

Unicist Conceptual Anthropology
A Complexity Science Approach

Neo-Capitalism: The Future of Capitalism



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*This document is based on the researches led by Peter Belohlavek
at The Unicist Research Institute.*



The Future of Capitalism

This work deals with the conceptual structure of capitalism and its integration with economic democracy. It includes no ideological considerations or influence. It is based on the unicist approach to complexity science, which uses a pragmatic, structural and functionalist framework.

There are prejudices and fallacious myths installed in the world dealing with the concept of capitalism. Unfortunately, no literature could be found that approached capitalism based on its concept to define its nature (the “stem cell” of capitalism). The existing approaches are strongly influenced by ideological positions.

It can be said that Greece was the origin of political democracy in the West but was not an economic democracy because in those times the expansion of cultures was driven by military actions.

It can also be said that the United States of America are a paradigmatic example of evolutionary democracy that integrates social democracy, economic democracy and political democracy to manage the domestic affairs.

As an evolutionary democracy, the United States of America could be taken as a paradigmatic example of Capitalism. But Capitalism cannot be imported or exported. The unique structure of values that are implicit in a culture’s archetype are the demonstration that it is meaningless to copy any model to a foreign culture that has different structural values.

The understanding of the nature of capitalism and its essential concepts allows defining the particular way in which a country can deal with economics and economic democracy considering its own characteristics.

This document includes:

- 1) Economic Democracy Ethics
- 2) The Structure of Neo-Capitalism
- 3) The Nature of Justice: The Catalyst and Entropy Inhibitor of Neo-Capitalism
- 4) The Future of Capitalism
- 5) Annex 1: The Nature of Economic Democracy
- 6) Annex 2: Corruption: The Anti-concept of Capitalism

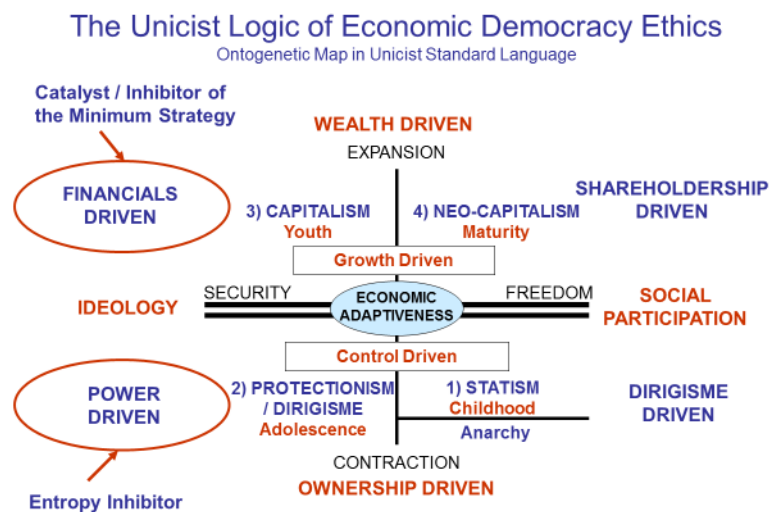


Economic Democracy Ethics

Ethics defines the accepted rules of an environment. These rules satisfy the functional needs, the morality that is accepted in the environment and the ideology that underlies this ethics.

In the economic democracy, we have structured the four basic ethics that are accepted as existent:

- 1) The Statism
- 2) The Protectionism / Dirigisme
- 3) The Capitalism
- 4) The Neo-Capitalism



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The ontogenesis of these ethics is homologous to the phylogeny of the human growth processes. This is to say that Statism implies the childhood of economic behavior, protectionism / dirigisme is its adolescence, Capitalism is its youth and Neo-Capitalism is its maturity.

Anarchy is the stage previous to these ethics. It implies that individuals develop their economic activities eluding the rules of the environment.

Statism

Economic Statism is based on using the drivers of rational morality to guide economic actions. As economic or materialistic behaviors belong to the field of individualistic attitudes, Statism necessarily needs to make others responsible for the results to be achieved.



It is a low productivity economic ethics, in which the fulfillment of the established rules prevails over the achievement of results. Statism installs economic behavior in the rules of childhood, which means that the “family” prevails over the individual desires. It achieves a superior level of productivity in environments that have a superior ethics driven collective intelligence and are highly disciplined.

This is not the case when dealing with the social aspects of Statism. Statism in economic behavior requires authoritarian dirigisme in order to define what needs to be done and is driven by the need to make people align in an environment where the property belongs to others.

Protectionism / Dirigisme

Economic protectionism / dirigisme is based on installing autonomous entities that live based on the exchange with other protected entities in order to survive and provide adequate living conditions for the members.

Protectionism is a typical adolescent organization that corresponds to an economic stage where the environment has not been organized as a democratic entity.

It is based on the self-sufficiency of the productive entities that cannot deal in an adapted way with the environment because the control on their protected organization prevails over the productivity that can be achieved.

As there is a need to be self-sufficient, there is no possibility of introducing innovations or adapting to the change of the external environment. Their productivity suffices for survival and their horizon is limited to the reality of their “private” entity. Economic protectionism achieves a superior level of productivity when it is driven by a superior ethics driven ideology.

Capitalism

The economic Capitalism ethics implies that private property prevails over any other consideration in economic behavior.

Capitalism implies, on the one hand, that the private initiative should prevail over governmental or State interventions and that all that hinders economic freewill is dysfunctional.

It is naturally the capitalist logic of non-democratic environments and, paradoxically, it represents the prejudices that non-democratic and non-developed countries have about capitalism.



Capitalism is homologous to the behavior in youth where the voluntarism, omnipotence and energy prevail over a rational use of resources. It is a typical model for primary industry driven countries that have not known the meaning of a true democracy. The productivity of Capitalism is based on the power of transferring costs to the participants of the economic activity.

Neo-Capitalism

Neo-Capitalism is the ethics that corresponds to a superior economic democracy, which is natural in democratic countries and not natural in countries that are developing towards a democratic environment.

Economic neo-capitalism implies, on the one hand, the existence of a social economy where the society participates in the ownership of the productive entities through the stock market and, on the other hand, the existence of a newcomer's place in which neo-capitalist rules apply within the general rules of capitalism

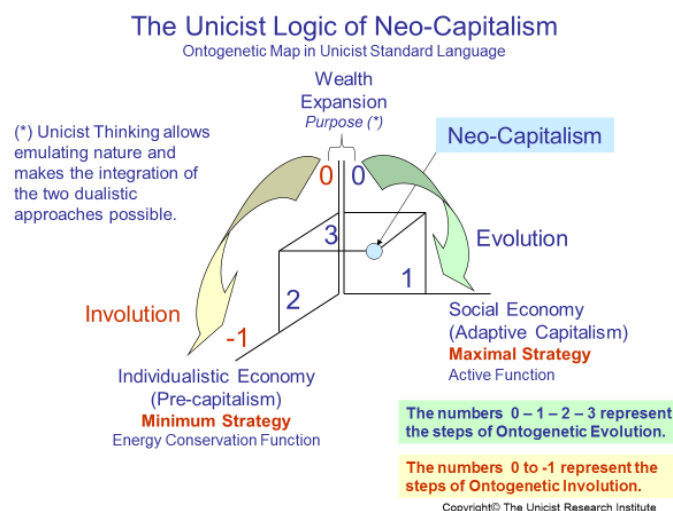
Neo-capitalism is sustained by justice, which is the catalyst and entropy inhibitor of the system. Without a functional judicial system, neo-capitalism degrades towards a capitalist ethics.

The level of productivity in neo-capitalism is catalyzed by the need to integrate shareholders and clients within the entities. Thus, those who achieve an adequate level of productivity succeed and those who do not, disappear.

The educational system is the driver to provide the necessary resources for R&D to maintain the competition at a superior level.

The Structure of Neo-Capitalism

This is a conceptual, essential, approach to neo-capitalism, which does not contradict the systemic approach available in the literature.



