THE SOCIAL CONTRACT, VALUE CHAIN, & DEPENDENCY INFRASTRUCTURES

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> *"I have come bearing an olive branch and a freedom fighter's gun. Do not let the olive branch fall from my hand." — Yasser Arafat, addressing the United Nations 1974*

INTRODUCTION

Politics is about the definitions and the state of ownership and control of a handful of basic concepts comprising the 'political economy'—social contracts (written and unwritten); value chains (material and informational); dependency infrastructures; and the power of progress, advancement, and the conflict it causes.

Sometimes this conflict turns into armed struggle—wars, rebellion, terrorism, violence. Such struggles can in fact be defined by details of the friction, competition, or attacks to/from the elements of the political economy. Progress may change some of the details of why and how, but the underlying relationship between the elements of the political economy and conflict remains constant. A review of these elements and a check on their current state may in fact help lend an understanding of conflict, and why, from a global perspective, it makes an odd sort of sense that there is seemingly more conflict around us than ever.

THE SOCIAL CONTRACT

We don't know precisely who or how societies started. Protagoras, the ancient Greek Sophist pointed out in his work that nobody is absolutely self sufficient, and that men banded together for mutual cooperation. He credits Zeus for the gift of society, which he considered a survival trait. Philosophers like Jean-Jacques Rousseau and Thomas Hobbes had views that were extreme opposites (Rousseau's 'noble savage' against Hobbes' 'state of nature' being a 'war of all against all') but came to similar conclusions. For peace, survival, and to share resources, it became necessary for each person to give up some 'rights' and assume some obligations on the conditions that others did so as well—this is the 'social contract.'

Leaving aside the issue of obligations for a moment, clearly the issues to be faced were those of Natural Law—the unnatural act is impossible. Unfortunately, this means the 'rights' and natural acts included such things as murder, rape, theft, and an assortment of other 'uncivilized,' yet historically popular, acts. Products of their time, Rousseau and Hobbes believed it the role of a 'sovereign' to define terms of the social contract and enforce them; the sovereign was not himself bound by the terms of the contract. Speculation on this initial social contract is fruitful and interesting. Given the structures of primitive societies, it is unlikely that the initial parties to the contract were equal in strength (force capacity)—for who, after all, would willingly surrender personal authority to an unknown, untested, or weaker/equal party? No, it is most probable that the terms of the social contract were set by the stronger party—after all, they had something to bargain with; the stronger party had the capability and potential willingness to do harm, which they were temporarily willing to forego. This power to harm or destroy gave the power to control, just as a willingness to destroy the 'peace' means control of the peace. The strong dictate terms—the Allied demand in World War II for 'unconditional surrender' from the Japanese and Germans is just one recent historical example.

In the interest of protecting life and property, social contracts were agreed upon, and primitive social structures formed. Many centuries forward, John Locke rethought social contracts and posited that people joined society to preserve their property, and only submitted to authority of government (the formalization of social contracts) and laws as a means of safeguarding what was theirs. Locke states the labor justifies property, which he defined as the act of converting states (which we will return to as 'value add' and value chains). Refuting Hobbes and his concept of 'sovereign,' Locke believed that governments, as the embodied social contract of the people, left the power of the contract with the people; Locke also reserved for the people the right to assume their original liberty and ability to establish new contracts (governments).

This returns us to primitive cultures—social contracts aren't altruistic mechanisms. They are a manifestation of Adam Smith's 'invisible hand'—acting in self interest, you promote a beneficial end not part of your original intention. Giving up certain 'rights'—murder, theft—mutually led to grounds for beneficial competition and cooperation. (Note the game theory position of occasional 'defection' from the social contract being rewarding explains brigands, pirates, warlords, etc.)

Regions of peace, those with an operable social contract, prospered and increased in size, probably from a combination of birthrate increases (safety, better odds of mating) and attracting new parties. Scale complicates—as Herbert Spencer pointed out, social bodies increase in structure as they increase in size. This also meant increased differentiation in structure and function, increased specialization to cope with rising levels of complexity, and division of labor—which, Adam Smith points out, leads to a dramatic increase in production. Increased production leads to further increases in size (the benefits of success) and eventually passes thresholds to gaining economies of scale. These factors embody the next elements of a political economy: value chains.

