

Not only the social aspects of creeping societal changes

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Abstract— This paper examines possible changes that the society expects in the near future. The changes are mainly in the economic and social spheres of our society. The article in its introductory passages and chapters outlines possible causes of society-wide transformation that it sees largely in the unrestricted application of neoliberal approaches intensified in the last 20-25 years in Europe, which undoubtedly leads to reducing the role of the strong state and a considerable asymmetry of the public and the private sectors, which certainly carries some potential risks. The article, however, attempts to present other ambitions as well - in the context of not only social, but also philosophical and ethical, point out deeper causes of the current much discussed and intractable imbalance.

Keywords—Globalization, Public Sector, Concentration of Power, Transformation of Thinking and Society - The way from crisis, Balance.

I. INTRODUCTION

THE beginning of the 21st century, the time in which we live, is accompanied by a series of social changes as well as concerns and fears. Their efforts to name can often be heard in the news and read in the headlines. Some visions and predictions of our society, whether we understand it as the whole Euro-Atlantic civilization or just our Czech society, are often alarming - titles such as self-destructive system, twilight of the West, destruction of the middle class, life on debt, etc. Even renowned economists often speak of the need for change and transformation of the entire economic system.

II. CONCENTRATION OF POWER

It is an obvious fact that the economic power is now concentrated in the hands of powerful multinational companies. The annual turnover of the 200 largest multinational giants surpasses almost all national economies in the world without some of the biggest. The richest families of the world would be able to pay the debt of the Czech Republic almost 1400 times and still have a few billions left over for personal consumption. Globalization, its evolution and development leads in fact to the redistribution of power from the public to the private sector, from national governments to

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large financial groups. However, the voices drawing attention to it and protesting against this process tend to grow increasingly. What is this trend changing in the society? Countries are trying to attract foreign investors with a system of special incentives. As the phenomenon has spread and keeps on spreading further to less and less developed countries, however, rules were created leading to using the state by individuals or pressure groups. The public sector is becoming the centre of lobbying and corruption and we are necessarily witnessing its loses and narrowing of its options. At the same time, capital behaves, of course, rather ruthlessly.

According to Z. Bauman, the situation is similar to the age of medieval rulers; only on a hierarchically higher and more sophisticated level, while less transparent. While owners of manors and estates in the past did not care about people, they cared about their land that was obviously part of the inheritance. Today, *the real rulers of the world* do not care even about it. In case of advantaged conditions, the production is moved sometimes even with the managers themselves elsewhere. Usually, more and more to the east; and even if China ceases to be disadvantageous, there are other countries - such as India, a number of African countries, etc. where the cost of wages and security personnel are minimal indeed. The local population has often nothing left but an abandoned space, degraded land and people without work. And thus in many countries the attempt to create attractive conditions for capital gets precedence over more humane objectives, which, however, must wait – social sphere, environment, education, health care...

Deregulation, as the flagship of neoliberal economics and politics, has undoubtedly become the right hand of this development. The state surrenders a number of decision-making powers, which reduces its influence in the redistribution of resources and shifts a wide range of competences directly to individual players of the private sector. This is achieved gradually in several ways – by institutional deregulation - i.e. - limiting the powers of the public sector authorities, privatization of large state-controlled enterprises, healthcare, education, municipal housing, social services and the liberalization of prices, rents ...

This decentralization from the public sector to the market was probably, at some time, in some respects, justifiable, but with the further development of the globalized world it carries many dangers. The state becomes a weak servant of strong masters. Particularly the state of our size, our importance, our development... The society is often absolutely helpless against the privatization of profits as well as socialization of costs and economic while the political power is shifting into spheres

often completely opaque to it and completely getting out of democratic control. Is there a meaningful way out of this development? I am afraid *nobody knows...*

III. THE CURRENT CRISIS – CAUSES, CONSEQUENCES

The public therefore legitimately asks: where are the causes of the crisis and how it can be overcome with the least possible losses.

M. Potůček sees mainly two important facts that contributed to the current financial and economic crisis [10]:

- 1) Articulated interests of financial capital, favouring the neoliberal ideology, which has successfully asserted themselves in the arenas of political decision-making.
- 2) Incompetence of social sciences in exploring the nature of the contemporary stage of the development of human civilization.