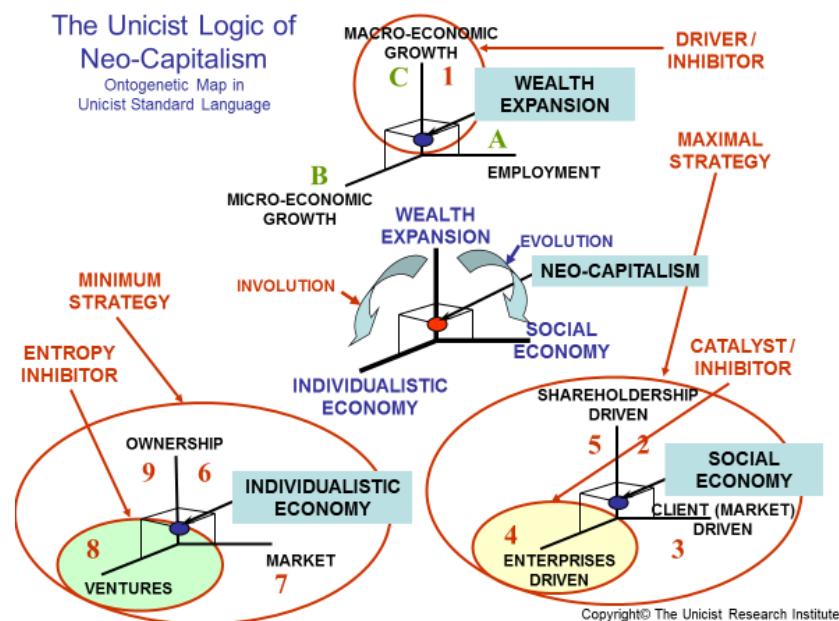
Neo-Capitalism is defined as the system where the property of the productive entities of a society is in private hands and this property is shared with the community through the stock exchange.

It is important to make a distinction between adaptive neo-capitalism and capitalism, which is the system where productive units are privately owned and only perfect competition makes them legitimate in social terms.

Neo-Capitalism is the materialization of both the economic democracy to develop a wealth expansion and some pre-capitalistic aspects that need to exist in order to ensure the micro-economic and individual wealth.

The Ontogenetic Map of Neo-Capitalism

The driver of neo-capitalism is the achievement of macro-growth. This growth needs to include the technological driver, have the necessary competitive capacity and provide the necessary monetary circulation to generate the necessary multiplication.



This growth needs to be materialized in employment, which is a way wealth becomes distributed in the society. Employment needs to be driven by the value generation capacity and the functional attributes of people.

The concept of Employment is used in terms of value generating work with adequate salaries and the empowerment of the opportunities for all in order to sustain a democratic approach.



The concept of wealth expansion includes not only the macro-economic growth and an employment approach, but also the concept of micro-economic growth. Micro-economic growth means that the economic agents profit from their activity and accumulate wealth in their assets.

The Maximal Strategy

The maximal strategy is that the social economy expands the boundaries of an economic system in order to make a country grow.

This implies the existence of a legitimate and legal shareholdership that allows the participants of a society to access the property of enterprises through the stock market.

Shareholdership implies that the transparency of the markets, the reliability of the participants and the credibility of the institutions are given. Therefore, the functionality of the judicial system of a culture is the cornerstone of a capitalist system.

After the basics for shareholdership are given, neo-capitalism needs to have a full client orientation. Client orientation implies that the added value, the quality assurance of the deliveries and the reasonability of the prices are a condition that becomes more reliable if there is a transparent competitive market.

What makes shareholdership possible is the existence of structured and adequately organized enterprises that develop the economic activity being able to manage the trade-off between the interests of shareholders and clients. Enterprising in neo-capitalism implies relying on the professionalism of the management of enterprises.

Enterprising is also the catalyst of neo-capitalism, which means that it accelerates the influence of enterprises in the environment and their capacity to provide adequate use value to their clients. This element allows confirming the functionality of shareholdership, which drives the maximal strategy of neo-capitalism.

The Minimum Strategy

The minimum strategy of neo-capitalism is driven by the individualistic economy, which is based on entrepreneurial ventures that provide their products and services to the market and survive if they are able to satisfy needs.

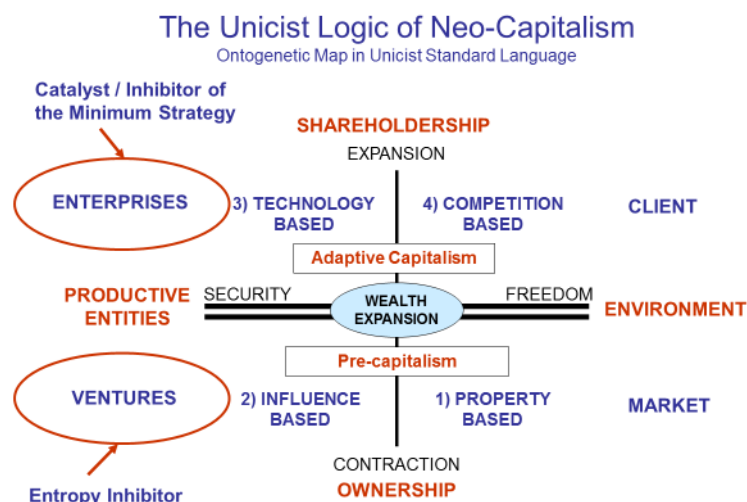
Ownership is the driver of the minimum strategy of neo-capitalism. The minimum strategy of neo-capitalism provides the birth of new market oriented ventures that, in the case they succeed, provide the basics for the enterprises that participate in the social economy of neo-capitalism.

Neo-Capitalism can exist when both the social economy and the individualistic economy are structured. This requires having a legal framework to manage the social responsibility and a different one for ventures that allows entrepreneurs to restart in the system without being punished for their possible failures and that avoids condemning them as outlaws.

Types and Levels of Neo-Capitalism

Four types and levels of neo-capitalism have been discovered. These segments are homologous to the segments of Economic Democracy:

- 1) Property based Neo-Capitalism
- 2) Influence based Neo-Capitalism
- 3) Technology based Neo-Capitalism
- 4) Competition based Neo-Capitalism



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Level 1) Property based Neo-Capitalism

This is the first level of neo-capitalism that is based on the existence of ventures, which, being based on an innovation, invention or differentiation, develop structured value propositions that allow them to achieve a successful place in the market.

Property based neo-capitalism has a low synergy with the market unless the innovations or inventions are breakthroughs that allow cultures to evolve to a superior level of neo-capitalism.

Individualistic, artisanal and agrarian cultures naturally develop their activities at this level of capitalism.



Level 2) Influence based Neo-Capitalism

It includes level 1. The second level of neo-capitalism is based on the organization of the availability of financial resources to increase the influence on the market of ventures.

This implies the existence of financially autonomous ventures that have the capacity of developing short-term planning to expand.

It requires the existence of a legal framework that sustains this financial aid considering that it is a high-risk support based on the power of the management of these ventures.

Developing economies belong to this segment. Their development will depend on the capacity of identifying the market usefulness of resources. It is also a capitalist segment.

Level 3) Technology based Neo-Capitalism

It includes level 2. The third level of neo-capitalism is the first level of a real neo-capitalism where the social economy begins to exist.

This level can be achieved when the society has an organized educational system that generates the necessary brainpower to develop a technological positioning of the economy.

It is naturally a fully democratic environment where the functionality of the solutions prevails over the subjective personal conditions.

Technology based neo-capitalism fosters basic research and R&D processes in order to build a technological differentiation that allows expanding the private enterprises and the macro-economy consequently.

Level 4) Competition based Neo-Capitalism

It includes level 3. At this level of neo-capitalism the government, the State and the enterprises work in harmony to expand the markets in the world.

Competition based neo-capitalism is basically focused beyond the frontiers of a country and fosters competition as the core value of the society.

The concept of competition implies the belief on the capacity to overcome world competitors and requires an extremely powerful educational system that allows building asymmetric complementation with the external environment.

Competition based neo-capitalism is sustained by political and economic alliances to expand without generating a negative response from the environment. It needs to be based on sustainable globalization.



The Nature of Justice: The Catalyst and Entropy Inhibitor of Neo-Capitalism

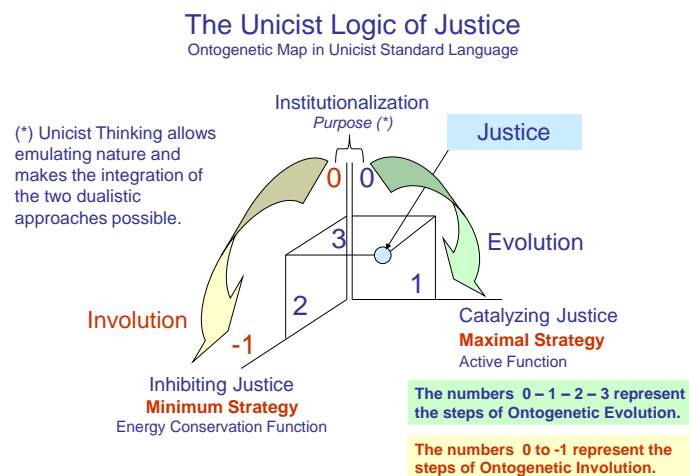
Justice as a value and the Judicial System of a Country define the possibilities of making economic democracy evolve towards a superior level of ethics and effectiveness.

