

# Cultural Capital and Materialism

"It is not the creation of wealth that is wrong, but the love of money for its own sake."<sup>1</sup>

About twenty years ago, I coined the "cultural capital" concept to differentiate between societies whose cultures are based primarily on values and societies whose cultures are based mainly on interests. The first group of societies tends to be mostly peaceful and content and to have a noticeable spiritual aspect to their lives. In contrast, the second group tends to be aggressive and materialistic and has little or no spiritual touch to their lives. Respect for human rights, social justice, and tolerance within the first group tend to be natural qualities embedded in their culture. In contrast, respect for human rights, social justice, and tolerance within the second group are aspects of laws and regulations that change as interests change. Societies that belong to the first group possess more cultural capital than societies that belong to the second group. However, the second group is often more dynamic, more productive, and more open than the first group.

As I used the cultural capital concept to examine different nations' prospects to live holistic lives and achieve economic prosperity and stability, I found large differences from one nation to another. Most European countries, Russia, the Middle Eastern, and almost all African and Latin American nations have cultures based more on values than interests. The United States and all industrial Asian countries, in contrast, have cultures that are based more on interests or material things than values. So most nations of the first group possess more cultural capital than most nations of the second group. However, nations with a good deal of cultural capital are being exposed to a vicious tsunami of materialism coming from the East and a destructive hurricane of consumerism coming from the West.

But after spending three months traveling in Europe and studying this particular issue, I found that western European nations are about to lose their battle against both the tsunami of materialism and the hurricane of consumerism. They, therefore, are about to lose the little cultural capital they still have. Therefore, what is left of Western European nations' cultural capital is too small and inadequate to hold society together. Only the people who are still attached to the working industrial class's cultural values and traditional agricultural communities have a good deal of cultural capital. This means that Europeans need to work hard to preserve the little cultural capital they still have to survive the tsunami of materialism and the hurricane of consumerism.

Most Western political leaders and intellectuals do not seem to understand the meaning of cultural capital and its role in the lives of individuals, groups, societies, nations, and organizations, and therefore, they are committing one mistake after the other.

## **Cultural Capital**

Cultural capital is defined as "the capacity of society to produce enough moral and ethical values to build and sustain communities and nations, where both traditional and social trusts prevail. Cultural capital also reinforces values that view the other as trustworthy with equal rights that must be recognized and respected." A national culture, to possess these values and qualities, needs to have four primary characteristics: First, it needs to view religion as a legitimate sociocultural philosophy, but not an institution with authority to regulate social or political or business relations in society, in addition to viewing believing in religion as a personal matter. Second, it needs to possess enough passion and empathy to care for the other, particularly the poor and weak members of its society, and feel a collective responsibility to protect those peoples' rights. Third, it needs to believe more in science and reason than in myths and miracles. And fourth, it needs to be able and willing to transform its laws and regulations and socioeconomic and sociopolitical institutions as circumstances and living conditions change while preserving its core moral and ethical values.

Cultural capital represents the primary force that protects society from moral and ethical decay and fosters its collective capacity to maintain its integrity and resilience while facing internal and external challenges. Therefore, cultural capital needs to be strong enough to resist the ever-increasing life temptations that threaten society's social cohesion and political unity. It should also defend society and its national institutions against outside threats, particularly the hurricane of consumerism coming from North America and the tsunami of materialism coming from the industrialized nations of Asia. For a society to have enough cultural capital to preserve its moral and ethical integrity, it should be organized around a social contract that recognizes the public as the source of all powers. Social contracts regulate the relationships between the public and the state on the one hand and between the public and the business community to guarantee fairness and reinforce social trust. Social contracts should empower the public and the states to share the responsibility of regulating all business practices to protect people's rights, advance the national and human interest, protect the environment from neglect and abuse, and prevent large corporations from manipulating and deceiving the public.

