

## **Consequence of the Lack of and a New Opportunity for a Socially Responsible Society: the Case of Brexit vs. a Fractal Economic System**

†Robert G. Dyck. Ph. D.

Emeritus Professor, Public and International Affairs, Virginia Tech  
5428 Crossings Lake Circle, Birmingham, AL 35242 USA

Matjaž Mulej, double Ph. D.

Emeritus Professors, Systems and Innovation Theory,  
University of Maribor, Faculty of Economics and Business,  
And IRDO Institute for the Development of Social Responsibility,  
matjaz.mulej@um.si

**Abstract.** The current dilemmas include preconditions for making a socially responsible society become reality, the alternative of which is the 3<sup>rd</sup> World War or even extinction of the current human society of humankind. Bureaucratic governments oppose their own social responsibility, especially in their role of tools of monopolistic companies; the European Union's government is such a dangerous case. Brexit (the British decision to exit the European Union), is a new opportunity to diminish the far-away and bureaucratic attributes of the government of the European Union and to increase the social responsibility of it and of governmental and other most influential persons and bodies in Europe, including the British ones. The article elaborates briefly the socio-economic purpose of the concept of social responsibility and elucidates the underlying political considerations that informed the June 23, 2016 referendum on Brexit and to consider alternative socially responsible economic organization, based on networking that could alleviate the troubling disparities in income, wealth, and political control to be found in the majority of the regions of the UK. Implications for the survival of the EU and its member states are also considered.

**Key Words:** Brexit, Social Responsibility, Networking, Fractal Coherence, Fractal Connectivity, Collaborative Social Learning.



## **Posledica pomanjkanja in nove priložnosti za družbeno odgovorno družbo: primer Brexit-a v luči fraktalnega ekonomskega sistema**

### **Povzetek**

Trenutne dileme vključujejo predpogoje, da postane družbeno odgovorna družba realnost, katere alternativa je tretja svetovna vojna ali celo izumrtje sedanje človeške družbe. Birokratske vlade nasprotujejo lastni družbeni odgovornosti, zlasti v vlogi orodij monopolnih podjetij; vlada Evropske unije je tak nevaren primer. Brexit (britanska odločitev o izstopu iz Evropske unije) je nova priložnost za zmanjšanje nestvarnih in birokratskih lastnosti vlade Evropske unije ter za povečanje družbene odgovornosti EU ter vladnih in drugih najbolj vplivnih oseb in organov v Evropi, vključno z britanskimi. Članek na kratko opiše socialno-ekonomski namen koncepta družbene odgovornosti in razkriva temeljne politične premisleke, ki so vodili k referendumu 23. junija 2016 o Brexitu, in preuči alternativno družbeno odgovorno gospodarsko organizacijo, ki temelji na mreženju, ki bi lahko ublažilo zaskrbljujoče razlike v dohodku, bogastvu in političnem nadzoru, ki se nahajajo v večini regij Združenega kraljestva. Upoštevajo se tudi posledice za preživetje EU in njenih držav članic.

### **The selected challenge: the global socio-economic crisis, requisite holism, and social responsibility**

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The benefit of the post-WWII neoliberal, i.e. monopolistic economic development belongs to a too small percentage of humans for the majority not to rebel and require governments' social responsibility. E.g. in USA one single percent of citizens owns now seventy percent of all wealth; this change from 37% was attained in only 12 years and makes USA 'a banana Republic' rather than an honest, requisitely holistic and socially responsible (H/RH/SR) capitalism country (., Rop, 2011). The resulting current crisis lasts for a decade, at least, and seems to require innovation of the concept of innovation of so far to include requisite holism (RH) and social responsibility (SR) as non-technological innovations providing more reliable conditions of life and business. SR may support RH better than the practice of human relations of so far based on exaggerated selfishness and greed, narrow-minded and short-term behavior (Acemoglu, Robinson, 2015; Dyck, Mulej, ed., 1998; Felber, 2012; Hrast et al., ed., 2015; Lebe, Mulej, ed., 2014; Merhar et al., 2014; Mulej, Dyck, ed., 2014; Mulej et al., ed., 2013; 2014&2015; 2016, a, b, c; Piketty, 2015; Varufakis, 2016; Žakelj, 2013, 2017; and references therein; public media). People with exaggerated selfishness and greed, narrow-minded and short-term behavior seem to forget that the very starting triple concepts of capitalism – equality, freedom and brotherhood – do mean everyone's freedom, including the freedom of doing business, and everyone's equality of chances and opportunities, which disappears when monopolies prevail and kill equality; this problem might become smaller by application of brotherhood, e.g. solidarity and support/aid for the less successful ones. Now, monopolies prevail so much that 0.0004% of organizations (less than 750 out of 30 million of them) control 80% of the world market (Vitali et al, 2011).



