

Introduction: A Kaleidoscopic Survey of Under-Development and Its Solution

1.1 Third World predicament

The indicators of under-developed economy are: a high proportion of population engaged in agriculture and low-level technology, an unsophisticated manufacturing sector, low level of education and literacy, poverty represented by a lack of basic living amenities, and meager per capita income. The etiology of Third World under-development can be attributed to: (1) political colonization, followed by the suffocating communist regimentation or exploitative economic colonization, (2) mock democracy and bleeding of wealth by incompetent and corrupt politicians, (3) destabilization of developing economies by currency manipulation and exploitation of cheap labor, through globalization, and (4) deculturalization and marginalization of entire communities by the intolerant regimes of some developing nations.

Under-development, in the context of the 20th century politico-economic systems, can be traced to the influence of political and economic colonization of the Third World, and thereafter to the traditional development options of capitalism* and communism for Third World development. In both these systems, work relationships are based on subordinated cooperation. Additionally in communism, the society is reduced to a production-distribution mechanism under a regimented system of control. Also, because the workers are not participants in the management structure and/or have shares in the company, the production efficiency has always been poor. It is no wonder that both capitalism and communism have failed to solve the problems of the Third World, and kept these nations under-developed.

*The capitalism, herein referred to, implies a socio-economic-political set-up in which the capital is concentrated with a few people and owners of corporations. This is distinct from what is advocated and can be termed as “collective-capitalism” (or social capitalism), wherein the corporational assets are shared with the employees and thereby the capital is collectively owned by its joint developers.

The 1980s and 1990s witnessed a deceptive economic boom of Southeast Asian countries, that were targeted to serve as producers of cheaper consumer items (from cars to televisions to computers) for the consumption of Western capitalist countries, through their multinational corporations (MNCs). The over-production of consumer items later resulted in decreased demand proportional to the supply. This was followed, in the late 1990s, by manipulation and destabilization of the currencies of some East Asian countries (in particular, assaults on the Thai baht by currency speculators, forcing its central bank to float its currency in July 1997), which made their cheapened industries vulnerable to being bought off at throwaway prices. In the wake of this crisis (and imbalanced supply-versus-demand of consumer items flooding the markets), the United States economy held its own, perhaps due to the investments and bank deposits of other capitalist and resource-rich countries. To make matters worse for these Southeast Asian countries, the MNCs moved northwards, to take advantage of even more cheaper (and larger) labor force.

The North-East Asian economy continued to rally behind fictitious oversized markets for consumer items and fictitiously over-inflated real estate. But when it was recognized that these virtual markets and real estates could not be realistically justified, it triggered a mini economic collapse and massive layoffs. The MNCs and the capitalists must take a lot of the blame for this economic debacle, for over-production and over-expansion, and undermining public faith by fictitious profit displays for attracting public investments. The cheaper consumer imports into the US coupled with the current outsourcing and relocation of knowledge and service industry can eventually put US consumer, finance and IT industry out of business, and result in layoffs. The resulting decreased consumer spending and investment (due to the exposure of corporate-capitalistic corruption), now coupled with the panic of terrorism acts and unjustified unsustainable military engagements, are serious signals for the US economy going into a prolonged recession, triggering global depression and collapse of capitalism.

Not all of the capitalistic rhetoric may then be able to restore economic stability, because of the capitalistic-corporate economic system (and the associated democratic-governance system) not being people-oriented and hence unsustainable. In the wake of transplantation of major segments of the US industry coupled with the erosion of its revenue-generating industry (along with the increasing US import-export imbalance and the spiralling debt), it would be difficult for the US to sustain a global economy based on public investments in capitalist corporations and stock-exchange dynamics (even with out-of-proportion consumer spending), without ameliorating fiscal policies. We need an alternative people-centered and

people-participatory transparent and cooperative economic system (involving both social and financial capital), associated socio-economic democracy representing the multi-sectorial needs of the community, and a governance system administered by executives elected by various sectors of the community (in place of the self-serving political-party system of democracy). Finally, it is in the interest of developing countries (and for all countries) to delink their economies from the US-centered unipolar economic system and form their own regional self-reliant economic unions, so as to continue to have markets for their exports and sustain their economy.

1.2 Asian economic scene

Since the 1980s, as the American MNCs ventured out into cheap-labor countries in East Asia, the American consumers have kept on buying cheap consumer items sold to them by these East Asian countries. This over-consumption and over-production contributed to the economic growth miracles witnessed in East Asia. As the US has kept buying more goods from the rest of the world than it sold to them, it has incurred ever-increasing current account deficit. In order to finance this deficit, the US has been selling corporate bonds and Treasury bills to the rest of the world. In turn, the big exporter-to-US countries have deposited their profits in these bonds and bills, in order to keep currencies competitive against the dollar.

