

## THE WORLD CRISIS AND THE CAT COUNTRY. A REFLECTION ON THE STATE OF WORLD AFFAIRS

JAN CAMPBELL

**Abstract:** Using the example of disintegration of a fictitious Cat Country, a famous Chinese writer and playwright Lao She<sup>1</sup> (Lao She, 1899 - 1966) showed the apathy and decline of China. Some of analogies of the satirical dystopia Cat Country (猫城 published in 1932) are surprisingly clear, contemporary, and even supratemporal proven by historical events<sup>2</sup>. Therefore they can be used in looking for trends of consequences and the bloodless way out of the present crisis in all countries, especially those that have adopted the doctrine of neoliberalism and are at the crossroads. At one such a crossroads three thirsty monks meet having nothing to drink (Sán gé héshang méi shuǐ hé). Or, in other words: in any action involving a few people, nobody wants to take decision; everybody expects others to take it. In our everyday life the situation is similar: we delegate, but hardly anybody wants to be the initiator and responsible. Currently, many in the West look at the Chinese direction and expect some prompts, hints or even advice what to do next and how to get out of the crisis as a winner. Three major civilizations - Euro-Atlantic, Eurasian and Asian, three generations - elderly, middle and young age, three traditions - socialism, capitalism and neoliberalism, all as alien ideologies in comparison with their own traditional culture, meet at the crossroads of history, reading tables to choose the right direction where and how to go further. The paper continues with the comparison of cycles, diagnosis and treatment of the global crisis using example of functions of cells and banks, as presented in the paper for the conference in Donetsk in January 2014.<sup>3</sup> Examples of modern relations between the (Chinese) business and art, the legitimacy of Chinese socialism based on the dynamics of (Chinese) capitalism, and examples of comparing the history of Europe and China for the last 500 years indicate politicians and authorities in the capitalist countries of the world the possibility for how to come out of the crisis. A synthesis and integration of science, education, politics and business and the fundamental elements of the civilization's trinities mentioned above allow conducting a dialog between civilizations during which a more humane societies and world could appear without cat footprints.

**Keywords:** global crisis, Cat country, synthesis, integration, education, traditional values

**JEL Classification:** M21

### THE MODERN WORLD

Three major civilizations, Euro-Atlantic, Eurasian and Asian represent among others three kinds of dynamics. The dynamics of the first civilization (represented by Europe and the USA) can be estimated as low and chaotic. The dynamics of the second (represented by Russia) is higher than the first one and it is for the Euro-Atlantic elites unpredictable. The dynamics of the third civilization (represented by China) is by far the highest and it is for both civilizations potentially dangerous for many known and less known reasons. In comparison with the Euro-Atlantic it does not create the

impression of apathy of the society heading towards the ruins, as one might think while reading the satirical dystopia *Cat Country*.

Despite the impression of lack of apathy, China clearly shows symptoms which are absent in the west at first glance but which are the essence and their own to the Eurasian civilization: poor discipline, lack of organization, lack of systematic mass actions, dependence on consumption, material status, servility of official intellectual executive elites, lack of transparency and the crisis of institutions, and last but not least, idealism in solitariness, leaving ability of sincere friendship, trust relationships, self-sacrifice. There is also decreasing level of education, communication and the lack of awareness of limited resources and the need for social justice, etc.

As cats in the satirical novel by Lao She have a special attitude to the West, both Asia and Eurasia demonstrate also a special attitude to the West. Both, cats and masses of people admire the wealth of others, substitute knowledge for information and desire to have power. In the cat's school they restore the order by warning: *There is a foreigner at the gates*. After all, we must respect others - West, or ...? At the same time one of the cats says aloud about Western ideology: *Abroad they work well, but when we deal with them, it'll turn bad*. Life is like that: there is no successful drug for everyone.

<sup>1</sup> Real name Shū Qìngchūn, one of the leading masters of the national literature of the Manchu origin. "Lao She" is a kind of familiarity derived from his name (literally "Old fellow She")

<sup>2</sup> *Cat Country a Satirical Novel of China in the 1930's*. (猫城记), satire and one of the most popular works of the writer translated into Russian. It can be considered as an antiutopia. The action takes place on Mars, where supposedly there is a civilization of living-beings outwardly resembling cats. The character Earthman, armed with a pistol and matches, is the owner of the most powerful weapons in the Cat Country. Cat's city is the capital of the state, made a parade of its ancient history, poetry and culture, however, is in the strongest decline due to growing "datura" trees and the corruption of the ruling elite. As a result, at the cat's state, where the narrator has come, occurred, for example, the universal literacy (due to a one-day stay at the school-university) or troops do not protect people but robbed, restrained only by the fear of the foreigner - watchmen.

