

DOI: 10.37930/2782-6465-2022-1-3-38-46

Sergey Y. Glaziev

Eurasian Economic Commission (Moscow, Russia)

NOONOMY AS A MANAGING PARADIGM OF THE NEW WORLD ECONOMIC ORDER¹

Abstract: Upon the analysis of the large-scale structural changes taking place in the world, the author predicts two possible scenarios of socio-economic development: the formation of an integral world economic structure with the world economic centers in Southeast Asia (as the most probable) and the transition to a total oligarchic regime under the control of the United States of America, i.e. to an electronic concentration camp (as less likely). It is noted that the formation of a socially just society is one of the most important management problems. The era of the domination of the civilization of money with the threat of being in a post-humanoid state should come to its logical conclusion. The theoretical potential of noonomy makes it possible to model this transition of mankind to a new advanced stage of civilizational development, the motives of which should be focused on achieving non-economic goals based on cooperation, mutual benefit, mutual understanding, respect for national sovereignties, on connection of knowledge and technology with spiritual, moral, cultural and ethical principles and norms.

Keywords: noonomy, world economic order, technological transformation, strategic planning, socially responsible entrepreneurship, global crisis, world hybrid warfare, public welfare.

For citation: Glaziev S.Y. (2022) Noonomy as a Managing Paradigm of the New World Economic Order. *Noonomy and Noosociety. Almanac of Scientific Works of the S.Y. Witte INID*, vol. 1, no. 3, pp. 38–46. DOI: 10.37930/2782-6465-2022-1-3-38-46

格拉济耶夫 S. Y.

欧亚经济委员会 (俄罗斯, 莫斯科)

智慧经济是新型世界经济制度的管理范式

摘要:通过分析世界上正在发生的大规模结构性变化,作者给出了两种可能的社会经济发展情景:形成一体化的世界经济体制,同时东南亚将成为世界经济中心(可能性最大的情景);过渡到美国控制下的全面的寡头管理——“电子集中营”(可能性较小的情景)。

作者指出,建设公平社会是重要的管理课题之一。具有进入“后人类状态”危险的金钱文明统治时代将走向消亡。智慧经济理论能够帮助我们模拟人类过渡到新型文明的发展轨道,发展动力来自于:一方面是对非经济目标的追求,其基础是合作、互利、相互谅解、尊重国家主权;另一方面是精神、文化及道德准则与知识、技术的相适应。

¹ Prepared based on the materials of a speech at the seminar of the S.Y. Witte Institute for New Industrial Development “From the Theory of Noosphere to the Theory of Noonomy”, October 26, 2022.

关键词:智慧经济、世界经济制度、技术转型、战略规划、社会责任型企业经营、全球危机、世界性混合战争、公共福利。

引用注释:格拉济耶夫 S. Y. (2022). 智慧经济是新型世界经济制度的管理范式//智慧经济与智慧社会. 维捷新兴工业发展研究所论文选. vol. 1, no. 3, pp. 38–46. DOI: 10.37930/2782-6465-2022-1-3-38-46

The transition to Noonomy results from an objective regularity that manifests itself in the transition to a New World Economic Order (WEO) and to a new technological order (TO). From the point of view of this theoretical concept of long-term development, Noonomy can be considered a paradigm for the management of socio-economic development under modern conditions. It is obvious that long-term economic development is associated with a constant increase in the role of science, technologies and moral and ethical regulators. However, we are currently approaching a certain limit after which uncertainty prevails.

From the Great geographical discoveries until today, the socio-economic development of the world has followed a spiral: phases of expansion and growth of the world economy alternated with wars and revolutions that led to the emergence of new WEOs that overcame the inertial limits of the old systems of governance. Arrighi [Arrighi, 1994] discovered this pattern by describing the alternation of four century-long systemic cycles of global capital accumulation: Spanish-Genoese, Dutch, English and American, currently being replaced by Asian.