He adds:

"Behind the success of the neo-liberal interpretation of the problems of modern civilization we need to see massive and articulated economic interests of the global financial capital. With investments of considerable resources, they were applied to both direct and indirect support of the academic and political circles that applied these concepts in the preparation, justification and implementation of reforms of the (de)regulation of the economy and the dismantling of the welfare state" [10].

Some economists had already warned of the dangers of this development – however, they were a significant minority and the reality remained almost unaffected by them.

Some authors have also pointed to a dangerous shift in relations between the public and private sectors. The state gradually surrendered a number of decision-making powers it gained in market economies after the Second World War. This process can therefore be basically summarized in three areas:

- 1) Institutional deregulation, i.e. reduction of the controlling and decision-making powers of the public sector.
- 2) Privatization, which is applied to large state-controlled enterprises, municipal housing, health care, education, social and other services.
- 3) Completion of the full price liberalization, for example through the deregulation of rents in the housing sector.

The policy of deregulation is thus often referred to as the decentralization from the public sector to the market [7].

In connection with deregulation, Keller writes that as a result of that the minimal chance of democratic control is disappearing as deregulated activities are moving into the realms completely opaque to the public [9].

While the professional circles had most likely known about the crisis, it came to the public virtually suddenly and without warning - both for the American public as well as for an ordinary Czech citizen who had enjoyed the market for nearly twenty years, most probably comparing it in the media, the public and personal life with the period before 1989. Of course, due to our previous experience, no one dared to criticize the capitalist system or even question it, without having earned the suspicion of being enthusiastic about communism. However, in the countries to the west of the

Czech Republic, it is a common practice for intellectuals. For example, according to currently the most cited intellectual in the world, Noam Chomsky: "... what is called "capitalism" is basically a system of corporate mercantilism, with huge and largely unaccountable private tyrannies exercising vast control over the economy, political systems, and social and cultural life" [5]. Chomsky openly points out that the societal system even in democratic countries basically works on the basis: 20% of the population makes decisions, 80% are demanded to somehow carry out orders. Approximately 80% of the population of the United States believes that the country is controlled by a few large interest groups looking out for themselves, meaning for the corporations and not the people [6].

No one can basically say that the society simply really works this way, but the system as it now exists must necessarily pass through the crisis – it is the system itself what generates the crisis. However, it should be mentioned in particular that N. Chomsky sees the current trend as a great hope for the whole society in realizing humanity and appeal to human rights and genuine meaningful democracy. The question is which way this development will go - economic, political, social...

IV. FEARED POVERTY EVEN IN THE CZECH REPUBLIC

The social polarization also occurs in all European (and not only European) countries. The erosion of the middle class does not even avoid economically strong countries such as Germany. The German Institute for Economic Research states that in the first decade of the 21st century more than five million Germans left the middle class, 90% of which came down to lower and lowest classes. Also increasing is the number of people at risk of poverty and these trends are increasing. Similar visions are predicted by the consulting firm for entrepreneurs McKinsey, which in 2008 observed a strong social decline deepening since 1990s. If the industrial remains the same as it is now, it expects in 2020 a further up to 30% decline of the middle class downwards; however, to avoid a strong social depression, Germany would need at least 3% economic growth (however, the country last experienced it before the expansion of the global capital – in 1980s).

In the Czech Republic in 2011, there were (according to the Czech Statistical Office) less than 10% of people at risk of poverty (monthly income of less than CZK 10 thousand). In our, as compared with others, relatively egalitarian society it is thus about one million inhabitants. In comparison with other countries, e.g. with the mentioned Germany, where the poverty was at 15.6% level, or with the total average of the European Union (the poverty affects 16.4%), our results do not seem to be so tragic. The real situation in the society, however, is usually just a bit more complicated and requires more rigorous interpretation. The Czech Helsinki Committee, for example, points out that also a substantial number of people from "above" are coming to the poverty threshold; in other words their income is just above the level of CZK 10 thousand. About 1.7 million people have their income of less than CZK 11 thousand, which accounts for 16.6% of the population. And this number is certainly not negligible; especially since it

contains another dangerous phenomenon - and that is the feminization of poverty. the official percentage of 9.8% of people affected by poverty in the Czech Republic in 2011 – consisted of 10.7% of women; the percentage of men is still slightly lower - 8.9%.