THE VALUE CHAIN

There are two sorts of value chain—material and informational. The function of the material value chain was actually well defined by Locke's definition of property—the act of laboring to convert something from one state to another. An individual may pick up a piece of flint, making it theirs by taking it from nature (see the interesting 'property as theft' argument of Locke's period) and chipping it into an arrowhead; this can be traded to another who makes arrows; and again to another who hunts; the animal brought down by the arrow enters the value chain—as meat, hide (then finished products); and so on. Each step changes the 'state' of the property, and increases its value or utility in some meaningful way. The 'primitive' social structures are full of easily discernible value chains—farming, metalworking, woodworking, hunting/gathering, etc.

Interlaced throughout the material value chain is a second value chain—the informational. Blind labor may change states, but only directed behavior and labor can provide 'value add' (something Karl Marx missed conceptually). Where did the ability to make an arrowhead, arrow, plant crops, work wood or metal, select non-poisonous food come from?

The informational value chain is transformational as well, only it converts data into information into knowledge into wisdom. But first, the debate on data—how do we know what we know? Literally millennia of thought has been dedicated to this very question, it being the fundamental issue of philosophy. Data, it seems, comes from our experiential perception of our perceptions (senses), or from the communication of such perceptions. At least, that was the definition which has been the most recently accepted one; the foundations are shaking again as we've discovered the thresholds of our abilities to perceive (and the effect of perception on the observed), and as we've begun to alter or fabricate perceptions or perceptual proxies ('digital' perceptions such as video, audio, photos, etc. can no longer be relied upon as having any validity, and personal perceptions can easily be called into doubt).

Data becomes information through a filtering process, one of exclusion. A phone book is a set of data, the selection you want is information; you get information from data by removing any data that doesn't match your filtering. Gregory Bateson defined information as any difference that makes a difference; the quality that makes one thing distinct from another is what allows you to differentiate. Information becomes knowledge through a process of analysis, extrapolation, and utilization. Much of what becomes knowledge did so through scientific method—experiential/experimental data tested and filtered through various hypothesis until generalizations or abstractions, a predictability, is discerned. How knowledge becomes wisdom is unknown; wise men have come from religious, philosophical, scientific, and 'common' backgrounds. Wisdom implies a 'deeper' understanding of concepts, systems, relationships and interactions, an integrated perspective.

It is these two value chains—the material and informational—and the interaction between them, that have advanced society. By accident or design, 'progress' is made; differentiation occurs that passes a variety of Charles Darwin's natural selection—the survival and continuation of advantageous variants. From our distant historical perspective, we define progress and the level of civilization by the depth of structure, differentiation, complexity, and specialization in the value chains. 'Primitive' cultures have relatively simple value chains, while modern cultures have such complex webs that they resist conceptual mapping. Certain advances have a 'threshold' quality to them, where a seeming boundary minimum is passed that redesigns society and triggers a new burst of progress—from 'anarchy' to Agrarian society, to Industrial, to Technological. The Marquis de Condorcet believed, after looking at the application of probability theory to natural and social sciences, that society can be continually progressed and improved. This human drive toward greater complexity, creativity, and adaptability is like Henri Bergson's *elan vital*—a vital impulse for progress, novelty, making things better, faster, cheaper. And this leads to the next piece of the political economy: dependency infrastructures.

DEPENDENCY INFRASTRUCTURES

Progress is all well and good, but individuals still have basic needs to take care of. A.H. Maslow observed that behavior is purposeful and directed—there is a reason why humans have acted the way they have. Maslow mapped out a hierarchy of needs that direct/motivate behavior and require fulfillment: physiological needs (survival, food, drink, health); safety needs (clothing, shelter, protection); affection needs (family, belonging, companionship); esteem needs (self respect, achievement, appreciation); and self fulfillment needs (realization and utilization of one's potential). As society progressed, grew, and became more complex and specialized, individuals no longer had the time or ability to handle their needs personally—but they still had needs.

Progress took care of this as well—while society went off and advanced in every different direction, certain parts always remained specialized in providing for those needs to be met. These supporting infrastructural segments of the political economy are a continual link down the value chain; no matter how scientific or automated, their nature is essentially the same as established millennia ago.

Supporting infrastructures quickly gained an economy of scale—a favorable ratio of cost of materials to market demand. By providing the necessities or services essential to allow society to function, individuals can devote more attention to their own specialization; the freed energy can capital can be used to fuel further progress.