However, this may not be a wise futuristic policy, why? The Americans work arena is being fast depleted, as its services industry is moving out of the US to the more educated developing countries. Hence, it is unlikely that the US economy can recover, because (as happened with its manufacturing industry) its knowledge capital industry is also being positioned abroad where human resource is more cheaply salaried. This could well be the flip side of capitalism, and even hasten globalization in a way that would not be in the best interests of the US. For this reason, the US may want to hold on to natural resources-endowed areas, such as Iraq. However, eventually even this policy of occupation may be unsustainable sociologically and politically.

As the US opportunistic-capitalism displays its true colors in terms of concern only for profits at the expense of national interests, the US industrial scene can become eroded and its economy could crumble. Then, the US will not be able to even service the interest on its debts. When the developing countries become alive to this disability on the part of the US, they will distance themselves from the US dollar-debt instruments, and make it impossible for the US to finance its debts and even its community services. Hence, in spite of all the make-believe propaganda of

US economic recovery, the US is quite likely to become a no-revenue, no-resource and no-work society. Who will then be buying the East Asian commodities exports? When the Asian countries finally wake up to this looming calamity, then and then alone will they form their own regional economic bloc, to continue to sustain their exports by enhancing regional imports and consumption capability.

While many East Asian countries have adopted this foreign investment route (FIR) to quick economic development, in India its home-based and non-resident enterprisers have contributed to its homegrown slow (but steady) economic development with efficient deployment of financial and intellectual capital. In fact, more and more American high-wage professional jobs (from architectural design and radiographic diagnosis to satellite survey analysis and funds management) are being outsourced to Indian IT companies. Make no mistake that the credit for this goes entirely to the Indian people, who have had to reckon with their government's and politicians' corruption and incompetency to enact constructive measures to assist their entrepreneurship (and still take undeserved credit for it). But for having to work against this pre-load, the Indian economy would have prospered much more. Sadly, Indian professionals can do little to rescue and take over their inefficient political machinery from the clutches of the professional political parties, whose only capability and occupation is to battle one another in elections. However, when the Indian intellectuals, information technologists and knowledge capitalists decide to also get involved in governance according to our advocated community sectorial representation in governance (leading to civilian democratic politics), then only will the lot of the poor masses improve. When this enormous social capital is transformed into knowledge capital, then only will we witness a quantum jump in the living standards of the population and the progress of the nation.

It is a distinct tragedy that Indian politicians (quite a few of whom are uneducated) have failed to provide any measure of governance, such as in modernizing primary-to-university education (for providing more knowledgeable social capital for their professional entrepreneurs), structuring the healthcare delivery system, improving community services (such as uninterrupted electrical power) and modernizing the rail transportation (and supply chain) system. Indeed, this progressiveness divide between India's civilian and governmental societies is typical of so many under-developed and developing countries. Hence, it is in their best collective interests that their civilian societies go one step further in entrepreneurship by taking over the governance, for real development of these countries. It is only when this vast human resource becomes self-actualized, that the developing countries can become developed countries and compete on even terms with the present-day developed countries. This is when real globalization will take place!

1.3 Functionally-sustainable communities for local economic empowerment and governance

A prime feature of Third World countries is under-developed rural areas, resulting in rural-to-urban population migration, poverty and lack of means to support community services. On the other hand, a prime feature of the discriminated and socially outcaste Fourth World communities is abject discrimination from living normally, as well as their persecution by the intolerant people of the establishment. In fact, worldwide, the social scenario is very disturbing, due to inter-ethnic strife, ethnic minorities' marginalization, and cultural suppression of minority communities within nations. All communities and people need to have unbarred opportunities to develop and progress. Hence, those culturally (as well as psychologically and economically) suppressed communities need to become autonomous and self-reliant, so that they can fashion their own destinies. All of these Fourth World peoples that have been marginalized can in fact get maximal opportunity to prosper by being constituted into self-reliant communities functionally-sustainable communities or FSC(s). So then what constitutes an FSC?

A functionally-sustainable and autonomously-governed community (FSC) is one that has adequate land and trade-specialities among its people, to be able to sustain the basic functional (revenue-generation, community-services, small-business and governance) sectors. In other words, the revenue generated by exporting its (natural-resource, agricultural and industrial) products should be able to sustain the services and small-business sectors of the community. An FSC is the grassroot unit of governance and functional socio-economic democracy. As such, it should have adequate qualified human resources, who could competently represent the various sectors of the community in governance by administering the portfolios of their sectors.

Hence, the key for Third World development and poverty eradication as well as the liberation of the Fourth World communities from oppression is to organize economic blocs in the form of functionally-sustainable (rural) communities (FSCs), so as to develop and manage local resources and industries. The resulting revenue generated from exporting agricultural and industrial products is to be utilized to sustain community services and small businesses. An exemplification of a functionally-sustainable community design (as provided in detail in Chapter 5) can be demonstrated to indicate how uniform living standards can be achieved for all the social sectors of the population, by some strategic organization of the community's population sectors.