N.B. 1: The 'requisite holism' (RH) reaches beyond Bertalanffy's (1968, p. VII) definition that he has created his General Systems Theory against over-specialization, i.e. against the one-sidedness of specialists without interdisciplinary creative cooperation as a crucial precondition for wholeness of insights and findings. The real wholeness depends on real, i.e. total holism of approach that unavoidably includes totally all attributes from totally all viewpoints and specializations in synergy; this reaches beyond the human capacity. The 'requisite holism' aims at the middle way between the real holism/wholeness that cannot be attained by humans, and the limitation to a single specialization that causes one-sided insights and oversights, resulting in problems, all way to world wars and global socio-economic crises. The 'requisite holism' includes all and only crucial viewpoints in synergy (Mulej, Kajzer, 1998) making the 'dialectical system' (Mulej's, 1974) (see also Mulej et al., 2013).

N.B. 2: Social responsibility (SR) means one's responsibility for one's impacts on society, i.e. humans and nature; all its contents are linked by the notions of interdependence and holism in ISO 26000 (ISO, 2010). Hence SR supports informal systemic behavior, and so does RH. SR enjoys support of the bodies of the European Union (EU, 2011), but not fully so in its practice, which resulted also in Brexit. How much SR caused Brexit – this is the issue of the research reported about here.

Data explain why transition to RH and SR is unavoidable, although difficult for many.

### **Some data**

As a framework, let us summarize some data (See: the above references; references therein; public media). Data reflect facts that require humankind's transitions from the current one-sidedness to RH and hence SR as an informal systemic behavior – for humankind to survive by leaving the abusing neoliberal monopolism behind and by practicing the real market with equality, brotherhood and freedom:

- The neoliberal capitalism crucially differs from the liberal capitalism of Adam Smith (Smith, 2000; 2010), because it has denied SR, and caused the current crisis by creating a 'Bubble Economy' with monopolism that kills market and provides chances only to a small minority of population. In less than 150 years the world-wide span of wealth (measured in national per-capita-income) has grown from 3:1 to +500:1, leaving 85% of humankind under six US\$ a day and hence angry and envious, and/or without ambitions and productivity.
- The natural carrying capacity of the Planet Earth to support the destructive living style of the current neoliberal civilization has been overburdened several decades ago; survival of humankind is endangered.
- The increase of the standard of living after the 2<sup>nd</sup> World War has been fictitious and cannot last, because the huge costs of maintenance of the natural preconditions for humankind to survive have been postponed and piled up rather than covered in real time. The unavoidable renewal of these preconditions may cost more than both world wars combined, if the action is



immediate; it may cost even 20% of the world-wide GDP, if the action is postponed for another 20 or so years (which seems to be the reality).