A delicate balance has been struck, however, in the social contract—by specializing and becoming mutually reliant, numerous internal dependencies have been created in the system. It is like a river that local wildlife depends on, but goes dry by accident or design; soon there is a diseconomy of scale, with a scarcity of materials, too much competition, and a population too large to adapt to the change. What occurs next is a 'die back' to settle with the law of the minimum—the resource most needed and in least supply limits the system.
Dependency infrastructures provide the needs and services that keep a political economy functioning, let alone progressing. Primitive cultures, with primitive value chains, have dependency infrastructures that are near identical to Maslow's hierarchy. More differentiated cultures, however, have complex webs for their value chains, so it is difficult to establish a clear 'degree of separation' for the dependencies. Progress has its price.

PROGRESS AND SUBVERSION

Progress in a society is a continual challenge—literally. The boundary condition for progress is first a willingness to challenge the existing system, and a willingness/ability to make changes.

Max Weber opined that humans were imprisoning themselves in an 'iron cage' with our success and progress; between 'empty advances' and unintended consequences (intending to do one thing only to discover something quite different emerged), stagnation was almost inevitable. Mancur Olson, with much more detailed economic analysis to back him up, drew similar conclusions: stable societies with unchanged borders accumulate collusions and organizations for collective action; 'small' (tightly focused) groups have disproportionate organizational power for collective action; such organizations reduce efficiency and aggregate income in societies with they operate; these organizations make political life more divisive, and slow down a society's capacity to adopt new technology and reallocate resources to respond to changing conditions. It is no wonder that Giambattista Vico observed that nations evolve in cycles from primitive to rational, and are punctuated with violent transformations.

Observing history, it is difficult not to notice that most 'progress' comes from subversive individuals (or outright rogues and scoundrels)—they had to be willing to challenge and change the accepted order, flying in the face of God, sovereign, and popular opinion. This is sometimes the sort of individual whom Friedrich Nietzsche described as a "...man who breaks their tables of values, the breaker, the lawbreaker; yet he is the creator." It is a difficult thing to judge—just look at the American Revolution (paid for with money laundered from France). A number of the 'Founding Fathers' were considered by the British to be rebels, terrorists, or even by today's standards, criminals: Hancock, smuggler; Washington, hemp grower, drug user; Franklin, sexual harassment; Paine, desertion of family, accepted bribes while a tax collector; Jefferson, adulterer. History considers them Great Men; history is written by the winners.

BREACHING THE SOCIAL CONTRACT

The modern social contract is weaker than ever, witness the common breaches and violations by mentally ill persons who don't understand the 'rules of society'; criminals risking for profit; those with nothing left to lose; those for whom the contract has failed; those who think the boundaries established by the contract don't apply to them. There are also men of will, driven to change, acting as guerrillas or terrorists. Most striking of all is the level of negation of the social contract by 'ordinary' people; this is not just a feeling of being disenfranchised from the political process, upset with 'private law' or privilege supplanting equal treatment, but outright hostility with a distinct Lockean 'dissolve the contract' flavor. Because of the massive upheavals caused by technological advance, social pressure, regional/ethnic conflicts, etc. the social contract is in flux, on the verge of being renegotiated.

Violence, of course, is how you jockey for position. Strong parties get to dictate terms to weak parties; negotiations only occur between equals; peace and stability only happen when the terms are agreeable to all parties of the contract, otherwise the violence continues. The 'defining down' of the capacity for violence has put the capacity to demonstrate dissatisfaction with the social contract available as never before. On a larger scale, society has hit one of those threshold points again. The rules established and reasonable under the previous phase of development are constricting or no longer satisfactory to many: the consolidated ownership or control of assets in the world economy leaves many feeling the playing field wasn't level; property and criminal laws are being shaken up by the information age, with digital copying, electronic distribution, industrial espionage, information warfare; overburdened legal systems are incapable of keeping pace. Capacity for destruction has dramatically outpaced moral development; conventional weapons are available or can be manufactured at home with instructions from a variety of sources; weapons of mass destruction, including nuclear, chemical, biological, and informational are devolving down into the hands of organized forces or individuals; the willingness to commit atrocities even now remains only slightly below the skin of the human animal, witness Bosnia or Somalia, as well as victims such as the Kurds or the Palestinians. Dependencies are more vulnerable, interdependent, and already stressed by the needs of society. It is at this point that reconsidering the interplay of the elements of political economy and conflict become critical—whether to hold the fabric of the social contract together, or negotiate a new one.