<sup>3</sup> Campbell J., World Economy - cycles, crises and solutions, Donetsk, 2014.

Attitudes among different civilizations, including Eurasia and Asia to the West are characterized both by the cats in the story and three generations in civilizations.

The older generation refuses alien knowledge and continuous flow of information. The middle generation is guided by vested interests and quickly takes all the tricks of West. As a result, they live with the fear of loss and loneliness. The younger generation idealizes offered samples and idols and copies them but simultaneously it is not aware of that they have no money, skills and education which are necessary to achieve the idealized example or the idol.

The Chinese youth dresses in the latest fashions and uses different Western gadgets while most do not know how to communicate in English, German, French or Spanish. The same Western youth dresses in the latest fashion, uses the same range of modern gadgets, but can not practically communicate in Chinese or other Asian languages which are native to their contemporaries.

Despite this, the Eurasian civilization represented by Russia and the Asian civilization represented by China convincingly demonstrate an attempt to turn to the traditions and humanity, the values that they lost during socialism and capitalism. History has proven that the ideology of socialism was alien to the level of the development of the society and therefore it could not yield any longer lasting results.

Capitalism is one of the mysterious, if not the most mysterious system in human history. It is significantly more interesting than the Mayan civilization, the civilization of ancient China and Egypt. Capitalism is a system of constant changes, non-identical to itself and elusive. Moreover, capitalism has several features which sharply distinguish it from other social systems<sup>4</sup>. Many Marxists and (neo-) liberals believe that capitalism is exactly willfulness of capital. It is not so. Capital existed long before capitalism. And it is likely to exist in one form or another also after the replacement of capitalism by another system.

So, capitalism is preferable to be regarded as a complex social system associated with society, institutionally limiting capital. As only institutionally limited capital may extend the time needed to implement long-term interests of capitalism and capital expansion in space. The expansion for capitalism is therefore necessary. Capitalism is built as an extensive expansionary system.

The second globalization<sup>5</sup> has drawn a line under that process. Practically there are no non-capitalist areas that can be converted into the periphery of capitalism. It means a serious challenge for the current form of capitalist system. Logically, capitalism must move from extensive to intensive development. The challenge is in the extensiveness and the expansion of the system. A traditional logic in solving this kind of challenges does not help in this case. So, the intensification of capitalism can be called a historical nonsense.

<sup>4</sup> Fursov A.I. (1951), graduated from the Institute of Asian and African Studies of Moscow State University named after M.V. Lomonosov. PhD in History. Director of the Institute of Russian History of Russian State Humanitarian University, head of the Department of Asia and Africa of Institute of Scientific Information on Social Sciences (INION) of the Russian Academy of Sciences.

<sup>5</sup> Under the first globalization the era from 1870 to 1914 is understood

Returning to the estimation of the Western ideology by the cat's metaphor, then one can find a historical evidence of such estimation and acquisitions: in both societies, i.e. the soviet Russian and communist Chinese, both ideologies, socialism and capitalism have created a picture of modernizing machine that destroys the individual, local culture and traditional values associated with it.

Mao and Maoism gave China consolidation and political authority. Stalin similarly brought fame for the USSR, industrialization and experience in the integration of different cultures and religions. The current government of Russia, despite all the losses of the transition from the Soviet socialism to wild capitalism and still lagging back in certain areas of life, can use the surviving spiritual base and natural resources for the revival of nation, including the ideas of internationalism. Undoubtedly, the brutality while performing tasks in China and the Soviet Union was shocking. But the capitalist system in its present critical state is not milder. And in no case it is more humane than the buried prematurely born socialism. It puts interests, aggression and only own values above all and other civilizations.

Any civil society has been contracting and constantly changing like the capitalism. Therefore it is impossible to manage it on the game theory, which knows only winners and losers, even if it has been proved in politics and has been failing in economics. In addition, the concept of the civil society is unclear not only in politics, political science, media but primarily in the society itself.

Marx talked about a civil society as a society of owners who compete to protect what they consider their rights: *the right to profit*. Alexis de Tocqueville (1805 - 1859), despite the sympathy for the civil society, expressed doubt: *the society of owners has a natural propensity to submit their own interests arising from the ownership of property. Individualism always leads to the fact that the person is interested only, or even primarily, in himself and in his narrow and close environment. As a result there is an aggressive, apolitical person, indifferent to others, and so to the society*<sup>6</sup>.

Therefore, there is an obvious and explainable crisis of the civil society. Therefore, in both China and Russia one can meet desperately poor and shamelessly rich. Narrow elite with power and a huge mass of powerless people are opposite each other and *waiting for something* like in Chekhov's stories.

