

Doug Carmichael: On the Need for Real Dialogue to Address the Crises of Our Time

INET's Strategy Consultant Doug Carmichael talks about how many of our institutions, such as the economics profession, our political system, and our education system, are inadequate for dealing with the multiple crises we face.

Rob Johnson: [00:00:35] I'm here today with an old friend and colleague Doug Carmichael. I've known Doug since the early 1980s. He's a former student of Eric from. A PhD in psychology. And he's worked with, I met with me on many, many things, including work with Dennis Snower, the Kiel Institute, uh, many different questions related to climate change political organization of guests.

Who's frequently on this program. Andrew Shang, uh, has been very, very influenced as he's moved. To grasp different philosophical systems. And I know that he's very appreciative of his work. Doug, thank you for joining me here today.

Doug Carmichael: [00:01:22] It's going to be fun. Rob. looking forward to it.

Rob Johnson: [00:01:26] I remember many, many books that you have turned me on to *social origins of dictatorship and democracy*. might've been the first one by Barrington Moore, but you certainly enlarged the palate of my imagination and questions over time. Where I want to start right now as you've been riding with me since the inception of INET. Right now we are at a critical juncture, all kinds of things. Are not what you might call beaten back by the conventional wisdom any longer.

So you see economics, you see society in the context of the pandemic. Here we are in September of 2020. What do you see as the future of economics and what do you see as what you might call the yearnings of the society is beckoning through all of the energies that this unmasking has produced.

Doug Carmichael: [00:02:36] Well, you know, Rob, in the early days of my working with INET, I thought we talked too much about economics in society and that we would be better off if we talked about economics less. for example, replacing economics with accounting on the one hand and strategic management on the other, because economics seem to mess it up.

But with time I've changed my mind. Economics has some potential that we are not reaching yet. The idea that most economists now know that the word economy comes from the Greek *eco-nomos*, estate management, because Athens was basically a bunch of Argentinian cattle ranches. and that the idea of estate management taken to our current time could be really interesting where they estate as now the world and the management is how do we manage the relationship between humanity and the earth going forward. That is a much bigger agenda than economics usually texts on. Certainly since certainly the time of Adam Smith, there's been a tendency for economics to push society out of the conversation and end up with a formal system, which is basically a kind of fig leaf for the flow of money for the rich. I think it's not good for society that economics takes such a narrow road.

Rob Johnson: [00:04:14] You talk about a fig leaf, I guess that fig leaf went up in smoke and you're part of the country with the recent fires. Uh, What do you think the pandemic has most revealed? Like you said, there's this almost mechanical system of economics and then what's, what's been, uh, how would you say we pull back the blinds that reminds me of the scene in the wizard of Oz, where Toto pulls back the curtain and you realize that the wizard is not the wizard. He's just a man. Who says I'm a very good man, but I'm a very bad wizard. Well, the wizardry of economics might be have gone up in smoke with that fig leaf. But I guess the question is, is what, what are you seeing unmask here that most grabs your attention or is the source of concern?

Doug Carmichael: [00:05:10] Well, Trying to think behind the obvious a little bit, I think the core is the meaning of efficiency and economics and the, the term starting in the eighties towards Justin time management. Justin time management creates systems which have no flexibility are very vulnerable shocks, and breakdown. And that's the way we've done. Our medicine is the way we've done it.

Politics itself, uh, the way with, uh, run the economy what's striking is the white people use the word efficiency as if they know what they mean. There's one efficiency to make money and another efficiency to make good people, another efficiency to have quality of life. These are all different and we've locked ourselves into a mechanical, narrow views of how to put together cause and effect chains that deliver the goods but with systems that just cannot sustain themselves under the kind of threat that we have from a climate change or with the virus.