The American people have lost most of their cultural capital due to two primary factors. First, the free market philosophy adopted during the Reagan presidency, which eased the financial regulations, opened the door for corporations to form monopolies, and undermined the labor unions' power to bargain with businesses. And second, the Soviet Union's disintegration in 1991 allowed America to become the world's only superpower, feeling that it had privileges but no responsibilities. Four major forces are mainly responsible for the loss of cultural capital in America: First, believing in "American Exceptionalism," which is a racist ideology similar to the "God's chosen people" myth claimed by most Jews. Second, transforming the systems of democracy and capitalism into a doctrine around which the American political, cultural, and economic life is organized, while both systems fail to be fair and responsive to people's needs. Third, building a national economy that depends primarily on consumption that wastes valuable natural resources and damages the environment. And fourth, creating a huge military force and several security agencies to intimidate other nations and make Americans feel secure and content while losing their freedoms and the opportunity to build a just, compassionate and peaceful society. And to keep the army strong and gain public support, the ruling elite could not think of any strategy except initiating new wars, creating more conflicts, and recruiting foreign enemies. And by so doing, the ruling elite was able to frighten the American people and keep them submissive and supportive of the security state which the elite has created to protect their interests and dominate the world.

Since America adopted the free-market philosophy in the 1980s, it put the wealthy and large corporations in the driver seat, empowering them to shape Americas' living conditions and cultural values. But due to the nature of financial institutions and the largely unregulated business practices, the goal of the wealthy and corporations is to make as much money as possible, without regard to the social and cultural consequences of their actions. This policy was encouraged by the writings of economist Milton Friedman who said that "a corporation's number one responsibility is to its shareholders, not to the good of society at large." Consequently, money has become the only God that the wealthy businesspeople know and worship day and night. Andrew Sorkin says that "for nearly a half-century, corporate America has prioritized, almost maniacally, profits for its shareholders. That simple-minded devotion overran nearly every other constituent, pushing aside the interests of customers, employees, and communities".<sup>2</sup>

In the meantime, the American ruling elite has continued to use America's political influence and military power to manipulate the public and shape the national culture and international relations. This is being done when economic power rather than military power has become the major force shaping national cultures and international relations, while the center of global

economic power is shifting fast from the West to the East. This means that America cannot win its battle at either the national or the international arena; it can only gain new enemies and waste more valuable time and resources and cause the death of more people at home and abroad.

## **Social and Traditional Trust**

The concept of social capital is not new, but the idea of cultural capital is new. As mentioned earlier, I coined the cultural capital concept twenty years ago after social capital became a tool to explain the differences in different societies' economic performance. Today, most economists view social capital as a factor of production, just like physical and human capital. Interest in culture and its role in the development process led to the crystallization of the social capital concept; however, theorists promoting this concept tend to consider social capital as an aspect of cultures. But social capital, unlike values, traditions, and customs, is something society creates and nurtures by conscious and unconscious actions. Therefore, it is neither an inherited characteristic of culture nor a product of it only.

Trust in society is divided into two types; traditional trust and social trust. In traditional human societies, relationships are primarily a function of culture, religious beliefs, and political and economic structures. For example, family relations are more given than created because they are governed by values, traditions, and customs that rarely change and are nurtured by children's upbringing at home and in schools. Therefore, the trust they create and foster in society is traditional trust emanating primarily from the prevailing culture. In contrast, social trust is a function of laws and regulations enacted and enforced by the state and business practices and economic structures and production relations, which differ from one society to another, sometimes significantly. Therefore, social trust is not a function of the prevailing culture in society. This means that while traditional trust is mostly inherited, social trust is mainly acquired.

When several Asian nations entered a period of rapid and sustained economic growth back in the 1980s, many economists began to question the secret of the Asian economic success story. The answer that many western intellectuals and economists, and historians claimed was the Asian culture and its predominant Confucian ethics. Francis Fukuyama said, "The important variable [in development] is not industrial policy per se, but culture."<sup>3</sup> Alan Greenspan, a former chairman of the U.S. Federal Reserve Board, testifying in Congress in 1997, said, "Much of what we took for granted in our free market system to be human nature was not nature at all, but culture."<sup>4</sup> As for the role of Confucian ethics, Fukuyama wrote, "Confucianism has defined the

character of social relations within the Chinese society over the last two and a half millennia. It consists of a series of ethical principles that are said to undergird a properly functioning society."<sup>5</sup>

But if culture is the determining factor behind China's economic success and other Asian nations, why did these nations have to wait until the last decades of the twentieth century to industrialize? And if Confucian ethics are embedded in Chinese society's social fabric for 2,500 years, why did Confucianism fail to cause China's industrialization and other Asian countries for centuries? Why North Korea, which supposedly shares with South Korea the same culture and religion, has so far failed to replicate South Korea's experience and industrialize? Though culture is an important factor that influences nations' fate and the course of their economic development and social history, it is not the only factor.