Russia and China, as well as Europe, are aware of the crisis. The dangers of corruption, technological disasters, planning decreasing diversity of traditional cities, temples, historical buildings and streets. All this is due to the emptiness of thinking, lack of critical thinking of executive elites and masses.

As experience shows traditions and traditional values to which the three civilizations wish to return are still alive. To adopt them again requires the return to the basis of culture, similar to a simple advice of the grandmother to her grandson or granddaughter.

<sup>6</sup> Aggressiveness leads to an apolitical behavior of the society. The results are not able maintain the system and at the level of the individual it leads to pathologies of different types.

In most cases the Chinese and Russians are not interested in doctrines. In a difficult and critical time people have always been helped and are helped by time-tested experience and folk cults. They convincingly argue that the success of an individual depends not so much on his or her ability or knowledge, but on the relationship to others and work with others.

The West, the Euro-Atlantic civilization separates and tries to separate from their rivals, partners in Eurasia and Asia. Euro-Atlantic civilization by its nature and history prefers discussion and war to a dialog and consensus.

Abstract rules of the structure of Western societies oppose the pragmatism own to Eurasia and Asia. Taking into account the nature and basis of the structure of the society on the basis of the relationship, it is possible to imagine a balanced picture consisting of warm human element protecting humans against prudent rules. There will be corruption and dismantling in both the East and the West, but it is all of different scale and other kinds. The similar pattern is impossible to imagine in the system of capitalism or neoliberalism with its extensive and aggressive character, as evidenced by the simple facts of modern history<sup>7</sup>.

The functional fields of tradition, socialism and east collectivism, clans, etc. and the functional fields of capitalism and individualism are incompatible. The functional field of politics and economics is separated in China, and partially in Russia. The functional field of private life and culture in all civilizations survives and develops according to the tradition. At this intersection there is a question: *how to connect three steps to solve the major challenges of our time?* An analogy to the three monks: Sán gé héshang méi shui hé, or, in any case in which a few people are interested in and everybody expects others to do something. Nobody wants to make a decision, be the initiator of it and be responsible.

Lao She in his satirical *Cat Country* did not answer the question what would be the result of the new acquaintance of China, the capitalism. Russia either still cannot answer the question. No one of the three can yet initiate crucial decisions and make a prognosis or predictions for the future. But the fact remains that many of the challenges of the time help solve the crisis of the Euro-Atlantic civilization and the capitalist system anyway. The loss of reputation of the Western society has already been helping the process of change. It increases the self-confidence of China and Russia and it also reduces the risk of trying to copy the western policies. Internal competitors of authorities and traitors of national interests are already identified. This is enough for an educated person to imagine a possible future, formulate alternatives and analyze the consequences.

Those who are able to watch the Chinese Internet can analyze a comic video clip that compares the background and abilities to get on top of power in the USA, UK and China.

Obama and Cameron came up to power due to their ability interest sponsors and get a lot of money on the election campaign. Si got on top of power due to long-term

efforts and work in different places in China and at different levels of the Chinese administration.

Of course, this is not the complete truth. But where is it? As cats described by Lao She, the Chinese, Russians and Europeans, we all get the results when the time is right, waiting for them in the yard, the waitingroom.

Waiting in the yard allows to think about leaving it during the crisis without any war with attendants, executive elite of the dynasties. To find your way out of this (globalized) yard with minimal restrictions allows among others critical thinking and the existence of arts.

For centuries art in China and Russia enjoyed a very large space of personal freedom and initiative. Creativity in both countries representing different civilizations is not subjected to the cat's world and its laws. It proves the respect for the great art created by people of these countries and economies associated with it. Today it is hard to imagine that a discussion on strategic economic issues at levels of government would be conducted without a cultural program, without a discussion or analysis of purchases, investments or export of the Chinese or Russian art. Of course, it is not the complete truth. But here one could notice the penetration of business in art or even turning art into business.

China also in this direction sets records. The construction of the huge gallery complexes in different cities of China, out of which three are located in Beijing, two in Shanghai, one can evaluate positively. On the other hand, it is obvious that the dynamics of the sphere of life which is based on the combination of Western and Chinese art and traditional and modern themes cannot create the basis for the growth of their own criteria of aesthetic quality. Even if aesthetic judgments do not carry the cognitive and practical value and only fix the relation of the subject to the object, aesthetics includes two key categories, occupying an important place in the education of a person: mathematically (the starry sky) and dynamically sublime (the raging sea).

Russia, with its shamelessly rich people exhibits a similar pattern. But in the provinces, far from the power and finance, the tradition is still alive.