The Nature of Justice

The purpose of justice in a culture is to provide a safe environment to allow that roles fulfill their objectives within an institutionalized environment. In other words, the purpose of justice is to foster and inhibit the dysfunctional activities of institutionalized environments.

Justice can either work as the catalyst or as the entropy inhibitor of social behavior. Justice only exists as an external entity in a community and ensures the functionality of those institutions that allow the society to work as a system.

The concept of Justice does not refer to the judicial system of a culture. It includes all the individual, social and institutional actions that are developed to sustain the functionality of the system.



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Justice is naturally driven by “common sense” which implicitly includes the values of the cultural archetype, the life-style and the moral of a culture. Justice works as a rigid framework that defines what is functional or dysfunctional in an environment.

Justice has two different roles that need to be integrated in order to sustain institutionalization: justice as a catalyst and justice as an inhibitor.

On the one hand, there is a catalyzing justice that has the responsibility of fostering the equality of opportunities that allow expanding the boundaries without endangering the institutionalization.

But, on the other hand justice has the role of inhibiting dysfunctional actions, which drives towards ensuring equal rights to all the members of a community. This avoids the entropy in institutions and establishes the framework to develop minimum strategies.

The Ontogenetic Map of Justice

The purpose of justice is to foster the existence of transcendent roles in a society in order to make institutionalization possible and avoid its corruption. An institution becomes corrupt when it needs to degrade the environment in order to profit from it.

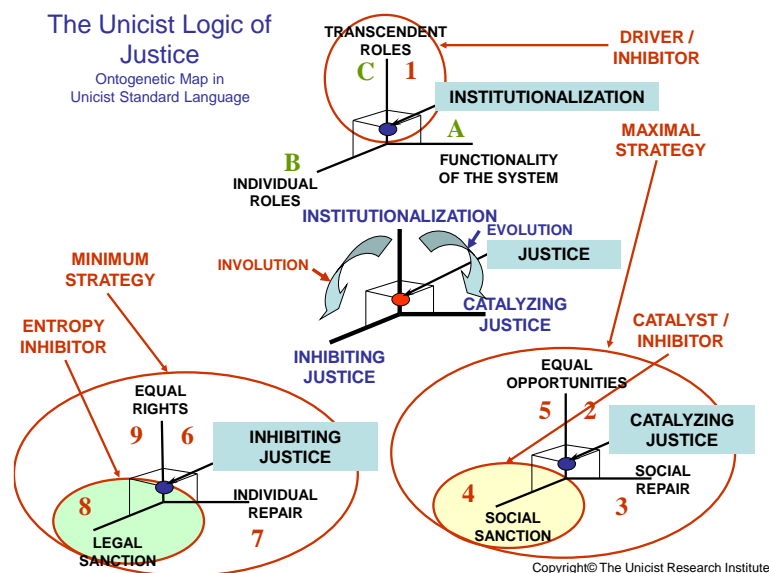
Institutions are driven by transcendent goals. Therefore, the driver of justice is to confirm the achievement of the transcendent goals of a culture. These transcendent goals are included in the Constitution of a country.

This process is materialized when justice provides the framework to sustain the functionality of the country as a system. However, this is only possible if both the individual roles of the entities and the individuals of the culture are protected.

When the legal framework and the social and judicial system have solved these aspects, it becomes possible to deal with the active function of justice to provide equal opportunities for all.

The final purpose of justice is the fulfillment of the transcendent roles of a society and ensuring the functionality of society as a system. This is only possible if the individual roles have been assumed in order to make the institutionalization real.

It has to be considered that the judicial system of a society only punishes those aspects the society considers punishable.



The Maximal Strategy

The maximal strategy is given by the catalyzing justice of a culture that needs to provide equal opportunities for the members of a community.



Equal opportunities require the existence of a democratic environment that fosters cooperation. That is why justice is an essential part of democracy and democracy is the necessary environment for justice.

When the intention of ensuring equal opportunities has been confirmed, it becomes necessary to accept that there has to be a social repair to respond to the deviations produced by injustices in the real world. Therefore, social repairs need to be sustained by the judicial system in order to make them functional.

Equal opportunities become possible if they include the social repair for the dysfunctional actions that hindered the possibility of an individual or group to access such opportunities. Social repair needs to recognize the opportunities lost and not only the costs that were produced.

When social repair exists, it becomes possible to confirm the existence of social sanctions that sustain the equal opportunities. This implies that the society punishes those who limit others to achieve goals.

The catalyzing justice requires the existence of social sanctions for all those behaviors that endanger equal opportunities. These social sanctions sustain equal opportunities and are the catalyst for the existence of justice. In democratic environments legal justice does not sanction what is not sanctioned by society.

The Minimum Strategy

The equality of rights, as the purpose of the minimum strategy, needs to be achieved in order to sustain the institutionalization of a society. This requires individual repair for all the dysfunctional actions an entity has suffered.

The individual repair has to fit into the limits of acceptance of a society. If it is below, it has no effect as a dissuasive object, but if it is above, it generates a “judicial profitable business” that produces paradoxical results in the judicial system.

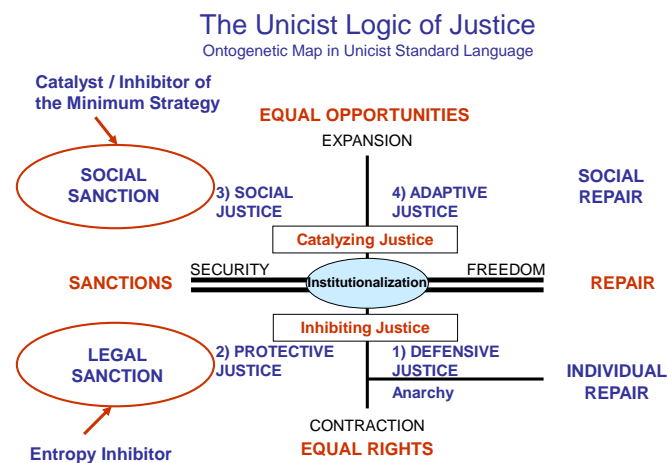
The legal sanction is the entropy inhibitor of justice. Legal sanctions imply that they need to be in accordance with the dysfunctional behavior and its consequences. Legal sanctions are a way to punish actions and to dissuade their repetition.

The legal framework and its application establish the entropy inhibitor that avoids the corruption of the institutionalization of a culture. The entropy inhibitor is the basic price to be paid to ensure the functionality of justice.

The Types and Levels of Justice

We have synthesized the different levels of justice in four segments. These segments are:

- 1) Defensive Justice
- 2) Protective Justice
- 3) Social Justice
- 4) Adaptive Justice



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Level 1) Defensive Justice

The first level of justice is the defensive justice that allows providing individual repair through the different alternatives the judicial system provides. This justice provides every member of the community with a defensive system to sustain the right the individual has according to the legal framework of the community. Defensive justice seeks individual repair in order to ensure that individuals have the right to recover part of the damages produced by someone's dysfunctional behavior. Defensive justice allows individual to recover from unfair damages produced by third parties.

Level 2) Protective Justice

It includes level 1. The second level is the protective justice, which provides a framework that allows protecting individuals and entities from the dangers of the environment. Protective justice implies a legal framework to protect from direct actions or the collateral side effects of actions. Protective justice is simple to install when providing support for unprotected people, like children, but needs to include all



the participants of a community in order to provide a safe environment to live in. It is based on providing protections for individuals to prevent the existence of dysfunctional behaviors. Protective justice is natural in the field of crimes but difficult to apply in civil and commercial affairs.

Level 3) Social Justice

It includes level 2. The third level implies the existence of social justice to exclude socially all the members who behave beyond the rules of a community. This justice exceeds the limits of the legal framework and deal with the acceptance of the social rules to limit the actions of individuals. Social justice implies both the existence of social sanctions and social repair to equilibrate the actions and ensure social institutionalization.

Social justice implies the existence of a social sanction produced by dysfunctional behaviors that have social consequences. It implies that the private damage is considered in terms of its social consequences in order to dissuade its repetition. Social justice implies considering the greater good when dealing with dysfunctional behaviors.