The concept of a functionally-sustainable community can be relevant to not only economically backward as well as discriminated communities, but also to new

communities that come about around natural resource sites. The dilemma is that if there are too many people working in the natural resource development industry in these so-called boom communities, or if there is an unduly high proportion of people engaged in agriculture in the poor rural areas of the world, then the lifestyle suffers for lack of living amenities. As a result, the younger people will leave the community, and over a period of time the sustainable resource development will not be possible.

So, there has to be adroit population distribution among the revenue-generating sector of the community, the community services-providing (and governance) sector, and the small business sector (to even include group professional, medical and legal practices). Chapter 5 provides such an optimal design, whereby the revenue generated from exports by the resource development and agricultural sector is utilized to sustain the community services sector and the small business sector, such that all the inhabitants can enjoy near-uniform earnings and living standards.

In a typical FSC (made up of economic units), the inhabitants would manage the local enterprises, with gains relaying back for their benefit and for local development. For this purpose, it is useful for medium and large scale enterprises to be cooperatively organized, so that the employees have a stake in their corporation's performance and success. The cooperatives in the various societal sectors (such as community services sector, healthcare sector, transportation sector, private business sector, etc.) would be organized into associations (such as of legal professionals, primary educators, etc.). Additionally, each FSC would have agencies (such as for trade and commerce, postal, municipal and transport services) and councils (such as township or neighborhood citizens councils for environmental and civil protection, and the sports council). Each of these associations, agencies and councils, together representing all the functional sectors of a community, would vote two of their most competent candidates to represent that sector in governance. The general public would then elect one of them to represent the sector on the local government legislature, thereby providing the framework of a truly democratic and knowledgeable (party-less) civilian professional-governance system (or PGS).

This verily constitutes a new concept of a people-centric democratic societal and governance system. This new democratic system would replace the current pseudo democratic system of governance management as a business undertaking, by the political parties securing public contracts (based on and legitimized by public votes) to manage the governance of the community. The political format of this neo-electoral and professional governance system is clearly delineated in more detail later on in this chapter as well as in Chapter 12.

It would also be in the interest of FSCs to cooperate with one another (and organize themselves into economic blocs) to share their know-how and trade in

resources and technologies, in order to help one another to uniformly raise their living standards. This cooperation among FSCs, based on the neo-humanistic attitude of promoting the welfare of all peoples and communities (as opposed to merely eliciting foreign investment-based development and perpetuating economic colonization), can contribute to a new equitable Global Order. It would hence be economically beneficial for two or more FSCs to come together and form a self-reliant socio-economic bloc (SEB), while several SEBs would form a self-reliant economic zone (SEZ).

In the context of the present day setup, the SEZs would correspond to nations, while the SEBs would correspond to the states (and provinces) of nations. The FSC(s) will have the option of interacting with neighboring FSC(s) with whom they feel socio-culturally comfortable, to form self-reliant economic blocs or SEBs. An SEB would, in turn, need to have adequate land and resource density and diversity, such that it can function as a self-reliant agro-industrial and services-providing blocs.

1.4 Progressive socio-economic utilization system within FSCs

With regard to the socio-economic organization of a community, we reject both the communist and capitalistic systems (due to their shortcomings and failures), but incorporate some principles of a new socio-economic system (Prout),* entailing proper utilization and remuneration of all levels of human resources. Within FSCs, grassroots socio-economic development would be carried out by means of cooperatives, which will address business planning, factors of production cost and productivity, purchasing capacity and collective necessity. In our economic setup, cooperatively managed business enterprises and industries will enable work to be carried out in the spirit of coordinated cooperation, with due consideration for human rights and fair remuneration.

In FSCs, a cooperative economic system would be best able to utilize and provide fair remuneration to the locally available social-capital and knowledge-capital in the community, business-corporational and governance sectors. Especially, in poverty-stricken rural areas of developing countries, as well as within the FSCs of liberated Fourth World communities, the cooperatives will bring together producers, distributors and consumers in a coordinated partnership. These cooperatives (based on optimal or progressive utilization of human, natural and

**Proutist Economics: Discourses on Economic Liberation*, by Prabhat Ranjan Sarkar, (ISBN 81-7252-0034, Ananda Marga Publications, EM Bypass, Tiljila, Calcutta-39), 1992.

material resources) will function on the principles of individual liberty, equality and democracy, with sharing of revenue and profits by the cooperative members. Such cooperatives will be organized in all spheres of economic activity as well as social life, for the welfare of the people. The cooperatives will constitute an organization of people coming together, to help one another and save themselves from capitalist as well as communist exploitation.

The cooperatives will in fact constitute the catalysts of FSCs, wherein local people will generate revenue (through resource development, industry and trade) to in turn develop their own community services of water supply and sanitation, electrical power, healthcare, education and transportation. This cooperative system of economic development and management verily constitutes collective capitalism (or CCP, as opposed to subordinated capitalism). In this setup, the capital will be cooperatively generated, controlled and distributed.

