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Why the Global Crisis?
History's Footprints

Abstract: This article unravels the complex dynamic that had led to the September 2008 financial collapse and to the subsequent and continuing global economic downturn. Taking a longer historical perspective it argues for the need to go beyond the immediate causes that are most often cited, by academics and non-academics alike, as the main reason behind the crash. The essay is first focused on the evolution of societal values within a democratic society, with a specific focus on the United States, the quintessential Western democracy. It shows how the puritan values of social responsibility, hard work and prudence came to be replaced by the 'me first culture' characterised by self-realisation and instant gratification. The article also examines the various policies democratic leaders the world over have been implementing in an effort to meet the growing societal aspirations brought on by the normative changes.

Keywords: Global crisis, democracy, popular culture, social structure, values.

More than five years after the bankruptcy of the Lehmann Brothers in September 2008 the world has yet to recover from both the shockwaves that event had sent through the global financial markets and the Great Recession the financial meltdown set off in its wake. And ever since that fateful September we have been trying to understand how the global crisis happened, and why it happened. The incentives that had gone wrong in the US by creating a credit-fuelled bubble in property markets have been blamed, as was the gearing of banks, or more precisely, the disastrous consequences the gearing has had on the economy. Government, rating agencies, Wall Street, regulators, the moral hazard that made banks take risky decisions with creditors condoning such practices, as well as excessive salaries and large bonuses tied to short-run performance have also been subjected to severe criticism and were listed as causes. Reams have been written on the subject of responsibility for the crisis and we have learnt a lot, believing we know better now.

Yet in September 2013 the Swiss-based Bank for International Settlements (BIS) in its Quarterly Review warned that extreme forms of credit excess across the world have reached or surpassed levels seen shortly before the Lehmann crash. It is worth remembering that the BIS, or the "bank of central banks," enjoys great authority and was the only major financial institution that had foreseen the approaching global crisis calling for a change of policy. This was at a time when most of other such institutions around the globe were swept away by the enrichment euphoria characteristic of the era.

One of the key focus areas of the BIS's Review—as well as that of the financial press around the world—has been the intense reaction of the global financial markets to the announcement made by the US Federal Reserve Bank in May 2013 that it envisaged phasing out quantitative easing. The Fed's *tentative* announcement saw equity prices in both advanced and emerging market economies plunge, along with a number of emerging market currencies. Taken together with the deteriorating outlook for growth in the emerging markets has led some highly regarded commentators to reach rather disturbing conclusions. One such commentator, William White, the former Chief Economist of the BIS, famous for raising the red flag about the wild behaviour of the markets prior to the 2008 crash, expressed the view that we are back at the threshold of 2008 all over again. In his opinion the years since the Lehmann collapse have been largely wasted as the global system is even more unbalanced now, and is possibly also running out of lifelines (The Telegraph 2013).

The key question we need to ask ourselves is what keeps bringing us back to the very same perilous place from which we had thought we have managed to escape? This is not a new question. In fact, much of the unheeded answer has already been provided by Franklin D. Roosevelt in a speech he delivered in 1932. The then newly nominated presidential candidate would subsequently lead his country through the calamitous years of the Great Depression and the travails of World War II, the hardest times America, and the world at large, have endured in the course of the twentieths century.

Having identified the underlying causes of the Great Depression Roosevelt instituted the New Deal,[1] which besides its economic and finance-regulating objectives aimed also to include those who felt themselves excluded from politics and who were at the same time the most affected by the effects of the depression. His words warrant a serious reflection:

> Out of every crisis, every tribulation, every disaster, mankind rises with some share of greater knowledge, of higher decency, of purer purpose. Today we shall have come through a period of loose thinking, descending morals, an era of selfishness, among individual men and women and among nations. Blame not governments alone for this. Blame ourselves in equal share. Let us be frank in acknowledgment of the truth that many amongst us have made obeisance to Mammon, that the profits of speculation, the easy road without toil, have lured us from the old barricades. To return to higher standards we must abandon the false prophets and seek new leaders of our own choosing (Nomination Address 1932).

Roosevelt's assumption that tribulation and disaster will necessarily lead humankind to some deeper knowledge and purer purpose may have been too optimistic, as the current global crisis makes it only too clear. But his words should remind us forcefully that those who cannot remember the past are condemned to repeat it. And his words should alert us that the real reasons behind the 2008 storm—as those behind the 1929 Wall Street crash—run much deeper, and that we have yet to "acknowledge the truth" if a sustainable recovery is to be achieved. But where do we start to search for the truth that we need to acknowledge?