In connection with the issue of poverty, however, a more dangerous element emerges in the system and that is the poverty "business", which fully surfaces e.g. in northern Bohemia, and behind which, among other phenomena, without a doubt there also is the absence of low-cost social housing, small apartments, etc. The Czech Helsinki Committee also point outs the lack of reception centres or shelters - especially for single mothers at risk of poverty, domestic violence, etc.

V. EXTERMINATION, TWILIGHT OR JUST SPLITTING OF THE MIDDLE CLASS

With all the attributes we encounter in the context of the financial and economic crisis, we cannot either forget the dreaded crisis of the middle class and, in this context, the crisis of the welfare state. Nevertheless, we live in a time when demand for securing is growing and the population considers a certain standard to be matter-of-course, while on the other hand, paradoxically, the chances to fully meet it significantly decreases. The population is becoming increasingly socially vulnerable and resources of the state are yet increasingly limited.

According to Professor Keller, globalization causes significant and largely negative transformation of the middle class. Possible expectations can be summarized in several points:

- 1) The middle class will not survive globalization.
- 2) Globalization will rid the middle class of all the major functions (especially know-how).
- 3) There will be university graduates of the type A and B (there will be more women in the university-educated population of type B).
- 4) The so called proletariat of services will take place of workers.

This development thus holds many dangers and risks specifically associated with the further development of the middle class. Their main task during prosperous times was traditionally to stabilize democracy; the so called *American dream*, or we even the *Czech dream* if you like was based on their rise. It is, simply put, the main pillar on which the company leans (if not directly standing on it).

Horst Afsheldt (2003) determined the development of the social structure of the German society as follows: (the diagnosis can certainly be generalized for a wide range of other advanced countries) An ever faster growing rich relatively small upper class. Under it there is a middle class, which initially benefited fairly well, but now it profits less and less, and at the very bottom there is a lower class, which does not benefit from the growth at all, and whose lowest parts sink to the bottom increasingly faster.

Just a few years after Afsheldt expressed this idea, an economic recession comes and concerns about the stratification of the society into the type of *hourglass* social

structure are increasingly topical. Keller describes further social development as follows [8]:

- 1) Socially excluded - These layers are facing reductions of public welfare. Care will be provided increasingly by private organizations; a kind of *market with the social* will emerge.
- 2) Lower classes – the lower classes need to prepare for life in uncertainty; they will be vulnerable to unemployment; their social security will be removed step by step. The whole category will be under pressure from lower wages of workers from poorer countries.
- 3) Lower middle classes - lower middle-class aspirations to rise to full-fledged middle class was the most significant. They were the bridge between the successful and those who strived for success. Their growth was linked, probably strongest, with the development of the welfare state that improved their standard of living. The collapse of the welfare state will probably take them down; but they will also be forced to pay increasingly more for their health care, retirement security, their children's education, etc. The chance to advance to higher levels of social stratification will be weak; they are rather most likely to expect further descent.
- 4) Upper middle classes – the upper middle classes consists mainly of the managers and intellectual professions category. These layers are still less affected, but their situation may become severe. They may not be somehow dependent on social benefits or services, but increases in the cost of education, illness, retirement, etc. will affect them too. Furthermore, job security is reduced. The intellectual professions will depend on the ability to adapt to the role of *entrepreneurs* into which they are pushed and that does not suit everyone.
- 5) Elite – the elite, which controls large estates, flows of finance, knowledge and information, is practically not affected by the crisis.

This raises the question of further development. After all, the political system is based, among other things, on a balance between the economy sector and the social sector. What happens if the balance is significantly compromised? I do not dare to predict...

VI. THE TIME OF PERFORMANCE AND DEHUMANIZATION

Concomitants that move the current society-wide events are: loss of security, thinning of the middle class, society-wide frustration, social tension, upsurge of extremism, unemployment, wage labour, fear of the future, fear of old age...