For people to interact and live in peace, we need to make provision for their satisfactory economic means and livelihood, cultural and psychic expression, enlightened and benevolent governance system, so that they can maximally develop all of their potentialities. In order for them to have a fulfilling lifestyle, they also need to feel that they constitute intrinsic members of the community they are living in, and that they are contributing to its development. This people-centered and people-empowered system of CCP (collective capitalism) and SED (socio-economic democracy) along with the civilian professional-governance (CPGS) system will auger well for optimal utilization of natural resources, community services and human potentialities.

1.5 Alternative political structure for harmonious and peaceful psychology and living setup

Today, even in nations that have a disturbing record of human rights violations (according to Amnesty International), the concepts of globalization and human rights, anti-racism and anti-castism, democracy and disarmament are all rhetorically advocated and theoretically implemented. However, the end result is a perpetration of gross inequalities and divergent standards in all strata of human living. In older and big developing nations, there are several groups and communities who have no cultural and ideological commonality with the national culture and ideology. They hence prefer to be politically autonomous, and have their own governance system. However, their national governments regard this so-called separatist movements as subversive and forcibly (and militarily) suppress them. This non-compromising attitude on the part of their national governments is often motivated by these culturally distinct blocs having rich cultural resources. In the past decades,

there have been, throughout the world, innumerable situations of inter-religious conflicts and ethnic killings, of the suffocating lot of under-privileged communities and castes, of freedom struggles by oppressed communities, of suppression of spiritual and religious groups, and mass killings in the name of cultural revolutions and patriotism. Throughout this abuse of humanity, the United Nations (UN) has had to remain a painful inept bystander.

In fact, the entire present day global order of community of nations has become corrupted and consolidated into distinct camps of industrialized nations, developing nations and poverty-stricken under-developed nations. Even the UN cannot alter this affluent hegemony of nations, because the UN is itself financially supported by the affluent nations. In the present day global political-economic order, the economically and militarily powerful (eg. G-8) nations have a big influence on the destinies of the weaker Third World nations. On the other hand, the prejudicial social attitudes and structures within Third World nations have caused marginalization of their own Fourth World populations. We can hence make a deserving case for marginalized and persecuted people to be brought into the fold of FSC(s).

For this purpose, as an alternative political-economic setup, it is advocated that in the Third World regions, poor and/or marginalized communities come together to form FSCs; this would enhance economic development, while also alleviating social discontent. What we are essentially saying is that it would be in the best interests of everyone, for dissatisfied communities to be given autonomy for their socio-economic development; this would eliminate the potential causes for unrest, separatist and freedom movements, and even terrorism. Similarly, it would auger well for peace and harmony between neighboring nations to rise above narrow ideological sentiments, and instead to cooperate with one another in all spheres of work and living. Hence, two or more states could come together to form an SEZ; such a cooperation would help to raise the living standards of their people, while also mitigating inter-nation border disputes and hostilities.

The governments of SEZs, analogous to present day nations (such as, say, countries of the Arabian peninsula), would constitutionally ensure implementation of decentralized planning and balanced development of all sectors of the economy in their constituent FSCs. The SEZs, of a region or a continent, would in turn be synthesized into regional federations or RFDs (such as the South-Asian Federation, in the vein of European Union or EU) under a world government, to constitute a neo-humanistic global order. A detailed methodology and mechanism for effecting this neo-political restructuring of nations is provided in Chapter 4. The role of this apex world government would be to monitor and ensure political and economic stability, social and physical security, protection of human rights and ethnic minorities, and equal opportunities for all the inhabitants of the world to progress and prosper multifariously.

In this neo-political structure, the FSCs would constitute the grassroots of socio-economic democracy, and enlightened governance. Thus, FSCs would provide their inhabitants progressive social, economic and governance systems. The FSCs would help socio-economically backward (and rural) communities to become progressive, and also help to provide freedom of expression and dignified living to marginalized cultural/ethnic communities. In fact, in our proposed world government political system, it would even be possible for similar ethnic neighboring communities located in separate nations or SEZs to beneficially come together and form one FSC.

1.6 Socio-economic democratic electoral and governance structure within FSCs

As indicated earlier, a prime feature of the prevalent social order is discrimination, on the basis of culture and language, skin color and physiogamy, literacy and poverty, gender and descent. In this century itself, those discriminated people (because of their race and physiogamy) have been enslaved (as in South Africa and Zimbabwe or former Rhodesia) and gassed (as happened to the Jewish population under Nazism), rendered homeless and virtually wiped out of existence (as happened to the native populations of America and Australia). The gender discrimination shows up in the form of women who are not allowed to participate in society functioning in certain societies riddled with religious dogmas (as in the case of some nations in the Middle-East and Western Asia). Those discriminated, because of their being born in so-called lower castes, have been debarred from all public participation sites, events and functionaries (as in the case of dalits in India). What is sad is that these culturally, economically and politically discriminated and suppressed people are not allowed to become liberated and self-governed.