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[1] The New Deal was a policy programme enacted in the United States between 1933 and 1936 in response to the Great Depression. The programme was aimed at Relief, Recovery and Reform: relief for the unemployed and the poor, recovery for the economy, and reform of the financial system to prevent another depression.

A useful point of departure for such an investigation is the concept of post-materialism (Inglehart 1971) as it offers insights into the values that motivate human behaviour and action. Inglehart, referring to Maslow's (1954) hierarchy of needs theory, introduced the distinction between material needs, which are concerned with physical and economic security and give priority to order and stability, and post-material needs associated with self-esteem and self-actualization.

The shift from materialism to post-materialism, or the 'silent revolution' as Inglehart termed it, correlates with increased societal affluence that leads to a change in motivational and personality needs of the individual. It is a shift from survival instincts towards self-expression marked by the emergence of new values, such as tolerance of out-groups, sympathy for the downtrodden, environmental concerns, and so forth, in other words, values manifesting non-material goals. Such values in turn can illuminate how ideological modes of thinking about authority and politics change and why, as a result, people might engage in political activism. The post-material values also go a long way to explain outbreaks of radicalism, such as the one that shook the post-industrial societies in the late 1960s.

But as useful as these concepts are they will not suffice in a more comprehensive search for the deeper causes behind the global financial implosion. This is because semantically the term 'post-materialism' implies the waning of interest in things material, whereas the global crisis seemed to have revealed quite the opposite, inverting the term 'materialism', as defined by Inglehart, from one denoting the satisfaction of material *needs* to one concerned primarily with the satisfaction of material *wants*.

For insights into this axillary but crucial dynamic it is useful to turn to the writings of Daniel Bell (1972) who identified the market as the place where culture and social structure meet, and who suggested that changes in popular culture, and those in life-styles in particular, occur because of shifts in the social structure itself. In his view the new buying habits that had developed in the context of a high consumption economy eroded the protestant ethic and puritan temper, which had put premium on hard work, sobriety, frugality and restraint. Bell dates these developments back to the 1920s, the very same period that Roosevelt in his quoted speech described as "the easy road without toil," a road taken by the middle classes of the Roaring Twenties who exchanged their protestant ethic for materialistic hedonism. By so doing they had left behind the idea of delayed gratification, and they ignored the Malthusian injunction for prudence in a world of scarcity. Significantly, as the bourgeois values wore away no new ethic took root to guide society, leaving it with a sense of disorientation and dismay. What followed was more than 40 years of struggle between tradition and modernity, which ended when the last vestiges of the bourgeois values were dealt their death blow by the youth revolt of the 1960s.

Looking for the origins of the global crisis most commentators and particularly economists situate its causes in the years immediately preceding the financial collapse of 2008. The renowned German thinker Joseph Schumpeter would have thought this approach unwise. In his view, shared wholeheartedly by the present author, no period of history ever contains its own explanation. This makes it necessary to survey a much wider span of time so as to better understand the root causes of events and processes.

In Schumpeter's words, "Not to do so is the hallmark of dilettantism" (1946). The analyses that follow will be guided by this wise injunction, and will be located at the crossroads of popular culture and social structure where the market has come to play a leading role.

Shaping Popular Culture

Known as 'counterculture' (Roszak 1969) the era of the 1960s was a time of an explosive restlessness of the young. Nowadays it is remembered mostly for hippie clothing styles, long hair, the slogan 'make love not war', and for its music. But for those more deeply engaged with the counterculture movement the hairstyles, the clothes and the music were but a uniform to be worn in a rebellion against a nationalistic Cold War discourse and America's international hegemony—with the mass antiwar Vietnam protests providing the main rallying point. The anger was also directed against a government the young came to view as corrupt and filled with self-serving dishonest politicians, and against the rapidly growing mass consumer culture enabled by the post-World War II boom years of prosperity and aggressively promoted by TV advertising.

By challenging the existing system of authority, the explosion of the 1960s brought to an end the era of institutional and social consolidation of the 1930s, 1940s and 1950s, with fissures running in all directions. From deeply liberal instincts calling for the inclusion of the marginalised sectors of the citizenry, especially blacks and women; to the more risqué calls for openness to sexuality and personal sexual preferences; to the rather lunatic notions about a jaded society in which the only hope for the individual was to escape either into nature where to rediscover some fundamental truths and authentic values, or to slip into a drug-induced hallucinogenic state of mind that allowed one to shake off the conditioning instilled by upbringing and education.