Politics is formally defined as the art or science of governing; political systems are defined by who is responsible for/to the selection and operation of the governing process. Hobbes and Rousseau would have defined oligarchies, monarchies, and fascism as their social contract—a sovereign deciding for the subjects, but not subject to the contract restrictions. Locke laid the foundations for democracy—government by, for, and of the people, with equal opportunity to be individually responsible for your own free actions for all parties. Locke reserved the right for members of any social contract to renegotiate terms or opt out, and this is the root of the conflict.

Disagreement or competition between alternative social contracts has often led to violence and warfare across the scale, from small tribal conflicts to the global Cold War. Conventional warfare is conflict through brute conquest, attrition or overwhelming and forcing the failure of the opposition's political economy (to be replaced with the winner's). We view this as a 'primitive' form of war because it is often a struggle for possession of territory or to gain some holding. Manoeuvre warfare is more refined, seeking control of key elements and thus effecting control of what is dependent on those elements; if command and control elements of the political economy are taken, it allows assumption of control and thus unimpaired utilization of the opponent's political economy for the winner's benefit. Guerrilla warfare comprises opportunistic attacks on the military (and sometime political) infrastructure and dependencies of the opposition. The aim of guerrilla warfare is to impair the functioning of the opponent's forces and to make the costs of operating them too great to maintain. This leads to either a withdrawal/cessation of hostilities, or collapse of a force projection will/capability, with guerrillas assuming political control (the strong dictate terms).

Terrorism is attacks on leverages points of the social contract and dependency infrastructure with propaganda efforts to focus media attention as directed by the terrorists. As most of these targeted elements are 'civilian,' terrorism is considered particularly heinous, but is definable as a form of warfare. In particular, there is what might appear to be an oxymoron and termed 'defensive terrorism.' In a situation where it is perceived that a strong party is dictating terms to what they consider a weak or defenseless party, the defenseless party will act, commonly with terror attacks, to establish an equal capacity for violence (while not having parity in the force projection capability), and establish themselves as an equal party in negotiations. It is in fact this very sort of defensive violence and terrorism behind conflicts in Northern Ireland and the Middle East. Parties such as the British, Israel, and the United States are viewed as using their military capacity to influence, manipulate, or control the political economies of other players—Irish Catholics, Palestinians, Arabs and Persians (all of whom are not without credible arguments to support their position). This is also why calls by the strong players for disarmament as a precondition for peace negotiations have and will continue to fail.

Political warfare is waged by establishing an altered or totally alternative social contract and then using proselytization, propaganda, and coercion to attract adherents. Polwar may or may not encompass the use of force as a tactic; changes in social contracts through force establishes a certain tenor and preconditions to the new contract that are going to perpetuate violence (recognition of this was part of Gandhi's brilliance). Political warfare may seem less dramatic than it once did because it has been partially adopted into existing political systems, notably democracy; this does not fully take into account the concept of political warfare, which remains a potent mechanism of low-intensity conflict. That polwar is still a viable mechanism of conflict was proven out in Viet Nam (where the United States not only lost to the Viet Cong, but were probably the V.C.'s best recruiting agent), as well as in places where the electoral process is either a fiction, or the first step to consolidation of a new social contract (which appears to be the strategy in much of the Middle East and elsewhere).

CONCLUSIONS

History and the advance of human society is defined by conflict; subversion is necessary for progress. You have to be willing to question preconceptions, assumptions, conditions, and to challenge and change the way things are.

Modern society has, in its centralized points, the cities, three days of inertia (available food, water, fuel, etc.) between civilization and collapse. The social contract is at least in flux and may not last. Elements of the dependency infrastructure are unstable and more tentative than ever (although there are means and methods available to support them). 'Natural' acts—murder, rape, theft—add to the climate of chaos, terror, and violence.

Thomas Kuhn coined the term 'paradigm' to mean the way an individual perceives the world, and noted that adherents of the old ways seldom, if ever, were capable of fundamental changes in this view; they had to die or be killed off before the dominant paradigm for a society changed. But beware of the quick and easy solution—using force or violence for change comes back to haunt the user.

A historical context is important to establish and be aware of, if not study. No man can pass through his life without there being two or three societal transformations, usually with conflict accompanying. That's the thing about history, the patterns; you could almost say it's the same damned thing, over and over. It is, and we call it 'progress.'

The social contract has changed before and society has come through, transformed, but intact; we'll make it through again, until one time we won't. But the rate of change is itself changing—progress is occurring more and more rapidly. There is both light and darkness on the horizon—we may become more than we are now, or destroy ourselves utterly. How will we do? We'll know when we get there. I know I'm looking forward to it.

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