The modern and old China offers a lot of interesting things in regard to education and its quality. In one of the modern Chinese movies called *Exam*, by Yang Cheng – Chung, two girl-students have been preparing for an exam at the university. Lying in bed in underwear they repeat aloud the thoughts of Marxist political economy on the crisis of capitalism and laugh. At the same time their behavior bears the signs of intimacy of two women enjoying life and opportunities of the moment. The idea of the message is simple: *memorizing criticism, pointing out the absurdity of claims of memorizing, all in the context of modern capitalistic education system*. Last but not least, the two criticise the pressure within the process of education, not allowing reflecting the knowledge and the behavior of a person.

A calligraphy produced several decades ago, and given to the author of this article as a gift of the government compared with modern calligraphy allows stating *an expansion of the calligraphic expression*. Such an extension

<sup>7</sup> Only in the last century because of wars involving the U.S. economic hegemony 160 million people were killed! (Pietro Scaruffi: Wars and Genocides of the 20th Century) and others.

of expression includes, for example, ecological issues, corruption or political pressure. Thus, modern video-film or another artistic expression is not socialist or capitalist in the sense of Western products and evaluation. It represents the ability synthesize. And therefore the art also should be a part of any quality education.

The same video can be made and similar subjects can be found in Europe and Russia. But also here there is a qualitative difference. In Russia the art and sport will continue grace its history. It is supported by the state. In Europe it is all questionable. Therefore I do expect that Russia would embark on major restructuring of education and training, leaving the Bologna system and similar reforms behind and create its own. It is difficult to predict the outcome. But at the same time and considering only the geopolitical situation in the world a return to qualitative engineering and technical education in Russia and one's own work in the field of fundamental science seems unavoidable. And what about Europe?

The labor market cannot accept an extremely large number of different kinds of economists, financiers, political experts and similar. Therefore they would not get the advertised positions and career opportunities. The resulting latent and real unemployment rate of the young generation in Europe pushes the authorities to act. Unfortunately, they act and operate in the old ways: from fear of unrest. Fear has no place when searching for systemic and brave solutions of challenges and the danger to lose power. Therefore the metaphore with three Chinese monks is still valid, even more in Europe these days: in every case in which a few people are interested in, everybody expects others to do something, no one wants to make a decision and be responsible. We have been educating to prefer committees and collective actions. To extend the life of black and white views on the world with only one truth.

Therefore the education in Europe is in a state of constant reforms, increasing uncertainty and partly absurd demands, including those for publications<sup>8</sup>. It seems to be

<sup>8</sup> Zimmer, C. 2012 New York Times: "...A recent U.S. Supreme Court decision and an analysis of the peer review system substantiate complains about this fundamental aspect of scientific research. *"Far from filtering out junk science, peer review may be blocking the flow of innovation and corrupting public support of science."* (Horrobin, 2001) Horrobin concludes that peer review *"is a non-validated charade whose processes generate results little better than does chance."* *"If peer review was a drug it would never be allowed onto the market"* affirmed Drummond Rennie (Smith, 2010, p.1), deputy editor of the Journal Of the American Medical Association and who intellectually provided support for the international congresses of peer review that have been held, since 1989, every four years. If peer review was a drug, he added, it *"would not get onto the market because we have no convincing evidence of its benefits but a lot of evidence of its flows."* (Ibid) Recently Carl Zimmer (2012) reported in the New York Time that, according to a study made by PubMed data base, the number of articles retracted from scientific journals increased from 3 in 2000 to 180 in 2009. 6 000% of increment in 10 years! This *"Sharp Rise in Retractions Prompts Calls for Reform."* (Ibid). But *"Peer Review is one of the sacred pillars of the scientific edifice"* (Goodstein, 2000), it is completely necessary as quality assurance for Scientific/Engineering publications, and *"Peer Review is central to the organization of modern science, why not apply scientific (and engineering) methods to the peer review process"* (Horrobin, 2001). Only 8% of the Scientific Research Society's members agreed that 'peer review works well as it is (Chubin and Hackett, 1990, p.192).

forgotten that key scientific achievements have not been published in indexed journals. Some key findings were published even posthumously or in the form of essays. These days it is not considered that writing a serious research paper at a rate of say ten thousand words, requires almost a year of serious work. We reject take into account a simple truth that not all successful scientists can successfully teach, and that all successful teachers cannot be successful scientists.

The result of modern education and work in science based on grants is falling quality of science and education. It is complemented by decreasing level of knowledge of students at the entry exams to the university. Lack of basic knowledge in mathematics, physics, chemistry, biology and their own history and the history of science together with inability to work methodically using clear thinking create potentially an explosive mix within the society.

Therefore, old and new so-called protesting anti-capitalist groups and movements cannot change anything; they cannot show the society a path forward to a better life.