Crucially, by calling attention to the individual and the myriad groups composing the society, the society was lost from sight. Worse still, people became uprooted from their place in society losing their sense of social identity, a fragmentation that cut across the conventional categories of right and left. At the same time, as the then hugely influential Foucault would have it, power escaped from structures until it was everywhere. The subsequent disintegration of social thought from early 1970s onwards began to push aside society, history, and power while gradually bringing to the fore the individual, contingency and choice; liberty became defined primarily as freedom from constraint. This dynamic brought with it diminished notions of obligation of the individual, while history accelerated into many instantaneously accessible possibilities causing identities to become fluid and elective (Rodgers 2012).

Into this breach with its underlying egalitarian ethos came the reconstituted left, or the New Left. In contrast the socialist Old Left involved in material production and organised around the collective institution of trade unions that balanced the power of the state, the New Left was removed from the accumulation of labour and instead formed a part of the scientific and technological revolution. Originating with university students the New Left did not identify with the working class but with all the 'wretched of the world'. As such it was part and parcel of the broad current of the 1960s movement where it constituted a radical wing and where it assumed a leading position in the anti-Vietnam war protests and in the fight for civil rights and women and gays' liberation. The New Left believed the transformation of society would not be achieved from below by the working class but by a revolution from above led by a dedicated and disciplined vanguard. Writing about the New Left, but inadvertently characterising the 1960s as whole, one author described the New Left as at once the most short-lived and the most enduring: although already spent of its explosive burst of energy by the early 1970s, it has nevertheless set the contours for what remains of the left today (Zaretsky 2012).

Unsurprisingly, the challenge the liberal values of the 1960s movement posed to both the public and private system of authority did not go uncontested; they were met by a newly emergent right. This New Right was the nucleus of American conservatism that would in the following years prove to be an effective political force working for the Republican Party. Normatively the rise of the New Right was profoundly influenced by a booklet entitled *The Conscience of a conservative* published in 1960 whose author, senator and a Republican presidential candidate Barry Goldwater, pronounced freedom to be the highest value in American society. But his interpretation of freedom was radically different from that espoused by the left. For Goldwater, freedom meant freedom from government and from anybody else's vision but one's own. He considered the expansion of the welfare state as a development undermining individual freedom and viewed New Deal liberalism as a first step on the road to totalitarianism. The primary duty of government, he maintained, was to uphold law and order and to promote virtues, while staying out of most other areas of American life (Goldberg 1995).

Organisationally the New Right appropriated the highly effective single-issue approach to grassroots action that had been practiced by the New Left. Conservative activists began to build a network of likeminded groups across the country on issues ranging from ethical to pragmatic, from abortion to taxation. They were helped both by the unprecedented postwar prosperity, which gave rise to a new middle class hostile to high taxation and the many social programs they were obliged to finance, and by the violent social unrest of the era that made many middle class Americans long for the restoration of law and order. The outcome of their activities was a spectacular political success, which had transformed conservatism from an obscure fringe movement into one of the most powerful political forces in the country (Brennan 1995).

But in the context of the current discussion the most significant development occurred during the 1980s. By the end of that decade the New Left and the New Right ideological strands that had evolved in sharp opposition to each other during the 1960s came together and, curiously, rather than conflict they complemented each other or, more precisely, collapsed into each other: it has become possible to be morally left and economically right (Courtwright 2010). One of the crucial elements enabling this detrimental congruence was the depoliticising of the New Left. In the course of the 1980s some key aspects of the counterculture such as individualism and freedom had become detached from the strong anti-capitalist ethos of the 1960s. As a result rather than remain a critical watchdog of capitalism the ideological re-conceptualisation helped usher capitalism's new incarnation, one based on intemperance and consumerism. The same dynamic worked to separate the rights' revolution from the ethos of the collective struggle so characteristic of the 1960s. In the process, the concept of rights morphed into notions of diversity and choice, which became embedded in both cultural and economic libertarianism (Zaretsky 2012).