Rob Johnson: [00:06:23] Well, if we're also, how would I say in the context of the deterioration of confidence in expertise in governance following on from the financial crisis of 2008, the ramifications of globalization, which would make it much more difficult for an elected representative, to protect the people who elected them to do so. You've met a wonderful Chinese scholar, Wang Hui, who once said to me, the fate of a local politician now You is getting elected by the people and convincing them to curtail their demands so the Capitol doesn't get up and leave and he looks like he's on the wrong side, even if he's right. So we've got all kinds of tensions. Like you mentioned, climate pandemic, ramifications of globalization, financial instability, and. one that's certainly emerging on the horizon in particularly as pertains to the future of Africa, the migration of human beings, because human beings are more than just inputs to production. Uh, but, but how do, how do we, which you might call reset social science? What, what kind of pathways do you see for us getting back on track?

Doug Carmichael: [00:08:02] Well, I don't have a really good answer to that, but I would start with that we need much more observation of what's actually happening. I wrote a number of years ago that "The economy is doing well, but the people are doing badly" . I think that's increasingly true and we're not paying attention to how much pain is being caused by the current situation. If we did. I think we would be up against the question of, do we tweak the system or do we need some fundamental change?

And fundamental change might go to the nature of what capital is. Let me say a word about that. It strikes me that democracy and capitalism are two different methods for making decisions for society. Democracy at the ideal implies everybody and capital at the ideal implies that those who have the money makes the decisions.

We'd have to look at those relationships and see if they need to be redone. The whole way of managing the economy for profit is probably way too narrow to deal with a sophisticated humanity on a realistic planet.

Rob Johnson: [00:09:16] I guess when I've talked with some of our founders, people like Bill Janeway, George Soros, Jim Balsillie where we've often talked about are kind of what are the fundamental pillars of the miss-specification of economics in one, which I think echoes with your critique of the mechanical system, is that in the context of change. And it varies at different points in time, but these are not stable. What, like what a statistician would call ergodically stable systems. They're unfolding. There are unknown unknowns, unknowable unknowns. What's called ontological uncertainty. And the mechanical method is a little bit like a false consciousness.

It's its borders on demagoguery. They also talk about the inseparability between politics and economics as a, as something that, that just, it's not as though an economy is embedded in a democracy, governed by the democracy with no feedback and therefore is morally legitimate. And particularly in the money politics environment of the United States, those contradictions are vividly illustrated.

Doug Carmichael: [00:10:49] Rob, I wish we had a whiteboard and it could write down all the issues that you were raising. There's so many, uh, let me cut in and come back to the beginning of what you started to say. I was really struck last a couple of weeks ago by your webinar with Balsillie and what struck me was that for the first half of that, he sounded like a very conservative, boring economist. Then at the end Piaa asked, first question, what if it isn't working? And he totally changed his language, his vocabulary, his posture, his emotional engagement went up by a factor of much, and he became much more interesting facing those issues.

And I think that that's a lesson that we need to actually face the issues that we can't solve and talk them through and support each other in the inquiry.

Rob Johnson: [00:11:48] what inhibits us from facing those issues?

Doug Carmichael: [00:11:53] Well, the fear of looking stupid or looking out of step, I think our primary, I mean, uh, economics is a career ladder, uh, where any false step and you're off that ladder. And it's really hard to get back on again. My own view is that the way to have conversations is actually to avoid the Ted talk model of putting people up on the stage by themselves, like the lone Ranger put three or four of them up there and let them interact with each other.

I think that they will support more radical conclusions about the current state of stuff, which let me go to for a moment. We did have the problem. I mean, take California right now. And the fires, these fires, aren't quite a terrible what's left of California when it's over. What's happening to the California economy. Have we burnt out California? People are unwilling to discuss these issues. They want to talk about how to get the insurance company to pay, to rebuild their house. e ven though the insurance company is going to do a bad job of it. The depth of the problems that we are in is threat to food, too much population, we're ruining the land.

We've really got to change. I start with what I think of is hard logic. We must cut CO2. In the atmosphere in order to prevent going over one and a half degrees. And as we see one and a half degrees might already be too much. That's news.

The need for a change in the way we handle energy is so severe. If we don't do something to cut CO2 use very soon, we're in deep trouble. And cutting its use gets to the question of what we're afraid of cutting CO2 use is going to mean loss of jobs, loss of production, and there's no model to catch up or to fill in the gaps.