All of these discriminated Fourth World people also suffer from discrimination in employment, education and healthcare. They live and die oppressed, suppressed and depressed. These discriminated peoples need to have their own FSCs, for them to develop their own economy, community services and governance. But they are not allowed to do so, they have no mechanism for voicing their grievances and plight. For these millions of people living in abject poverty, psychic oppression and cultural suppression, the only hope is that they be allowed to form their own FSCs, based on the (to be formed) constitution of the (to be formed) world government. They would then be in charge of development of their own community (within and with assistance from their SEZ), and be empowered to charter their own socio-economic destiny.

Indeed, the prime features of the present day democratic system are:

- € socio-economic inequality, because of the subjugative work organization setup (in the capitalist system), involving employers and employees having grossly divergent social standing and economic benefits;
- € the party system of political governance, whereby the political members of the parties are continually engrossed in election campaigns (subsidized by capitalist corporations) and political alliances, and which thereby constitute an enormous wastage of human resources and monies, and detracts from the legislators dedicating themselves to governance;
- € impossibility for competent independently thinking persons from getting elected to the governance legislature; and
- € non-involvement of public constituencies in public policy-making and economic development.

In contrast, our proposed political and socio-economic setup is based on FSCs, in which the community activities are cooperatively organized. As a result, all the people can be involved in all the functions of the community, and hence in its economic development. Now, in this setup, we are advocating a neo-electorate (and neo-political governance) system, wherein these community-activities' cooperatives and/or associations (such as teachers', doctors', lawyers', farmers' associations) elect their own representatives to the local government. This constitutes the basis of the new concepts of Collective-Capitalism (CCP) and civilian Socio-Economic Democracy (SED). This system will primarily result in only competent persons and experts, within the various sectors of community (with no party affiliations), being elected to political governance. These persons will be held solely accountable for their governance performance.

So then, let us reiterate what constitutes collective-capitalism (CCP) and socio-economic democracy (SED). In simple terms, CCP implies collective generation and sharing of capital. It also tacitly implies the equal importance of social, knowledge and financial capitals. In this system, the collective-capitalist corporations will primarily raise business-development funds from banks, instead of eliciting public investments, so as to eventually turn-off stock-exchanges, associated with stock and currency tradings and manipulations. The SED is the political counterpart of the CCP. Once the community is organized into social-capitalist corporations, it would be in a position to provide political and governance representation to its various functional sectors, through associations representing these sectors (making redundant the system and need of political parties), to constitute SED.

At the FSC level, the associations of cooperatives will elect their representatives to FSCs legislatures. The elected legislature members from local FSCs will in turn

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elect representatives to the state government (or SEB government) and the SEBs' governance members will elect representatives to the national government (or SEZ government). From these representatives will be elected governance officers to regional federations' government, and thence to the world government. This neo-electorate and governance system will be devoid of petty party politics, cronyism and corruption, and above all save colossal amounts of public monies from being misused to support extravagant election campaigns and party conventions. Chapter 10 provides the detailed mechanism of this electoral and governance system.

1.7 Stepwise global political restructuring

In light of our advocated neo-political order and grouping, what will happen to the prevalent political order and system of governance? In the economically and politically stable countries, the people may choose to retain the current setup of states or provinces within nations. However in developing regions, it would be more socio-economically viable to develop this neo-political order or setup of autonomously governed FSCs within SEBs, with two or more nations coming together to form SEZs within regional federations or unions (such as the Southeast Asian Federation or union or the Middle-East federation or union, etc.).

Hence, as a first step, in the under-developed regions, the present day political governance system could be first replaced at the local community level, by the new governance system. In other words, within the FSCs of an SEB, the governance would be carried out by elected representatives of sectorial associations (of professional groups and cooperatives). However, at the state level, the current political-governance system would either continue, or the FSCs would elect representatives in the various administrative portfolios to the SEB state government. This would constitute Stage 1. Nevertheless, even this process would need to be supervised and carried out under the aegis of the corresponding regional federation council.

Hence, we would first need to establish an interim regional federation council, made up of independently thinking and moralistic representatives from the representative nations or SEZs of the continent. This regional federation council would then legislate and supervise the formation of FSCs, and election of FSCs' associations' representatives to FSCs' legislatures. This regional council would also supervise the implementation of the governance system in the FSCs. Once a stable governance is achieved in all the SRCs, the regional federational council could plan for Stages 2 and 3 — the introduction of the new form of democratic governance system at the SEB and SEZ levels. Thereafter, it would

implement Stage 4 — the formation and implementation of Regional Federation's governance system.