- There are estimations that humankind will be decimated in two to three decades, if the current socio-economic practice is not given up (public press in 2014).
- The increase of standard of living after the 2<sup>nd</sup> World War has been fictitious, also, because of growing and hidden debts of countries, including the so-called developed world. These debts are close to three times the global GDP; they are officially visible around the world, but the debts toward the human natural environment are not included and must be added.
- The big depression of 1930, to which the current crisis is said to be quite similar by many authors, was not simply resolved with Keynesian economic measures, but continued as the 2<sup>nd</sup> World War in order for humankind to resolve the problems left over after the 1<sup>st</sup> World War. Similar problems are around, plus the crisis of affluence (James, 2007), i.e. the lack of real needs rather than of supply, demand and buying capacity only.
- A next danger are nuclear weapons able to destroy the Planet Earth several times.
- People forgot that organizations, including enterprises and states are their tools rather than authorities above people; they are tools of those in the positions of higher human authorities, only, more or less. SR is a (poorly present) human attribute, which is necessary for humankind to survive.
- In other words, the lack of SR that has destroyed the slaves-owning and feudal societies and has created room for democracy and free-market economy – is surviving, called financial, neoliberal or feudal capitalism: there is no really free market, but monopolies in which 0,0004% of organizations control 80% of the world market. Legal names differ, not much else. This is why SR is so much needed and discussed today.
- The ‘Neoliberal Economy and affluence’ cannot last for humankind to survive. SR and RH must replace them; which definition of SR?

### **Content of social responsibility in brief**

- The content of SR is differently understood (Dyck, Mulej, ed., 2014; Zore, 2016, and references therein).
- The simplest and oldest version of SR is charity, but it might only be a mask for real one-sidedness rather than RH of behavior of influential persons and their organizations.
- European Union (EU, 2001) mentioned officially four contents of SR (of enterprises): the point is in a free-will-based acceptance of the end of abuse of employees, other business partners, broader society, and natural preconditions of humankind’s survival, beyond law.
- In literature on business excellence one requires more – upgrading of its measures with SR.
- In further literature one sees connections between systemic thinking and SR.
- A fourth group of references links SR with world peace.



- ISO 26000 (ISO, 2010: 19-68) is (because ISO is a global free-will association including more than 160 countries) the globally accepted document on SR, formally; it requires a holistic approach (based on interdependence) and includes seven core contents: (1) organization, management and governance, (2) human rights, (3) labor practices, (4) environment, (5) fair operating practices, (6) consumer issues, and (7) community involvement and development. It treats them with 7 principles: 1. accountability, 2. transparency, 3. ethical behavior, 4. respect for stakeholder interests, 5. respect for the rule of law, 6. respect for international norms of behavior, and 7. respect for human rights (ISO 2010: 10-14).

If one analyzes the cited issues with RH, one finds that SR only fictitiously and in a short term causes uncovered and avoidable costs (opponents of SR quote costs as reasons against SR, often; see public press). Costs of honest behavior replace – as an opportunity cost that is prevented and is therefore hard to see in book-keeping data – costs that are clearly visible in book-keeping data, although often indirectly, such as cost resulting from:

- Mistrust on the part of managers, coworkers, and business partners, and resulting costly double-checking;
- Double-checking of creditworthiness of new business partners, replacing the lost ones, finding new ones and persuading them;
- Lack of well-being and dissatisfaction, causing poor work;
- Strikes, resulting from dissatisfaction, be them visible or white;
- Loss and regaining of high-quality co-workers and other business partners;
- Manager's and co-workers' routine-loving/addicted rather than creative/innovative behavior;
- Misery and poor health and illnesses (which are cured rather than prevented);
- Remediation of consequences of natural disasters, terror, and wars (which are cured rather than prevented);
- Etc.

Thus, SR changes the practice of ownership as defined by the – still accepted – Roman law saying that the ownership gives to the owner the right of use and abuse. SR upgrades the known practice calling co-workers process owners, i.e. responsible with no right of abuse of the given equipment etc.

### **Abuse must be replaced**

Abuse must be replaced by SR/RH for humankind – and its organizations, for that matter – to survive as the current civilization. This civilization faces problems of (1) extreme division and (2) affluence, too, along with (3) destruction of the natural preconditions of humankind's survival. Affluence is subjective; it causes the lack of ambition to work hard in order to have more, once one has everything one feels as a need (James, 2007). Need differs from greed that is said to mean that 'one buys things, which one does not need in order to impress individuals



for who one does not really care'. Greed supports production beyond needs, by which it ruins nature beyond needs, too, and is detrimental, in the longer terms, at least.

Development of SR is, hence, aimed to be an innovation of human behavior toward systemic behavior by ethic of interdependence and resulting RH rather than abuse and end of survival.