People talk about the policy of cutting energy use by 30% by 2030, let's say. Governors. I think it's like that, but there's no plan as to what to do next week or the rest of this year to actually start that process. Because anything you do is going to curtail the activity of society and we're not prepared for that.

I think there's alternative ways of living that are quite attractive that could lead to a smaller economy, uh, moral localization, less globalization, uh, but it's iffy. We're in a situation I think of as being like what, Stephen, Jay Gould called punctuated equilibrium. One, a society that's in equilibrium gets into trouble everybody starts trying to innovate at the same time. So there's stuff going on all over the world. Much of that is actually quite interesting, but not getting central governments support. So we have a mismatch between opportunities and politics that we need to work on. I'm not sure we're going to be able to do it.

Rob Johnson: [00:15:09] And given what your mom called the ferociousness that is evident like the melting of Greenland, which has been discussed to very vividly at a conference at Ohio state university in the last week, given the fires in Northern California, given the tangible awareness. why is there still opposition to mobilize things for which you might call this essential transformation for life to survive on earth?

The joke I always make, cause maybe Elon Musk is doing a very good job about getting everybody that's wealthy off to Mars and they're not worried, but it doesn't feel like that. It feels like a. Like Bob, Dylan wrote, masters of war is your money that good? It won't save your soul. It won't save your body either."

Doug Carmichael: [00:16:13] Yeah, people are going to certainly try and, uh, they won't try and go to Mars, but they'll try to go to their gated communities and leave everybody else behind.

Rob Johnson: [00:16:26] So there's a sense in which. If you have the resources, you can escape the consequences while everybody else goes down the drain.

Doug Carmichael: [00:16:37] Well, a few years ago, I did an interview with a Silicon Valley president of a medium size company and we were having this conversation and he said, Doug, would you rather, we go 15 more years and then collapse, or try to change now and collapsed now. I think the logic of that is where a lot of people are. They'd rather just keep going for another few years. The rest of their life may be into their children's lives before it all falls apart.

But since there's no plan for what to do, it's very hard to go there. Nobody's talking about what we might actually do to try and cope with climate change. We have a people talk in

green capitalism, and they're still interested in making a lot of money, which is going to ruin the whole project.

Rob Johnson: [00:17:33] And how do you see the I I'm making this podcast often exposed to dilemmas. Some people say. The advent or the onset, I should say the onset of the pandemic. created a use of fiscal capacity, the disorientation and the resulting a consequence is that people will be exhausted and they won't muster the energy to embrace climate change as we must, on the other side, people say, Well, the onset of the pandemic cause unmasked all of the false confidences and we can see we're not on the right track.

So we get, we have to go after this. We have to go the after this whole heartedly though, and I'm just.

Doug Carmichael: [00:18:34] Right, but then there's, there's no talk Rob, about what going after it might actually mean in terms of decisions made by society, whether it means no flying airplanes, cutting down use cars to two days a week, changing the way we do agriculture. Well, suddenly realize we're talking about the whole society and big changes. Just to grapple with trying to stay under one and a half degrees is daunting. I think people are shifting and here's the danger, they're going to shift from denial to giving up with no intervening stuff.

Rob Johnson: [00:19:17] Do you sense that younger people are more sensitive or aware of the danger than the elders who've been. you might call it conditioned by things like economics?

Doug Carmichael: [00:19:33] Well, I think that, I think the elders know more than they're letting on. And I think the own people are pretty good. They're practical and they're tougher than we were. and the, the great thing about being young is you take the world the way you find it and try and operate from there. So young people are probably running lots of experiments now in new kinds of agriculture and new living arrangements. Uh, it's probably too small scale to really have an effect, but it's a beginning

I'm very taken recently with the work of Bruno Latour. We've got to shift our consciousness from the global as being the world economy to the terrestrial, the earth under our feet with myriads of critters and all sorts of interesting stuff going on and take that world seriously. it would be a tremendous shift, but one that we might actually be able to make.