In the challenging reality of the contemporary life and society, people and their basic human needs are often deformed. Especially in the older and middle age when the life force has been partially used and the need for certainty and stability is more pronounced. In every, and in the young age in particular, there is a pronounced need for real values, friendship and love. No objective observer of our society probably may doubt that these values are in fact rare events

and are often replaced by other forms of *pseudo-love* and *pseudo-friendship*. I agree with the ideas of E. Fromm [4] that the market and the pervasive power of money even determine the character of these core values. The society in which we live is very egotistic. Egotism seems to be constructive, bringing maximum benefit to its bearer, while love is often destructive. At least, that is how the matter is viewed in terms of market society. Work, actually any work today, requires full commitment and only a perfect performance that brings money is assessed. Perfect performance without this value is completely worthless.

People are often perceived as biological machines, beings without emotional aspects and spiritual basis. The consequences are a sad testament to our soulless world drifting with competition and aggression. People are alienated from themselves, often frustrated, driven forward by a ruthless force. They have turned not only into machines but also in goods and their life energy has become an investment which if they waste it in their youth, at the time of strength, either because of severe living conditions or their own ignorance, their chances of good survival are significantly reduced. So far, this is significant for both the capitalist societies of Western Europe of the late 20th century and the global capitalism. The difference is in the degree of frustration, in its intensity and the amount of people who suffer from it. We live in a dehumanized consumer society, where humanity and decency are replaced by pretended obsequious behaviour of the modern proletariat of services and emotional life is replaced by simple-minded TV series and computer games.

Suppose, however, along with Fromm, that real human values such as love, truth, humanity, inner peace ... are the only meaningful answer to the question why live (maybe why die). The fact that they are obscured in people often does not mean they do not exist. My question thus is - how can the society that essentially denies these values continue in the future? All of its alternatives, however, seem to be even worse and denying those values even more. *There is no alternative*. People demonstrating in squares often hear whether it is in Spain, Greece, United States, Czech Republic or elsewhere ... in the words of philosopher Slavoj Žižek- *socialism has failed; capitalism is collapsing* ... It may be a very strong simplification, but we are basically daily confronted with a certain amount of veracity of this diagnosis. In the contemporary society there is considerable social tension and frustration. People lose confidence, are concerned about the future, they are pessimistic about the development in our country. In the global economy, it seems, only big players have a considerable chance, whether they are economically strong countries or major financial groups. While delivery of final products or massive complexes is promoted in our country, the question is whether it is realistic. It may only be my scepticism, but it seems to me that our situation is not dissimilar to the situation of a small tradesman trying to compete with a commercial chain. In the words of Václav Bělohradský [2]: "The end of the Cold War was a great opportunity to redefine our priorities. And what is left – a scary bloody junkyard, which is called the Third World".

A society, which allowed to destroy, take or sell its national industry and agriculture, does not produce such a massive *pie*, to which our traditional civilized society is accustomed to - education, health care, social sphere, security lose their nature and the likelihood of further regression is higher rather than lower. The society as a whole feels it, people are afraid and do not want it. Are they to tighten their belts save money, work without rest, not be sick, and be efficient till 70 years...? Can this idea of man as a biological machine work?

VII. CHANGE, EVOLUTION OR SOCIAL AND CULTURAL REGRESSION

I do not intend to write about the crisis either from the economic or moral point of view, it has already been said and written a lot. I do wish, however, to present in this article my simplified view of the complex causes of the current and not only the current crisis. In my opinion, the cause lies in a misunderstanding of the role and task of humans on the planet Earth and prevalence of its expansive nature over solidarity. Let's think about why aggressiveness is increasing at all levels of human life - practically from kindergarten to the aggression of planetary nature...; why the war in *cyberspace* is openly talked about, competition, struggle for markets, global influence are inflected in all cases... without the Internet we might not be able to exist in today's reality...

In any case, I do want to not question the social progress or the need for some form of *struggle* apparently indispensable for the development and existence; but also balance is needed. Even nature can exist in chaos, under natural conditions, nevertheless, balance is typical. I feel that the society is lacking or even losing this balance at all levels and in all dimensions - economic, political, environmental, social... Natural scientists and humanistic scholars often point out dangerous global changes, the need to *change*, the danger of the exploitative nature of human existence. The society is *affected* by old myths about the end of the world. Sure, they are myths, but the course of life is based on them as well. E.g. historian Samuel Arco, dealing with the life of the Maya, emphasizes that the Indians had predicted for this very period of time harsh effects of materialism, alienation of people from spiritual values and efforts to enforce own ego, such as the domination over nature.

