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# JOURNAL OF RURAL COOPERATION

*25th Anniversary Issue*



Centre international de recherches sur les communautés coopératives rurales

International Research Centre on Rural Cooperative Communities

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The purpose of the Centre is to provide a framework for investigations and research on problems concerning rural cooperative communities and publication of the results, to coordinate the exchange of information on current research projects and published works, and to encourage the organization of symposia on the problems of cooperative rural communities, as well as the exchange of experts between different countries.

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### *25th Anniversary Issue*

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# Competitive or Consensual Economics?

*by*

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## Abstract

A dramatic change has taken place in the dominant paradigm of economic discussion. Cold War rhetoric has been replaced by a renewed debate between two old antagonists: competition between conflicting private interests and a consensual approach that emphasizes shared interests. Competitive capitalism stresses individual initiative and private rights, concentrates on the growth of wealth, and tends to ignore social conditions. Consensual economics uses a communal or holistic approach, gives priority to the public interest, and regards the quality of life as more important than wealth. Guilds and kibbutzim are prominent examples of that consensual approach, and there is much to be learned from their experience.

## Introduction

The end of the Cold War and eclipse of the Soviet centrally controlled economy have revitalized controversy between two old antagonists. Competitive capitalism seemed at first to have come out the winner, but rapid changes within the framework of globalization have strengthened the alternative of consensual economics. Both of them claim to favor decentralized authority and reduced government controls, but otherwise their differences are very deep. With the end of political restraints formerly imposed by the rules of Cold War propaganda, the old debate has resurfaced with renewed vigor between private and public interests, rights and duties, and competition or cooperation as the best means for promoting economic development.

In a recent book, Albert O. Hirshman discusses with his customary clarity and profundity, the changing paradigm and how it has affected his own thinking (Hirshman, 1995). As he points out, in the past government was regarded as the only organization strong enough in a developing country to undertake responsibility for economic growth. That thesis has come under massive attack resulting from the Soviet economic collapse and the widespread failure of similar models elsewhere. Loss of confidence in the ability of national governments to guide the economy is further strengthened by the powerful forces unleashed by transnationals in the global

market. Transnationals have reduced the ability of national governments to control their own destinies. The role of government has been moving in the direction of providing infrastructure and social services, with the main economic activities left to others.

A part of that trend is the movement in favor of “privatizing” government-owned companies, including public services, in order to reduce the share of government bureaucracy in the economy. Even in Japan, where the bureaucracy was given most of the credit for that country’s rapid economic development, there is now criticism that the entrenched bureaucracy has stagnated intellectually and is largely to blame for the current crisis. When it comes to the alternatives, though, opponents of government interference in the economy are divided in their choices. Most want governments to get out of the main areas of economic activity, but to continue holding responsibility for what the private sector cannot or will not do.

The UN’s, *World Economic and Social Survey 1997*, summarizes the issue and warns that states still have an important role to fulfill. It contends:

In the 1950s, perhaps half the world believed that state ownership of the means of production and central planning of economic activity were the most desirable means of organizing economic life. ... While there appears to be a consensus that the ambitions of government in the economic and social area were excessive earlier, one must not lose sight of the fact that governments provide important services and carry out politically mandated economic and social functions, and that only government will undertake many of these activities (p. 69).

Among other responsibilities, governments are still needed for the legal enforcement of contracts, maintenance of law and order in the streets and in the marketplace, as well as care of the unemployed, elderly and others unwanted by the private sector. Even countries favoring a free market economy, like the United States, have found that they cannot do without reasonably strong government capable of policing the economy and protecting the public interest. Criticism of government turns out to be based on opposition to the size of the bureaucracy and its relationship to the private sector. Paradoxically, the UN report recommends throwing out the old socialist model of centralized planning and ownership, while at the same time it recommends a capitalist model of centralized monetary control designed to provide support for private enterprise, but in the hands of a bureaucracy in charge of “long-run strategies for inflation control and exchange-rate management, as a way to build the confidence of the private sector and encourage investment” (*ibid.*:73). In effect, that scenario perpetuates the need of private capital to control the government in order to control the economy, but with “a leaner and meaner” bureaucracy.

However, that capitalist utopia is not proving workable in practice. As European states move toward greater union for the sake of more economic efficiency, the

bureaucracy has grown larger. The idea of future centralized control of the European economy through “long-run strategies for inflation control and exchange-rate management” (a central bank and a common currency) has aroused much scepticism and opposition across the ideological spectrum.