And we see lots of examples around here in Sonoma County, the number of new kinds of farms and new kinds of organizations is striking. So I have some sense that there is a direction of taking the livable earth more seriously as a project. If I have a hope it's that we could really create some sense of how to manage humanity in relation to the earth as a worldwide project, not likely, but I want to try and go there

Rob Johnson: [00:21:20] I'm curious, you've attended Berkeley. You have children yourself. Yes. You see the education system. How is the education system in the broad sense? I'm not just talking about economics, preparing. young people to meet the challenges of life and purpose and gratification. And you know, when, when I was going through graduate school and what have you, early 1980s, late seventies, it felt like everybody was being lined up to worship finance and I guess, technology and Silicon Valley and there was great potential there, but, they're the icons of fantasy. What's going on in education and what's missing?

Doug Carmichael: [00:22:30] I think education, you know, the educational system we have was adapted to industrialization, the nine to five or seven to four Workday, being on time, doing your homework, all that stuff. I think that system has run its course. We went from an, apprentice system to the school system and now to the, well, what next.

What's next. I don't know, but I think it's going to be taking people into much more concrete situations. The whole structure of society is kind of corrupt and, and rusting right now, and needs to be rebuilt. The agriculture, the education, taking care of children, all these things that education ought to be about.

I like the work of Rudolf Steiner and John Piaget, uh, Waldorf that see the child as a potential learner out of curiosity, and with the liberation of imagination, but the school system, the school building doesn't support that. It's too cool. It's too abstract, it's too brutal, uh, for the kind of schooling that I think we need.

I was reading something a couple of weeks ago about the, the actual output of the one room schools in America, in the 19th century. Very, very high educational levels were attained, not by everybody, but proportionately, across the whole population. That's a very different model. Let me say something about different models, because I think we need to read a lot more history.

We like to think that we're a democracy. But we have representative democracy, which means we get to vote for people that are approved by the elites, not so interesting. Athens at the time of Plato and Aristotle used a lottery system to fill all political roles. That's amazing because you would draw the lottery. If you won, you had a job for a year, and that could be as a judge, as an agriculture minister, whatever. So the interesting thing was that to have such a system, everybody in society must be prepared educationally to fulfill that role if they won the lottery. Wow. What an incredible criteria for what an education system ought to be.

But corresponding the system had to be simple enough that ordinary people could do it. That's what the Aristotle and Plato myth democracy wasn't that people rule, not that they vote for the rulers, but they actually fill the jobs through a lottery system. What a challenge to us in our imagination of how far we have to go. Think the changes that we're facing with climate.

A future that is vaporizing in front of us. The arrow towards modernization is no longer cohering and we're left trying to figure out where the heck are we going? Well, things like the Greek example, point to the range of possibilities that we need to consider, in the punctuated equilibrium model everybody's going in different directions. There are lots of experiments. We need to support that and learn from,

Rob Johnson: [00:26:11] I guess other dimension of this, I remember in 2010, Brezhinski gave a speech to the council on foreign relations in a meeting in Montreal. And what he said was that the world was in great jeopardy because the 2008 financial crisis had awakened everyone to the importance of politics. And at the same time, and this is I think the more important dimension, a group like the G 20 was no longer a small committee of Caucasian males who were indoctrinated into the Cartesian enlightenment and thinking.

But now eastern philosophy. In Asia and the emerging world, are playing a much bigger role at the table. And why he thought this put us in jeopardy is that the unsettled nature of the

people all over the world, awakened by the crisis in finance would be looking for a restoration of just order. And he didn't know if the committee at the G 20 table could put it together.

You and Andrew Shane you've had many discussions. And I know you've learned a lot of Chinese language and reading. And so I've learned a great deal from you over the years, but how do you see what I will call the classroom tectonic plates between Eastern philosophy in the Cartesian system and the challenges that we face now?

Doug Carmichael: [00:28:04] I remember Paul valorize, the French poet mathematician wrote about 1900. He said, technology will make Europe. What it really is a peninsula of Asia. I think we have to face the possibility that Chinese civilization is better adapted to the modern dilemmas than the West is. We put into leadership, people who have narrow interests, the Chinese view, this is somewhat idealistic, but here's the model.