Since the Industrial Revolution in Europe, phases of rapid growth in industrial production have alternated with the Great Depressions and technological revolutions, in the wake of which new TOs emerged that overcame the expansionary limits of the old, technologically linked productions. Kondratiev [Kondratiev, 2002] observed this phenomenon in the form of alternating long waves of economic conjunctures. To date, five technological orders have changed and the sixth mode is emerging, the core of which is a complex of interconnected nano, information and communication, bioengineering, additive and digital technologies.

The theory of long-term economic development as a periodic process of change of technology and WEO explains the essence of the current global crisis and the causes of the global hybrid war [Glaziev, 2016], and also shows possible scenarios for the future development of humanity. The most likely is the transition to an integral WEO with two political poles: communist China and democratic India. The common features of the integral WEO include: subordination of economic regulation to the goal of increasing human welfare, combination of strategic planning and market competition, state control of money circulation and infrastructure sectors with promotion of socially responsible private enterprise. A less likely scenario can be figuratively described as an electronic concentration camp – the formation of a system of global oligarchic rule that controls the reproduction of humanity and gradually replaces it with a posthumanoid civilisation. In each of these scenarios, the economy becomes more and more subordinated to non-economic goals and passes into Noonomy. The choice between these two scenarios is determined more by political-ethical than by economic-technical factors.

The transformation of the technological and institutional management of long-term cycles or epochs, of the systems of organisation of society and economy has been accompanied by two continuous processes. On the one hand, we see the growing role of knowledge. From the First In-

dustrial Revolution until today, scientific and technical progress has become the main productive force, and today we are witnessing the transition to the knowledge economy and the knowledge society.

Most of the investment in advanced industries is in research and development, especially if you look at software and artificial intelligence. The boundary between basic and applied science has become insignificant. Scientists today manipulate the nanoscale. Nanotechnology, bioengineering, cognitive information technologies, which are at the core of the new technological way – everything is actually a knowledge-based economy. That is, we have made such progress that we can produce materials with predetermined properties and breed plants and animals that did not exist before. We have transformed human's relationship with nature in such a way that we not only use the natural elements that are objectively given to us, but we ourselves create a new material reality.

On the other hand, simultaneously with the increasing role of science and knowledge, we are witnessing the process of secularisation, the reduction of the role of religion to scientific atheism in the XX century in our country, the ending of man's attachment to moral norms. This can be well observed in the Western world, where the appearance of these WEOs and the development of economic society, the development of the civilisation of money began with the Protestant revolution, accompanied by a consequent process of de-Christianisation, which is now turning into dehumanisation, into a discussion of the transition to a post-humanoid state of humanity.

It must be said that these tendencies have been gradual. We see that the mercantile-manufacturer order, when Spain colonised the New World and missionaries tried, quite successfully, to introduce Christian values to the Native Americans, was accompanied by the Protestant revolution and the emergence of the civilisation of money, when capital took the place of God. Then there was the colonial WEO of classical capitalism, well described by Marx, which gave us an unprecedented example of the exploitation of man by man, of human trafficking. The European colonial empires called themselves Christian empires, but they treated people like commodities. Indeed, this system could be called slavery if Marx had not assigned it to antiquity. Imperial WEO was accompanied in Russia by a complete rejection of religious norms and religious consciousness; we have gone over to scientific atheism. In the West we have a tendency towards de-Christianisation and dehumanisation, when such a way of thinking is imposed on people that they lose all forms of human identity, starting with nationality and gender attributes, people begin to think themselves free of human value categories. The current transition to a new WEO breaks this trend.

The rapid transition to the new WEO and the formation of a new centre of the world economy in Southeast Asia, where traditional values have been preserved, is accompanied by a restoration of the importance of ethics in the organisation of the economy. State control of economic development is based on traditional moral norms of social consciousness. Liberal globalisation is replaced by the synergy of co-investment that combines the competitive advantages of different national-cultural systems. The centre of this integral WEO has already been formed. Today, more goods are produced in Southeast Asia, including China, India, Japan, Korea and the ASEAN countries, than in the centre of the collapsing imperial WEO that remained after the collapse of the Soviet Union and was represented by the United States and the EU. All predictions say that by 2030, that is, by the end of this decade, the Asian center of capital accumulation or reproduction of the economy will be superior in all parameters, including R&D, artificial intelligence, and tele-

communications systems, to the remaining American center of the outgoing imperial WEO after the collapse of the Soviet Union.