### **Fractal economic system – a way toward social responsibility**

A fractal economic system is built on complex *networks* of relationships rather than on simplistic cause and effect relationships. Fractal relationships (based on self-similarity) make possible the transfer of energy and information between one level of scale and another. They represent a kind of mathematical power law. Power laws are endless sources of self-similarity, and exist in nature to make energy and information flow efficiently. For example, the bifurcation of a fractal tree structure results because restricted energy flow leads to an energy buildup that creates stress in the conduit, resulting in two new channels that increase the efficiency of energy flow. The term “fractal” was first used by Benoit Mandelbrot in 1975. He based it on the Latin *fractus* meaning “broken” or “fractured,” and used it to extend the concept of theoretical fractional dimensions to geometric patterns in Nature.

A fractal economic system offers significant advantages. Chief among these are political autonomy at all levels of scale, along with a more collaborative economic structure facilitating more reliable prosperity and greater equality of wealth distribution than the neoliberal model. Fractal complexity facilitates collaborative organization, whereas the neoliberal model facilitates hierarchical, top-down control by oligarchies. In fact, one may say that the fractal system would replace Adam Smith’s *Invisible Hand* (in which self-interest<sup>1</sup> is supposed to sum to social benefit, as on as monopolies do not prevent it) with a *Visible Hand*, requiring socially responsible and visible caring for one’s counterparts. Operationally, this would mean that everyone is responsible for sharing according to his or her capabilities, rather than “taking” to maximize personal advantage. It is a “eusocial” opportunity that should not be missed.

Hence, SR is attainable, if the decisive persons are requisitely holistic and long-term in their orientation as humans and organizations rather than one-sided and short-term.

### **Brexit – a reaction to the perceived abuse: poor social responsibility against another poor social responsibility**

Despite the gloomy prospect of economic doom seen by many, Brexit offers a rare opportunity to replace an oligopolistic, non-representative political and economic system with a socially responsible, collaborative, fractal system.

Marine Le Pen, President of the National Front party in France, applauds Britain’s courage to embrace freedom and leave the European Union, and wishes that France could demonstrate

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<sup>1</sup> The most important self-interest of the serious entrepreneurs covers the long-term customer fidelity, which results from customer's happiness with the offered supplies reflecting the suppliers' social responsibility unless monopolies come to prevail over competition and cooperation (see: Smith, 2010).



equal courage. She sees the issue as primarily a political one: must we allow an undemocratic authority, the EU, to rule our lives, or do we prefer to assert control over our own destiny? The economic questions, which everyone thought were fundamental, were correctly recognized by Britons as only secondarily important. EU currency restrictions, the European Parliament, and the EU constitution are all undemocratic and antithetical to the rights of sovereign nations (Le Pen, 2016). Le Pen does not say how an uprising would be accomplished, whether the EU itself could be subjected to major renovation, or how national political and economic models should be internally restructured. But her critique of the current political and administrative arrangements could not be clearer. Her SR and RH are, though, limited to France with nobody else around.

In the short term, economic confusion and dislocations caused by Britain's exit from the EU will have the negative effects currently being experienced. Though, in the long term, Brexit will likely prove advantageous to Britain's productivity, prosperity, resource conservation, and more equitable sharing of income and wealth, provided that both Britain and the EU find ways to shift away from the neoliberal economic model, as outlined herein.

The European Union (EU) is a politico-economic union which, accounting for the UK's pending withdrawal, will be comprised of 27 member states located primarily in Europe. It was founded in 1993 and is headquartered in Brussels. London is its largest city.

EU passed several documents supportive of social responsibility, but other decision show more support to one-sided benefits for the monopolizing companies than for SR and RH. This might be a part of causes for Brexit, but a part only. Let us look for more of them.

### **The existing socio-economic situation in UK**

A review of those parts of the UK that voted for Brexit is instructive. They are the nine of twelve statistical regions of the UK that experienced the lowest gross value per capita added in 2013. They comprise all of England except for the statistical region of Greater London (which enjoyed by far the largest gross value added per capita, £40,215), Northern Ireland, and Scotland. Two of the richest 10 areas of the European Union are in the UK. Inner London is number 1 while Berkshire, Buckinghamshire, and Oxfordshire combined are number 7. Southern Scotland is also one of the UK's richest areas per capita. Please note: the source of the statistical and other information describing the UK and Brexit is *Wikipedia*.