Meanwhile, the now dominant market economy is becoming increasingly dependent upon a widespread public of consumers. A key economic requirement in the new era is ensuring the necessary purchasing power for potential consumers. That involves a fundamental change in basic conceptions because it touches on the issue of equity, or how the Gross Domestic Product should be divided. While equitable distribution of wealth is essential for a healthy market, any government efforts to interfere in the distribution of wealth run into strong opposition from the defenders of private enterprise in a free market. The latter claim that the quest for wealth is what drives private enterprise and creates maximum economic growth. That may be true in part, when the only concern is the size of the Gross Domestic Product. A different picture is revealed when the real distribution of purchasing power proves more important.

The root of the recent economic crisis in some Asian countries, is the chaos brought on by competitive “free enterprise” capitalism that concentrated on the growth of private wealth and neglected social justice. Control of government by private wealth effectively paralyzes the role that government should play in promoting more equitable distribution of wealth, and as we now know the results have been catastrophic. In the years preceding 1996, those same Asian countries experienced extraordinary growth in their Gross Domestic Product and at the same time had the world’s fastest growing number of billionaires, while some 350 million of their people continued to live on less than a dollar a day. Today, after the near-collapse of those economies, they have fewer billionaires and hundreds of millions more who have been reduced to a survival level of existence.

It is a fact that competitive capitalism increases disparities and aggravates social discontent. According to the UN’s *Human Development Report 1996*, more than half of the world’s population live on less than two dollars a day, and the problem is getting worse with expansion of the global market. During the years 1980-1993, 20 percent of the population at the bottom of the scale saw their share of the global economy reduced from 2.3 percent to 1.4 percent, while the 20 percent at the top saw their share grow from 70 percent to 80 percent. A look backward in history can help to illustrate the underlying problem, and where we have to go from here.

### **The need for government intervention**

By the middle of the nineteenth century, England had become the leading industrial nation in the world. Economic policy was based on unrestricted free enterprise governed by the profit motive. When Moses Hess visited England in 1842, he found the workers in the factories and mills living in extreme poverty



under deplorable conditions of exploitation by the capitalist entrepreneurs, who were amassing fortunes. Hess reported his observations in an article published in the *Rheinische Zeitung* (June 26, 1842), a newspaper then edited by Karl Marx. His message was that the same social injustice would prevail in Germany and France if unrestrained capitalism would be allowed to develop in those countries as it had been in England.

Hess continued that line of criticism the next year in an important essay, "Philosophie der Tat", which appeared in a Swiss periodical, *Einundzwanzig Bogen aus der Schweiz*. It is one of the earliest attempts at a philosophical analysis of competition and conflicting interests. In it, Hess compared the lonely freedom of liberal individualism with the moral freedom of social togetherness, and concluded that liberal freedom is an illusion for only the moral man who lives in community is truly free.

That view was brought into focus in the *Communist Manifesto*, published in 1848. In later years, Engels summarized the essential message of the *Manifesto* in two sentences: (1) whoever controls the economy also controls the state and the society; (2) that situation creates a war of conflicting interests between social classes that can be ended only when control of the economy is in the hands of the general public.

For the next one hundred years, nationalization of the economy was a powerful political program and was widely supported by two very different groups. One group saw in public ownership the means for abolishing the conflict between capitalist employers and exploited workers. That group experimented with forms of decentralized group ownership and self-management, with notable results in syndicalism and cooperatives. There was initial success in the course of the Russian revolution, where the idea of soviets or workers' and local government councils aroused much enthusiasm. Their growth was thwarted by the Bolshevik seizure of power and reversal of policy in favor of extreme centralization of political and economic power.

The "Cold War" focused its propaganda on the contrast between a free market economy and a Bolshevik economy. Many in the world found it difficult to support either of the two extreme positions. Free market ideology was used to justify increasingly unjust distribution of wealth in the world, while the ideology of a centralized economy was exploited to gain dictatorial control of the state and its accompanying injustices. A middle position was taken by moderate socialism, which had more success in correcting some excesses of capitalism than in promoting forms of self-management and cooperatives. Collapse of the Soviet Union changed the paradigm. Those traditionally in favor of self-management and cooperatives have been regrouping under the flag of communitarianism, with some strange results.

The basic contradiction pointed out by Hess has not gone away, but names have been changed. It is now suggested that there are two different kinds of capitalism,

individual capitalism that has dominated Anglo-American economic policies, and communal capitalism that has dominated economic development in central Europe and Japan. The basic differences arise out of their respective cultural backgrounds. Freedom of the individual is a deeply rooted value in the Anglo-American culture, while communal responsibility is just as strongly embedded in the cultures of Europe and Japan.