What is fundamentally new about this WEO that reverses these two trends? We are moving into a qualitatively different state of human society, consciousness, and economic organization.

First, the new WEO explicitly reanimates socialist ideology. Not only China, but also Vietnam, other countries of Indochina, including India with its socialist tradition (Jawaharlal Nehru, Gandhi) are the countries that form the core of the new WEO. They all profess socialist values. They not only declare them, but integrate them into the system of management, as we have just seen at the 20th Congress of the Chinese Communist Party.

Traditional spiritual values and cultural traditions are being restored along with socialist ideology. The new WEO, unlike liberal globalisation, is based on the restoration of national sovereignty. The Chinese government's well-known doctrine of «One Belt, One Road» involves neither interference in domestic affairs nor the dismantling of norms of economic regulation. This doctrine is based on cooperation, on playing not with a zero sum, but on working for a synergistic effect when we achieve more together than each separately. Cooperation is based on joint investment, not free trade. In this WEO, we see the state remaining social, democratic, legal and restoring sovereignty. The Chinese model combines strategic planning and market competition, and the state regulates market competition for the benefit of society. We can say that the management system for socio-economic development approaches the principles of Noonomy. All resources in this management system are organised on the basis of the common feature of increasing social welfare. Money becomes an instrument for linking resources. We can see how the Chinese government manages money. China's tenfold growth in the last quarter century has been financed on the basis of credit expansion to increase investment. And credit is created by the state on the basis of the state monopoly on money creation.

The use of money as an instrument of economic development, tying up available resources in the process of expanded reproduction, we know well from the experience of the Soviet Union. But in the management system of the integral WEO we observe the combination of market competition and strategic planning. The state controls the circulation of money, extends credit and restricts private entrepreneurship in such a way that its energy is put at the service of increasing the public good. As a result, China has managed in a very short time to solve problems that for centuries seemed insoluble. The first goal of the century, the eradication of poverty and the building of a society with average prosperity, was achieved, as stated in the minutes of the XX Congress. There is no doubt that subsequent goals will also be achieved, including the transformation of China into a leading scientific and technological power.

Unlike the Soviet Union, where state planning took rather rigid forms and the system was over-bureaucratised, China has managed to avoid stagnation through state-regulated market mechanisms and the creation of conditions for the development of private enterprises for the growth of the common good.

The new goal formulated by the PRC Chairman is to complete the modernisation of socialist society. That is, socialist values will be fully combined with scientific and technological progress, innovation and entrepreneurship. This approach is in line with the principles of Noonomy with the central role of scientific and technical progress.

The CPC is the first international forum for the development of culture and spirituality in the world. The materials of the 20th CPC Congress explicitly speak of the importance of developing

culture and spirituality so that people have more free time and more opportunities for harmonious development. The most important goal is ecology. A seemingly anti-business goal, because the cost of protecting the environment means a deduction from profits. But China has managed to improve the environment in most metropolises, and there is no doubt that this goal will also be achieved.

The transition to a new WEO is, unfortunately, as always, through a global hybrid war [Glaziev, 2016]. We could avoid the trap of a world war if we were guided by Noonomy: the insight that we can manage socio-economic processes with knowledge of the laws of long-term economic development and use them to develop fundamentally new approaches to the organisation of international relations based on cooperation, mutual benefit, mutual understanding, respect for national sovereignties, strict observance of international law and other principles for the formation of the new WEO. If we had united Eurasia on the basis of these approaches, there would have been no war. We should have built an anti-war coalition in Eurasia immediately after the world financial crisis began in 2008, when the American power and financial elite began to increase its aggressiveness to maintain its global domination.