And this is not only because of the low level of knowledge and education but for a more simple reason: there is no systematic approach; none of the groups has a full understanding of at least six kinds of modern weapons, and probably does not even understand forms of modern weaponry. To this belong the simple traditional weapons (tanks, guns, bomb, etc.), but also genocide (in the form of alcohol, drugs, food additives, etc.), economic weapon (loans, subsidies, so-called charity, etc.), factual weapons (old and new religions and their interpretations, political parties, groupings and political strategies), the chronological weapon (an extreme amount of facts, events, etc. without any notation of relations between them), and last but not least, the methodical weapon, which is the worldview with its values.

The personal experience as a university lecturer shows that many undergraduates, even PhD students think that mathematics is a science in a traditional understanding. They cannot understand that mathematics has no its own subject of studies and that mathematics requires unequally higher intellectual abilities than just the simple use of reason. A majority of students cannot explain the difference between information (superficial description of the form produced from in-form-a-tion) and knowledge (deep perception of life). What is an Illusion of skills, Planning error and similar. Why 1+1 may be 10 or more: a male-cat and a female-cat give birth to kittens. Some even say that they have the information. Such students do not simply know that to be informed does not mean to be the owner of information. And they don't know, that the antic discovery of geometric world served physics in the Newton's era to put in it the real world. European culture and supremacy over China lasting some 500 years has been having its deepest foundation in mathematics. An abstract mathematics filled the spiritual dimension of Europeans. Why we have given up this present of the past?

John Major considers that we suffer from *"Victorian divide between stagnation and aspiration"*. At the conference of South Norfolk Conservative Association in November 2013 he said, *"In every single sphere of British influence, the upper echelons of power in 2013 are held*

*overwhelmingly by the privately educated or the affluent middle class. To me, from my background, I find that truly shocking."*

So, it should come as no surprise that the United States' credit bubble associated with the education of the Americans provides far greater threat than the banking bubble. Therefore it is not surprising that in 2008 the United States took the 49th place in the world in literacy. Out of 280 million adults 22 million cannot read, and the other 46 million are suffering from so-called functional illiteracy. This society claims to be special and the leader of the world. On the other side there is no doubt that USA employs a very elaborate system of choosing talented children from the middle class.

The selection system helps them to make a career. They can reach the 8% of the so-called operating personnel who service the executive elite ((2%). But in any case, the education collapses as the transformation of reforms and the Bologna system indicate it. By any objective standards, the capitalist system including the education can no longer afford to keep institutions that earlier ensured the unity of the capitalist core in relation to the rest of the world. Instead of, the expected expansion we have a rapid atomization of society.

The ongoing atomization of the society is closely and logically linked with nostalgia. *Nostos* in Greek means „return“, and *algos* – „suffering“ (torture). In the primary sense the word *nostalgia* refers to the return caused by passion or the desire to return. Nostalgia appears in exile, deportation or immigration, voluntary or involuntary. It is connected with the hope that the surrounding circumstances will change and the return home will be possible.

The best meaning of the word sense is provided by Homer in his works the *Iliad and Odyssey*. Or by the Romanian writer Norman Manea (1936) in his autobiographical novel *The Hooligan's Return* (2003). In it he writes, that *the expulsion and deportation begins when you get out of the womb. And the only homeland is your native language.*

Striving to balance the race of mass consumers with their inner partially perceived need to learn the sense of life and the value of human relations is based on the law of the evolution and tradition.

The civilizations of Eurasia and Asia are often used in the West as a warning desired to restore the order as in the cats' school: *there is a foreigner at the gates*. So it makes sense to refer briefly to a few historical facts and aspects allowing easier understanding of what is happening thus allowing imagine a possible future if the return to traditional values continues.

Fans of capitalism and Adam Smith can begin by learning the most critical perception of China by Smith himself<sup>9</sup>. In 1420 in Nanking on historical data about one million people lived. Emperor Yongle (永乐帝, Zhu Di 1360 - 1424) created the city as a center of education. Yongle represents, according to the assessment and linguistic knowledge of the

author of this article, that it is like an *endless happiness* or *endless movement*. Emperor set the task to develop 11,000 pages collection of Chinese references and knowledge. 2,000 researchers worked on the collection. Rest of the world took almost 600 years to gather more information. Only since 2007, Wikipedia could provide more information than the Chinese have been providing for centuries. But that's not all. The decision to build Beijing was also made by the Emperor. In these two examples, one can realize that the Ming dynasty represented a very progressive civilization which we need to explore and reflect upon.