The economy of the UK (England, Scotland, Wales, and Northern Ireland), one of the world's most globalized economies, is the world's fifth largest, measured by GDP, and ninth largest measured by purchasing power. It is the second largest in the EU by both metrics. The UK economy is dominated by the service sector, which accounts for about 78% of GDP, and its financial services sector is especially important. London is the world's largest financial center, the city in Europe with the largest GDP, and the world capital for foreign exchange trading. Edinburgh is one of the largest financial centers in Europe.



In regard to poverty, abated by social welfare structure, the UK is in the lower half of developed country rankings for poverty rates, exceeding Italy and the US but performing less well than France, Austria, Hungary, Slovakia, and the Nordic countries. The numbers of Britons at risk of poverty was 15.9% in 2014, down from 17.1% in 2010 and 19% in 2005 (calculated after social transfers were taken into account). In general the poverty line in the UK is defined as 60% of the median household income.

### **Exchange Rate Considerations.**

The British Pound was equivalent to about \$1.6 during 2012 and 2013. It bumped up to about \$1.7 by the beginning of 2015, then dropped to \$1.5 by the end of 2015. It then went up to almost \$1.6 in early 2016 and dropped to \$1.32 in the wake of the Brexit vote, a drop of 8.25% from the beginning to the end of this period. The weaker rate may help British exports, but could also make imports more expensive and push up the inflation rate.

### **Economic Geography and Regional Disparities.**

The UK has a long history as a trading nation and an imperial power. Its primary industrial sector was once dominated by the coal industry, concentrated in south Wales, the Midlands, Yorkshire, North East England, and southern Scotland. Although coal output fell by more than 75% between 1981 and 2003, the remaining mines produced enough coal in 2003 to rank the UK as the 15<sup>th</sup> largest coal-producing nation, compared to 4<sup>th</sup> in 1981. Now, the major primary industry is North Sea oil and gas, concentrated on the UK Continental Shelf to the northeast of Scotland.

The decaying industrial areas of the north of England and southern Scotland, when contrasted with the wealthy, finance-and-technology led southern economy, are referred to in terms of the North-South divide. The following categories indicate the principal differences:

- Earnings, which are higher in the South and West;
- Housing prices, which are higher in the South and South-East;
- Health conditions, considered to be worse in the north, cause higher health care costs;
- Government spending per person on transport, infrastructure, and R&D, which is much higher in the South-East;
- Government spending, which is higher in the North than the South, largely to fund universal benefits as a result of higher unemployment;
- Political influence, since Southern England tends towards the Conservative Party rather than the Labour Party;
- Devolution of powers to local government is less extensive in the North;
- Class and ethnicity differences are more prejudicial in the North.

Successive governments have tried to rectify the imbalance with regional development policies, but without notable success. Poor wages and low expectations were the root of dissatisfaction with membership in the EU, while the finance and technology sectors of



London, Edinburgh, and Northern Ireland appeared to benefit disproportionately from EU membership; their citizens supported continuing EU membership in the referendum of June 27, 2016, whereas the other regions did not.

However, the Midlands retain a strong manufacturing base, with about one-fifth of its employment dependent on manufacturing, and the East Midlands Development Authority is interested in preserving and enhancing this economic characteristic. Meanwhile, manufacturing in the South continues to decline, except in the London area.

Although manufacturing in 2013 comprised only about 13% of the economy, having been supplanted by services, which comprised 79%, it remains an important sector in the British economy, and the UK is one of the most attractive countries in the world for direct foreign industrial investment. Engineering and allied industries comprise the largest single sector within manufacturing, including eight global automotive manufacturers located in the UK. Electronics, audio, and optical equipment are also important, together with communications products and scientific instruments. Other productive sectors of manufacturing include chemicals and chemical-based products, along with pharmaceuticals.