You have an expert culture at the top. You have grassroots rebellions at the bottom. And the top looks for ways of creating projects that knit the two together in a workable way for society. In the West we have no mechanism like that whatsoever. We are left with leaders who are way too narrow for the range of issues that they need to be facing, which gets back to the education

Rob Johnson: [00:29:11] So the,] I guess I'm trying to distill your thought here in the West. We're not using the energy emanating from the grassroots to redirect society with the help of expertise.

Doug Carmichael: [00:29:35] We're trying to isolate that energy

Rob Johnson: [00:29:41] and that's through law enforcement, the prison industrial system. I would say intensifying the alienation of many and the protection of the few.

Doug Carmichael: [00:29:55] Yes.

You know, and This again, this is my construction, but thinking about the difference between Chinese thought and Western thought, if you think of the Western model, I see it as, uh, going along this line A causes B. So we look at how A causes B that's our model in China. You look at the context of aA then you look at the context of B and look for the points where those contexts rub up against each other and start building what you do from that. It's really a very, very different way of thinking. Part of the problem is our inheritance from the Greeks, from Plato, especially, that concepts were fixed items. They never change. They're universal, not only on the globe, in the universe, as a whole. So it's kind of like the Western model of how you handle concepts.

It's like Lego blocks. How , they stick together. They fit together in one way. That's it. I think that economics has been battling influenced by that model. Treating things like equal, whatever the models or the meaning of interest or taxation as fixed entities that's. constant across imagined , all through the economies.

And I think that's just what, right. And we need much more fluidity in our thinking.

Rob Johnson: [00:31:28] Well, we're, we're in a very interesting juncture as well, which, uh, my understanding was between now and 2100, the. Population of Europe will decline

markedly. The population of Asia will actually age and diminish somewhat. And the population of Africa will become almost 40% of the planet. We talked about climate.

Doug Carmichael: [00:32:09] - what do you think of the possibility that that model fails? Because in fact, the African population will be in Europe and the population of Europe will be dispersed.

Rob Johnson: [00:32:20] In other words, migration will on a large scale change the location of people, regardless of where they were born.

Doug Carmichael: [00:32:30] Absolutely. I think that of course it would be wonderful if we had some framework for thinking about how we treat migrants better. I think that in the modern world, we're all feeling like we're migrants. We don't quite know where we fit, uh, where we should live, uh, how we should relate to the land, uh, how we should travel. Out of this confusion there might come an ethic of welcoming other strangers as being fellow migrants. I don't have a lot of hope for it, but I think it's a possibility.

Rob Johnson: [00:33:10] Was it the book, the road to somewhere the era of the author? I think his name is Goodheart from the UK. Uh, writes about people who have local origins. are seeing their somewhere being dismantled and the people who are nowhere or what, how would you say fond of nowhere? Globalists, what a Samuel P Huntington called Davos Man, but it doesn't feel like how about I say the globalist vision is reassuring very many people. And I guess where I want to bring this back to is your discussion about the people from Africa, perhaps living in Europe, but people who come from different philosophical and religious, uh, and historic traditions are not just factors of production, they actually change the underpinnings, the implicit understandings. And the very fabric of society. How are we going to facilitate that transition peacefully?

Doug Carmichael: [00:34:31] Well, maybe we can't. I think that that's part of the secret conversation that people are having in their own minds, but not letting it out into the public because they think that talking about it will hasten the problem. Not restrict it.

Rob Johnson: [00:34:51] One of the things that I see also in that in Africa, I was at a conference of the Cohever foundation a little over a year ago, and they had surveys about the credibility or the faith in governance. And some demographics statistics in the United States. I believe their data showed that the average age of someone in governance in a position of elected official was 56 years old. And the average age of the population was about 37. In Africa the average age was 28 and the average age of someone in governance was 63. And when they took people under 30 and said, do you believe that the people governing your country have been addressing the challenge of creating a future for you?

Only 8% of the population said yes.