In Europe at that time, the city of London, under the reign of Henry V was a dirty town. The river Thames with its navigation was and is still, in comparison with the river Jangtse, as the navigation on any Czech or Slovak pond. The ship of Admiral Zheng He had the length of 130 meters. It was five times longer than Columbus's ship in 1492. The amount of Admiral's military army reached 28,000 people. It is a lot more than all European fleet had at its disposition before the first World War. The level of criminality in England, was also very high. The rate of it was in the 14th century in Oxford at 100 murders per 100,000 inhabitants. In London it was a little less. The interested reader can get deeper and more interesting information from the works by Thomas Hobbes (1588-1679): "... *Lonely, scary, brutal and short ...*"<sup>10</sup>

The East, meaning China of that time apart from the other factors had higher labor productivity in agriculture than in Europe including England. A half a hectare in China could feed a family. In England, it took an average of 8 hectares to feed a family<sup>11</sup>.

The Portuguese king of the time, Manuel sent Vasco de Gama and about 170 sailors with him to the East to sell spices, herbs (cinnamon, nutmeg, etc.). If Vasco de Gama had been successful, Lisbon would have been placed first before Venice in terms of sales. By the way: these days Venice wishes to return to its past independence from Rome. The past, the history proves that there was already competition in Europe at that time and lack of it in the East. A competition carries aggressiveness. The Europeans prove it. In 1557 the Chinese had to give Macao to Portugal. The Chinese had to wait until 1999 to obtain Macao back.

Aggressiveness was not alien to Spain, England and other countries of Europe either. Only between 1550 and 1650 the Europeans spent 2/3 of the time on internal wars<sup>12</sup>.

The result of these wars and clashes was the development of military technology and technique, and also the improvement of tax collection. Any war needs money and technologies. In 1399 for the first time explosives were used in battles, as the beginning of the Julian calendar was established. Nearly at the same time (in the 13th century) the phenomenon of a public debt appeared. Italy and history of Medici Dynasty (1230 - 1737) testify to this. The reasons for the end of Medici should also be considered by the EU and citizens when searching for solutions to the

<sup>10</sup> Hobbes, Thomas: *Leviathan XIII "Chapter XIII"*

<sup>11</sup> Ferguson, Niall: *Civilization. The West and The Rest*, ISBN 978-3-549-07411-4

<sup>12</sup> Ferguson, Niall: *Civilization. The West and The Rest*, ISBN 978-3-549-07411-4

<sup>9</sup> Smith, Adam: *An Inquiry in to the Cause of the Wealth of Nations* (1776)

financial crisis in EU countries. In China they did not know such phenomena. Only in the late 19th century under the influence of colonizers China began to introduce and implement government bonds.

All the historical facts show that no European country was capable and strong enough to conduct naval invasions against China. The grouping of weaker European countries could never create such a unity which was represented by China. Therefore, the West began to apply the method to *Divide and Conquer*. The history of the first globalization shows it too<sup>13</sup>. The way to serve Emperor or the Communist Party was always hard. It did not apply the knowledge of western methods of ruling. Therefore the progress of the second globalization in the East is not like the West would wish, it is not the path to heaven but more like a dangerous crossroads. At this crossroads a few words about the examinations of candidates for Emperor's service in the ancient China can help in understanding the argument.

A candidate for Emperor's service was living in a dormitory chamber having a size of 1.1 m x 1.0 m x 1.7 m height under the supervision of military men. The access to the candidate was allowed only to the service staff bringing food. The second duty of the staff was cleaning. Being in that situation the candidate had to prove his knowledge of four books and five classics of Confucius. In other words, each candidate had to know 431,286 signs (characters). Besides, from the beginning of 1487, each candidate had to write an eight volume essay. All this and more can be explored in the work of the Anglo-Saxon historian Niall Ferguson (1964). As a result of studying his work one would know that also in China was a competition. But it was on an entirely different level. It did not allow accelerating innovations and supporting the desire to change. That area, including language learning, was taken by the Europeans. An ordinary person is surprised by unusualness, a novelty. A wise person is surprised by banality. So may Confucius say at his time.

But despite the above mentioned and in face of the state of the Euro-Atlantic civilization there is a serious question requiring a correct answer, the sooner the better:

*Will the West, three centuries after the blockade of Vienna, be able to withstand the scientific and military-technological advantage over Asia? Or in other words: Will the West be able to support the process of the institutional innovation and constitutional society, to create a true representative democracy?*

The personal opinion based on own experience of the author does not allow being optimistic. And what is suggested by the Chinese historical example and experience?

Ming Dynasty (Ming- Dynasty, 1368 - 1644) was founded in 1368 by the military Emperor Hongwu (Hongwu, Zhu Yuanzhang, 朱元璋 1328 - 1398). For three centuries, the dynasty was balanced in the institutional sphere and its concept. Dynasty was stable outside. Inside: on the contrary. It was not stable. The demographic process, increase in population and increased demand for natural resources, military conflicts and different types of epidemics

which determined the forced closure of the society and created a fatal fall, a trap from which there was no escape for the empire. At that time in Europe aggressiveness increased, industry and trade developed. Trading on the basis of colonization was the engine, the fuel of the European minority success in Asian's majority area.