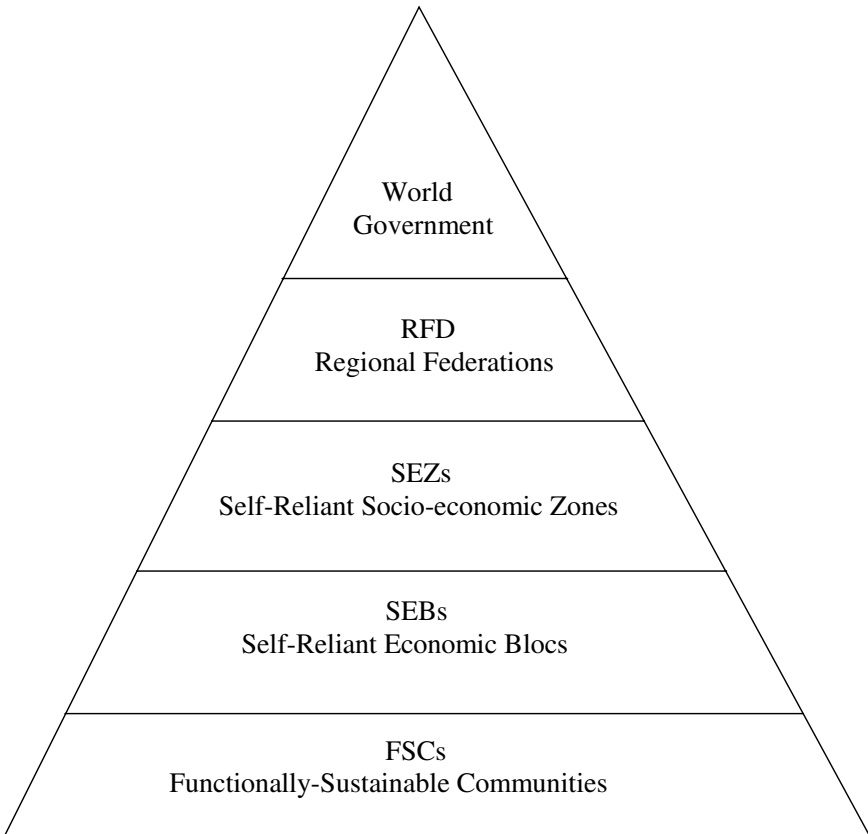
What we are proposing is intra-nation economic restructuring into FSCs, intra and inter nation groupings as SEBs, and economic regrouping of nations into SEZs. As indicated above, Stage 1 could be allowed to be consolidated for sometime. Then in Stage 2, the FSCs within nations (and even belonging to neighboring nations) would be constituted as SEBs and SEZs, under the supervision of the interim regional federational council. After that has been accomplished, the governance councils at the SEB and SEZ levels would be made up of elected members of FSCs legislatures. Of course, at that stage, some of the industrially and economically developed nations may also want to come together (and cooperate with one another) as SEZs, if they deem such a step to be economically viable and beneficial.

Assuming a nation (and in future, an SEB) is made up of n (≤ 10 , say) FSCs. Then in that SEB government, each political portfolio would be managed by the elected representative of the n (or 10) FSC managers of that portfolio. In other words, in the SEB government, the minister for (say) healthcare delivery would be the elected representative of the n (≤ 10) FSCs' legislators of healthcare delivery. The vacant seat in the FSC government, caused by this legislator now working at the SEB level, would be filled by the second elected representative of the healthcare delivery association of that FSC.

This development of the governance system at the state or SEB level and thereafter at national or SEZ level would be allowed to be consolidated over a couple of years, while the next phase of establishment of regional federations (RFDs) would be planned. This would be followed by the establishment of the governance system of regional federations, along the lines of EU (such as the African Federation, South American Federation, Southeast Asian Federation, etc.). Once that is done, the interim regional federation council would resign, and hand over governance to the elected representatives. Finally, the governments of the regional federations would elect their representatives to the world government council of governance.

With regards to the formation of local and regional governments, the FSCs' associations-of-cooperatives will elect their representatives to FSCs' governments. These FSCs' legislators will, in turn, elect their representatives to the SEB government; the SEBs' legislators will elect the SEZ governing council members. Finally, these SEZ ministers will elect their representatives to the regional federation, and thereafter to the world government. Thus, the world government will automatically have both regional representatives and population-proportional representatives, who will be required to provide competent governance conducive to the progress of all the regions and peoples of the world.

It is for grassroots implementation of collective capitalism (or social capitalism) and for the regional (and eventually global) implementation of economic democracy as well as for promotion of socio-economic justice, that we have proposed an alternative organization of the world regions. This new global order will: (1) prevent economic and political instabilities and colonization, and (2) promote global cooperation towards global peace and security, dignified living standards and progression to supra-aesthetic lifestyle. In this neo-setup, FSCs will be the basic grassroots unit of socio-economic-political democracy within nations (or SEBs). The nations would come together in the fold of SEZs, and SEZs into regional federations or unions, which will operate under a world government. Such a people-centric political-economic order (schematized below) will foster economic and political security, and help to transform the present day exploitative and armament-based economy to a cooperative and welfare-based economy.