According to the patterns of change in the WEO that have been in place for half a millennium, the US will lose the global hybrid war it has unleashed against Russia and China. In fact, they have already lost a trade war against China by quietly lifting Trump's import tariffs on Chinese products and triggering runaway inflation in their country. In the currency war against Russia, they have sacrificed their most important trump card: the monopoly on world currencies by poisoning not only the dollar but also the euro and the pound. In war, the winner is the one who has a more effective system of government. The winners of the world wars provoked by the leaders of the outgoing WEO were always the core countries of the new WEO. The British provoked the First World War by pitting Russia and Germany against each other as their main rivals in order to preserve their great British Empire. Then they provoked World War II, to retain global hegemony, but lost the empire even though they were among the winners. The same geopolitics is being practised by the USA today, pitting the European Union, of which Germany is the core, against Russia. However, by provoking a world war and bringing almost the entire West under their control, they will lose the war because they have a much less effective management system compared to the countries at the core of the new WEO – China and India.

China's system for managing economic development is fundamentally different from the principles of the Washington Consensus that the US, through the IMF, has imposed on the countries of its periphery. If the Washington financial institutions prohibit lending to the countries dependent on them, the USA itself is a major issuer of unsecured money.

But unlike China, this money is not spent to finance investment in the development of the economy, not to expand capital investment through targeted lending to productive enterprises at low interest rates, but to serve the interests of financial speculators so that the financial oligarchy has the opportunity to make super-profits when the economy is stagnant. If the monetisation of the Chinese economy is accompanied by output growth of 6-7 % per year, the super-monetisation of the Western economies (both American and European) provides almost no economic growth, the money flows into financial «bubbles».

The most important result of the anti-Russian aggression unleashed by Washington D.C. is that today we trade mainly with Asia. While the EU excludes us, we are strengthening our strategic partnership with China, expanding the Shanghai Cooperation Organisation and thus laying

the foundation for a new WEO. On the agenda is the implementation of the Russian President's initiative to create a Greater Eurasian Partnership and the building of a new global invoice currency.

The imperial WEO has basically exhausted itself. Its decline began with the collapse of the USSR, whose leadership wallowed in dogmatism and failed to improve governance through the controlled introduction of market competition mechanisms. Now the Pax Americana is collapsing because the US financial and power elite is unable to rein in its manic desire to maintain super-profits through endless increases in Fed-monetised debt. The US leadership has no attractive ideas to offer the world other than to impose its interests by force and enrich itself at the expense of its partners. Indeed, they have unleashed a global hybrid war to create a world government. We have seen elements of this in the use of the World Health Organisation to manipulate the majority of countries in the wake of pandemics launched by the American intelligence agencies and the introduction of total vaccination of the population with all kinds of social restrictions. They propose an inclusive capitalism that turns out to be self-deception and in reality an electronic concentration camp for most citizens. In the West, the tendency is becoming increasingly clear to end the existence of humanity as a species, to the point of a certain post-humanoid state where people who disagree are to be disposed of. This is clearly demonstrated by the example of Washington-controlled Ukraine, where American agents of influence directly refer to the actions of the Ukrainian army as the «elimination of the surplus population».

The anti-utopia of a world government with total control and disposal of the «surplus» population envisaged by the US power and financial elite is unlikely to be realised. Most likely, the world will move to an integral WEO in which the moral imperatives will be restored. They will be integrated into the system of public administration on a modern technological basis. China already has an automated social credit system in operation. China is solving the problem of moral self-disciplining of society by creating an automatic mechanism that encourages people to behave morally. Morality in the economy and knowledge economy are two sides of the same coin. For the knowledge economy, which is not constrained by moral norms, leads to dehumanisation, to cyborgs, to the rule of artificial intelligence, which is out of control. In Russia, the Russian World People's Council developed a set of moral principles and rules for economic management two decades ago. They are quite complementary to what their Chinese and Indian counterparts declare. However, the question is to what extent we implement these principles.

