conflicts more often involve things like market penetration, wealth extraction, stealing trade secrets, patent or copyright violations. Chevron for example boasts of having operated in Angola for six decades.<sup>lxi</sup> This includes the period before the Portuguese colonial power left, the war for independence, the long civil war and the period of electoral authoritarianism.<sup>lxii</sup> Although this manner of corporate assertiveness is widely accepted, it is not very respectful of others, and does not demand respect from others, and therefore will not contribute to healthy national-economic-esteem.

### **National Economic Purpose**

When inquiring about the varying purposes of the US as a nation we look US Constitution's preamble that states, "We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America."<sup>lxiii</sup> We may also hear the words of John Fitzgerald Kennedy saying that "we choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard."<sup>lxiv</sup> To be sure, that kind of purpose to achieve ever upward and onward continues to resonate in the US. So at times, we can see that the government in fact drives the nation's general purpose, but at others

it is driven by individuals with a dream to invent, innovate, or achieve something great in their time or for posterity's sake, In the absence of such noble and exalted purposes, we are left with the sentiment the US Department of Labor and Statistics has toward GDP in that it provides a "general picture of well-being," we can be assured that US corporations will be praised for raising GDP, and presumably raising well-being.<sup>lxv</sup> So the corporate mind of the US is expected to be focused on production. In order to be productive there must be a certain level of profitability, which can then be used to spur on the entrepreneurial spirit to produce more and better products, to create jobs, to increase consumption, and on and on in an upward spiral of presumed increases in well-being. Necessity may be the mother of invention, but profitability has surely become the measure of how great that invention is.

A problem of the modern corporation is whether or not the focus is on profit in the short-term or the long-term. Deming's great criticism of US corporations, and their focus on short-term profits was that it was the enemy of a "constancy of purpose for improvement of product and service." (Deming, 23). There are tomes of management guides recommending mission statements, goal setting, and the like. US corporations are listening, but perhaps not properly motivated to understand in an economic system where corporate purpose is constricted by profits, by legalities, and by its ability to convince people to consume their product. Ostensibly, understanding is shown through CSR initiatives that show how much they care about the triple bottom line of profit, people, and planet.

A national economic focus on GDP is perfectly parallel to a person's focus on the more easily achievable goals, like those easily measured, more easily executed goals in one's workplace. Achieving those goals gives a person a false sense of accomplishment. GDP is the easily measured and more easily executed goal, and it leads the US economy to a false sense of accomplishment.

### **National Economic Integrity**

A corporate mind exhibits integrity when it follows through with its intentions, and when survival and purpose are achieved. An unhealthy corporation seeks to profit as much as it can as quickly as possible, but its success at this will be the thing that imperils its survival. A healthy

corporation seeks sustainable profits over the long term, and this mode of operation will help to ensure its survival. The issue that allows unhealthy corporations to endure and healthy corporations to falter is that a corporation's integrity is relative to the market's ability to accurately and efficiently disseminate information. Perception has been king, and in that atmosphere unhealthy corporations have exhibited integrity so long as their actions weren't negligently harming people. So if a corporation didn't know they were harming their consumer, and a reasonable corporation in a similar position would not be expected to know of the harm, then that corporation would have been acting in accordance with its code of profit. Now thanks to technological advances, human ability to more accurately perceive things, particularly harm at an ever increasing pace is changing, and corporations will have to keep up with those changes.

The Heinz ketchup recipe was born in an era when the abilities to engineer the taste outpaced the abilities to understand its long-term health effects. That sort of environment for innovation is a recipe for irresponsibility. Now they argue that the customer demand for their ketchup is what keeps them producing it, and it is up to the consumers to decide whether or not, and to what extent they assume the health risk. Although this is a subjectively sound practice in modern corporate ethics and it benefits the shareholders at Berkshire Hathaway, there may soon come a point where the objective health damages will be better understood, and Heinz will be more readily brought to account. If at that time it is still a corporation seeking to stay in business, then it will surely adapt. As of now though it is not practicing integrity even though it is willing to acknowledge that its ketchup is too salty and tries to educate consumers, and only minimal effort is expended to modify or discontinue its harmful product. Heinz can be seen to act in a manipulative manner that is detrimental to its self-esteem when it pays to appropriate authority for telling people what is healthy concerning salt content. Regarding using high fructose corn syrup (HFC), Heinz's behavior of producing two recipes with and without HFCs that are known to be harmful is Janus-faced, and not conducive to a healthy self-esteem.<sup>lxvi</sup>