Interfamily and small groups' trust in society is an aspect of culture, and therefore, it is traditional trust. However, no group of people can form an association or even a business organization without enough social trust to hold their members together. But since cultures differ from one another, expressions of traditional trust vary from one culture to another, from one society to another, and from one time to another. As for social capital, only societies that have a good deal of social trust can acquire social capital, whose presence is important to every communal activity, especially to economic development and social progress.

## **Social Capital**

Social capital is defined by Fukuyama as "a capability that arises from the prevalence of trust in society or certain parts of it."<sup>6</sup> Fukuyama argues that some societies have plenty of social trust, while others have little social trust; and that societies with more social trust produce more social capital and, therefore, make more economic progress and achieve prosperity. However, "social capital, the crucible of trust and critical to the health of an economy rests on cultural roots,"<sup>7</sup> Fukuyama asserts. This means that culture determines the depth and breadth of social trust, and social trust determines society's capacity to produce social capital, which, in turn, determines the ability of society to develop its economy and prosper. And because "trust is culturally determined," as Fukuyama claims, culture becomes the most important factor determining society's economic performance. David Landes says, "If we learn anything from the history of economic development, it is that culture makes all the difference."<sup>8</sup> These arguments support the one advanced by Max Weber about a century ago but contradict the argument made by Karl Marx half a century earlier.

To Karl Marx, economic conditions and structures and production relations shape cultures, but cultural forces shape economic conditions for Weber and Fukuyama. This means that some sociologists, economists, and philosophers believe that economic circumstances and production relations are the forces that shape cultures and determine people's destinies. In contrast, other specialists believe that cultural habits and values are the forces that shape economic conditions and determine people's future. Still, others claim that culture is genetically determined and, therefore, it is incapable of changing. In other words, these people seem to say that there are nations that are destined to succeed due to their cultural genes; and there are other nations that are destined to fail due to their cultural genes, and that there is little that can be done to change this reality.

### **Traditional Trust**

Traditional trust is a cultural habit in every society, in the poor and the rich, the traditional and the modern, the agricultural, and the industrial. No relationship can be established and sustained within a group of people without a degree of trust large enough to enable participants to feel comfortable working together and dealing with each other. However, the form of trust differs from one society to another due to cultural and non-cultural factors. In societies living in pre-industrial times, trust is more of a habit that reflects values and beliefs embedded in society's sociocultural fabric. In industrial and post-industrial societies, trust is more of an attitude reflecting rational thinking, laws, and regulations. The former is a traditional trust that tends to be concerned with social relationships shaped and regulated by values, customs, and belief systems. The latter is a social trust that tends to be concerned with economic relationships shaped and regulated by interests, laws, and business conduct codes.

Traditional trust prevails within mostly closed circles like families and communities of faith. And since relationships within such circles tend to be stable over long periods, traditional trust tends to be stable; it plays similar roles in all such relationships. In contrast, social trust prevails in large and open circles, particularly in organizations built around interests; therefore, it tends to change as business interests, circumstances, laws, and regulations change. Traditional trust is a function of culture, which seldom changes within one's lifetime; social trust is a function of interests and public laws that generally live a life of continuous change.

In an increasingly complex world, where global transactions are numbered in the billions every minute, no system can function smoothly without social trust. Traditional trust can make

things easier and life less stressful, but trusting people who place different values on the same stuff is not rational. Only social trust based on enforceable laws and contractual agreements will do. However, as societies move from one civilization to another, life becomes more complex, relationships multi-faceted, and interests more prevalent and relevant, causing old traditions and values that foster traditional trust to fracture. However, cultures change slowly and have always resisted change. Therefore, all societies passing a transitional period experience a *trust deficit*. The trust deficit concept is something I coined about twenty years ago to explain the reasons for the widespread corruption in many countries; it is defined as "a situation where trust in society is weak, and laws are inadequate to enforce contractual agreements and guarantee adherence to ethical business standards."

During transitional periods from one civilization to another, traditional trust loses ground as its space shrinks. Social trust is weak because its legal base is yet to be fully developed and generally accepted. Therefore, a trust deficit is created in society, allowing an environment of corruption, hypocrisy, and opportunism to grow and spread. Nevertheless, some people could still be trustworthy in the traditional sense and untrustworthy in the social or public sense. Nepotism is only one example of a behavior exhibiting a strong commitment to traditional family ties and blood relationships and, at the same time, disregard for the law and the public interest. While personal, familial, and tribal loyalty may continue and even strengthen in an environment characterized by corruption and nepotism, national loyalty, social responsibility, and honesty are always weakened.