Doug Carmichael: [00:36:01] I'm surprised it's that high actually. I wonder what their actual mental model is.

Doug Carmichael: [00:36:05] Yeah, we're we're in real trouble. And we need, if, if the world, the society was a corporation, we would have committees thinking about what to do about population and where it lands, what to do about food, what to do about a couple of dozen issues. We don't have any kind of governance structure like that.

I think the situation, uh, is ripe for an authoritarian dictator to move in and try to provide solutions, but I would like to see that be something that could be positive. For example, if we had any world leader who would say let's deal with our bigger issues, our transborder issues, and create coalitions on these issues and listen to each other, have open hearings and talk it through. Let's take the issue that was back in the conversation with our relation with China, it would be much better than Obama's pivot towards Asia.

If he had said, look, we have some common problems. Let's create some common groups with mixed populations to talk through these issues. What do we do about food? What do we do about the military? What do we do about China and relations in the South China sea? Uh, do it in a friendly way. Look guys, we're in the same boat together, let's not sink it.

Rob Johnson: [00:37:34] And do you. How would I say, do you see the potential of this kind of collaboration as being, in other words from on high, it looks, it sounds like a good idea, but can you build the bridges, bridges of trust and collaboration in the turmoil that we're now experiencing?

Doug Carmichael: [00:37:58] Well, uh, my hope is that the turmoil at the local level will lead people to, somewhat metaphorically, gather in the street and say, what the heck should we do? And they will start looking at what their resources are and what they need and that collaborative relationships will slowly extend upward through society.

I think the internet provides a kind of platform for that kind of coordination. Then, in the crisis, as everybody is kind of broken loose from where they have been, the danger is that they will re-associate in an authoritarian way. The hope is they will re-associate in a collaborative cooperative way with an interest in each other.

Rob Johnson: [00:38:49] Well, what's happening with the fires in Northern California. Now, how are people as you talk to them, you are right in the middle of that realm. How are they talking? Are they talking collaboratively or are they talking about submission to authorities to put out the fire?

Doug Carmichael: [00:39:08] We have the problem that people like me, know people who, where we all live in nice houses. We go to nice supermarkets. Uh, we can work at home, but much of a population is totally strung out and y'you've got no money. I can't pay the rent. Uh, food is becoming a problem and it's like, we have two societies. One is knowing well, and one that's doing poorly right on top of each other. And that's going to break down, uh, I don't know quite how it's going to break down, but it's unsustainable.

And my fear is, well, not fear, I guess maybe it's a hope in a way is that we do want to have the money at the state and federal level to support people through the gap in production that we've actually gone through. So there's going to have to be reorganization. I just hope that it doesn't turn militaristic and in to a police force. Although I suspect that's what's going to happen, how we can break through that to a saner world. On the other side, I don't know. It's especially hard because as we try to move forward, The climate is actually changing to our disfavor in every direction. Great crises in the past, like world war one and world war two were not so bad in that sense because people knew that when the war was over, the world would be there to support the reconstruction. We no longer have that confidence. The world itself that reeks can sustain him. Life might be part of what we are losing, uh, right under our nose.

Rob Johnson: [00:40:59] So, Doug, if you were appointed to be the first person to spend an hour with Joe Biden, after he. I was elected president and I'm not predicting one way or the other. I'm just saying conditional on that. What would you say? What would be the, the thing that you would say to him is essential that the starting gate of his administration

Doug Carmichael: [00:41:25] well, I probably would start with saying you should take every cabinet officer that you are appointing and have them to start on open commission. To discuss the issues that pertain to their, uh, uh, issues and work across departments as much as possible and make the results of this conversation open and public and begin to implement more people in it.

Uh, but, and now, and now we're still very much time.

Rob Johnson: [00:42:02] and I guess. There, there tends to be, which might call a pendulum that whoever's in power in the United States is found lacking. So we bounced back and forth from Democrat to Republican or wherever. And I think it's suggests to me that the problems are really about systemic things more than about personality.