Yet it would be inaccurate to conclude the 1980s was the first decade of untrammelled greed. Rather it was a transition period during which traditional conservatives still believed enterprise was possible without avarice, and where humility was still ranked higher than hubris. But theirs was a skewed normative worldview, one in which hierarchy not equality was believed to reflect reality, and one which applauded industriousness and thrift, but pushed aside sympathy and fairness, reversing sharply the trend of the previously closing gap between rich and poor (Szefel 2011).

The year 1989 marked the end of that transition. America won the Cold War. The collapse of the Soviet Bloc, and the Soviet Union itself in the early 1990s, was taken as an irrefutable proof that democracy and market economy were inherently linked and offered a sure way to prosperity. History itself was said to have come to an end heralding the ultimate global triumph of democracy and democratic capitalism for all time and for the betterment of all (Fukuyama 1992).

The Structure Factor

What was largely forgotten at this time of jubilation was the long-standing tension between democratic politics and capitalist markets. The deficiencies of the markets took a back seat in a debate now dominated overwhelmingly by the view that political interference served only to diminish their otherwise marvellous efficiency; those arguing that to be compatible with democracy capitalism must be subject to political control, had lost their voice. Remarkably, the same liberal economists who in the 1960s believed it was possible to steer the economy safely through the turbulence of business cycles, now proclaimed it was all but futile to oppose market forces. And since this conceptual turn-around coincided with the conservatives shedding their earlier fretting about the 'immorality' of the market, the former critics of managed capitalism on both the left and the right side of the political spectrum fell in unison under the spell of the market, freeing it from its institutional moorings in favour of libertarian microeconomic principles of individual choice, strategic games and the rule of the 'invisible hand' (Baumol and Blinder 1991; Rodgers 2012).

The global crisis cannot but focus renewed attention on the perpetual friction between capitalism and democracy, or more precisely, between the *expectations* democratic citizens have and the limited *ability* of free markets to fulfil them.[2] Essentially, the problem is that politician are responsible for the allocation of resources that are

[2] It was becoming clear already in the 1950s that public demands for social services could not be adequately met by the distributional resources available to democratic governments (Downs 1960).

in short supply and yet their political survival depends on satisfying a citizenry whose expectations tend to increase in step with rising levels of societal affluence. Under conditions of declining growth rates expectations cannot be met, calling for policies that can act as a conflict pacification mechanism.

Such policies differed over time under the dictate of prevailing circumstances and political thinking. As the downturn caused by the Arab oil embargoes of the early 1970s set in, the strategy was to introduce a monetary policy that would keep unemployment at a low level but at the expense of rising inflation; inflation was believed to be preferable to unemployment, which was thought to undermine political support not only for the government of the day but also for the democratic capitalist project as a whole (Streeck 2011). But inflation could not be sustained in the long run and so a new policy was implemented. In 1979, the US Federal Reserve Bank raised interest rates to unprecedented levels, reducing inflation sharply but causing unemployment to reach levels not seen since the Great Depression. The political backing the Fed's monetary policy received in the 1980s brought tax cuts, and broke the back of trade unions, effectively curtailing both their ability to bargain for wages and the countervailing influence on corporate giants, which they used to have. In the years to follow inflation remained low while unemployment continued to rise (Samuelson 2010).

In the absence of inflation to help meet citizens' demands the burden to try to close the gap between societal expectations and the available resources now fell on the state and on public finance, but once again the available resources were insufficient to meet demand. For the sake of social peace and for reasons of electoral prudence it had become necessary for governments to use other resources, in this case the proceeds from the sale of bonds to citizens and foreign investors alike. But this policy in turn invited pressures for the consolidation of public budgets and for a return to fiscal discipline. The subsequent austerity policy based on fiscal consolidation and economic revitalisation did produce the promised result: by 1998 a short spell of running budget surplus was achieved in the US for the first time in decades. But the shortfall to satisfy expectations not only remained but grew even larger and would lead to taking the final step on the slippery slope towards the global crisis of 2008: the replacement of public with private debt that was made possible by the deregulation and liberalisation of the financial sector. Ironically, aided by easy access to money citizens were now able to fulfil their growing aspirations by carrying their own burdens (Streeck 2011).

Meeting at the Market

And so culture and structure met. The shedding of the traditional norm of moderation along with the simultaneous steep rise in consumerism could now find full expression under a regime of unprecedented fiscal generosity offered by financial institutions that had been freed from the prudence of restrain. Home ownership, which was the main vehicle of access to credit, was encouraged in the United States through tax breaks on mortgage interest for decades prior to the 1990s. But now the much more aggressive promotion of home loans was strongly facilitated by the implementation of new regulations for the mortgage associations of Fannie Mae and Freddie Mac.