Most great nations of the past, including the Chinese, Arabs, Indians, and Persians, had entered a stagnation state in the fifteenth century and remained there until the second half of the twentieth century. Now that they are being awakened by strange currents of change, including population explosions, urbanization, poverty, widespread unemployment, consumerism, American colonization, and economic and cultural globalization, they experience large trust deficits. While traditional trust is losing ground in large cities and urban centers, the laws and regulations have failed to develop fast enough and comprehensive enough to compensate for the loss of traditional trust. Meanwhile, people tend to ignore the laws developed to create social trust; the states tend to lack the capacity to enforce such laws.

If you were driving a car in a Third World town where you know most people, you are less likely to trust drivers facing you on the road, even drivers you know personally. In contrast, if you were driving in a large American or European city where you know no one personally, you are

more likely to trust drivers facing you on the road, even drivers you do not know their age or gender. Generally speaking, drivers in developing countries tend to ignore traffic regulations and disregard the law, making it less safe to drive in such places. In contrast, drivers in western societies tend to know and respect traffic regulations and abide by the law, making it safer to drive in such places. So, in the first case, you have little or no trust in other drivers' driving habits because you know they tend to ignore the law and often do not understand the law. However, in the second case, you trust other drivers' driving habits because you know they know the law and seldom violate it. Trust in the first case is traditional based on personal knowledge of established habits and values; in the second case, trust is social because it is based on enforceable laws and regulations. This means that confidence emanates from trusting that others respect the same rules we respect and abide by.

The Great Recession, which hit the United States in 2008, reflects a trust deficit caused by American society's transition with its economy from the industrial age to the knowledge age. Businesspeople engaged in banking, finance, mortgage lending, and insurance, driven by greed and lack of social responsibility, resorted to manipulating, at times violating existing laws and regulations; they created new complicated financial products and took unwarranted risks, causing a severe economic and financial crisis. The health reform bill passed by the U.S. congress in 2009 and the financial reform bill passed in 2010 are unconscious attempts to close that trust deficit. But since this trust deficit, in my view, is larger and deeper than most people think, the reform bills are unlikely to prevent another financial crisis and a grave recession from happening in the future, especially since no politician or thinker has identified this trust deficit and defined its probable consequences. With the blind drive toward materialism in the West and the East, the trust deficit is likely to spread and deepen its roots in every society. The coronavirus epidemic of 2020 proved that corruption in America had become an intrinsic part of the American political culture.

Large Third World cities like Cairo, Calcutta, Lagos, and Mexico City are places where traditional trust is dying, and social trust cannot be born. In contrast, large cities in the West like New York, London, Paris, and Rome are places where social trust is slowly disappearing, and states are failing to develop new laws and regulations to replace the invalidated ones. The microcredit enterprise that started in Bangladesh decades ago and soon became a global phenomenon could not have happened without trust because loans are made without collateral. And though poor women are the primary recipients of these loans, the default rate is near zero, not because of social trust but due to the prevalence of traditional trust and the shame that accompanies dishonesty and failure.



Traditional trust and social trust are largely incompatible; where traditional trust is strong, social trust tends to be weak; and where social trust is strong, traditional trust tends to be weak. While traditional trust's prevalence deepens mutual obligations within smaller circles of people, it weakens social trust and social responsibility within larger circles and organizations. While members of each group have a good deal of trust in each other, they tend to vest little trust in members of other groups, especially competing ethnic and religious and interest groups.

The prevalence of traditional trust in society and the mutual obligations it engenders in small groups usually strengthen families and small communities, particularly communities of faith, helping them to control crime and social vice. They also provide a strong support system for the poor and the elderly, preventing them from drifting in large numbers into drug addiction, poverty, despair, and homelessness. For example, the twenty-one Arab states have a population of some 450 million compared to 330 million for the United States, and a per capita income of about 10 percent of the United States. But while the United States has almost a million homeless people, the homelessness phenomenon hardly exists in any Arab country. Yet, mutual suspicion between different cultural and religious groups on the one hand and a general lack of social trust in society on the other make social and political conflicts in traditional societies easy to ignite but challenging to contain, let alone resolve.