Oil companies, and makers of products that emit GHGs, face a dilemma of continuing to reap great profits, or responsibly innovate themselves out of the oil business, and possibly into some other business. The green energy solutions that these corporations have been working on are coming to fruition as the years go by. The short-term profit incentives are for them to drag

their feet toward innovation so as to tacitly sustain the unsustainable. The fact of the matter is that if these companies continue to act irresponsibly, then there might not be many people left on the Earth to hold them accountable, and not in the Keynesian sense that “in the long run we are all dead.”

<sup>lxvii</sup>As to whether or not the US hypocritically practices protectionism, it has been said that farm subsidies are a form of protectionism.<sup>lxviii</sup> These subsidies in favor of US farmers and putting Mexican farmers out of business, and tourist agencies pop up in those towns where farmers go out of business selling tickets to the US. It has also been said by the EU that the US is unfairly supporting Boeing.<sup>lxix</sup> The results of both of these policies that benefit US corporations are prolonged conflicts and increased justified hatred against the US.

And yet, these corporations march onward, and consumers cut them some slack. One psychological force slowing creative destruction in these cases is Leon Festninger’s Dissonance theory, where people have been found to easily change their beliefs to match their actions.<sup>lxx</sup> When people have been habituated to consume products that later turn out to be permeated with unethical practices, it is understandable to justify their consumption and raise critically opposition to those pointing to new awareness of those unethical practices.

#### 4 THE KINGDOM OF BHUTAN

*“The mad pursuit of corporate profits is threatening us all. To be sure, we should support economic growth and development, but only in a broader context: one that promotes environmental sustainability and the values of compassion and honesty that are required for social trust. The search for happiness should not be confined to the beautiful mountain kingdom of Bhutan.”*

Jeffery Sachs<sup>lxxi</sup>

##### **Introduction**

Situated in the Himalayas, this small nation of 734,963 inhabitants is the size of Switzerland, and is locked between China and India. It is called by some as the last Shangri-La. Befitting of such a utopian paradise, in the end of the 20<sup>th</sup> century the reigning monarch declared that there would be happiness focused development, because after all, the purpose of government should be creating happiness for its people.<sup>lxxii</sup> Since then the country has become a constitutional monarchy with increasing democratic tendencies, and has been perfecting its measurement and practice of what it calls Gross National Happiness.

##### **National Economic Consciousness**

The mind of Bhutan to be analyzed shall be that of the current king and the high officials in his parliament, because there is still a close cooperation between the two. As can be seen in Bhutan’s Tenth Five Year Plan the collective vision comes from His Majesty the King, the Bhutanese people, and the First Democratically Elected Government.<sup>lxxiii</sup> What the vision of the people exactly is, and where it comes from is filtered through the governing institutions though, so we will not weigh that aspect much in our mind of Bhutan. One particular aspect of note pertaining to the mental facilities of this mind is the tendency to draw from Buddhist traditions as can be seen in the preamble to the Bhutanese constitution beseeching a blessing from the Triple Gem,<sup>lxxiv</sup> but also in the language used to craft GNH, and how it bears similarities with Buddhist ideals.

Looking to Bhutan's National Statistics Bureau there is evidence for pursuance of providing statistical data of the highest international standards, but tempered by the admission that "resources are limited."<sup>lxxv</sup> The other main statistical engines informing the Bhutanese government on its path toward GNH is the GNH Commission<sup>lxxvi</sup> chaired by the Prime Minister, as well as the Center for Bhutan Studies.<sup>lxxvii</sup>

Since Bhutan is still in the early stages of economic development throughout the country, new products are slowly entering its market and the awareness of the legally undisclosed cost we have been discussing are not at the highest of levels. Until 1999, there was a ban on television and the internet. As these bans were lifted, a ban on plastic bags was imposed.<sup>lxxviii</sup> It is understandable that there may be some naiveties in the general populace, and the economic decision makers are worried that those naiveties may develop into difficulties as Bhutan continues to open up. One rather odd concern would be regarding marijuana, which grows ubiquitously in Bhutan. Currently it is a popular food for pigs, and still drug trafficking is low.