People-centric Political-economic order

1.8 The economic system to be implemented at the grassroots level within FSC

Let us now discuss the basis of a progressive societal setup in the light of human nature and need. No doubt, micro-psychic longings constitute part and parcel of human nature, and form the basis of capitalism. However, no amount of such finite acquisitions can satisfy the inherent tendency of human beings for uninterrupted mental fulfillment. A progressive society is one in which engineering and social sciences provide the requisite ambience for human beings to progress to their enlightened desideratum. From this, emerge the concepts of socio-economics of progressive utilization of human potentials, for the making of a knowledge-based society to optimize the development and utilization of physical and social resources, and eventually of a psycho-spiritual society to catalyze and guide intellectual potentialities development for collective welfare.

These progressive principles emphasize decentralized economic planning: resource identification as well as its localized conversion into products for public utilization, the organization of the industrial sector as cooperatives, and the government sector involvement in community services. In FSCs, economically sustainable development entails development by using local resources (physical, intellectual and spiritual) and initiatives, with the first priority of developing countries being to produce the basic necessities of living. The provision of 100% employment and adequate purchasing capacity of the stipulated minimum wage, to sustain basic living requirements, constitute priority goals of self-reliant development in developing countries. The business sector would be organized as key industries (public utilities and large scale industries), medium-sized industries and small scale private enterprises. The large and medium scale industries and enterprises would be organized and managed as cooperatives. The government sector would be primarily involved in providing community services (such as education, healthcare delivery, water supply and sanitation, electrical power and public transport), and of course be involved in public policy-making. Such a socio-economic setup will also be beneficial to the discriminated Fourth World peoples of FSCs. With the FSC being organized into cooperatives and with public policy being developed at the grassroots level (by associations of similar types of cooperatives, such as agricultural and manufacturing cooperatives), the Fourth World people would also be involved in economic development and management, and of course participate in economic gains.

At the level of an SEZ or within a regional federation, we would need to foster all aspects of economies: *people's economy* dealing with necessities of living, *psycho-economics* for development and maximal utilization of intellectual and psychic potentials of people, *commercial economics* dealing with banking and

fiscal policy, and *general economics* dealing with industry and economic growth. Societal stability requires a universal social outlook and the uniform development of all sectors of economy as well as of the workforce. Sustainable local development and self-reliant regional economic development would deal with industrial organization, trade, fiscal and monetary policies. In the monetary system of an SEZ, money would have a stable standard linked to and backed up by a basket of commodities (such as natural resources of oil and precious metals). The central bank could provide banking for key industries, while the cooperative banks (and credit unions) would serve the industrial cooperatives. The government sector would also deal with minimum wage and income range (based on merit and social value of work), as well as tax levels and interest rates (linked to economy growth rate). The minimum wage would need to cater to a minimal living standard, that provides for housing, education, healthcare and purchasing capacity for consumer items.

In the new proposed socio-economic democratic system, all of the community's services and business enterprises would be set up and administered as cooperatives, which would essentially operate as collective capitalist corporations. The business cooperatives would take bank loans to set up and/or expand their business. However, the production would be tailored to the consumers' demand. Such a policy would address the issues of over-production, reduction in public consumption and consequential layoffs. The business cooperatives would take bank loans from the cooperatives banking system, and issue shares (in relation to the equity of the corporation) only to their employee members. There would hence be no need for stock market and currency players and manipulators. We would not have to contend with and worry about the phenomenon of stock trading and manipulation, stock market crash and economic collapse.

1.9 The financial aspect of intra and inter RFD development and trading

Within each RFD, there would be a common currency, printed by the RFD government. This would enable trading within each RFD using the RFD currency. However, what about trading among some newly emerging hitherto under-developed communities (or FSCs)? For this purpose, the RFD would provide, through its regional banks, loans to the RFD government banks, which in turn would provide loans to the RFD cooperative banks. These RFD cooperative banks would in turn give loans to the FSC cooperative banks to finance the cooperative enterprises (i.e. for the enterprise population sector) of the FSC. This would enable these enterprises to become functional.

At the same time, the RFD government would start providing funds to the FSC government, for developing community services, such as water supply and sanitation, electrical power, healthcare delivery and education. The cooperative enterprises as well as the small-scale enterprises (such as shops) population sectors would be able to pay for the community services as well as for daily living needs from these loans. This would enable the community-services government sector to recover its investment. The enterprise sector could also sell its produces or services, within and/or outside the FSC, for revenue generation. Initially, however, this could be difficult, because of a lack of adequate money in circulation. In order to facilitate this process, the FSC governments could initially buy off the produce and pay money to the producers. Then the FSC governments could either trade in commodities or pay money for buying them.

In fact, each FSC would function as a “government of cooperatives,” while each SEB would function as a cooperative government of FSCs. The regional (and, later on, global) implementation of collective capitalism would auger for regional (and global) economic stability, and thereby enable all the regions of the world to converge to a near-uniform living standard. Chapter 10 details this economic system for eclectic utilization of human resources and potentialities, towards cooperative and enlightened living, as described by the inspiring shloka from the Rigveda at the very outset of this Preface.