Globalization is now weakening the differences between the two kinds of capitalism and cultivating a synthesis, just as it is influencing the development of a single cultural background. Some of the major American corporations have adopted Japanese holistic models that see the workplace as a community of workers of all ranks. Unions have come out openly in support of the idea that a corporation is based on mutual interests of employers and employees, rather than on a conflict of interests, and union representatives increasingly have a recognized place on the board of directors, an arrangement long practiced in Germany. Expansion of the global market has added impetus to the trends toward unification, standardization and stability. More recently, transparency and accountability have been added to the list. As those trends gain momentum, a new school of thought is emerging under the general name of “communitarian economics”. It claims to have the right message in an era of globalization.

The communitarian approach to economics arouses memories of the guilds that dominated Europe’s economy in the middle ages. They had extraordinary success in using consensual means to combine high moral standards, qualitative workmanship and stable market conditions. In the end, the guilds of central Europe were virtually annihilated by the radical changes resulting from the Industrial Revolution and the sudden eruption of aggressively competitive capitalism, with which they were unable to cope. Today, as the expanding world market moves in the direction of synthesis between competition and consensualism, the unique experience of the guilds again becomes relevant.

Kibbutzim belong generically to the class of guilds. They are a contemporary example of consensual self-management and cooperation on a relatively large scale. Recent changes have brought them into confrontation with competitive capitalism. In order to avoid the fatal example of the guilds, the kibbutzim are deeply involved in the pursuit of a synthesis between their commitment to communal values, and their need to integrate into a global market dominated by a different value system. Their experience also is relevant to current economic discussion.

## Guilds

The experience of European guilds strongly influenced German social scientists during and after the Industrial Revolution as they worked out various theories of social economics (*Volkswirtschaft*) intended to guide the development of German capitalism in conformity with the traditional communal character of the culture. They

saw in the guilds a model to be emulated, and particularly with regard to the high moral standards that characterized the guilds in sharp contrast to the “cash nexus” that characterized Anglo-American liberal capitalism based solely on economic interests.

Guilds in all places and at all times have made a strong contribution toward building consensual economics. There is a continuous history of guilds from the ancient cultures of Babylonia and Palestine to the present time. Throughout the generations, specialists in various crafts and services tended to group together, usually sharing the same streets and neighborhoods. There are numerous references to such groups in the Bible. Since the physical and social conditions of such geographical grouping encouraged a high rate of intermarriage, and in any event the special skills were passed on from fathers to sons, the inevitable result was that specific professional groups also tended to be kinship groups or extended families. Such guilds have been a part of every major civilization in the world (Thrupp, 1963).

In general, guilds have been formed in urban societies that emerged as trading centers. In central Europe, guild merchants purchased and distributed agricultural produce on an increasingly broad scale as regional and world trading patterns emerged. Guild craftsmen provided a wide variety of essential goods and services. The focal point of guild economy was widespread cooperation and integration between all parties in the market for the common good on the basis of shared interests, with absolute opposition to any kind of competition. In effect, the guild system permitted the development of a market economy at a time when the political and judicial conditions of the time did not enable enforcement of contracts. The guilds created a system of moral enforcement that proved very successful and facilitated market activities far beyond local areas, with the Hansa League leading the way in international trading.

The system encouraged cooperation among members of all guilds in all places based on equitable sharing of the market in order to provide a livelihood for all. From that point of view, the guilds predicated a distributive economy based on pooling of resources in the form of market potential. In addition to ensuring a fair division of the potential market among their members, guilds worked to preserve and enhance the joint market by setting clear standards of quality in production along with honesty in commercial dealings. They had their own inspectors who made sure those standards were maintained, and if not, sanctions were imposed. Standards were also set for the fair, though limited, employment of apprentices and journeymen. Not least important, there were extensive provisions for social security, with special emphasis on protective support for widows of members and their children.

Even when changing political or economic conditions forced guild members to leave their urban homes and move elsewhere in search of better opportunities in newly developing trading centers, the essential bond of brotherhood between those belonging to a common calling, whether craftsman, merchant or provider of some

service, resulted in a prevalent tendency to form cooperative arrangements. Guild members everywhere tended to live in proximity, maintain close social relations, help one another in their occupations, and to govern themselves through democratic procedures of self-management with an enduring sense of brotherhood.