Level 4) Adaptive Justice

It includes level 3. The fourth level implies the existence of a justice that is able to interpret the spirit of laws and the spirit of a society in order to provide equal opportunities for all including the equality of rights. Adaptive justice is the justice that allows institutions to evolve towards a superior level by accepting and fostering behaviors that are beyond the standards of a culture but foster the expansion of the community. Adaptive justice implies paying the prices of individual felonies considering the greater good and the consequences in the environment. Adaptive justice implies considering the field of individual actions as part of social dysfunctional actions in order to find the better way to manage justice.



The Future of Capitalism

*Capitalism is the natural model for mature democracies.
The maturity of a democracy can be measured in the
characteristics of social justice and the judicial system.*



The Future of Capitalism

The Unicist Conceptual Anthropology provides a framework of ontogenetic maps to apprehend the nature of capitalism in terms of its role and functionality. Capitalism is the system that materializes the highest maturity level in terms of the economic democracy ethics.

This affirmation can only be accepted if the role of capitalism in the development of democracy has been apprehended.

Unfortunately, there are many fallacious myths built upon capitalism, which deal with the consequence of misunderstanding its conceptual structure and confusing it with what we call capitalism where the community does not participate in the ownership or profit of the productive entities.

What needs to be accepted is that corruption is the “scorpion” of capitalism. Justice, on the other hand, together with the judicial system of a society, allow that capitalism work as the driver for economic democracy.

That is why a superior level of economic democracy is only possible when:

- 1) There is an efficient judicial system
- 2) There is a clear separation between the roles of States and Governments
- 3) There is an effective anti-fraud legislation
- 4) There is an effective anti-monopoly legislation
- 5) There is an effective anti-corruption legislation
- 6) There is an effective social anti-discrimination legislation

The functionality of the preceding aspects defines the level of maturity of economic democracy that can be achieved and the possibilities of developing a capitalist system.

The generic introduction of democracy as the integration of the social, economic and political democracies is the major change introduced by the unicist conceptual anthropology in the study of the evolution of societies.

The Unicist Ontology of Democracy

Democracy is a social system that is based on the participation of the members of a society or institution in its government. Democracy is a system that has a natural structure, which includes mechanisms that drive its evolution or involution.

To understand the nature of democracy it is necessary to define that democracy is a system to deal with the domestic aspects of a society or institution. It adopts many shapes depending on the environment. Civil, military and religious environments have



Democracy cannot be imported / exported

Importing political democracy from more democratic cultures only drives to the corruption of the preexisting system and the installation of a dualistic democracy in order to avoid anarchy. As it was presented in the research, the dualistic democracy has two extreme alternatives: populist / leftist democracies and liberal / rightist democracies.

When democracy needs to be upgraded, it is necessary to begin by developing social democracy, which requires beginning with education.

Democracy implies freedom and freedom implies responsibility.

Based on social democracy, the next step to upgrade democracy is to install a superior level of economic democracy, which will then drive naturally towards the need of a political democracy. This implies a spiral step-by-step evolution that demands generations.



Conclusion

Neo-capitalism is the highest level that can be achieved when developing economic democracy, which is the active function of democracy. It can be said that neo-capitalism is the natural consequence of the development of democracy because it is the institutionalized way in which economic democracy can evolve. However, its existence was only possible after the economic field replaced the military field as the main driver for the expansion power of cultures.

Neo-capitalism fosters a superior level of social and political economy in the cultures that opted for an evolutionary democracy and left aside the dualistic populist / leftist and liberal / rightist alternatives. Neo-capitalism as an institutionalized structure is meaningless in religious democracies.

When a country enters a democratic model, the social democracy is given by the democratic behaviors admitted in its archetype and established in its constitution. It is the starting point of democracy. However, the first step to introduce democracy is defining a democratic economic model that promotes both enterprising and entrepreneurial activities with the necessary legislation to foster growth.

It requires accepting that the introduction of democracy is a process that generates a chaotic period because people need to accept a higher level of freedom that comes along with an increased level of responsibility. This transition naturally drives towards anarchic social behaviors with the presence of trade-offs that frequently end up in corruption.

Following the nature of capitalism and democracy, neo-capitalism has to be considered as a final stage to be achieved and not as a starting point to install economic democracy. Apprehending the conceptual economic model that is functional to the archetype of a culture is the starting point that needs to be followed by the development of a long-term transgenerational economic plan that allows fostering progressively a democratic culture.



Annex I

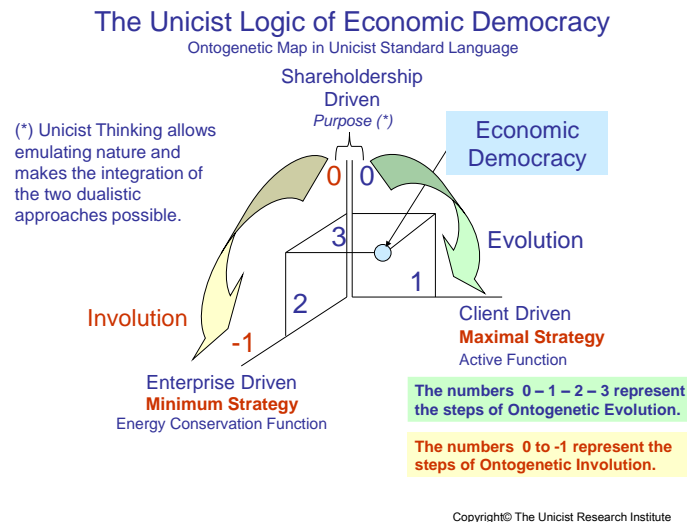
The Nature of Economic Democracy

*The context of neo-capitalism is given by the economic democracy,
which allows expanding the boundaries of a country.*

The Nature of Economic Democracy

It has to be considered that economic democracy drives the maximal strategy of a culture, which allows expanding its boundaries and grow. The economic democracy is what makes the democracy of a culture evolve or involve.

Neo-capitalism is the materialization of economic democracy as a system that allows managing the materialistic- economic - aspects of a society in order to expand the boundaries of a democratic environment within the limits of cooperation and participation.



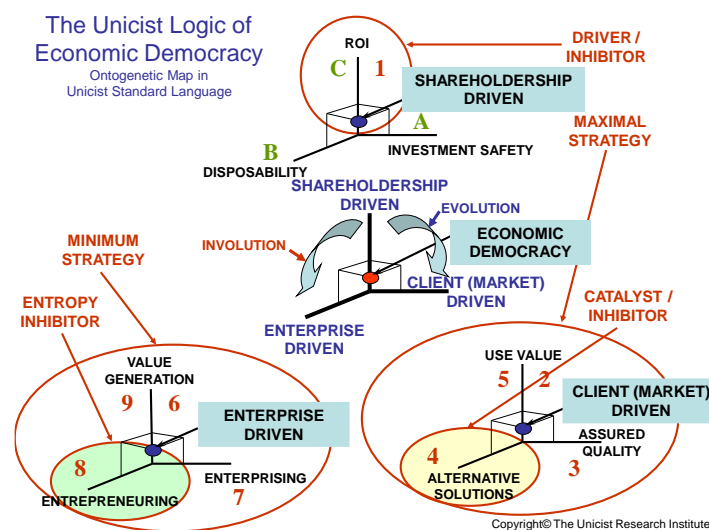
Economic democracy implies the integration of shareholders driven actions with clients driven actions and with enterprise driven actions.

Economic democracy has three basic fundamentals:

- 1) The purpose of democracy is given by the legitimacy and legal existence of shareholders with all their rights and duties.
- 2) The active function is given by the client orientation, which implies that the added value to the specific clients and the market is a core aspect that needs to be ensured.
- 3) The energy conservation function is given by the existence of enterprises that integrate shareholders and clients to build an economic stable equilibrium or the existence of entrepreneurs who equilibrate the client with the owners based on their capacity to survive. The triadic role of the entrepreneurs is given by their need to succeed, providing value to the clients or die in the attempt.

The Ontogenetic Map of Economic Democracy

The concept of Return on Investment (ROI) is the driver for economic democracy. This concept implies the existence of social legitimacy for the profits that are obtained and a legal framework that sustains the returns obtained.



The safety of the investments is what sustains the development of actions and the disposability of the investment in terms of being able to cash-out without collateral losses.

The Maximal Strategy

The maximal strategy is given by the market orientation of the economic activities. This implies that economic democracy is sustained by the use value of what is being delivered.

The use value needs to be the driver of the maximal strategy but it has to be considered that there are always marginal segments that are not “economically” democratic.

Once there is an intention to add value to the market, it is necessary that the quality of the economic activity be reliable. Assured quality is a basic condition to grow. In this context, the resulting reliability allows building the necessary complementation among the economic agents of a society.