There are also many who ascribe to the practices of traditional medicines. There is a high demand to export Bhutan's natural medicinal treasures, especially to China. From a standpoint of Western Medicine the benefits instead of the costs are what are still unclearly calculable. An applied awareness of products known to be detrimental to human health can be seen in Bhutan's broad ban on cigarettes.<sup>lxxix</sup> Prime Minister Thinley declared cigarettes cancerous to society and individuals. And to show how serious the government is, those who violate the terms of the ban face up to three years in prison.<sup>lxxx</sup>

Due to its low level of development and the prevalence of subsistence agriculture in Bhutan,<sup>lxxxi</sup> there is the issue of child laborers being exploited.<sup>lxxxii</sup> There is a range of more vile forms of child labor reported in Bhutan, but over ninety percent is in the agriculture sector. The US Department of Labor has yet to eliminate exploiting child labor in the US agricultural sector despite its scathing report of conditions of the "worst forms of child labor" in Bhutan.<sup>lxxxiii</sup>

There is no compulsory age for receiving education in Bhutan even though there is free public education. For the time being then the development of Bhutan is a yoke that will continue to weigh heavily upon its youth. It remains to be seen whether shouldering that burden somewhat

will benefit the youth. The GNH community has yet to chime in on whether or not laboring on one's family farm contributes to objective or subjective indicators of happiness. Perhaps it would be better not to look to the Western developed nations in comparison with their increases in child obesity and other diseases of the wealthy.

Bhutan places a heavy emphasis on preserving its ecosystem, in other words, its biological diversity and its natural beauty. The awareness of its environment is growing to international standards, but can be seen by some to have long surpassed them from a level of religious awareness. Bhutan's National Environment Commission strives toward sustainable enlightened development, mindfully accounting of the effects to the environment.<sup>lxxxiv</sup> Additionally, Bhutan's constitution mandates that 60% of Bhutan's total land be under forest cover for all time under Article 5 §3.

As to the future increases in awareness, the leaders of Bhutan have access to some of the same international information sources as do more developed nations. For example, Bhutan has been working in partnership with the United Nations Development Programme since 1973<sup>lxxxv</sup>. In order to get an idea though of how the mind of Bhutan has sharpened its awareness in the past we can look to the educational records of some of its current key leaders.

His Majesty the King, Jigme Khesar Namgyel Wangchuck, attended high school in Bhutan, but then received schooling at an elite boarding school in the US.<sup>lxxxvi</sup> Following this he enrolled at Wheaton College, also in the US, and later Oxford University in the United Kingdom where he completed their Foreign Service Programme and received a Masters of Philosophy in Politics.<sup>lxxxvii</sup>

The Prime Minister, Jigme Thinley, was educated at a primary school and college in India both of which were founded by British Christian missionaries: Dr Graham's Homes and St. Stephen's College.<sup>lxxxviii</sup> He went on to earn a master's degree in public administration at Pennsylvania State University in the US.<sup>lxxxix</sup> He also received a certificate in manpower planning and management from Manchester University in the UK.

The GNH Commission President, Karma Ura, received his undergraduate degree from Oxford University, and a master's of philosophy degree in economics from the University of Edinburgh.<sup>xc</sup> This, in addition to the other education records, can be regarded as a sharpening of awareness that is world-class by all measure. It has already been argued though, that even the highest contemporary vehicles for increasing awareness are still limited to that level which the human race has currently evolved.