In the world-view that inspired the guilds, the group was regarded as an organic whole or a living social body, and not merely an association of individuals held together by a network of common ideas and interests. Social justice was embedded in the shared way of life of the community and gave it an inner harmony. The formation was holistic and based on the premise that the whole is more than the sum of its parts. Georg Simmel gave a concise and accurate description when he wrote, "The medieval guild included the entire person, a weavers' guild was not an association of individuals that only pursued the mere interests of weaving. Instead, it was a *living community* in occupational, social, religious, political and many other respects" (Simmel, 1991:18). The same could be said of guilds everywhere in the world.

The Industrial Revolution brought about a radical change. New means and methods of production were introduced that made the culture of crafts obsolete. Trading gave way to marketing, and the profit motive made the notion of a moral calling obsolete. Guilds proved unable to meet the challenge of the new era in industrial economies. The competitive market economy that grew out of the Industrial Revolution encouraged the formation of private interests, and when they became stronger than group interests the guilds dissolved. The process has been repeated over and over in various cultural contexts, though often using different names and different situations. Social scientists have found similar processes at work among African tribes, Indian castes, desert nomads and many other instances wherever market capitalism has introduced a deadening monetarism into the arteries of the living community. The dominant result has been the dissolution of inner communal harmony and ascendancy of private interests at the expense of shared interests.

By introducing mass production and the widespread use of wage labor, the Industrial Revolution shifted the emphasis from personal qualitative production to mechanical quantitative production, from the group to the individual, and from cooperation to competition. Guilds of craftsmen and merchants lost their ability to regulate the market when they could not compete with industrially produced goods that lowered prices and at the same time made irrelevant the moral fabric that had previously prevailed in trading relations. They also lost the power of economic sanctions when the individual became free to choose between alternative sources of wage-income. The old notions of personal responsibility for quality, as well as for a just price, lost their validity. Profitability became the dominant market motive, with prices subordinated to that end. The whole system of production and marketing changed as the new system of merchandising emerged. The struggle for profit

destroyed the ethical foundation that had held guild members together and allowed harmonious cooperation between the various guilds within a shared market, carefully regulated by a keen sense of qualitative standards and social justice.

Guild members did not appreciate the depth of the changes taking place as a result of the Industrial Revolution, nor did they understand the dangers facing them. They did not take appropriate steps to accommodate themselves to the new market conditions. As a result, they vanished and were replaced by factories, wage labor, and businessmen. Latter-day attempts at compromise through syndicalism or guild socialism proved ineffective. But, as Anthony Black (Black, 1984) has shown, the guilds left after them a legacy of memories that could not be erased. The concrete example of a living community concerned with quality in products and services, fair prices and social justice remained a lost utopia as the industrial market took its toll on human relations and on the values that seemed to have been actualized so well in the guilds. Out of that background has come some of the best of modern European social criticism, led by Gierke, Marx, Toennies, Durkheim and Weber.

## **Kibbutzim**

Kibbutzim, formed early in the 20th century in then Palestine, were built by young men and women motivated by two major objectives. One objective was to build up what was at that time a very underdeveloped country in order to create the conditions for massive return of Jews to their traditional homeland. The other objective was to create a more just society than the one they had known in the land of their birth, based on a morally just economy. A Zionist version of agrarian romanticism convinced them that a true return to the traditional homeland meant a literal return to the land through forming an organic partnership with it by cultivating it. Most early kibbutz members came from a central and eastern European background that was strongly influenced by communal culture, though in their time the basic ideas and values were expressed in a mixture of ideologies associated with Marxism, anarcho-communism, utopian socialism and elements of traditional Jewish community. They wanted to build a society based on labor as a calling with its own value, mutual help and equitable sharing.

Steps were taken at an early stage to protect the kibbutz members as individuals and the kibbutzim as collectives from harmful contact with the capitalist market. A comprehensive network of cooperatives was organized for regulated marketing of all agricultural produce, thereby minimizing the danger of competition and profiteering. Those cooperatives were integrated into a corporatist structure of marketing boards responsible for planning production, as well as for maintaining agreed levels of quality, pricing and packaging. In that sense, they assumed some of the regulatory functions previously performed by guilds.

At the same time, purchasing cooperatives were formed to pool the purchasing power of the kibbutzim and their members in order to obtain maximum advantage

from the shared use of resources. For a long time almost all of the requirements of an individual kibbutz, from seeds to food supplies and tractors, were obtained through those purchasing cooperatives. Among other consequences, the marketing and purchasing cooperatives were highly successful in insulating most kibbutz members from direct contact with markets and from market influence.