I. Without forgetting our daily bread, we must remember the spiritual meaning of life. Without forgetting our own good, we must look after the good of others, the good of society and the motherland.

II. Wealth is not an end in itself. It must be useful for the creation of a dignified life for the people.

III. The culture of economic activity and owning up to one's word should help to improve both human and the economy.

IV. Human is not a «machine that works all the time». A person needs time for rest, for spiritual life, for creative development.

V. The state, society and the economy must work together to look after the lives of working people, especially those who cannot earn their own living. The economy is a socially responsible activity.

VI. Work must not kill or cripple people.

VII. Political power and economic power must be separated. The involvement of business in politics and its influence on public opinion must be transparent and open.

VIII. If a person appropriates the property of others, if he neglects the common property, if he does not pay a worker for his work, if he cheats on his partner, he violates the moral law and harms society and himself.

IX. Lies and insults may not be used in competition, nor may vices and instincts be exploited.

X. Respect the institution of property and the right to own and dispose of property. It is immoral to envy one's neighbour's welfare and to take advantage of his property.

The knowledge economy and the moral economy are interlinked. This is because the economy presupposes a value system that directs knowledge into a socially useful vector and not into self-destruction. It is the objectivity of the transition to the new WEO that gives us confidence that Noonomy will take place and evolve. This is an objectively necessary process that should be steered in the right direction in our country.

But we have to admit that our current management system shows no signs of Noonomy. Despite the fact that we are trying to catch up with the world in nanoelectronics, that we are working with bioengineering and trying to develop advanced technologies, our control system in terms of technological sovereignty is not very different from that of a typical peripheral country of the American-centric monetary and financial system. Even a partial mobilisation of the military is not accompanied by a mobilisation of the economy. Capital is flowing out of the country. The central bank is baiting exporters that they will not be able to pay the projected trade surpluses of about \$240 billion. This is in addition to the more than \$300 billion of our foreign exchange reserves seized by the enemy. In other words, this year alone, the monetary authorities are planning to smuggle half a trillion dollars into the West.

With such dysfunctions in the administrative system, we are doomed to occupy a marginal position. Based on the general laws of transition to a new integral WEO, we must eliminate these dysfunctions by introducing clear mechanisms of accountability to society for the results of all branches of power. The government should not be responsible for the execution of the budget but for the growth of the quality and standard of living of the people. Parliament should be responsible for passing laws that are consistent with moral principles and norms and our traditional spiritual values. Gradually, parliamentarians are beginning to understand this.

The courts should not make their decisions «as the prosecution says», but on the basis of the principles of justice and mutual responsibility. We need to move to jury trials because professional judges work like a bureaucratic machine to stamp guilty verdicts. The media should be responsible for truthful reporting, not for increasing their ratings.

Restoring the importance of traditional ethical values and moral norms that govern human behaviour is a distinctive and perhaps crucial element of the new WEO. Asian countries are leading the way in this regard, systematically using moral imperatives in economic regulation. A few years ago, a major conference of the International Confucian Association was held in China, where they summarised the results of two years' work and formulated the core values of the peoples of Asia as follows.

The principles of the traditional core values of the International Confucian Association are:

1. Harmonisation in diversity and unity in harmony and integration.
2. Search for truth in facts and keeping pace with the times.
3. Hard work and thrift, the ability to rely on oneself.

4. Going beyond the particular to serve the common.
5. To apply both virtue and law in administration, just as doctors treat both the root and the symptoms of a disease.
6. To be humane and live in peace with our neighbours.
7. To be sincere and respectful in order to maintain mutual respect and trust.
8. To combine justice with profit and to pursue a win-win strategy.
9. To be open and inclusive and to learn from each other.