### **National Economic Self-Acceptance**

One economic strength that Bhutan possesses is that it is blessed with a capacity for generating hydroelectricity. Approximately 80% of the electricity generated from dams in Bhutan is sold to India. The largest source of government revenue is through taxes on, and dividends from, hydroelectric corporations.<sup>xci</sup>

The government of Bhutan has accepted this energy strength and with public institutions it ensures that it benefits from them. Additionally, India benefits from the additional power source although it is a large investor in the projects in the first place. The Asian Development Bank also benefits from this strength of Bhutan, at least in the role of additional financial backer.

A weakness, aside from a general lack of internal funding for all of its development projects, is Bhutan's lack of qualified laborers or employees to carry out said projects. India is a source for contract laborers. This can be seen as a way of ensuring that Bhutan benefits from the work, but is not burdened by a new demographic presence.

Demographically, Bhutan has a growing urban population, nearly three quarters of Bhutan is Buddhist, and the main ethnic groups residing within Bhutan's borders are the Ngalops, the Sharchops, and the Lhotsampas. Notably, the Ngalops are overrepresented in the ruling elite, and the Lhotsampas are of Nepalese origin.

Although GHN and Buddhism are infused with compassion, Bhutan's treatment of its Lhotsampas minority has been less than compassionate. Since the end of the 19<sup>th</sup> century laborers had emigrated from Nepal into the southern forests of Bhutan. During the 1980s, the Bhutanese government saw this group at a demographic and cultural threat to the status quo.

Many of Nepalese descent have since been effectively forced out of Bhutan. Refugee camps were set up by the UN High Commission for Refugees. After years of negotiation attempts to allow the refugees to return were met by Bhutanese intransigence, so a large number of the refugees were accepted into the US, and a lesser number into Norway.<sup>xcii</sup> The nature of the economic mind of Bhutan's self-acceptance again brings to light the problem repeated throughout history in nearly every nation. A group within a nation that is deemed not for or of the nation is likened to some malignancy, and is dealt with in some all too tragic way.<sup>xciii</sup>

### **National Economic Self-Responsibility**

The legal structures of Bhutan are woven together from the most sophisticated contemporary material, and informed by the successes and failures of history. This can also be seen as recycling the thoughts of others to perhaps a minor degree, but in drafting its constitution Bhutan sought council from international sources, while conscious of not becoming slaves to foreign ideals.<sup>xciv</sup>

The national economic decision makers have in Bhutan's isolationist past taken near full responsibility for what the people of Bhutan are exposed to, but that responsibility is slowly being handed over to the people. As was mentioned, certain products are still banned, and as the people of Bhutan accumulate more personal wealth, they will be able to afford to avail themselves to the uncertain dangers or particular products as is done in the more developed nations. It remains to be seen how much perceived sense the government will continue to force upon the people, and whether the people will learn to resist or continue to trust the government's benevolence.

In Article 9, Section 12 of the Bhutanese constitution there is a clear duty placed upon the government to endeavor to ensure just and favorable conditions of work, followed by endeavoring to ensure the right to rest and leisure, to include reasonable limitation of working hours and even periodic holidays with pay. There is also a constitutional responsibility not to

economically exploit children. The remaining question is if this responsibility will be transferred to the labor that constitutes imported goods and services.

The responsibilities Bhutan takes for the environment are seen by many more developed nations as admirable constitutional innovations. Article 5 of the Bhutanese constitution lays out a shared responsibility between the people and the government to be “trustees of the Kingdom’s natural resources and environment,” to include preventing “all forms of ecological degradation including noise, visual, and physical pollution.” Again, the question of acknowledging the environmental harm inherent environmental harm in imported goods remains.

Another understandable weakness of Bhutan is its sharing of the responsibility as written in treaties delegating foreign affairs and defense in 1865 to the UK.<sup>xcv</sup> In 1947 when India gained its independence those responsibilities was transferred to India. Greater autonomy was negotiated in 2007, but policy is still coordinated in New Delhi.

Bhutan is currently receiving development aid, allowing it to afford things that it would not otherwise be able to. Aside from the expulsion of the Nepalese, Bhutan has quite a distinguished global reputation, so it does behoove the international community to take the responsibility of stabilizing the current regime, until it can support itself rather than letting it being overrun by any number of hostile forces.