In this context an example of the influence of culture and food production may help. For example, in England the need for tallow (animal fat) per capita was approximately 28%, whereas in Asia there was a need for approximately 95% vegetable fat. This can explain also the difference in height of the population in Europe and Asia. Therefore in the 18th century the average height of the European prisoner of war was 167 cm, the Japanese - only 157 cm.<sup>14</sup>

In addition we can recommend the work by G. Leibnitz (1646 - 1716) *Novissima sinica*. Or works by Francois Quesnay (1694 - 1774), the chief representative of the first school of the Physiocrats, the author of the Economic Table (1758, *Tableau Economique*) and of the first model of the business cycle: *the Chinese despotism*. Last but not least the journey of the colonial administrator and diplomat George Earla Macartney (1737 - 1806) to the Emperor Qianlong (1711 - 1799) may tell many of us *what not to do*.

The purpose of the journey was not easy: to agree on trade with China. The failure of the journey, reluctance to accept the diplomat's gifts by the emperor, including the German planetarium proves the beginning of the superiority of Europe over China from about 1500. The developed China at that time and with its own historical innovation capability reached a saturated level where the interest to others' innovations and innovation in general, went lost. Europe reached the zenith of its success in June 1842.

In the same year in the Czech city of Plzen the production of the famous beer-lager begun, the first opium war (1839 - 1842) ended, England took Labuan in Borneo under its control, the annexation of Hong Kong was completed. China was forced to pay for the destroyed opium and had to open five of its ports. That unfair contract was (by the law of irony) signed in the city mentioned above, the centre of science, Nanking.

The contracts with the same content can be found in modern history. The associate agreements with the EU, including proposals to Ukraine on trade with the EU, are the continuation of the European colonial tradition. In this tradition it is difficult to find a balance between the rights and interests. There is no place and time for reflection on the development and changes of modern capitalism and consider the importance of historical memory of nations<sup>15</sup>. All this is happening while one hegemony is going to be replaced by another<sup>16</sup>: the USA by China. And everyone is

<sup>14</sup> Campbell, Jan: Kultura výživy a humánní ekonomický model - náčrt jednoho z možných východů ze současné krize společnosti, česká verze ISSN 1213-1792

<sup>15</sup> View and compare the definition of Freud: Sigmunda Freuda a iniciativy Historical Truth

<sup>16</sup> History implies that the replacement of economic hegemony is the most sensitive event and period in international relations, during which a war is a very probable solution. Only in the last century because of wars involving the U.S. economic hegemony 160 million people were killed! (Pietro Scaruffi: Wars and Genocides of the 20th Century) and others.

<sup>13</sup> Under the first globalization the era from 1870 to 1914 is understood

waiting for something. Like in Chekhov's stories. Or like, the three thirsty Chinese monks.

The Euro-Atlantic civilization and through it widespread second globalization are not objectively able to save capitalism. There is a need for reflecting on what is happening and move from aggression and disputes to cooperation and dialogue with other civilizations.

The key characteristics of extreme situations, the high speed, high frequency of change and high uncertainty stand in contradiction to the established and tired bureaucratic capitalism, which is not able act ecologically, efficiently and economically.

The Eurasian and Asian civilizations have all the prerequisites to take bold decisions needed for a bloodless exit out of the large yard of the second globalization because, from a historical point of view they have passed the way that all the countries of the Euro-Atlantic civilization have objectively to pass. A good and long journey.

## CONCLUSION

The result of the reflection on China's history is the renewed respect to Admiral Zheng He (1371 - 1433) and others, including the Chinese statesman, Communist and reformer Deng Xiaoping (1904 - 1997). He put China on the path of market economy and once stated what saves and at the same time challenges the Euro-Atlantic civilization, "... closed doors, it's not our choice." It means be openminded.

The result of the reflection on the history of Russia by the representative of the Eurasian civilization is updated respect for his history and last but not least accounting quotes by the great scientist, V.I. Vernadsky, " ... All of humanity, taken together, represents a negligible mass of the substance of the planet. The power is not connected with its substance but its brain. In the geological history of the biosphere the great future opens in front of a person if

*he understands it and does not use his mind and his work for self-destruction.*"<sup>17</sup>

The result of the reflection on Europe, the USA weaker brother and member of the Euro-Atlantic civilization is the awareness of own history, success and cycles. Including the confirming fact that there is a possibility for finding a solution for fair allocation (distribution) of scarce (limited) resources on the planet<sup>18</sup>. Meaning that we still have the scientific knowledge and experience.