Additional important sectors of the manufacturing industry include foodstuffs, beverages, tobacco, printing, paper, and textiles. The UK is home to three of the world's largest brewing companies: Diageo, SABMiller, and Newcastle. Other major manufacturing companies include Unilever, Cadbury, British American Tobacco, HarperCollins, and Reed Elsevier.

Almost half of the UK's biggest cities have low wage, high-welfare economies that follow the template of the north-south divide. A recent report by the independent think tank's annual "Cities Outlook" urges the national government to address the divide by continuing to increase investment in regional economies, while giving cities "home rule" control over local tax revenue, skills, infrastructure, and housing. Skill gaps must be tackled through improved schooling to attract businesses and jobs, and to support the transition of more people into high-skill sectors.

### **Brexit – a Response to Failures of the onesided neoliberal Market-Based Economics with a poor Care for SR and RH.**

Neoliberal economists claim that the free market, under the rule of the invisible hand and equilibrium theory, generates *harmony*<sup>2</sup>. However, as we have seen in the section on the UK's economic geography and regional disparities, its membership in the EU has not benefitted the majority of geographic regions or economic sectors, resulting politically in the Brexit referendum. Instead, the EU represents oligarchic control, unfair and inequitable wealth distribution, and the need for huge British government bailouts to cover the health and welfare costs of populations in regions that are not able to generate adequate income levels.

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<sup>2</sup> Let us only mention that the Nobel prize winners who speak for the free market, offer no empirical proves for their statements, while 84% of studies find that cooperation helps humans better than competition (see: Felber, 2012).



As shown by Kenneth Arrow, Joseph Stiglitz, and others, the idea of a market as a *stable and self-correcting mechanism* cannot be supported scientifically. Equilibrium theory is not able to derive the behavior of the market as a whole from the rational behavior of individual consumers and firms, and thus is not able to support market stability. Stiglitz argues further that information is never fully revealed by market prices, and information issues are key to many types of market failure, including unemployment, credit rationing and financial blow-ups.

Thirdly, regular patterns in the market are not *predictable*. Prevailing smooth bell-curve theory has been shown by Mandelbrot and others to be inapplicable. The efficient market hypothesis, that prices of speculative assets move independently of each other and are random, is not an accurate description of reality. Again, in the context of Brexit, the UK's economically disadvantaged citizens are correct in assuming that the EU cannot predict or generate more favorable economic conditions for their regions (Dyck, 2011).

Since harmony, stability, and predictability cannot be achieved by the prevailing neoliberal model, despite claims to the contrary, we need an economic model that takes advantage of new developments in complex systems and network theory to provide better ways of linking all parts of socio-economic systems, from the smallest to the largest, and to provide better methods of monitoring and influencing the dynamics of unfolding systems.

If the complex systems and network theory were the practice with visible benefits for the less well-of Britons, Brexit might not happen.

### **Networking: A New Scientific Basis for Economics instead of neoliberal Monopolies supported by EU so far.**

The biggest problem associated with the prevailing economic model is that it does not contemplate the entire system of relationships that are important; it does not match SR and RH. The focus must be on healthy flows of energy, information, and money through all parts of the socio-economic system. The approach must be more systemically inclusive and more dynamic, yet attuned to all the individual actors. Fractal theory, as pioneered by Benoit Mandelbrot, will almost certainly prove to be essential, as it has been in the analysis of complex ecosystems.

Fractal (self-similarity) relationships facilitate energy transfers between levels of scale in nature. The more *intricate* the structural relationships, the more energy, information, and money can flow. Accordingly, at the level of community scale, it is essential to support education, roads, hospitals, and all other minimal conditions for healthy community life, as well as its economic basis.

Linkages between all levels of economic activity are required, as in Nature, which also is built on multi-scale organization. It is no longer possible to cleanly separate manager from worker, consumer from supplier, or micro from macro considerations. The separation of the large, powerful, and wealthy financial sector from small, impoverished economic units in the UK



provides a pertinent example. Systemic networking and multi-scale connectivity has not yet occurred to the extent necessary to assure mutual prosperity, quality of life, social equity, justice, and environmental quality.