Unless consumption in the rich countries and the rapid population growth in poor countries are reduced, present life on the planet will become unsustainable and humanity will be threatened by all sorts of disasters in the coming decades, as scientists from the Royal Society have warned in their report. *This is an absolutely critical period for people and the planet*, commented the head of research and Nobel Prize laureate in Medicine John Sulston on the report People and the Planet, prepared for nearly two years. He pointed out *profound* changes in nature and in human health. According to Sulston [11], however, the future of humanity is in its hands. It is nothing preordained, nothing that happens outside the humankind, it is in our hands, he said, quoting further: If we consider the warnings and recommendations in the report, we can move the world over the next 30-40 years towards a

sustainable economy and ensure a better life to most population. If we fail to do so, we will most likely face a disaster of unprecedented proportions.

So are we not just now on the threshold of necessary changes and transformation of the society in all areas of life? Professor Zelený, for example, talks about the necessary economic transformation of the society, even about overcoming the current economic theories, the development of new technologies, truly environment-friendly. In Germany, some companies are starting to test the so called happy economy where care is taken not only of satisfaction of customers, but also of employees. Changes occur in managerial control towards the human approach of common sense; away from the competitive struggle towards cooperation and mutual solidarity. In the U.S., the modern trend is the so called *nature-therapy* - treatment, although through modern methods, but with the help of natural and spiritual treatment - treatment is tailored to each patient. They are probably all just the first swallows of new approaches, but they are undoubtedly new approaches to the understanding of humans as very complex biological, social, emotional and spiritual beings. It is obvious that it is not possible to keep on following only the path of economic and technological development, competition and expansion while deforming humans only in the direction of these areas.

Majority of people in developed countries, however, has come to the stage of beings emotionally and spiritually at the level of pubescent or, at most, adolescent age, but with technologies and economic possibilities far exceeding the age. The resulting disharmony and imbalance is, in my opinion, one of the major actual causes of the current crises. Even a bigger problem is life in other countries, where the situation is much worse, and their connection with the civilized world makes a literal impression of communicating vessels... due to the size of population it is, however, rather a tragic interconnection... braking the possible healing process in the developed world.

Everyone speaks of transformation today, but no one does actually know in what the society or the system should transform; where there is an alternative to the old ways and paths that do not work anymore or do not work well. We can only hope that this will be the path to a society-wide adulthood rather than return to outdated structures. However, I sceptically fear rather the social and cultural regression and then ... hopefully ... the better in people shall prevail over their negative aspects.

VIII. CONCLUSION

This article tries to perhaps only outline possible potential solutions to the very complex reality of social development in a simplified way. It discusses the transformation of society, which is probably only possible as an inner transformation of each individual. It is because the actual transformation apparently requires an open, the society honest and courageous look into our own heart. Without personal transformation of individuals, apparently neither the society will make the *evolutionary step*. In conclusion, I quote the words from the book by E. Fromm, *The Sane Society* (Page 190, 1955): "If I believe that the cause of the illness is economic, or spiritual, or

intellectual, I necessarily believe that remedying the cause leads to sanity. On the other hand, if I see how the various aspects are interrelated, I shall arrive at the conclusion that sanity and mental health can be attained only by simultaneous changes in the sphere of industrial and political organization, of spiritual and ideological orientation, of character structure, and of cultural activities. The concentration of effort in any of these spheres, to the exclusion or neglect of others, is destructive of all change. In fact, here seems to lie one of the most important obstacles to the progress of mankind" [3].

The crisis can thus essentially be seen as a loss of balance. Therefore, I believe that purification is necessary; rebalancing is, however, equally important and perhaps even more important. If not, the subsequent impact of the crisis may have a dangerous sequel. From an economic, political and social point of view I have in mind even greater concentration of capital, the absence of regulation or, on the contrary, inappropriate aggressive state interventions (both is wrong), huge social differences, even harder and backstabbing political rivalry, rise of extremism, helplessness in dealing with migration or situation of minorities, overall coarsening of the society and renouncement of decency, ethics, thoughtfulness and feelings. And that is a company that reminds of harsh technocratic future of sci-fi movies. Prediction of the future always has an alternative solution. But the causality of events is usually merciless. If the system that generated the crisis will not change from the inside, the problems will come back in some time or others will emerge. Today is the result of yesterday and tomorrow will be how we prepare it today.

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