Where vertical associations are the norm, as is the case in traditional agricultural societies, authoritarianism usually thrives, and democracy suffers. Where horizontal associations are the norm, as is the case in western industrial societies, democracy usually thrives, and authoritarianism suffers. Where vertical associations are the norm, no member of a small ethnic or religious group can get more recognition unless someone else gets less. The game in such societies is more of a zero-sum game that facilitates neither healthy social change nor social mobility, nor encourages personal initiative. In contrast, where association among members is horizontal, most people can get more without necessarily causing others to get less. The game in such societies often produces positive results. Historical records show that since the Industrial Revolution, the number of losers in all post-agricultural societies has decreased as the number of winners has increased. However, the wealth and income gaps have widened.

People living in pre-industrial times are less able to produce wealth and use it to invest in industrial and scientific activities, even when capital arrives without much effort; they are more capable of spending their wealth senselessly. The Spaniards' experience in the sixteenth and seventeenth centuries and the experience of the oil-exporting Arab, African, and Latin American

states demonstrate that the socially and culturally underdeveloped societies cannot use their wealth to develop their countries and enrich their lives. While most rich Arab states were able to build their infrastructure, they have failed to develop their human and social capital. Comprehensive societal development requires economic restructuring and profound sociocultural transformation to cause societal development and facilitate progress that touches the lives of all members of society.<sup>9</sup>

## **Materialism**

Every one of us comes to life with a desire to own material things, which leads everyone to invest time and energy trying to acquire whatever things he finds desirable and reachable. In ancient times, the tribesman had little material products to acquire because he had not produced much of anything to own. He was always on the move seeking animals to hunt and relatively safe places to hide from hot and cold weather. But when man settled and began building houses and villages and cities in the agricultural age, the private property institution emerged slowly and enabled man to produce and own and enjoy many things. And that caused society to be divided into two social classes separated by wealth, causing cultures, social relations, and socioeconomic structures to change fundamentally and irreversibly.

Around the middle of the 15th century, some nations began to move slowly from the agricultural age and into the industrial age. And due to the many material products that the industrial society produced, people were able to own many things and feel the desire to own more. With owning more, however, people became more materialistic and possessive. Consequently, private ownership expanded to include new things like industrial plants, capital, real estate, and knowledge, including scientific and technological knowledge. Now, as the knowledge age advances, people's desire to own more things has increased again, causing materialism to become the ultimate source of individual satisfaction for most peoples of both the industrial and knowledge societies. Consequently, wealth and greed have become the major driving forces that motivate most members of these societies to work hard, and often disregard business ethics and violate the law to possess more things and get ahead of others.

Looking at this issue from a different historical angle would lead us to realize that man has always tried to own everything that lent itself to ownership. However, in tribal times ownership of resources was communal. Therefore, materialism did not influence social relations or shape society's social and political structures or influence the course of tribal history. In agricultural

times, ownership of resources was semi-communal, enabling clans and most families to share the available resources, with some owning much more than others. And that enabled materialism to shape social relations, influence social and political structures, and divide society into two major social classes, a wealthy class and a poor one. As a consequence, ownership of material things began to impact cultures, inter-community relations, and the course of the history of the agricultural age; giving birth to states and then to empires, and causing trade to expand and money to play a significant role in individual and group and state life.

In industrial times, ownership of natural resources and capital became mostly familial rather than communal, causing valuable material and nonmaterial things to be divided among families and individuals, with some owning much more than others. Consequently, ownership of material things and capital and knowledge shaped social relations and created new social, political, and economic structures. Moreover, ownership of material things caused societies to be divided into three major social classes. It also influenced the social, political, and economic structures of industrial society and the course of societal change and history. In the knowledge age, ownership of natural resources, material things, capital, and knowledge is fast becoming individual rather than familial or communal, causing things that matter most to society to be divided among the rich and powerful, with some owning much more than others. As a result, poverty, and homelessness spread among the poor, the discriminated against minorities and the most uneducated society members. Today, wealth that includes material and nonmaterial things divides society into three socioeconomic classes and several sociocultural groups. Therefore, wealth is shaping social relations and social, political, and economic structures and determining the course of societal change and world history.

Man has so far passed through three transitional periods and lived in four different civilizations, each of which has had its particular society, culture, and economy. And with every subsequent civilization in which man lived, the wealth and power gaps between the haves and the have less have widened, causing the divides separating these groups from each other to deepen. Consequently, the cultural traditions and social values that tie members of each society have fractured, causing different social groups, mainly ethnic and religious minorities, to unconsciously develop various subcultures and live separate lives in cultural ghettos. While the poor in most societies are still attached to community life and worry about daily survival, the rich of each society have joined a growing global elite that belongs to no particular country and has no attachment to any ideology. Money seems to have become the only God that the rich believe in and use the power it generates as an ideology to tie them together and form alien communities.