The new rules removed the prudential safeguards formerly preventing these companies from doing business at the risky end of the mortgage market. The new legislation did not only allow them, but *required* them to raise the proportion of their loans to families with incomes below the medium for their areas from 30% 1993 to 55% by 2007. At the same time Fannie Mae and Freddie Mac expanded their business in mortgages with small down payments of less than 5% and eventually with no down payments at all. Whereas in the mid-1990s such mortgages accounted for only some 4% or less, by 2007 they rose to almost 25% of the total. And since it was political pressure that pushed mortgage associations to support a housing bubble in a market segment in which risks were poorly assessed, public officials had little interest in scrutinising an industry that had become not only spectacularly profitable but was at the same time fulfilling political ends. Enabled in this manner, the private financial sector was only too happy to help fuel the credit bubble. In the process it dramatically increased gearing in the run-up to the crisis and by so doing amplified the consequences of mistakes of its own investment strategies (du Plessis 2012).

The financial deregulation benefitted many, but especially the rich who increasingly moved their assets into the financial sector and begun making fabulous profits. And for a while the middle classes and even the poor participated in the bonanza, which for a time obscured both stagnant or even declining wages and the disturbing reality of social policy being largely abandoned. Speculating in a market of steeply escalating house prices became common practice, with most people using part of their home equity to purchase another property for profit, as security for old age, to pay for children's education or for personal consumption[3], with the accruing debts to be paid back from future earnings. As the means to satisfy societal demand shifted to the rapidly growing money-making industry, state support for employment and for generating profits in the real economy declined (Streeck 2011). A new way to conduct financial affairs emerged, one in which people have been linked to capital not by means of the surplus value of labour but by becoming risk bearers for the risk-taking and profit making-financial industry.

That industry, on its part, invented a host of obtuse financial products such as derivatives, futures and options among others, which became increasingly complex and intertwined. Ultimately, capital became virtualised eliminating transparency in the markets, which in turn rendered accounting procedures meaningless. Financial entrepreneurship started to operate outside organised social networks and state bureaucracies. The main focus of business conducted by the new breed of internationally connected corporate CEOs and financial managers alike fell on short-term profits obtained by taking increasingly more risky decisions, which often disregarded the interests of their own shareholders, let alone those of society. The 'me first' culture has settled in as a key ingredient of business management (Castells 2012). As a cameo

[3] Since 2000 easy credit was the fuel for consumption, which accounted for three-fourths of GDP growth in the USA (Castells 2012).

illustration of the thoroughly a-societal sentiment that has set in, it is worth reflecting on the views of an executive from Silicon Valley who stated that the money made by people who worked there and created wealth and jobs was then being wasted by Washington on the "unhealthy and unproductive people" who were described as "wealth destroyers" (Corey 2004).

The Global Era

Consumerism, intemperance and the concept of unbounded individual freedom did not remain confined to American shores alone but became a hallmark of our time around much of the globe. Neither did capital-market liberalisation stay peculiar to the USA. Instead liberalisation became one of the most controversial aspects of globalisation, especially where rules governing the flows of hot speculative capital moving in and out of countries have been concerned. Strongly advocated by the IMF and the US Treasury, capital market liberalisation crossed boundaries despite huge opposition to it from both the developing countries and economists not enchanted with the dogma of free and unfettered markets that was being preached so fervently in the 1990s by the international economic institutions (Stiglitz 2004). Deregulated capitalism rooted in liberalised financial markets connected to global computer networks and based on the idea of finance where risk itself has become monetised making it possible to take risk on risk, constituted the final link on the road the crisis.

One of the major factors that had helped this process along and made the language and the values of free markets so successful throughout the world was the fall of communism. First, because the end of the Cold War offered a persuasive argument that the prime alternative to free markets had been soundly defeated. Secondly, because the removal of the Soviet threat made it possible for the United States to shift its primary focus away from its preoccupation with military security into other concerns. In a speech aptly entitled "From containment to enlargement," Anthony Lake, President Clinton's Assistant for National Security Affairs made the shift in US priorities unmistakably clear. He said that whereas for half a century America's engagement in the world was dominated by the containment of a hostile Soviet Union, the new priority for US engagement in global affairs was to pursue American interests abroad so as to increase America's prosperity, and to promote America's core concepts of democracy and market economy as "the most productive and liberating ways to organize [people's] lives." Describing America as a global power whose leadership was "sought and respected in every corner of the world," Lane stressed America's readiness to set a global example by reinventing democratic and market institutions (Lake 1993).

