

THEORY ELEMENTS:
BUILDING BRICKS FOR ALTERNATIVE THEORY

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Over the last 25 years or so I have been working, as a social scientist, – but increasingly with a broader orientation (humanities, elements of natural science) –, with problems of peace and development. Needless to say, economic matters, theories, ideas, impinge on that type of research from all corners. From my angle, with an effort to be reasonably holistic and global in the approach, the thinking in economics will have to pass several tests before it can be used in the context of peace and development theory as I conceive of them – they should direct how we think about economics rather than vice versa. In that intellectual process, over the years, some figures of thought have emerged. They – meaning I – are now in search of a more integrated framework. But I want to proceed slowly, in a sense inductively, with the elements. A dozen or so elements in search of a theory, in other words!

[1] On self-understanding of economics as a science. I see the following elements as crucial:

- a) Social process theory: the emergence of the bourgeoisie on the top of society with their need for alternative theory, complementing rather than replacing the theological/philosophical tradition of the clergy and the juridical/military tradition of the aristocracy.
- b) Power Theory: the emergence of exchange power (based on buying and selling under contract) complementing rather than replacing normative power and coercive power – parallel to the preceding point.
- c) Shopkeeping/accounting theory: the shop as the unit of accounting, to be followed by the enterprise/company – no accounting tradition

for nature space, human space, social space and in a larger sense, world space.

- d) Epistemology theory: theory contraction in space, time and knowledge, to the company, or –at most – the country (business administration and national economics – “social economics” being an effort, programmatically, to be more holistic at the country level), to the immediate, leaving out history and future; and to a narrow range of variables deemed to be “economic.”
- e) Cosmology theory: expanding from epistemology theory, building points like West as the world center (through a theory of comparative advantages favoring the West), the idea of progress (through a focus on economic growth rather than economic adequacy), epistemological contraction (see above), dominance over nature (through the definition of effects on nature as externalities), dominance over human beings (through neglect of theories of exploitation, defining negative effects as externalities), through subordination under super ordinate goals as God-substitutes (through material comfort for the individual, profit for the company, economic growth for the country – and the alleged relationship, positive, between the three).

In Short, we have the economic theory we deserve, given our occidental history, structure and culture.

[2] On internalities/externalities problems in the four spaces. I see the following elements as crucial:

- a) NATURE space. Basic elements in the theory of ecological balance/maturity; diversity of biota/abiota and their symbiotic relationship as constraint on economic activity.
- b) HUMAN space. Basic elements in a theory of human balance/maturity; satisfaction of basic needs (survival, wellbeing, identity, freedom) but in diversity and symbiosis within and among humans as constraint on economic activity.
- c) SOCIAL space. Basic elements in a theory of social balance/maturity; building economic systems based on diversity in sociotopes (plan and market and modern and traditional as two examples) in symbiotic relationship as a constraint on economic activity.
- d) WORLD space. Basic elements in a theory of global balance/maturity; building world systems based on diversity among countries and their active symbiotic coexistence.

[3] On self-reliance as a point of departure. I see the following elements as crucial:

- a) in NATURE space: building on ecological processes that are cyclical (basically more live, organic material and less dead, inorganic) counteracting depletion/(toxic) pollution problems; and on economic cycles that are more limited in domain so as to cut down reaction time in the system, making for less distance in space, time and social space between economic actors and economic victims.

- b) in HUMAN space: the principle of challenge and response, having people take on the challenge-response sequence coming from producing goods/services themselves rather than getting them through exchange (providing challenges only for the exchange specialist, e.g., the trader). This principle at all levels of social organization, not only for the elites.
- c) in SOCIAL space: the principle of challenge and response for the society as a whole, producing in order to internalize the positive externalities, and in order to have a capacity for self-sufficiency in the satisfaction of basic needs for the population in case of crisis.
- d) in WORLD space: the principle of avoiding economic aggression by not making other countries dependent on oneself, nor submitting by becoming dependent on others. This is done by relying as much as possible on own factors, then through exchange but with partners at the same level so as to equalize not only internalities but also externalities. Gross approximation, for lack of holistic accounting, and under the rule of theory contraction: keep the average degree of processing in the flow of goods/services in either direction equal. Even more crude approximation: intra-sector rather than inter-sector trade, raw factors against raw factors, processed factors against processed factors whether as goods or services (a four sector typology rather than primary/secondary/tertiary).

Thus, the theory of self-reliance appears both as production and distribution (trade) theory, and for micro, meso and macro spaces in social organization.

[4] Some basic economic figures of thought. I see the following elements as basic:

- a) Production equation: I would use a six factor equation with nature, labor, capital, knowledge, administration and time. Labor, capital, research and administration should also be seen as concrete people of different kinds struggling for power and privilege, reducing the equation to nature, people and time.
- b) Technology: will always have a factor profile, with “modern” and “traditional” as two extremes. Technology as carrier of a “genetic code” not only through the factor profile, but also through the cosmologies, hence as a major factor in shaping societies.
- c) Japanese mode of production: (JMP) combining artisanal (high on labor, low on capital) with robotized (low on labor, high on capital) in the ARA pattern, trying to get the best of both worlds.
- d) Productivity: Pr as a major element in neo-classical thought (as labor productivity), linking workers’ salaries to increased labor productivity, paying the working class for abolishing itself. With constant or decreasing demand for the production, $P = Pr \cdot N \cdot H$. The three ways of reacting in a crisis (apart from stockpiling) would be to decrease N, number of workers, or decrease H, number of working hours (per day, week, month, year or life – longer schooling, longer retirement) or decreasing Pr (more labor, and creativity-intensive modes of production) become clear as the blue, rose/pink and green reactions respectively.
- e) Market penetration as dependent on the Q/P ratio: quality over price, with the fourth world (Japan and East-Southeast Asian

countries) superior because of their ability to increase Q and decrease P.

- f) Demand theory as dependent on buying power (B) and want (W) and Q/P as $D = B \cdot W \cdot Q / P$, also used to explain Japanese penetration.

[5] Homo occidentalis oeconomicus axiomaticus gravis. I see the following points as basic :

- a) the unreflected acceptance of economics as a science, unlimited in space and time for its validity, particularly unreflected when it comes to the role of occidental cosmology.
- b) economics or economism as a translation of occidental cosmology in the field of economic activity.
- c) the construction of economic theory based on strict deductionism, even mathematized, with its implications in terms of elegance, rigor, rigidity, economy of thought, vulnerability to falsification in the periphery of the thought structure, with consequent reification of the theory as if it were the reality.
- d) the emergence of clear holes in the paradigm relating to externalities in the four spaces of nature, human, social and world spaces, and in addition cultural space and historical time and philosophy, in the sense of capacity to reflect on own paradigms. Some people break out, the irreversible (or so it seems, so far) career pattern from economist to former economist. As this mental deformation penetrates far outside the limited group of economists and becomes a general way of thinking/talking/acting of a whole

civilization one may see economism as the underpinning of the general inclination towards materialist individualism – as a way of spelling this ideology out in more detail. Basic are the holes, with the economists as useful because of the built-in guarantee that basic problems will be seen only as externalities.