These are interest-based communities intended to influence societal and global change in their favor and dominate the other without regard to people's needs and ethical codes of conduct.

The absence of the private property institution in tribal and pre-tribal times made societies largely classless, helping people to avoid exploitation and slavery to a great extent. But when private ownership emerged and began to transform itself into a powerful socioeconomic and sociopolitical institution in the agricultural age, it divided society into two major classes, a rich class of landlords and a poor class of small farmers and farmworkers and slaves. Exploitation consequently appeared, allowing the rich to control poor farmers and slaves' fate, create rigid social and economic structures, and acquire more wealth and power. As a result, social and cultural change was frozen to a great extent, causing economies, social and political structures to experience almost no transformation for thousands of years.

But with the arrival of the industrial revolution in the second half of the 18th century, the range of economic activities began to expand and diversify, creating a relatively large middle class that was neither rich nor poor but. And due to its social position and economic weight and interests, the middle class began to play a significant role in society's life, facilitating social mobility and limiting the power of capitalists to exploit other members of society. This was possible because economies were national, and the state was in control of its economy and destiny. However, the middle class failed to slow down the growing income and wealth and knowledge gaps separating the three socioeconomic classes and the many sociocultural groups. And with the advent of the knowledge age in the mid-1990s and the discrediting of socialism, most western governments relaxed old business and financial regulations, giving the rich the freedom to pursue their material and financial goals and exploit every opportunity. In the meantime, globalization caused the nation-state to lose control of its economy and influence social and economic change in its favor. And to justify their actions, the rich began to blame the poor for their miserable living conditions as if neglect and discrimination and lack of adequate education and equal opportunity do not matter.

During the great depression of the 1930s, the American state and the business community did everything they could to encourage people to spend their incomes to revitalize the devastated economy. And to achieve this goal, they invented two famous slogans that said, "if you love your country, spend your money," and "what is good for General Motors is good for the USA." So spending recklessly and wasting national resources, rather than saving and investing in the economy and education, became a national badge of honor. As a result, consumerism came to

represent the core of the American culture leading most people to borrow and spend and enjoy life. In the process, they drown in debt without thinking much about the consequences of their actions on their future. In the 1990s, Americans consumed more than they produced because foreigners transferred the equivalent of \$2 billion a day to America.

Joseph Schumpeter argued in the 1950s that the most damaging consequences of capitalism were its adverse effects on the values that support the social order in society.<sup>10</sup> Schumpeter was right to a great extent; however, he failed to realize that cultures can adapt, and social values can transform themselves, often painfully, to accommodate economic and technological change. So the social values that prevailed during the 1950s did not disintegrate or disappear, and the order they supported at the time did not collapse suddenly. New values and traditions emerged slowly, and a new social order formed gradually, creating new relationships compatible with the evolving economy. Meanwhile, the excesses of materialism associated with industrial capitalism forced society to intervene and enact new laws and regulations that made the system less exploitative and more responsible for the common good. Nevertheless, the consequences of allowing the free-market forces to hijack capitalism in the 1980s caused the question posed by Schumpeter to be raised again. Today, this question has become existential as far as western countries and their political and social systems are concerned

Under the old capitalist system, the super-rich of the industrial age was engaged primarily in manufacturing activities that expanded markets, drove economic growth, and created millions of jobs and substantial personal and national wealth. In contrast, the super-rich of today's free-market economy are engaged in creating financial products that produce unimaginable personal wealth but a few jobs and little national wealth. The former wealthy class, because it generated its wealth from manufacturing, had to interact with millions of workers daily, which led it to become aware of the need to ensure its employees' welfare and develop the communities that hosted its operations. In contrast, the financial class of the 21<sup>st</sup> century, because it derives most of its wealth from dealing with virtual products within virtual communities away from the public eyes, seldom interacts with its employees or the public.

And due to their particular lifestyles, education, interests, and interconnectedness, the super-rich has developed a global culture with specific values, ethics, language, and even vocabulary that the public has difficulty understanding. And because almost every member of this super-rich class has a house everywhere and no home anywhere, they have become a group of aliens having no loyalty to any nation or ideology. The only God they know and worship day and night

is money and nothing but money. And to remain faithful to that God, they are willing to manipulate, cheat, exploit, and conspire to get closer to him. Because the super-rich has gained a lot of wealth and power, they resorted to employing money to influence politics, corrupt politicians, and ensure the unjust social order's continuity based on the free market philosophy.