Other areas that Bhutan seeks to take responsibility for within its own borders are their spiritual heritage and their culture. It seems impractical, or more of a nod to the principle of the separation of church and state, that in Article 3 of its constitution Bhutan should promote their spiritual heritage, while keeping it separate, but religious institutions and personalities are to remain above politics. Similarly perplexing in Article 4, the constitution’s assertion that culture be preserved, protected, and promoted, while recognizing that culture is evolving and dynamic. Culture is already a nebulous human construct, and here it seems that the state will lead in pushing what it deems the culture to be, but will allow for the people to push the culture in directions deemed suitable.

## **National Economic Self-Assertiveness**

The nature of Bhutan's independence is one that seems to exemplify a healthy level of self-assertiveness. In a respectful manner the King initiated the drafting of a constitution, and pointed out that "in many countries, Constitutions were drafted during difficult times, under pressure from political influences and interests, but Bhutan was fortunate that the change came without any pressure or compulsion." (Sonam, Lyonpo). Some opposed a constitution, but the king convinced them that it was time to shoulder this sacred burden (Sonam, Lyonpo).

Bhutan can be seen, even today as an isolationist nation. The fact that traditional costume dress codes are strictly enforced is a strong way of asserting Bhutanese culture. Though some urbanites occasionally wear Western clothing styles, it is unique to see a nation that does not so readily adopt the Western suit and tie.

For the most part, Bhutan has enjoyed a mutually respectful relationship with its neighbor India. Regarding monetary policy, and assertiveness in the global currency market, Bhutan has chosen not to be assertive by pegging its currency to the Indian rupee; also rupees are widely accepted ([http://www.visitbhutan.com/money\\_matter\\_bhutan.html](http://www.visitbhutan.com/money_matter_bhutan.html)). Britain and later India have viewed Bhutan as protective rampart against communism, with the hopes that it would not meet the same fate as Tibet, and Nepal.<sup>xcvi</sup> In 2007 Bhutan and India signed a friendship treaty promising "perpetual peace and friendship" between each other.<sup>xcvii</sup>

As stated in Bhutan's 10<sup>th</sup> Five Year Plan running from 2008-2013, its economic assertiveness will soon tested when it graduates from the status of a Least Developed Country (LDC). This withdrawal of support from its development partners will put great pressure on the Bhutan to fund further development activities.

Bhutan does not have, and is not yet able to maintain a monopoly of physical force within its borders. Chinese military forces crossed into Bhutanese western territory in 2007, and since it is clearly no military match for China, Bhutan has sought diplomatic resolution, though talks have yet to be fruitful.<sup>xcviii</sup> Armed factions of Nepali refugees from Bhutan have attacked border

regions of Bhutan and in 2008 are believed to have been responsible for bomb blasts leading up to Bhutanese elections.<sup>xcix</sup> A third trespassing group has been Indian insurgency groups.<sup>c</sup>

### **National Economic Purpose**

Bhutan's purpose, which has been growing in fame, is to achieve GNH, and to share it with the world. This GNH focus is a healthy practice of setting one's own goals, based on what one believes to be right, and to do so in the face of a world set on achieving other purposes speak even more highly of Bhutan's healthy national-economic-esteem. Bhutan is venturing out into new economic territory with the help of its GNH Commission, and the support admiration of international community.

Bhutan has adopted the UN's Millennium Development Goals in order to address issues of extreme poverty.<sup>ci</sup> Other goals that Bhutan has set for itself are clean energy independence through development of a broad range of renewable energy solutions,<sup>cii</sup> and find sustainable ways replace foreign aid funding and increase government revenues that will allow Bhutan to continue developing.

### **National Economic Integrity**

The question isn't so much whether or not Bhutan is going to follow through with its admirable intentions, but whether or not it can afford to do so, and whether or not it is strong enough to withstand the demographic tensions that surround it. Many monarchs have not been able to make the transition that has been made so far in Bhutan. Again though, in this modern geopolitical context there is uncertainty as to whether Bhutan has actually stood on its own two feet. It is easier to be closer friends with India when they are the buyer of what Bhutan's champion industry, and the military backstop.