The existence of competition, providing alternative solutions, is a basic condition for economic democracy. Without competition, either Justice or the State needs to participate in the economic transactions to protect the interests of the clients.



Thus, the alternative solutions are the catalyst of the economic democracy while they ensure the legitimacy of the use value. Once competition is a standard in a society there is no need for legitimacy, legality suffices.

The Minimum Strategy

Enterprises provide the active function of the minimum strategy in economic democracies. When competition is given, enterprises need to be able to generate value in order to sustain shareholdership.

This has multiple implications such as the existence of the value of “work” in a culture, the availability of technology and the necessary monetary circulation to make economic development possible.

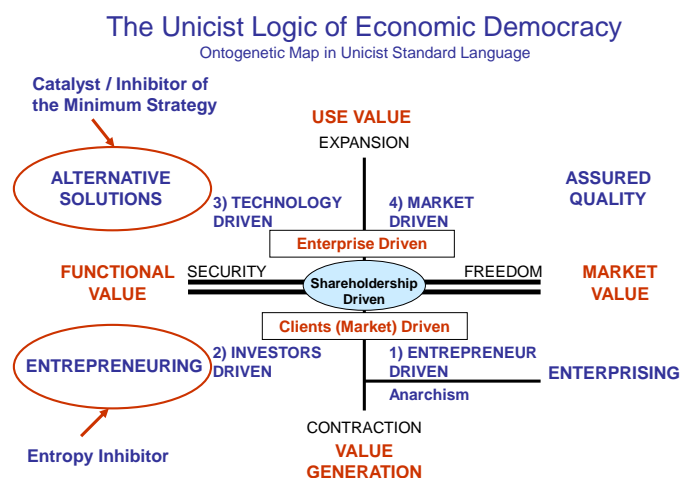
Value generation can be achieved if, on the one hand, there is an institutionalized enterprising model that allows developing the activities, and, on the other hand, there is an adequate entrepreneurial model to sustain the activities of the enterprises.

Enterprises are sustained by a stable equilibrium between the interests of the shareholders and the clients. Entrepreneurs are sustained by their capacity of satisfying the needs of specific markets to survive and succeed. Value generation is ensured when these conditions are given.

Types and Levels of Segments in Economic Democracy

In the research on Economic Democracy, the following structural segments were discovered:

- 1) Entrepreneur Driven
- 2) Investors Driven
- 3) Technology Driven
- 4) Market Driven



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Level 1: Entrepreneur Driven

The entrepreneur driven model is the first level of economic democracy. It implies an environment with opportunities for business creators, inventors and developers of technologies in which they find the necessary financial framework to develop their activities. Entrepreneurs are implicit autocrats whose democratic spirit is given by their need to find and respond adequately to a market.

Level 2: Investors Driven

It includes level 1. This segment implies that the democracy begins to have two legs. On the one hand, the entrepreneurs and, on the other hand, people who have the money the entrepreneurs need to develop their activity. This level requires the existence of economic expectancies, trust between the participants and credibility of the projects. The investors driven segment provides the first level of multiplication capacity to the economy.

Level 3: Technology Driven

It includes level 2. This segment implies the existence of a technological environment with a structured framework for intellectual property and R&D processes. It implies that the economy evolves based on structured R&D processes, which provide the necessary innovations to expand the economic activities in order to supersede the external competitors and establish a superior value to deliver to the market. Technology is the core for economic democracy to evolve.

Level 4: Market Driven

It includes level 3. This segment implies being able to take advantage of the power of an entrepreneurial attitude, the existence of investors and the use of technology to ensure the quality of the value delivered and establish a country/regional brand “Made in X Country”. It can be said that the democracy of a culture is beginning its upgrade to a superior level of cooperation when the economic democracy evolves to the market driven level. This requires a legal framework that ensures competition to avoid the existence of functional monopolies.



Annex II

Corruption: The anti-concept of Capitalism

When corruption degrades ethical behavior,
capitalism loses its legitimacy



Corruption in Human Complex Adaptive Systems (Groups, Institutions and Cultures)

Definition

Corruption is defined as any action that does not fit into the rules of a system and therefore weakens it, degrades it or destroys it. In the social field, corruption is defined as an illegal or illegitimate action that goes against the laws or the spirit of the laws to obtain benefits from the environment.

Corruption can have internal or external causes. When it has internal causes it is triggered by the failure of some of the elements that integrate the system when it is an engineering system or by the fallacy of some of the elements when it is a living being or a social system.

Introduction

This is a synthesis of a research, led by Peter Belohlavek, which began in July 1975 and ended in February 2013 when it was proven that the avoidance of corruption depends on individual behavior and not on the conditions of the environment.

Corruption allows individuals to profit from the environment through illegitimate actions while they disintegrate the system they are part of. It is based on a “parasitarian” complementation that uses value judgments to justify the degradation of the environment they do in order to profit from it.

Corruption is an individual and social addiction that is installed in environments where the participants do not have the necessary critical mass to influence the environment.

Corrupt environments need that their dominant ethics is intentions driven, their justice does not cover the needs of equal opportunities and that the private and public actions of individuals are not transparent.

Corruption may occur in any human action field. It can be included in the emotional, economic, social and political aspects of human behavior. The most known aspects deal with economic and power corruption.

The final purpose is to profit from the environment. To obtain this benefit corrupts adopt four types of actions: sabotage, blackmailing, bribing and defrauding. As it is an addiction, corrupts build a parallel reality in which corruption is a natural and accepted behavior.

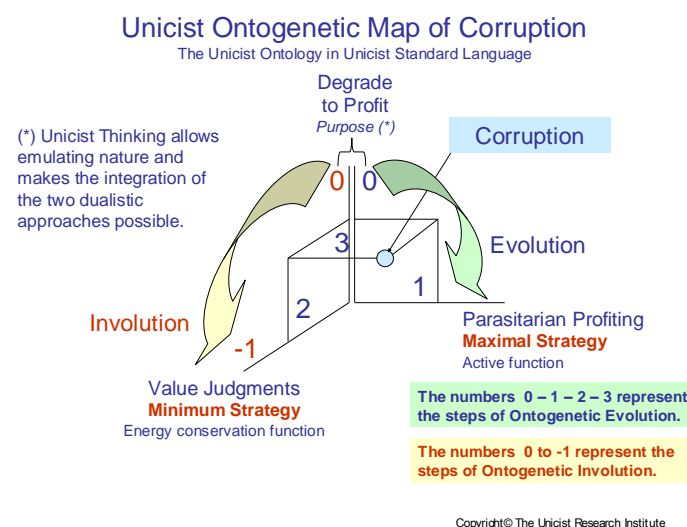
Psychopathic manipulation and psychopathic leadership are the natural “tools” corrupts use to develop their actions when they deal with non-corrupt participants of an environment.



Corruption is illegal or socially sanctioned in non-corrupt environments. In corrupt environments corruption is a fallacious myth that covers the shared weaknesses of the members. Those who do not accept it are automatically excluded from the groups.

The antidote for corruption, at an individual level, is the critical mass individuals or their actions have to influence the environment.

Social corruption antidotes require the existence of transparency, functional and not intentional ethics and the existence of equality of opportunities for the members.



About Institutional and Social Corruption

Corruption is based on parasitic complementation. This implies that the corrupt elements profit from the environment without delivering any added value. The final goal is to degrade the environment in order to profit.

This degradation transforms the corrupt action into a standard in the environment that has been degraded at the level of the corrupt element. That is why the degrading participant is legitimate after corruption has been installed.

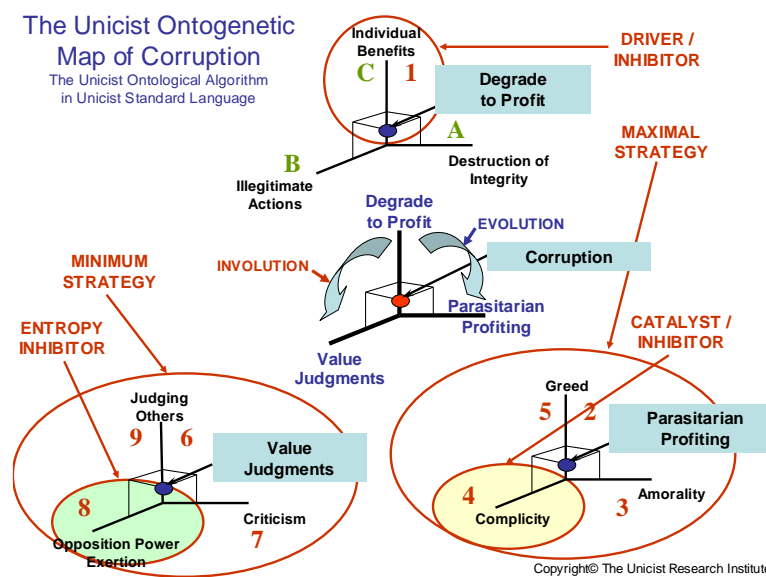
The degradation of the environment is implemented through value judgments. These value judgments are based on exposing the implicit weaknesses of the strengths of the environment as real weaknesses. It has to be considered that any strength has an implicit weakness which needs to exist. If this weakness is eliminated the strength disappears.