The pressure applied by the sellers of goods and services on the general public is beyond most people's capacity to handle. Meanwhile, worrying about servicing personal debt and paying monthly rent and car loans and house mortgages on time has become a full-time job for many people. The new ways corporations keep inventing to cheat consumers, manipulate customers, and mislead everyone they reach have become intolerable. People in America and most other western countries have lost peace of mind and balance; they have become more like zombies lost in a thick forest inhabited by ghosts, and though they cannot see those scary ghosts, they can feel their presence everywhere they go.

The above analysis shows that every society of every subsequent civilization was more materialistic than the previous one and more inclined to exploit other people for the sake of gaining more wealth and grabbing more power. At every turn in human history, wealthy individuals, groups, and nations have resorted to sheer power to suppress others and discriminate against them. They employed all means of political, economic, and military power to exploit the powerless and impoverish the poor without regard to human values, ethics, or morality. So, every step toward more materialism and wealth and power is in itself a step away from the human values of equality, social justice, fairness, and respect for the rights and dignity of man. And with the advancement of the knowledge age, where the knowledge worker has become the master of his life, the situation is expected to get worse, not better.

Though the last few decades have witnessed significant economic, technological, and scientific achievements, they saw almost no cultural or social progress. Instead, they witnessed a regression in the fields of human relations, peacemaking, and conflict resolution. So knowledge, instead of making the affluent societies and individuals more caring and compassionate and willing to help the poor and needy, caused most people to become greedier and cruel. So as the numbers of the super-rich increased, the numbers of the poor and needy increased, causing poverty to spread and intensify in poor and rich countries.

In the meantime, most middle-class members have become less secure, losing good jobs, power, self-confidence, social status, and optimism. And this has caused envy and jealousy to

intensify, leading the rich to ignore the ethics of fairness and social justice while forcing the poor to ignore the values of honesty and sometimes dignity. Consequently, the rich emerged as a small group of people driven by the lust for money and power, and the poor emerged as a large group of people, driven by need and jealousy and a burning desire to imitate the rich. These unhealthy values and attitudes emerged as major forces motivating some people to work hard, invest, compete, and cheat to get ahead and encourage others to lie, steal, and sometimes commit crimes to survive.

During the tribal age, traditions, customs, and norms were the principal organizing principles of the tribal society. During the agricultural age, habits, traditions, and religious convictions became the organizing principles of the agricultural society. During the industrial age, freedom, nationalism, individual responsibility, and economic interests emerged slowly to become the industrial society's organizing principles. By the time the knowledge age announced its impending arrival in the 1990s, individual and corporate interests had triumphed over industrial society's values and ethics. Consequently, interests became the primary organizing principles of the knowledge society, and that caused materialism to overshadow ethics and most other human values and concerns.

Today, all societies seem to experience a dramatic decline in the influence of values, social and business ethics, and the spirit of community that regulated the lives of previous generations. Although many forces could be blamed for instigating this development, the movement toward more individualism and materialism, the slow but steady abandonment of spiritualism and collectivism, and the subordination of politics to economics are the major forces, causing the retreat of values and ethics. While rich individuals, groups, and societies compete hard to acquire as much wealth and power as possible, poor individuals and societies try harder to imitate the rich without doing much to acquire more knowledge and power to reclaim their rights. Consequently, more emphasis is being placed on consumption and the appearance of wealth than on education and the essence of living a meaningful, productive life.

The average person in America and most East European states has become an empty shell of a human being. Instead of being a person with a purpose in life, he has become what he wears, where he shops and eats, what phones he carries, and where and with whom he spends his vacation, and not what he does or what books he reads or how he feels toward the tragic conditions of the world's poor and the environment. Even what he does for a living has become

something not worth talking about because most people are doing what they never thought they would do before the Great Recession and the disappearance of business ethics.