Doug Carmichael: [00:42:34] Yeah, I think that's right. And you know, the founding fathers wanted a government that didn't work because they were afraid that if it did work. The mob would take over and take their property from them. The problem is I've been very successful with built a government that doesn't work, uh, that cannot come to a consensus on any new way of doing anything. So to me, the task is to redo the founding conversation. I think we're going to get there because this system is just going to break down and it's going to be a bloody mess.

Rob Johnson: [00:43:09] You mentioned Bruno Latour. What would Bruno Latour tell Joe Biden?

Doug Carmichael: [00:43:16] I think the Latour's message would be, look what's really important for humanity is the couple of kilometers from the earth up to the sky, around in a skin on the earth and that's thinner in proportion than the skin is on an Apple and that's the critical zone. And we need to manage that. In order to make the relation of humanity to the rest of nature, a viable project, the policies, the science, our inquiry, our interest should be in working that environment towards a success. Everybody who's in the critical zone, which means the animals, the viruses, the plants, the people, the whole thing. It's that focus on that heart of reality? You know, Latour's view is that everything living on the earth is within that three kilometers. Everything living in the universe might be within those three kilometers because we haven't found any, yet, elsewhere in the entire goddamn universe. So it would be that focus. And what Latour is interested in is what kinds of politics can we move towards that will support that concern for the earth in that sense, rather than the right left conservative, uh, progressive vocabulary we have now, which does not help clarify what the issues are.

We need a different vocabulary and a different politics.

Rob Johnson: [00:45:05] Well, there's a book that you and I discussed earlier this year about which called the. Way in which the vocabulary transformed from a system

tha was based on religion to assist them. That was based on market capitalism, which the author, Eugene Mccarahaer , called the *Enchantments of Mammon: How capitalism became the Religion of Modernity*. If. Looking with an eye towards his work and an eye towards your own observation, what do you aluminiate about where, which your might called, where the language, what are the beliefs that are embedded are exhausted and off course?

Doug Carmichael: [00:46:06] Well, this would be a really good conversation. Let me try to give a truncated version of it. The, the Greeks with their idea of a state management were aware that a well managed,estate state would produce a surplus, and the Greeks being the kind of people they were wanted to question what you do with it? So the idea is, okay, what is the purpose of the surplus from a well managed estate? Their answer was that it creates the time for leisure to in go and to do philosophy and politics in conversation with others. So there's a different view of what surplus is for them. What we have now what's striking is with emergence of Christianity, that model of looking at surplus fpr philosophy moved into the monastic movement.

So the idea was the estate became God's estate on earth and the human task was to manage it for God's purpose, which is to turn everybody into a good person tthrough meditation and prayer. That's really powerful because the monasteries then went and developed new agricultural processes to feed the people in the monastery in an efficient way so they had free time. That model basically moved out into dealing with a larger community with grains and things that were easy to measure and to see the results of. That became the basis of the, the emerging post feudal economy, leading up to the modern time of where we have arrived . I remember after world war II, a lot of discussion about the leisure society, but what happened was the elites.

Arranged tax structures and such so that they became the beneficiaries of the surplus, not the whole society. That's a terrible mistake. And I think we can revisit it. But part of what this suggests is we need to know much more about history. History is a tremendous resource for us. As I'm sure, you know, I've been fascinated by some of the key words that economy uses, like capital, everybody uses the word, but they don't know what it comes from.

It turns out that it comes from the Latin fore head as in cap or caput or the capital of a country. The idea that capital was thing that comes into being through the birth of a new head of cattle, which is a phrase we still use, "How many head you got over at your place?" that the economy has its origin in agricultural practices that had to do with feeding the populationmand managing growth,

We just have moved away from that because with craft new, that culture industrialization took over and basically swamped the agricultural model. We can go back. If we take a word, a key word, like property - I remember visiting in West Virginia as a child, when people would talk about, have you got your propers? Which meant that did you have the things you were supposed to have to look good in the community in your "proper" class?? The word proper as property comes from, what are the things that you have that show your status in society? Property was a social sign, not a private acquisition that came much later. These are all lines of thinking we can revisit in order to free ourselves up and Imagine a better future.