Few if any nations around the globe are able to compassionately deal with groups that pose a threat to the fabric of a nation. Especially now that Bhutan is slowly opening up to the world, it seems that its national integrity may dissolve as time goes on, and its people become more aware of the outside world through throngs of English teachers, tourists, mass media's talking heads, and GNH fanatics. Surely, the Royal Government of Bhutan is hoping that the people of

Bhutan will get a complete look at the world outside its borders and realize just how fortunate they are to be safe and, though poor financially, rich in Nature's bounty.

## 5 CONCLUSION

*“A part of the challenge posed by these hard cases is that economists cannot usefully come to grips with them unless we are willing to make cultural, social, and political factors – as well as history – a living part of our analysis.”*

(Rostow, xxiii)

In attempting to be critical of the popular contemporary indices and presenting a unique way there can be no presumption that Diogenes has stopped “looking for an honest man.”<sup>ciii</sup> Like the aforementioned purpose of the HDI, the hope is to continue the debate of how to measure economic development. The purpose is not to start a revolution and waive policy makers duty to due diligence. It would seem that as awareness increases the current drawbacks of using GDP will fade away, perhaps GNH will fail to bloom as so many hope, and perhaps some new method with surface in the Arab world that will save humanity from being satiated by nothing but the dust of our graves.<sup>civ</sup>

Using the concept of self-esteem proved to have some economic applicability. Unfortunately, with its inherent objectivism, Branden’s theory has been criticized, partly because of its association with Ayn Rand, whose unique personality still inspires some and frightens others. Putting aversions to objectivism aside for a moment more, we should consider that in widening the social networks our notions of and capacity for objectivity can evolve. As William James notes, we are able to enhance or bolster our self-esteem by having more intellects to support our own, and we can see this on the level of nations as well. Granted, nations still vehemently disagree on how to fit societal and economic together. If one were a bit more comfortable with subjectivity, an alternative theory to synthesize with economic though would have been PERMA, which stands for positive emotion, engagement, relationships, meaning, and achievement from Seligman’s.

The United States of America and the Kingdom of Bhutan were interesting patients to place on the psychoanalyst’s couch, but of course, the world contains many more unique cases. It may

also have more useful to shift the focus to multi-national corporations, multi-national organizations, or any other entity that wields power on a global scale.

Concerning Branden's six pillars, each pillar could be a lengthy analysis on its own. Awareness is such a universe sized issue on its own. In the theory of perfect competition it is the linchpin that could conceivably hold capitalism together, or socialism for that matter, and the panacea that could be taken to avoid their sick and dying states of today.

The present technology stock continues to widen, and the utilization of that stock is changing science-fiction to science-fact. As Kuznets pointed out invention is now fostering new needs (p86). Is the age dawning where humankind will be able to leverage, and in fact responsible for leveraging its awareness to influence the course of human evolution? Will it be a cold future like Albert Einstein alluded to when he said, "I believe that the horrifying deterioration in the ethical conduct of people today stems from the mechanization and dehumanization of our lives. A disastrous by-product of the development of the scientific and technical mentality. We are guilty. Man grows cold faster than the planet he inhabits."<sup>CV</sup>

As human awareness increases, and individuals become more interconnected the age of psychological and economic simplifications should fade along with their disconnectedness as scientific fields. The appreciation and pursuit of complex answers to complex questions should grow. Policy flowing from that which is measured (Seligman, F, pg229.) should be enriched by human ability to better measure the world around us. The triple bottom line should keep increasing. Let us hope that we make it that far.

The point of calling this an omni-political manifesto was to first stir a little controversy and secondly to admit, like Winston Churchill, that all forms of human government are flawed. Certain political or economic system theories have their strengths and weaknesses that can seem better or worse than they are in reality. Vladimir Lenin titled one of his pamphlets, *One Step Forward, Two Steps Back*, but there are far more dimensions than just forward and backward. It is the complex and rough human factors though that are the most important; therefore these issues should be viewed from a better understanding of the human perspective.

Hopefully, the meta-narrative of self-esteem is one that can be followed in pursuit of a healthy economy of each and every nation of the world.

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