Judging by the recent decree of the Russian President, which talks about the importance of restoring moral values¹, we are not far away in this respect. In our state, similar moral imperatives are proclaimed. But the state does not really work as a system integrator and harmoniser that realises these values. The only difference is that the Chinese follow them and we do not. And these values proclaimed in the decree of the Russian president do not correspond to real administrative practise. Most of the programmes and other targeted documents formalised as presidential decrees and resolutions of the Russian government have not been implemented; no one is responsible for their non-implementation. The system of state administration lives autonomously from the goals declared at the political level. For example, the declared goal of monetary policy is the inflation target. In reality, as the empirical results show, the Bank of Russia does not pursue this goal. Judging by the objective results, the real goal of the central bank's activity is to create favourable conditions for the export of capital and the maximisation of profits of international financial speculators. The so-called policy of «inflation targeting» leads in practise to constant waves of inflation because it enables exchange rate manipulation, capital exports, etc.

Another example – under the talk of transitioning to an innovative mode of development, we have for many years been

The only country in the world where the number of scientific personnel is decreasing, we are going down and down in the share of GDP spent on R&D.

We have every opportunity to radically improve the economic situation of the country with the necessary means. There is an understanding in the scientific community of how to ensure macroeconomic stabilisation by relying on the development of scientific and technological progress and utilising existing productive capacity. There is also an understanding of how to build the necessary system of lending and financing. But without the above moral imperatives in the management system, we will not arrive at an integral WEO. Noonomy has an ethical foundation, without which it is impossible to create Noonomy in the public management system.

The mainstream figure of modern economic thought – Homo Economicus – is hopelessly outdated. Following this mainstream economic science, in which Homo Economicus has played the leading role for the last half century, has brought us to a very sad state. We have simplified our system of economics to the most primitive level, expecting that the pursuit of profit and greed will automatically ensure universal prosperity. The reality is that we are falling further and further behind in both economic development and the human development index. Our human potential, which is the most important factor in economic development, is declining both quantitatively and qualitatively in modern times. In terms of scientific and technical potential, where we were at par with the top during the Soviet period, our country has become a dwarf.

¹ Presidential Decree No. 809 of November 09, 2022 “On Approval of the Basic State Policy for the Preservation and Strengthening of Traditional Russian Spiritual and Moral Values”

The state in the integral WEO retains the attributes that humanity had previously fought for. It remains social, democratic, legal, planned economy, but it still has to be just, humane, intelligent, intellectual and so on. The question of designing a fair economic system is the most important management problem today. We must ensure that the system of government conforms to the moral imperatives it proclaims. Without this, we can neither raise living standards nor increase efficiency; capital will continue to flow away. Despite the enormous resources, we will remain in a very poor state and decay.

The secret of success of the Chinese and Indian systems of government is that the values promulgated by the politicians are actually followed every day. People's behaviour is scrutinised on a daily basis for adherence to these values and mechanisms are put in place to hold each individual accountable for their performance and adherence to the traditional Asian core values mentioned above. If we are guided by our traditional spiritual and moral norms and principles, the knowledge economy, Noonomy, will give us an economic miracle. Without moral norms, Noonomy is a pretty picture. But if we combine moral norms based on spiritual tradition with an understanding of how to govern, with knowledge of the patterns of scientific and technological progress, we can achieve an economic miracle.

References

- Arrighi G. (1994). *The Long Twentieth Century: Money, Power and the Origins of our Times*. London: Verso Press. 432 p.
- Kondratiev N. D. (2002). *Long Cycles of Economic Conjuncture and the Theory of Foresight*. Moscow: Ekonomika Publ. 766 p.
- Glaziev S.Y. (2016). *The Last World War. The US Starts and Loses*. Moscow: Knizhniy mir Publ. 520 p.

Information about the author

Sergey Y. Glaziev

Collegium member (Minister) in charge of Integration and Macroeconomics at Eurasian Economic Commission, Academician of the Russian Academy of Sciences, Doctor of Economics, Professor (3-5/1 Smolensky boulevard, Moscow 119121, Russia)

E-mail: sy_glazyev@guu.ru