



Reflections on Global Economic Systems

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The Paradox of American Power

- 3 scales/planes for Power
 - Economic
 - Military
 - “Soft”
- U.S. Overwhelming Dominance likely perhaps 50+years if strong “soft power” not ignored/wasted (unilateralism?)
- Information Revolution is increasing importance of “soft” power and is fragmenting sources and connections
- ***Dominant Power must lead in attention to “Issues in Commons” (Global economy, environment, etc.)***
- ***U. S. political Process Thus of Prime Importance***
- ***His assessment is mixed but favorable on IMF, trade***



Globalization and its Discontents

- Stiglitz apparent assessments:
 - Broken Promises
 - East Asia, Russia were harmed by our Institutions
 - Trade “liberalization” negotiations have harmed the poorest people and only the relatively rich (U.S., Europe and strong Asian) have apparently done well
 - IMF, world trade organizations and even World-Bank (post McNamara) have been disastrous (my summary word) for global common economic development and particularly for wealth distribution
 - IMF- ***in Stiglitz’s opinion unknowingly-*** has served Wall Street Interests rather than world/commons interests



Sustainability Goals

- Human Designed Systems and Broad Sustainability Issues (e.g., Sussman and Hall)
 - Human Wants – improved fulfillment at rate of past 200 years but measured more broadly
 - Natural Impact ~ 0
 - Safety losses ~ 0
 - Economic Equity – much improved globally???
 - Economic Growth- as past 200 years ???



Sustainability Status

- Safety losses > 1.5 million lives lost per year
- Natural Impacts
 - 99+% of large mammals are domesticated
 - 99+% of all mammals (other animals?) are domesticated or synergistically dependent upon human developments
 - Non-domesticated plant life is rapidly disappearing
 - 90+% of natural water “captured”
 - Ocean-life depletion
 - Cell-phone towers on **all** hills??, airplane noise at **all** locations, snowmobiles





Sustainability Status 2

- Economic Equity is rapidly diminishing globally and locally
 - U. S. distribution returning to 100 years ago status
 - University endowments explode
 - Human Material Want Fulfillment continues unabated for wealthy (Travel has the most important natural impact and higher speed travel is the most destructive and growing most rapidly for wealthy) while healthcare, food, shelter and other systems are non-ideal for poor even in the most powerful nation
 - Population Growth greatest for poor



Related Factors

- U. S. Political Process
 - Dominated by money for all relevant competitors
 - “Policy by Overnight Poll” seems to be the norm
 - People largely vote their short-range self-interest
 - Taxes are only acceptable for defense and security
- People
 - “Self-Deception is humanity’s greatest skill”
 - Competition and cooperation co-exist everywhere
 - 24x7 apparently worst where freedom to compete for prestige and fame are the biggest drivers
 - Tradeoffs are hard
 - Environmentalism defined by “Change others-not me”
 - Desire for “magic”



Sources of the Solution

- Industry – Transparency and ***real measures not PR or self-deception*** are potential keys- particularly if people vote/buy for the common good and can avoid their own self-deception
- People – “seamlessness” seamlessly arrived at that affects ***their use of (as well as their work in) engineered systems***
- Technology – “magic” desperately wanted such as air-travel on natural energy (battery energy density and flight..)
- Government/Regulation – Taxes on Use and ever increasing taxes on natural impact until there is none

- ***It will take a combination of all of these as significant people and industry behavior change is required. Thus incentive structure changes are needed and the political process is an essential element.***
- ***We may not have time to wait for “magic” if one wants to be pessimistic.***