A worldwide shift towards the markets as a means by which to manage economic affairs followed and was subsequently accompanied by the expansion of economic power to the emerging markets in democracies and non-democracies situated beyond the cultural West. The resultant economic integration and interdependence of nation states assured that the crisis, when it hit, took on global proportions.

A Chain Yet to be Broken

The most sobering conclusion to be drawn from the preceding is that regardless of how far back the causative chain might stretch it has not yet been broken. Hordes of lonely shoppers still tread the world's shopping malls, those modern temples where the god of consumerism is being worshipped; and huge volumes of mostly leveraged foreign investments continue unabated to flow around the globe daily.

It is as if nothing much has happened to make us take note and so we can afford to wait for things to get back to 'normal' again. It is as if the social contract had not been broken; as if the majority of the people of the world have not been left behind, while a tiny minority have soared to financial heights never known before. It is as if the resources needed to satisfy the combined and growing demands of consumerism and exploding demographics were inexhaustible. They are not. And the disturbing signs of the strain we put on our environment are there for all to see.

Historically, excess at boom times is old news. What is new today is the absence of reflection, or even the absence of awareness that reflection on how to move onto a different, more sustainable path is sorely needed. The Gilded Age, for example, was followed by what became known as the Progressive Era. Described as 'gilded' by Mark Twain and Charles Dudley Warner[4] it was a satirical take on the nature of their own society whose materialism and corruption in public life, they said, was hidden under a glittering golden façade. It was a tale of rampant greed in an America experiencing an extraordinary rate of growth and generating unprecedented levels of wealth in the post-Civil War period. The tale had a familiar ring to it: an industrial and financial elite getting rich and wallowing in opulence; small farmers and industrial workers struggling to make a decent living; and politicians embracing a philosophy of letting the economic elite conduct their business with minimum government interference. The story also had a familiar ending: the panic of 1893, followed by a depression. But lessons had been learnt. They brought to the fore the promotion of education as the best solution to society's weaknesses, and they enabled the flourishing of leading American universities the likes of Columbia and Harvard, which to this day set highest academic and scientific standards. They have also instilled the belief in the obligation of government to constructively engage in the economic and social affairs of the nation.[5]

The economic boom of the 1920s with its expanding credit, recklessness in speculation on the soaring stock markets, high consumer demand and elevated aspirations of the rich are even more recognisable to us today. And once again the good times came to an abrupt, and in consequence catastrophic, end when Wall Street crashed on that fateful 'Black Thursday' on 24 October 1929. But here again, the depression era that followed was awash with new ideas and visions of how to institute a social change. It endowed us with the legacy of Keynesian macroeconomic theory that recognises the duty of government to maintain broad public welfare; and it had left us with new

[4] Twain and Warner ([1873] 2007).

[5] Dorfman (1969).

conceptions of society and social character embodied in the New Deal, the structural stability and social security programme instituted by Franklin D. Roosevelt.

Today, the chances for inventing a similar remedial tool seem remote for a number of reasons. First, because individualism has made excess part of an accepted culture, a narcissistic social media-dominated culture not given to self-examination and one, especially in the West, no longer inspired by common mores nor held in check by fear of eternal damnation. Second, because capitalism itself is no longer tempered: there is no viable economic alternative; there is no committed left to fight the just battle; and social-democratic instincts at large are a whimper ranging from weak to non-existent. It is precisely the type of capitalism that Adam Smith had so strongly cautioned against. Driven by the 'invisible hand', it has become 99 percent about misconstrued ideas of how to create the wealth of nations, and one percent about the largely forgotten moral sentiment, where the former focuses on the role of self-interest while the latter emphasizes sympathy for others. Third, because the nation-state has lost its significance in the high technology-powered drive the world is taking at such neckbreaking speed on its way to as yet poorly defined destination. And lastly, because that world has become fractured into so many antagonistic pieces that the relative simplicity of the black and white division of the Cold War might yet evoke something approaching nostalgia. In such a world it is nigh impossible to expect another New Deal to be formulated, even in the unlikely event that a morally inspired leadership were to emerge and made itself heard.

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