Synthesizing, it can be said that corruption degrades the environment where it is being installed using value judgments that have no defense so the corrupt can profit from the environment assuming the role of a parasite. The paradox is that corruption destroys the environment as such and at the end the corruptor needs to change to another environment because it has been killed by implosion.

The Ontogenetic Map of Corruption

Understanding corruption is basic to avoid it. Corruption is a natural trend in stagnated or involving environments. It is illegal and/or illegitimate in evolving cultures.

The ontogenetic map of corruption needs to be apprehended in order to understand how corruption works and how to avoid it or hinder it, depending if the individual is acting in a stagnated or involving culture or in an evolving culture.



The first objective of corruption is to establish the basic conditions for degradation. To do so it is necessary to understand the relationship between the environment and the benefit the corrupt participant seeks for.

The destruction of the integrity of a system is necessary in order to install corruption. The integrity of a system includes the necessary quality assurance mechanisms (a social immune system) to avoid corruption. The quality assurance mechanisms are defined by the inhibitors and entropy inhibitors the “immune system” has.

The destruction of the integrity works when a complex adaptive system is transformed into an artificial systemic system. Thus, it is degraded in its nature and “the corruptor” can begin to profit from it.

To profit from it, it is necessary that the corrupt element makes the necessary illegitimate actions to obtain the profit. The paradox is that the illegitimate actions in an adaptive system are perceived as legitimate actions in the system considering its elements as integrated by cause-effect relationships.



The Maximal Strategy

The maximal strategy of corruptor is to obtain parasitic profits. The driver for these actions is the greed of the participants. This greed allows them to build the necessary fallacies to enter the field of amorality without feeling any guilt.

The fallacies they build drive them into a parallel reality where amorality is perceived as the existing morality of the group which allows them to act greedy.

They establish the necessary complicity with other members of the environment to generate the necessary influential power and legitimacy of their actions. This complicity is the catalyst to ensure the results to be obtained through corrupt actions. It has to be considered that corruptors need accomplices in order to install structural corruption to obtain benefits.

When this complicity cannot be achieved the corruptors actions are inhibited and s/he is isolated and illegitimated. This is why corrupt environments generate clusters of accomplices to legitimate their actions.

The Minimum Strategy

The minimum strategy of corruption is based on the degradation of the environment. The final goal of the minimum strategy of corrupts is judging others in order to make the environment appear as degraded and be legitimated to profit from it.

Trust, confidence and reliability are the basic conditions that sustain an evolving environment. It suffices to install doubt or suspicion in an environment in order to transform it into a degraded system.

The minimum strategy actions begin by criticizing others which generate the before mentioned doubt or suspicion. To make these actions be effective what needs to be criticized are the implicit weaknesses of the strengths of the members of the environment.

Thus there is no possibility of defense because there is no doubt that the criticism is based on true facts. It has to be considered that most people cannot discern between implicit weaknesses of strength and true weaknesses.

The entropy inhibitor is the possibility of corruptors to exert opposition power. This happens using the complicities they have built, and if they do not work, their power exertion is based on active inaction.

When the entropy inhibitor can be installed there is no possibility of avoiding corruption to achieve its goals. The opposition they exert needs to be perceived as legitimate which is done by its association with the critics on the implicit weaknesses that have been done.

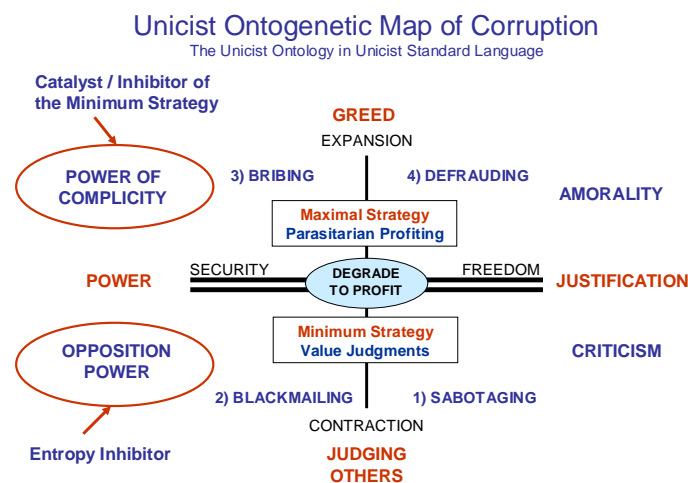
When this becomes possible the environment begins to be defrauded by corrupt participants to obtain their benefits.

Levels of Corrupt Actions

Corruption can occur at an emotional, economic, social and political level of human behavior. The description does not refer to any specific aspects but it is applicable to all of them.

There are four basic corrupt actions:

- 1) Sabotaging
- 2) Blackmailing
- 3) Bribing
- 4) Defrauding



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1) Sabotaging

The first level of corruption is the installation of doubt and suspicion in an environment. To do so, corruptors criticize the environment to degrade the value it has.

This generates the need for someone to solve the weaknesses that have been installed and this is the context of corruptors to profit from the environment.

A typical action of this kind is the generation of a perception of the existence of a problem, that in fact does not exist, and benefiting from its solution without needing to make any action.



2) Blackmailing

Corruption scales if the first level does not produce the necessary profits. Blackmailing is an extortion that implies an abuse of opposition power to get that others accept to pay for avoiding the problems being generated.

Blackmailers obtain their benefits through active inaction or destruction, whatever is needed to obtain the profit.

Blackmailing is usually part of other legitimate action. This allows them to have the necessary disguise in order to be accepted. Strikes, rebellions, and oppositions might be legitimate or blackmailing actions.

A typical action of this kind is the threat of exposing the weaknesses of individuals or organizations in a community.

3) Bribing

When the first two actions do not suffice to profit from the environment, then an active action on the environment becomes necessary.

The first active corrupt action is bribing. This implies paying a price to obtain a benefit that exceeds by far the normal benefit the corruptor would have obtained if the bribing action would not have taken place.

The prices paid through bribing might cover the emotional or materialistic aspects. Most of the bribing actions are illegal in organized environments. But only in non-corrupt environments they are illegitimate.

A typical action of this kind is paying a price to obtain a contract from a client that would not have been possible without it, or where the benefits of the contract exceed the benefits that would have been normal.

4) Defrauding

Defrauding is the necessary corrupt act to do when the preceding actions do not allow obtaining the benefits from the environment.

Defrauding is an active illegal action where dishonest actions are made to obtain benefits. Defrauding implies lying to make the counterparts believe that they will be receiving some specific benefit they need.

These actions are illegal and illegitimate in all the environments. They require having the necessary accomplices in order to become possible.



That is why when this level of corruption is installed it works as a contagious virus, because it generates clusters of accomplices who need other accomplices to obtain their benefits.

A typical action of this kind is overpromising where the counterparts expects a benefit they will never receive.

The Social Corruption Inhibitor

Corruption degrades cultures until they become a group of survivors led by stagnant survivors.

This implies that the final stage, where cultures become to live in an endless transition of manipulative leaders. At this level, individualism, which is the driver of corruption, prevails over the needs of the culture.

This implies that societies develop their activity as non integrated individuals who seek for survival in a context where the appropriation of value from the environment and the holding of whatever is possible become the cohabitation code.

This naturally generates extreme materialistic behavior compensated by fallacious myths that provide the members a magical recipe to expect that things will change and the culture will become functional.

The morality of intentions prevails over the morality of actions which drives individuals into the survival ethical intelligence. Survival has no rules nor codes unless people need accomplices to survive.

That is why evolving cultures have a structural corruption inhibitor that hinders that the society enters a massive survival attitude.

The Corruption Inhibitor

Corruption is inhibited when there is a functional ethics, which implies that functionality prevails over intentions, the justice is focused on ensuring equal opportunities for all and the society is transparent.

Expansive justice implies that individual action is protected by social repair and not only individual repair and there is a social sanction of all actions that are not within the rules (system) of a society.