Therefore there are answers to questions alike: *Who could imagine in Europe 30 years ago that China would be the world's largest economy within 50 years? Or who could have imagined in China in 1420 that in the next 500 years the average Englishman would be nine times richer than the Chinese? And about Russia? Who among residents in Europe could have imagined 10 years ago that Russia would again play a leading role in the rescue of Europe in the chain of wars in the areas of European interests? Who can imagine the near future of the multipolar world?*

Any reflection and self-reflection form the base of integration, programming and meta-programming, helping to understand that healthy competition means act ecologically, efficiently and economically and to live peacefully.<sup>19</sup>

Working ethics and morality in the sense of Kant's imperative<sup>20</sup> can keep under control potentially destabilizing forces of the part of the society during the process of change as critical thinking does not allow fall into trap of pathological science.<sup>21</sup>

In this sense, a modern European science and education should begin develop a science which does not exist. A science of conducting a peace.<sup>22</sup> It would complement the old science of conducting a war. Comparing this two more humane societies and world could appear without cat footprints.

## REFERENCES

- [1] LAO She. *Selected works: Collection*. Translated from Chinese / / Comp. and ed. by A.A. Fayngar, Foreword by N. T. Fedorenko. - Moscow: Raduga, 1982. – 512 p. (Masters of modern prose)
- [2] LAO She. *Selected Works / Comp.* by E. Rozhdestvenskaya-Molchanova; Foreword by V. Sorokin. - Moscow: Khudozestvennaya literatura, 1991. - 703 p. ISBN 5-280-01338-2
- [3] LAO She. *Cat Country a Satirical Novel of China in the 1930's / / "Library of contemporary fiction."* Vol. 23 (Anthology) / Translated from Chinese by V. Semanov - M: Molodaya gvardiya, 1972. – p.p. 149-269.
- [4] CAMPBELL J., *World Economy - cycles, crises and solutions on the ideas of V.I. Vernadsky*, Donetsk, 2014
- [5] *Cat Country a Satirical Novel of China in the 1930's*. Translated by William A. Lyell. Columbus: Ohio State University Press, 1970. Republished - Melbourne: Penguin Group, 2013
- [6] MIHOLA, J., VLACH, M, J., CAMPBELL, J., 2012 *Implications of the Quantisation of Production Factors*, Acta Oeconomica Universitatis Selye
- [7] VERNADSKY, V.I., 1945 *The biosphere and the noosphere*. Am Sci
- [8] KANT, I., 1974 *Kritik der reinen Vernunft*. Suhrkamp, Ffm, ISBN 3-518-27655-7
- [9] BRENTANO, L., 1908 *Versuch einer Theorie der Bedürfnisse*, Munich (in German)

<sup>17</sup> Biosphere and Noosphere. Collection of scientific papers by V.I. Vernadsky, Moscow, 2001, p.174

<sup>18</sup> Mihola J., Vlach M., Campbell J., Implications of the quantisation of production factors, Acta Oeconomica, 1, 2012, No 1.

<sup>19</sup> Essay by Jared Diamond (1937), How to Get Rich, or works by Roberta Fogel (a) (1926), Escape from Hunger or the economic historian Joel Mokyr (a) (1974), Level of Riches, or the British expert on India and the Far East John Keay (1941), China: A History, by providing additional information.

<sup>20</sup> Want to earn a lot, be ready to lose a lot or everything.

<sup>21</sup> Lungmair, Irwing: During a 1953 colloquium at the Knolls Research Laboratory Langmuir said a pathological science is an area of research that simply will not "go away"— long after it was given up on as 'false' by the majority of scientists in the field. He called pathological science "the science of things that aren't so".

<sup>22</sup> Paxology: from "Pax", a Latin name for "world" and "logie" a Greek suffix meaning „science“. Paxology includes an *ideal concept* which is essentially global.

- [10] MURRAY, Charles: „*Human Accomplishment: The Pursuit of Excellence in the Arts and Sciences, 800 BC to 1950*, ISBN 978-0060192471
- [11] DOBELII, Rolf: *Die Kunst des klaren Denkens*, ISBN 978-3-446-42682-5
- [12] SMITH, Adam: *The Theory of Moral Sentiments*
- [13] VERNON L. SMITH: *The Two Faces of Adam Smith*, Southern Economic Journal, 65(1)
- [14] SMITH, Adam: *An Inquiry in to the Cause of the Wealth of Nations* (1776)
- [15] HOBBS, Thomas: *Leviathan XIII "Chapter XIII"*
- [16] BOUTHOU: *A List of the 366 Major Armed Conflicts of the period 1740-1974*, Peace Research (1978) Prague, 15-12-2013 – 20-03-2014

**Dr. Ing. Jan CAMPBELL, Ph.D.**

Vysoká škola finanční a správní, o.p.s.

e-mail: jancam@jancam.eu