However, as the economic level of the kibbutz advanced in both production and consumption, requirements became more and more diversified and could not be met within the framework of existing cooperatives. Rapid industrialization from the late 1960s was not matched by formation of comparable marketing cooperatives for industrial products, as had been done successfully for agricultural produce. By that time, a younger leadership had taken over in individual kibbutzim and in the kibbutz movement as a whole, with a marked lessening of enthusiasm for both agrarian romanticism and for cooperative procedures. At the same time, the Israeli national economy went through a rapid process of "adjustment" to liberal capitalism. One result was a rise in the influence of competitive economics within kibbutzim (Maron, 1994).

Younger kibbutz managers accepted that situation without much resistance, and even with enthusiasm, but following it in practice turned out to be another matter. The integrated social structure of the kibbutz requires consensus and team-work, while the surrounding market economy encourages individual decision-making within an hierarchical framework under the pressure of competitive conditions. The two do not converge easily, and the result often is frustration as well as inefficiency. The social structure of the kibbutz changes more slowly than the economic structure, and the resulting gap gives rise to a number of problems. Many of those problems, though, have arisen out of hasty attempts to adapt American practices when the Japanese and central European patterns are more appropriate. Eventually, a suitable blend of communal capitalism could allow the kibbutz economy, strongly based on self-management and consensus, to find its place within a communitarian Israeli economy and could exert significant formative influence on it.

### **Communitarian economics has the advantage**

At first, the sudden collapse of the Soviet Union gave the dominant American ideology of free enterprise enormously favorable publicity as the unbeatable basis for the emerging global market. Russia and other countries of eastern Europe embarked on crash programs for deregulation in order to allow market forces to create economic miracles. It didn't take long for the results have shown that the mystical belief in market forces is a very unsound basis for economic policy.

The fact of the matter is that no responsible government, and certainly not that of the United States of America, is prepared to tolerate a truly free market. The result would be economic anarchy and a kind of economic Darwinism, with the stronger exploiting the weaker, leading to eventual collapse of the system. In the absence of

a strong judicial system, and without the moral constraints developed so successfully by the European guilds, markets would shrink rapidly to local economies. As the Russians learned to their discomfort, a strong system of law and order is an essential prerequisite for a successful market economy, and that means qualitatively strong government without reference to size.

Establishment of regional economic blocs, effectively controlled by banks and transnationals, has weakened national governments who now give priority to providing infrastructure services for the economic blocs. As governments become weaker, voluntary NGO's multiply and become stronger. Those communal organizations work for the benefit of general or sectoral interests not adequately cared for by central or local governments. The extraordinary growth of communal organization for defense of the environment virtually throughout the world, is an exceptional example of response by "civil society" to governmental inadequacy. There are many other examples, at all levels.

The most outstanding change taking place is in the formation of a new class within the emerging global market. It is a class of consumerism with a shared "community of interests", strongly reinforced by the network of global communications. The global market of today is more dependent upon that worldwide class of consumers than the old national economy ever was on the class of workers. A strike by consumers against a particular product or producer is potentially more penalizing than any industrial strike ever was. Striking workers jeopardize their own source of livelihood, while striking consumers have nothing to lose if an undesirable producer goes bankrupt.

In the global market of today, employers and employees have a shared interest in satisfying the consumer. That awareness encourages a consensual approach that has been changing labor relations. In the new formation of interests, workers and management are more often united in their mutual concern to protect profits and job security than in conflict. Their success depends increasingly upon favorable public opinion. As a result, the community of interests binding producers and consumers is no longer confined to profits and prices. It now includes such "extras" as protection of the environment, non-use of child labor, re-cyclicable raw materials, etc. They are an essential part of the communal or communitarian economics now proving more realistic than individualist or competitive economics.

The history of European guilds shows that they reached their greatest success when they served the public interest by providing a morally controlled market. Their decline began even before the Industrial Revolution, when competition between sectoral interests began to infiltrate the system. A major problem emerged in conflict of interests between established masters and younger men who wished to enter the field. The guilds wanted to limit the number of young men entering apprenticeship as part of their overall policy of controlling the market. Priority was given to the sons of

masters, and that contributed to social inequality. The surplus of supply over demand in the labor market led to poorer working conditions and to friction between masters and journeymen that weakened guild solidarity (Epstein, 1991).