This is only possible if there is a social transparency of the actions and individuals are identified based on their actions and added value in the society.



influenced by religion but is not given by the rules of the religion. It is defined by the moral rules that are active in a group meaning that those who do not fulfill them are excluded.

The energy conservation function of functional ethics is given the ideology that is needed to achieve the functional goals. An ideology implies a set of beliefs that uses a technology to satisfy the interests of the group.

Therefore corruption inhibition is driven by the exclusion of all those who do not provide solutions to the necessary functionality, don't fulfill the moral rules of the group and do not have an ideology according to the needs of the evolution of the society.

It has to be considered that the driver of corruption inhibition can be found in the fundamentals of the archetype of a culture. Those cultures that foster individualistic behavior over the fulfillment of the rules of the social system necessarily are subject to be degraded by corruption.

Maximal Strategy of Corruption Inhibition

The judicial system and the existence of a social repair and social sanctions drive the maximal strategy of corruption inhibition.

The purpose of the maximal strategy is to ensure that the context of equal opportunities prevails over individual profiting. This implies that the individual profits cannot be produced by taking advantage of others.

Social repair goes beyond repairing the damages that have been produced to an individual. It implies restituting the benefits an individual could not obtain because of the actions of other members of the community. This repairing action is the starting point of the maximal strategy of corruption inhibition.

The catalyst of the corruption inhibition is the social sanction that is applied to all those who do not respect the codes of the system. A judicial system only can sanction what the society sanctions. The judicial system is the administrator of the rules established by laws that need be within the accepted behaviors of a culture.

Therefore it has to be considered that social sanction is a significant indicator of the corruption level of a culture. The final goal of the maximal strategy is to provide the necessary equality of opportunities to all the members. Corruption has been inhibited when this is ensured.

Minimum Strategy of Corruption Inhibition

Social transparency is basic in corruption inhibition. When actions are not transparent there is no possibility to avoid the action of corrupt members.



The final goal is that the public behavior, which is the one that deals with the relationship of an individual with the group, is transparent.

The first step is that results need to be transparent. This implies that the truth, all the truth and nothing but the truth needs to be open information to the community. Corruption is being fostered in all those niches where there is no transparency of results.

Private behavior transparency is the entropy inhibitor of corruption inhibition. This implies that the private actions of individuals have to be ruled by the functional ethics of a group.

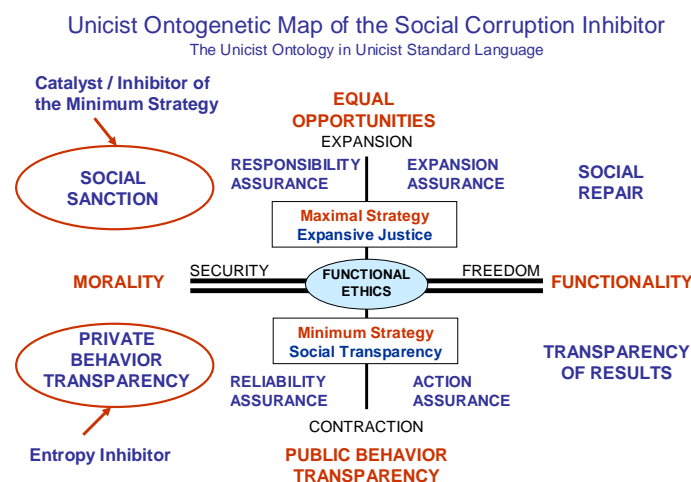
A society becomes weakened in all those fields where the individual behavior has no limits. This is a very conflictive point in corruption inhibition because it implies saying that people who do not preach by example are fostering corruption.

Functional ethics can inhibit corruption when expansive justice and social transparency have been achieved.

The Type of Objects that Work as Corruption Inhibitors

There are four types of inhibiting objects:

- 1) Action assurance
- 2) Reliability assurance
- 3) Responsibility assurance
- 4) Expansion assurance



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Action Assurance

This implies a set of rules that assures the transparency of results and the public behavior transparency. This object inhibits active inaction and parasitism and commensalism in social behavior.

Reliability Assurance

This implies a set of rules where individual action evaluation is based on its functionality and not on its intentions. These objects foster the exemplarity of private behavior and inhibit the acceptance of lying in social behavior.

Responsibility Assurance

This implies a set of rules where the responsibility of the role of individuals is being demanded. These objects foster the association of individual actions with the roles they exert and seek for inhibiting fallacious social behaviors.

Expansion Assurance

This implies a set of rules where the society assumes the responsibility for providing the opportunities to all those who assumed the risk of going beyond boundaries, without affecting the ethics of a group. These objects foster an innovative behavior that generates new alternatives to the group.

Conclusion

Corruption is the most powerful way to degrade a social environment and ensure its involution. When corruption is accepted as a normal behavior the environment has lost its possibility to adapt to the context it works in.

The inhibition of corruption is part of the immune system of a culture and is what makes its evolution possible. If the corruption inhibition system fails the society degrades to a survival state where corruption is installed and individual needs prevail over the needs of the culture.



Annex

About Complexity



The Unicist Logical Approach to Complexity (a unicist ontological approach)

The unicist logical approach to complex problems

The most primitive complex problem is given by two elements that have a biunivocal relation (loop). For example:

- The lack of credibility of an innovation inhibits its use and the absence of use impedes credibility.
- The absence of production causes inappropriate distribution and dysfunctional distribution causes a lack in productivity.

Until the appearance of the solution given by the unicist approach, there were four palliatives:

- Intuition
- More or less subjective arbitrary models
- Fallacies to avoid the perception of complexity
- Ceteris paribus

Complexity is self-evident in the field of social, institutional and individual evolution. It can be said that evolution is a complex problem itself.

Complexity is implicit in the core of the business world. Those who can apprehend it and influence the environment are successful. Those who cannot influence complexity, fail. The unicist approach is necessary for those who need to manage complex problems to transform them into simple solutions, easy to be implemented.

The Unicist approach transforms complex problems into simple solutions, and these simple solutions into “easy” actions.

We define a complex system as an open system, which determines the functionality of a unified field through the conjunction of objects and/or subsystems.

A complex system has the following characteristics:

- 1) It is an open system, meaning that the energy flows to and from the system itself.
- 2) The external limits of the unified field (its globality) behave as the ones of a fuzzy set.
- 3) Functionality is determined by the “conjunction” of elements that influence each other, generating “loops” of cause-effect relations.
- 4) The “disjunction” does not exist in a complex system.
- 5) The sum of the results of the subsystems is not equal to the result of the total complex system.
- 6) Relationships among subsystems are not linear; they respond to the double dialectics laws (purpose-antithesis / purpose-homeostasis).



- 7) Complex systems generate their own energy transformation using their own energy and the energy from the environment.
- 8) Complex systems are composed of subsystems, which are also composed of other subsystems, until reaching a descriptive level that is functional to their purposes.
- 9) Complex systems cannot be observed. The observer is part of the system.
- 10) Complex adaptive systems can only be measured in their results.

“The Unicist Theory of Evolution”, the “Unicist Logic” and the “Logic of Fallacies and the Anti-concepts”, made the conceptual modeling and operation of complex adaptive systems possible.

Some examples of complex adaptive systems can be found in the social, economical, political and cultural aspects of reality as well as in management, marketing, strategy (of countries, institutions and individuals), learning processes, continuous improvement and interpersonal relations.

Transforming complex systems into simple systems is making them operational in a univocal way, with cause-effect relations that permit to influence the environment. This means transforming strategy, which, by definition, is a complex system, into operational tactics.

Transforming them into an easy task implies materializing these tactics through well defined actions, using a language that could be understood by all participants and the proper tools that could be used by all of them.

Nevertheless, even though we operate with simple solutions, in their essence, these problems remain complex.

The Unicist Logical Approach to Applied Complexity Sciences

The complexity of a specific aspect of reality is objective. This means that it is impossible to deal with it using cause-effect research without changing its functional nature. This indicates the existence of complexity.

The unicist approach to complexity sciences implies the discovery of the ontological structure of a reality and the objects that integrate it, defining the ontological algorithm and then the actions that can be done to influence such reality.

This approach starts with the finding of the nature of a specific element of reality and ends with the definition of the actions that can influence such reality.



The unicist ontology is a specific type of ontology that is structured emulating the ontogenetic intelligence of nature. It considers that the nature of living beings and their actions is defined by a purpose, an active principle and an energy conservation principle which are integrated following the rules of the supplementation law (between the purpose and the active principle) and the complementation law (between the purpose and the energy conservation principle).

The ontology of a functional aspect of reality is unique, being therefore timeless and cross-cultural. Its application integrates unicist ontology, with unicist logic and the unicist ontology of evolution.