Rob Johnson: [00:49:55] Well, Doug, I don't know really of anyone at INET , who has put more energy into nudging our community to imagine that better future, to understand the contradictions. I remember another early book that you suggested to me that I read. Back in

the 1980s, was Erich Fromm's book *To have, or to be*, and I think through your experience and your observation and your challenge, the INET community has benefited a great deal and continues to benefit.

Doug Carmichael: [00:50:44] Can I bring it down concrete thought about the future? My view is that a good strategy works when it integrates large projects into a single project, the key issues facing humanity, I believe are feeding each other, and place for shelter and the meaning of that project. My view is that putting them together, leads to what I'm calling garden world and notice garden world is the local garden and the global world.

As a project that we could engage in of looking at everything we do is it isn't helping build a community where our living together and are feeding each other are in the same place using the same people working together. I think that logic is pretty strong. I don't know how to get there, but that's my key project for the future.

Rob Johnson: [00:51:47] Well, I think, Mccarraher had an epigraph at the beginning of his book *Enchantments of Mammon*. And it was a passage from Milton's *Paradise Lost* where he's speaking. Mammon is speaking to his fellow fallen angels and the words that are spoken begin with:

this desert soil wants not her hidden luster gyms and gold nor want we skill or art from winds to raise magnificence. And what can heaven show more? Our torments also may on the length of time become our elements, those piercing fires, as soft as now severe. Our temper changed into their temper, which must need remove the sensible of pain.

I think there's a lot of pain. There's a lot of disorientation and your perseverance is an excellent model for our young scholars. Because despondency is no one's ally in the face of these daunting challenges.

Doug Carmichael: [00:53:18] One of the possibilities you raise with a quote from Milton is to realize that the great poets, Milton, Shakespeare, Oh, w take Aeschylus, uh, Dante, all of it. Wrote poetry that was also highly political, which suggests that maybe we want to keep an eye out into the future for where is the poetic voice coming from that can help organize us.

Rob Johnson: [00:53:50] Yes. Yes. I'm tempted to revisit Mariel Ruykhauser's *Life of Poetry*, where she talks about the dread of poetry, but then she reverts to a discussion of how people overcome the fear because of the unsettled nature of poetry. And it becomes an ally to imagination. And, uh, I think

How did he say the grasp that we need now is to come out from the shell of protection and move through poetry through music, through our sense of the realm I'll call it courage, inspire carton to reshape our

Doug Carmichael: [00:54:47] months.

Yeah. And sends it to realize that a lot of good things that will happen will seem rather than matter of fact, the people who are doing them, they're just doing what looks obvious,

Rob Johnson: [00:55:01] but there's obvious we resistance to the obvious that we should be doing it as well.

Doug Carmichael: [00:55:10] Right. That's obvious too.

Rob Johnson: [00:55:11] Well, I want to thank you for joining me today and I'm sure as we round the corner, get beyond the election, I'll be calling you back to continue to aluminate and challenge our horizon. But for now,

Doug Carmichael: [00:55:30] well, can I ask one last, uh, hope for your own thinking? Here's that we create within that more conversations I would love to see, for example, the grantees influencing each other more.

I think if they were talking together, they would support their stronger visions. Otherwise like the lone ranger, they pull back and put on a mask and I've found out that, Oh, wow, have a conversation going on here in Northern California with a medical researchers.

And they get pretty discouraged at times, but they've discovered that if they're in a conversation together, we usually meet in a group of about 10, uh, that at the end of the conversation, they feel a lot stronger. And they did coming in, even though the conversation was difficult. So I have a lot of faith in just the value of talking, even if we're up against impossible odds, to say them we're up against and possible. is a relief. If it's true.

I mean, if you just take this conversation and had on the white board, the various things that came up, it's quite a structure, but it will be forgotten.

Rob Johnson: [00:56:44] I have to bring you back to do some more.

Thank you too.

Doug Carmichael: [00:56:55] Thanks Rob for this conversation.

Rob Johnson: [00:56:58] And check out more from the Institute for new economic thinking that I net economics.org,