### **Structural Rules for fractal economic development planning.**

Two important rules for fractal economic development planning are as follows. The first is *fractal coherence*. There must be sufficient density and variety of nodes at all scales in a distribution so that they can catalyze interactions among themselves by exchange of information and energy. If there are huge corporations, they must be balanced by larger numbers of small firms, in inverse proportion, at all levels of scale.

The second rule is *Fractal Connectivity*. Every node of economic activity (e.g. a firm) must have multiple alternative paths of connection with other nodes. Both short and long links are needed to provide necessary connectivity between nodes. The connections must provide for exchange of information, energy, money, materiel, and goods, and must occur at all scale levels. They must provide for exchange between persons and firms, with necessary means of financial exchange and means of connection (from walkways to electronic linkages). If the goal is better income and economic vitality within the smaller and less productive units of the British economy, better interlinkage of the smaller and larger hubs will be necessary, including those of London's financial center.

### **Collaborative Social Learning – support to SR in RH innovation and entrepreneurship in the fractal economy model.**

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The above two structural rules must be supported by collaborative social learning for the innovation and entrepreneurship required, at each level, to facilitate the development of increasing system intricacy. This means that each hub in the system must be completely open to exchange of energy, information, and capital, without destructive domination of any hub by another. In a cultural context that values collaboration and sharing, this will not be a problem, but gaps in income and wealth in the world have grown geometrically throughout the last 150 years (Dyck, 2006).

Rationality must now be defined as *caring* at least as much as by self-interest. New behavioral evidence indicates that people everywhere are hard-wired for caring. People enjoy collaborating with others and expect to be treated as equals. Collaboration is humanity's best survival strategy, because it is the principal basis of social learning and innovation (Dyck, 2011).

### **Conclusions.**

The EU has increasingly become a neoliberal project, and correspondingly, one that is oligarchic and anti-democratic. Inclinations to leave the EU are met with threats from the EU, including extortion, rather than compromise. Any movement for democratization must question the EU's imposition of the budget rights of the European Parliament, and its imposition of austerity in Greece and other member countries, including Italy and France.



Ironically, it is political leaders on the right, including Marine La Pen of France, who are currently taking up the issue of national sovereignty, not only in the UK, but in other member countries. Their most important national economic policies, including monetary, currency exchange, and even fiscal arrangements, have been compromised by EU rulings. Lack of independent national control over currency, banking, monetary, and fiscal issues has co-created mass unemployment, most notably in Greece, and is also a major cause of migration friction, together with failed US/European foreign policy in Syria, the Middle East, and North Africa (Weisbrot, 2016).

Britain's new prime-minister, Theresa May, who now leads its Conservative Party, has sounded similar concerns. In regard to the corporate world in Britain, she has called for more protectionism, greater say for workers, vigorous antitrust enforcement, and limitations on pay for CEOs. She speaks of a country that "works not for a privileged few, but for all of us."

Her perspective seems very similar to what you would expect from a Labour Party leader, or Bernie Sanders, but she asserts that she is not "anti-business," even though she is for more stringent regulation of corporations. Her main interest is better governance of corporations, with more representative governing boards, and more responsiveness to their stakeholders, including both consumers and employees. In summary, she argues for a rethinking of the state's relationship to the corporation, and for more corporate social responsibility in respect to its communities and other constituencies (Solomon, 2016).

When conservative political leaders Marine le Pen and Theresa May, women in powerful political positions in two different countries, espouse radical changes in the prevailing political economy, it is time to take notice. Their concerns are with community, with democracy, and with sovereign national control over important national policy matters. Their concerns articulate the glaring failures of neoliberal theory and practice in regard to democratic control, equality of opportunity, equitable distribution of income and wealth, elimination of poverty, and a more sustainable and satisfying lifestyle for all.

That is why it is time to take a close look at the underpinnings of prevailing economic theory and practice, and to consider alternatives, including those articulated in this research, that are generated by current scientific perspectives, political requirements, and cultural imperatives.

What can Slovenia contribute to the necessary solution? We published the suggested model (Dyck, in Mulej et al., ed., 2016, in Slovene) and in English (Dyck, forthcoming in *Our Economy*).

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