Today, hired labor in kibbutzim is proving an increasingly serious threat to their communal solidarity. The issue exposes a basic difficulty in communitarian economics. Competitive capitalism presupposes a labor market based on a public of self-interested workers prepared to move around according to material incentives. In contrast, communal economics presupposes a community of workers attached to a specific "territory" and generally unwilling to leave it except for unusual material incentives, if at all. The public pursuit of individual interests gives rise to social mobility that fragments communal solidarity, with all the consequent social afflictions of alienation and loneliness that have been so widely researched in industrial societies. Bureaucratic systems of social welfare have proven to be inferior substitutes for communal care by relatives and neighbors. The harsh reality lying behind that generalization has been a major force in advancing contemporary communitarianism to the strong position in public opinion that it now holds. As Etzioni has pointed out (Etzioni, 1988), the economic and social spheres are completely interrelated and interdependent.

A recent analysis of the issue in kibbutzim (Lichtenstein, 1997) makes an important contribution to understanding communitarian economics. Basically, the kibbutz has been structured spatially like the craft guilds. Home and work have been within the same place, and that interrelationship has strengthened communal solidarity, with social values more important than material incentives. However, as kibbutz industries increase their participation in the world market, the local supply of labor proves inadequate and the number of hired workers increases. At the same time a growing number of kibbutz members prefer to work outside for the sake of advancement in their chosen professions. The challenge then facing the kibbutz is to change the structure of production in such a way that the spatial division of labor continues to dominate over the social division of labor.

Rural communities everywhere are faced with the same challenge. Either they ensure that home and work remain within the same shared communal space, or they may find their population depleted by migration to industrial centers. The solution proposed by Lichtenstein is a network of cooperatives and partnerships that continue to bind the place of work with the home. Decentralization of production is the preferred method, since it gives maximum preference to the spatial division of labor, although that becomes increasingly difficult under conditions of globalization. He cites two instances where that method has succeeded in two of the largest and most successful of kibbutz industries. The extent to which that example can be followed in other kinds of rural communities, is still to be researched.



## Between interests and values

Although certain historical conflicts of interest remain, the world enters the 21st century in a new socio-economic paradigm that favors synthesis rather than extremism. Communitarianism and individualism cannot be classified according to the facile and outmoded division between socialism and capitalism or between left and right. Liberalism introduced the importance of private rights into the economic arena and thereby provided an ideological basis for competitive capitalism. Communitarianism argues that the emphasis on rights has been excessive and has to be balanced by greater emphasis on duties. It calls for a parallel shift in emphasis from means to ends, and also from concern with creating wealth to concern with the quality of life and the purpose of economic growth. As one communitarian economist has put it, "Communitarian economics insists that economic policies depend critically on the common purposes to be achieved. These common purposes must be founded on the core values of the citizens of the community" (Garfinkle, 1997:1).

The revolution in communications, which has given us both the global village and the global market, has also created a situation of mutual dependency. Under the new conditions, there must be a balanced fusion between rights and duties, as also between private and public interests. A useful example is found in the Talmud. It describes a group of people sailing in a small boat. One of them takes out a drill and begins to drill a hole in the floor under his seat. When other passengers protest that he is going to cause the boat to sink, he replies that he is only drilling under his own seat. A proper respect for social values in economics is essential in order to ensure that the whole economy remains afloat.

World bodies, such as the International Monetary Fund, have developed advanced techniques for the gathering and publication of data about economic growth, primarily based on the concepts of National Accounts and Gross Domestic Product that do not distinguish between the contributions of billionaire entrepreneurs and workers living at subsistence level. More recently, communitarian pressures have forced parallel concern with human development based on accepted indicators for the quality of life, such as are found in the UN's *Human Development Report* quoted above. But there is still far too much emphasis on bare monetary and fiscal data, as though the economy has an existence of its own apart from the social body that carries it.

Increased support for the community has by no means eliminated the old antagonisms related to rights and interests. While the polarization between "the lonely freedom of liberal individualism" and "the moral freedom of social togetherness" turns out to be not as clear-cut as Moses Hess thought, it is still very much at the heart of the problem. Even within the communitarian movement, there is lively debate about the relative weights of individual freedom and moral restraints required for group cohesion. Today, communitarians argue for more individual

freedom in China at the same time that they call for more community in America (Etzioni, 1996). On the whole, though, there seems to be growing agreement in the world that the problems in all fields can be dealt with better by dialog and consensus than by competition and the use of force.

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