1.10 World government and constitution for human rights and enlightened living

What constitutional guarantees should the society and governance provide to the people? Primarily, all the people should get equal opportunity to develop and express their potentialities, and the society should be able to utilize these potentialities. The socio-economic system should ensure equitable distribution of wealth, provide social security, and help to cultivate a neo-humanistic outlook. The constitution of an FSC should guarantee employment for all, formation of cooperatives, and utilization of all human resources in the functioning of community, and a minimum wage with adequate purchasing capacity to meet the basic living needs. The constitution of an SEB should support and guarantee education and healthcare in all its constituent FSCs, and ensure religious freedom and non-discrimination by caste or religion. The constitution of an SEZ would safeguard human rights as well as animal rights to life, incorporate measures for implementation of non-discrimination on the basis of race and caste as well as religion, ensure a secular society and freedom of religious practice, and provide for ethnic minorities’ protection and tribal cultural preservation. The SEZ constitution would also endorse

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economic democracy and the proposed new electoral governance system by which capable people with adroit backgrounds get to be in charge of specific public governance portfolios. The constitution of a regional federation should primarily ensure human rights of inhabitants in all realms (such as to employment based on their credentials, to education and healthcare and to social and economic security), as well as to economic democratic organization and governance of the society, healthcare, and to social and economic security), as well as to economic democratic organization and governance of the society.

The constitution of the world government will define and guarantee all these principles and measures, to be adopted and implemented at the FSC, SEB, SEZ and regional federation levels. Above all, it will emphasize human rights in the most comprehensive way. This will include the rights to:

- € employment and minimum wage;
- € purchasing capacity for minimal living standard;
- € primary, second level and college education;
- € affordable medical and healthcare;
- € social security and old age benefits;
- € freedom to adopt religious faith and perform spiritual practices;
- € freedom of expression and dignified criticism of public policy;
- € security from terrorism and from the danger of weapons of mass destruction;
- € physical security for all the inhabitants of the world, by declaring it to be criminal for anyone to indulge in terrorist acts on innocent people, as well as for the head of an SEB government to declare war on another SEB or to encroach on its territory or to invade it and destroy its institutions; and
- € competent people-centered governance in accordance with the constitution.

The establishment of the World Government will:

- € replace the present day hegemony of nations and multi-polar global order, not by a “family of nations,” but by “a global family of communities of people;”
- € usher in an era of global parity and sharing of multifarious resources among and by all the communities of the world;
- € make all nations subscribe to the neo-humanistic governance concepts and ideas, and accountable to the world government;
- € help to monitor and diffuse contentious issues between communities and blocs, as well as handle inter-community and inter-bloc litigations through its (to be established) world government;
- € hold governance ministers and officers as well as individuals accountable for initiating and/or promoting inter-community violence and strife,

and for crimes against humanity, through the (to be established) world criminal court;

- € finally result in tangible disarmament and redundancy of inter-nation militarism, in the wake of assumed and legislated global security;
- € nullify the need for inter-nation intelligence services and covert operations;
- € erase terrorism, by erasing the etiology and the germinating causes of terrorism;
- € auger for ultimate safety and security of inhabitants of the earth against not only the danger of nuclear inter-nation and global warfare but also the danger of blowing up of nuclear and biological weapons' arsenals by natural calamities (such as earthquakes and pole-shifts);
- € ensure people's empowerment in economic development and political governance; and
- € pave the way for the present day politicians-centered and benefiting society, and governance system to be replaced by people-centered society and governance system.

Together, the formation of local self-reliant economic blocs and zones (intent on helping one another, instead of leveraging on their strengths and others' weaknesses) constitute the key to Third World and Fourth World liberation and development. In fact, in time, even the industrially developed nations would come to understand, appreciate and implement such a neo-humanist outlook, combined with collective capitalism, socio-economic democracy and professional governance system. Decentralized economic development in FSCs, neo-humanistic outlook in all regions of the world, economic and political stability for all the regions of the world functioning under a world government, will constitute the new global order, towards (what can be termed as) neo-humanistic and democratic globalization.

The dormant humanity can be awakened by a neo-humanistic ideological happening,

Coloring the minds with sweetness and charm,

To serve as kindled lights in the darkness.



Fourth-World dwellings on the other side of an open sewer behind houses, in the world's biggest democracy. This is why our present-day system of democracy is a farce. In our civilian-centric democratic system, the township sectors dealing with sanitation, cooperative-employment and residential dwellings would collectively ensure that there is a proper sewer system and that even the poorest of the poor can live in dignity.



A young starving boy stands in front of relief food bags delivered by the World Food Program (9 August 2003) after an airdrop by the WFP in the village of Acuncum, in the Bahr El Ghazal Province of southern Sudan. To prevent these tragedies, each region needs to form an economic bloc, within which all the FSCs cooperate in helping one another in times of calamities and in preventing calamities by capacity-building for sustainable development.