Things in real life might have different functionalities. Each of these functionalities has its ontology. For example, the same type of boat can be used as a fishing boat or a survival boat. A fishing boat has “one” ontology and the survival boat has another.

Human Complex Adaptive Systems

Human individual, institutional, businesses and social behavior are also paradigmatic complex adaptive systems. The application fields of the unicist approach to complexity science are the human complex adaptive systems.

Examples of Human Complex Adaptive Systems:

Cultural Behavior and Archetypes

Cultures have to be considered as a unified field, which implies that they have a structure of taboos, utopias and myths to face the external reality in a defined way that has to be considered as a limit for any human complex adaptive system.

Economic Models

As economic models have to be redundant with the social values included in a cultural archetype, the use of non-consistent economic rules will produce paradoxical effects because it cannot be recognized as valid.

Educational Models

One of the objectives of an educational model is to socialize people's behavior making it consistent with a cultural archetype. The introduction of alien educational models produces necessarily paradoxical results.

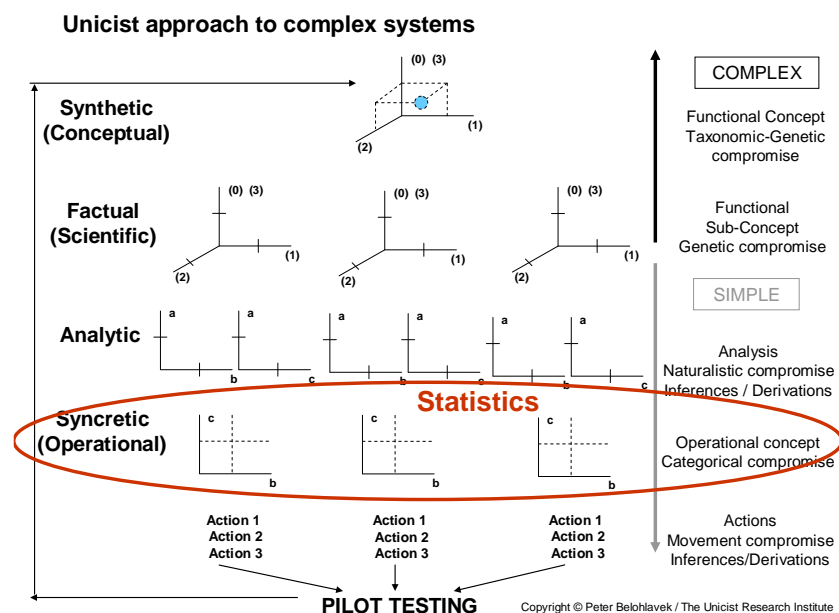
Businesses

Businesses are, by definition, complex systems that need to deal with the market, going beyond the present boundaries of the activity. Therefore they need to be defined considered as part of the unified field of the market they work with.

Conscious Personal Development

Personal evolution depends on the capacity of individuals to adapt to the environment they decided to live in. Thus it depends on the individual's capacity to apprehend the unified field of that environment and influence it.

Necessary Compromises to Manage Complex Adaptive Systems



The generic approach:

- 1) Human adaptive systems are in permanent motion. To establish a fixed point based on their oneness the ontological structure needs to be discovered. This definition includes limiting the boundaries of the system.
- 2) A taxonomic-genetic compromise needs to be done to transform the oneness into the elements that integrate its ontogenetic structure.
- 3) A genetic compromise is needed to deal with the sub-ontologies or objects included in the ontogenetic structure.
- 4) A naturalist compromise is necessary to divide the objects of the ontogenetic structure into the double dialectical elements and make the consequent inferences on their behavior.
- 5) A categorical compromise needs to be done to define the ontological categories at an operational level.
- 6) A motion compromise has to be done to define the actions that allow influencing the adaptive system.

This approach implies transforming a human complex adaptive system into a manageable system making the necessary compromises to transform its oneness into operational actions to generate results.

The knowledge of an ontological structure of a unified field defines the existence of the possibility to exert influence on it. Mathematically, a possibility exists or not (1 or 0). The success of influential actions belongs to the field of probabilities because of the multiple compromises that have been done.

The Use of Statistics in Complex Problem Solving

Statistics are only valid if the “variables” they manage describe the ontological structure of a reality. This means that the knowledge of the ontology of a complex problem must pre-exist before statistics can be used.

From an ontological point of view statistics are necessary to enter at an operational concept level to define the sizes of the segments that might be relevant.

Comparison of the Approaches to Complexity Sciences

Aspect	Peter Belohlavek's approach to Complexity Sciences (*)	Preexisting approaches: Bateson, Förster, Lorenz, Maturana, Morin, Prigogine and others
Field of Study	Complex adaptive systems	Complex adaptive systems
Approach	Pragmatic - Structural - Functionalist	Empirical
Definition of the field of study	A specific reality as a unified field that includes the restricted and wide contexts and the emergence of the system	Based on the emergence of the system
Possibility of external observation	Inexistent	Inexistent
Research method	Unicist Ontological Research	Systemic research
Boundaries of the system	Open	Open
Self-organization	Concepts – analogous to strange attractors	Strange Attractors / undefined
Structure	Double Dialectics Dynamics Purpose - active function - energy conservation function	Variables
Relationship between the elements	Following complementation and supplementation laws	Undefined
Evolution / Involution	Based on the evolution/involution laws of the ontogenetic intelligence of nature	Undefined
Processes	Object driven processes	Undefined
Certainty	Dealing with possibilities and probabilities	Dealing with probabilities
Demonstration	Real applications	Real applications
Emulation in mind	Double dialectical thinking (using ontointelligence)	Complex thought
Emergence	Results	Results
Chaos	Inexistent	Existent
Influence on the system	Based on actions and driving, inhibiting, entropy inhibiting, catalyzing and gravitational objects.	Based on actions
Validation	Destructive and non-destructive tests (real applications)	Systemic research validation methods



Access the application of the Unicist Logical Approach to Complexity:



www.unicist.net/clipboard

Books by Peter Belohlavek that refer to Complexity Sciences applied to Future Research.
You can access them at the Unicist Library: www.unicist.com

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| 1. Australia's archetype | 22. The Power of Nations |
| 2. Brazil's archetype | 23. Unicist Anthropology |
| 3. Dualistic Logic vs. Unicist Logic | 24. Unicist Confederation: Cooperation in Diversity |
| 4. France's archetype | 25. Unicist Country Archetypes |
| 5. Fundamentalism | 26. Unicist Country Future Research |
| 6. Germany's archetype | 27. Unicist Country Scenario Building: Ontology based Country Scenario Building |
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| 8. Growth Crisis 2008-2010 | 29. Unicist Logic and its mathematics |
| 9. Institutionalization | 30. Unicist Ontology of Evolution For All |
| 10. Introduction to the unicist ontology of evolution | 31. Unicist Ontology of History: Unicist Methodology for Historical Research |
| 11. Introduction to unicist thinking | 32. Unicist Ontology of Language |
| 12. Sweden's archetype | 33. Unicist Reflection to focus on solutions |
| 13. The Book of Diplomacy | 34. Unicist Standard for Human Adaptive Behavior |
| 14. The Ethic of Foundations | 35. Unicist Standard for Ontological Scenario Building |
| 15. The Nature of Democracy | 36. Unicist Standard Language |
| 16. The Nature of Developed & Developing Countries | 37. Unicist Standard Language: To design, build and manage Human Adaptive Systems |
| 17. The Nature of Diplomatic Power | 38. Unicist Thinking |
| 18. The Nature of Social Power | |
| 19. The Nature of Unicist Object Driven Institutional Immune Systems | |
| 20. The Nature of Unicist Object Driven Leadership | |
| 21. The Origin of Human Fallacies | |

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Peter Belohlavek was born on April 13, 1944 in Zilina, Slovakia.

He discovered the Ontogenetic Intelligence of Nature that explains that evolution is purpose-driven and not random. This gave birth to the Unicist Theory of Evolution that made evolution reasonable, understandable and predictable.

The Ontogenetic Intelligence of Nature allowed developing the Unicist Logical Approach based on a pragmatic, structural and functionalist framework, to research and develop complex adaptive systems. The Unicist Logical Approach he developed is based on the Unicist Double Dialectical Logic that demonstrated the fallacy of Hegel's and Marx's dialectics. (More information: <http://www.unicist.org/pb.shtml>)

The Unicist Research Institute was the pioneer in complexity science research and became a private global decentralized leading research organization in the field of human adaptive systems.
<http://www.unicist.org/turi.pdf>