Since economic development relies heavily on capital accumulation, science, technology, and education, creativity has become a primary source of wealth and social progress. But for people to work hard and acquire more wealth and get the satisfaction they aspire for, they need to keep most of the money they earn. So, the absence of the material incentive undermines individuals' drive to excel and make more money, causing economic and societal development to be retarded. Private property that includes material and financial assets, and scientific and technological and intellectual knowledge, have contributed to everything man has accomplished over the ages. Nevertheless, private property and personal wealth and the power they generate should be regulated by society and directed towards enriching, not just the lives of those who own them but also the life of society as a whole. Viewing money as a means to facilitate social change and economic transformation is the right way to create the right conditions for prosperity and social peace. In contrast, viewing money as a means to exploit the poor and denigrate the weak and deny them their legitimate economic, political, social, cultural, or human rights is the way to more poverty, discrimination, and conflict.

Looking at what happened in most countries since the 1990s, we notice that the rich and super-rich have shown little regard for community life; they have shown almost no interest in the miserable living conditions of the world's poor. Nevertheless, despite their deteriorating living conditions, the poor and powerless are not expected to revolt soon to reclaim their rights and force the creation of a new social order. Times that witness society's transformation from one civilization to another usually causes chaos and loss of direction. Consequently, they dampen expectations. Ordinary people passing through a transitional period often get confused and become more conservative and inward-looking, which leads them to seek hope and comfort in religion and traditional values that discourage change and encourage contentment.

Every system based on materialism and interests only, regardless of its nature, is unjust because it does not guarantee equal opportunity; and every unfair system is inefficient because it does not utilize all people's potentialities. In the absence of equal opportunity, most people lose many of their rights, especially the right to discover their talents and develop their capabilities and improve the quality of their lives without having to surrender their dignity. Unfair systems also tend to concentrate wealth and power in the hands of the few, strip the middle class of the resources it needs to maintain its economic position and sociopolitical role, and impoverish a large segment



of society, leaving the poor in distress. On the other hand, every inefficient economic system is unfair because it wastes natural and human resources and opportunities and fails to distribute the material and nonmaterial benefits among all participants equitably.

When an economic, political, or social system fails to be fair and efficient, society intervenes sooner or later to restructure the system or replace the social order. This means that for societal systems to survive the tribulations of changing times, they have to be economically efficient, socially fair, and politically unbiased. Cultural values of honesty, integrity, responsibility, and fairness can strengthen every system, foster social peace, and facilitate material and cultural progress. In contrast, systems that ignore such values and focus on money and power only cannot meet people's basic needs and, therefore, are destined to fail and die peacefully or violently.

Since all of these values are essential components of cultural capital, when a society loses most of them, it loses its capacity to produce social capital. America is a country that has lost most of its cultural capital; thus, it lost its ability to produce enough social trust to function properly and protect the rights of its people. As a result, corruption spread widely and polluted the financial, economic, and political institutions. Consequently, the four societal processes of change and transformation have ceased to function according to the rules that govern their societal role. These processes are the sociocultural, the sociopolitical, the socioeconomic, and the infomedia.

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<sup>1</sup> Margaret Thatcher; [https://www.brainyquote.com/quotes/margaret\\_thatcher\\_385698](https://www.brainyquote.com/quotes/margaret_thatcher_385698)

<sup>2</sup> Alex Henderson, Financial journalist explains why 'shareholder democracy' and Milton Friedman economics have failed miserably, AlterNet, August 20, 2019 <https://www.alternet.org/2019/08/financial-journalist-explains-why-shareholder-democracy-and-milton-friedman-economics-have-failed-miserably/>

<sup>3</sup> Fukuyama, *Trust: The Social Virtues & the Creation of Prosperity*, (The Free Press, 1995) 12

<sup>4</sup> Cited by Jim Hoagland, "All Globalization is Local," *The Washington post*, August 28, 1997. A21

<sup>5</sup> Fukuyama, *Trust: The Social Virtues & the Creation of Prosperity*, 84

<sup>6</sup> Fukuyama, *Trust: The Social Virtues & the Creation of Prosperity*, 26

<sup>7</sup> Fukuyama, *Trust: The Social Virtues & the Creation of Prosperity*, 33

<sup>8</sup> David S. Landes, *The Wealth and Poverty of Nations*, (W. W. Norton, 1999) 51

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<sup>9</sup> Rabie, Mohamed; *A Theory of Sociocultural and Economic Development*, (Palgrave Macmillan, 2016)  
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<sup>10</sup> Schumpeter, Joseph A., *Capitalism, Socialism and Democracy*, Harper Brothers, 1950

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*Since my motto says, "Knowledge not shared is Knowledge wasted," I ask all readers to recommend every article and book they like because it will help others. We all share the responsibility to make our world more hospitable to peace, social justice, and freedom.*

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