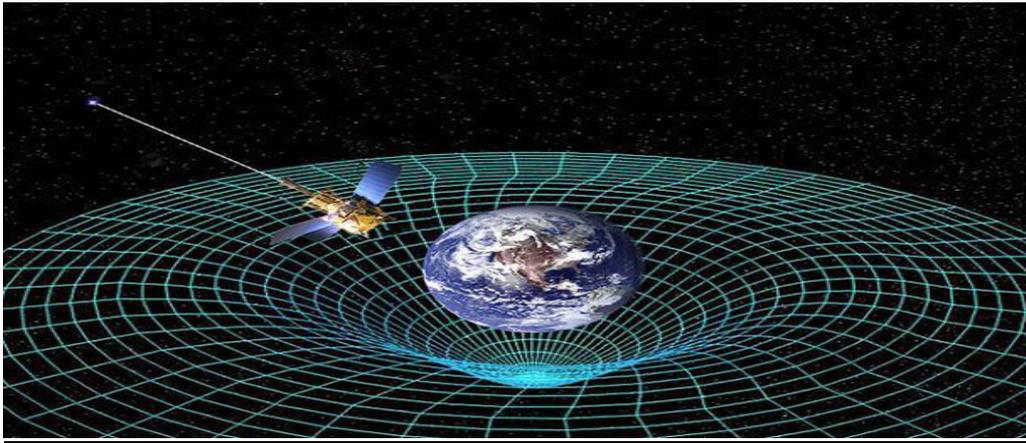


THE DR. ZOHRA AZAM MEMORIAL PEACE STUDY (2017)



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THE ETHICAL ECONOMY OF SPACE AND TIME

The Privilege to Exist

Time gives us the privilege to exist and to develop our personalities which are divided by the spatial dimension of our bodies; the mutual interplay of spatially separated bodies is the realm of ethical human action. Albert Einstein related space and time to the behavior of mass and energy, pointing to relative continuums of time (local, global, universal), implying the scientific impossibility to reach the speed of light. Space and time are essentially moral categories, with the ethical requirement of human rectification or correction on planet earth, i.e. this is the place (space) to develop and elevate the human soul towards a life beyond time. The immortal human soul which is consequently not of this physical world will never be satisfied with the economic goods of this material globe; this deep psychological and medical insights were very well understood by the Kalam of the Islami Golden Age. However, today's over-specialization of science as an economic tool of human productivity and private property maximization does fundamentally distract our precise attention from

the hidden scientific inconsistencies of the various sub-disciplines; let use the metaphor of a very high building where the inhabitants of the many rooms are unable to communicate, due to intellectual or material curiosity. Everybody with a basic knowledge of the scientific method can easily detect that the working assumptions of physical thermodynamics, evolutionary biology and mathematical information theory are not compatible, concerning their implied logic or ideology of research.

Human Systems Evolution

Global economic systems evolution on planet earth is a man-made affair, due to the unnaturalness of the human nature; it is the economic result of human ingenuity and the prudent submission to the physical laws of the natural world which work in (created) space and time. Sumerian records tell us that the first economic transfer of land titles via monetary tools in human history was done by private bank transactions, following an exact legal metric of a barley/silver ratio; these book-keeping procedures were supervised by temple deities. The privatization of nature (resources) is at least 5000 years old and territorial control is a key resource of human wealth, e.g. the location of land for real estate and the access to natural resources as primary economic input. There is something very Sisyphean about the process of human civilization and the rise or fall of economic systems. Most statistical data sets on economic history and the economic status quo do factually imply a hidden determinism for prospective foresights of a nation's wealth and health (IMF, World Bank, CIA Worldbook, Government Statistics, Software Tools like Gapminder), but profound mathematical logic and proof methods do suggest that post mortems refer mainly to pathology and not to the anatomy or physiology of the living body economic, i.e. stating events and results in numbers or graphs is an effective methodical way to condense information on the state of the art, but much more scientific creativity is needed to work out a sustainable economic pathway into the future. The evolutionary or developmental tendency of the world economic system points to the fact that all production factors (land, labor, capital) are becoming knowledge-intense, due to the optimization of technical (automatic) information processing. The most decisive human consequence is that education

(high literacy and technical skills) is becoming a selection program for (automated) information (data sets), i.e. a key advantage in the market places where economic goods and services are exchanged via monetary tools.

Pakistani Capitalism

The population of Pakistan has risen 5fold, since the inception of the Islamic Republic. Rated at world rank 25, concerning purchasing power parity, and rank 6, concerning total national population, Pakistan is much more than a regional heavy weight. The economic problem of energy and the wealth of a nation is now very well researched, i.e. increasing energy consumption is not equal to economic growth and can also mean a waste of strategic future resources, it is energy efficiency that leads to economic growth. Labor needs fair wages and affordable housing, a rising population on a given territory needs more capital and entrepreneurs. In addition, the unearned income from rental values (land) should not outperform the earned income of labor and capital. The socio-economic emergence of modern Pakistani capitalism can easily collide with classical Islami ethics, i.e. with the very foundational idea and ideals of the nation itself. All these demanding tasks must be accomplished in a sustainable and ecological manner, without destroying the natural resource basis or the life-supporting systems of the national territory. Consequently, such an ethical, economic and ecological agenda needs a refined (macro-prudent) long-term strategy that exceeds the life-span of a human generation. As with all human processes, the danger of implosion and explosion is equally high, if too much 'social heat' is accumulated without reducing the inevitable entropy that accompanies economic progress and poverty.

Economic Rent in Pakistan

An applied social science that works by observable quantities can serve the common people who need fair wages and affordable housing; this author already completed an in-depth study on economic rent in Pakistan, i.e. the Sisyphian human problem of all social economies. The given rising population density of Pakistan (statistically: in a small geo-graphic corridor along the

Indus river) recommends the introduction of a simple geo-economic taxation system, starting at the local and municipal level, which captures the land value of real estate and natural resources as a location fee to rebalance the privatization of nature; the surplus of this public revenue could also serve as a citizen's dividend ('dignity voucher' or basic income). At the end of the 3rd volume of Capital even Karl Marx reveals to us: when the economic return from capital decreases, the remaining surplus disappears into ground rent. Capitalist nepotism can only be balanced by geonomic thought (land value taxation), thermodynamic prudence (entropy reduction) and ethical behaviorism ('the golden rule'); otherwise, the capitalist economic system cannot fulfill its historic 'mission', i.e. to produce more capital from capital and to form a capital-based economy, with an advancing technological infrastructure. The nepotistic track will lead inevitably into the rentier elite trap which simply means neo-feudalism on a techno-electronic stage, i.e. Sisyphean economic history repeating. Capitalism is not a dialectical or historical determinism of matter in motion, but a man-made (human) system and can be bended towards public prosperity and justice, if we wish and want; the next global economic system will most probably be a geonomic system of earth sharing, i.e. economic democracy and productive association in equality, with gradual degrees of individual participation and performance.

A Geo-Economic (Taxation) System

The main objective of a geo-economic system is to remove the economic value of land (privatized nature as location of real estate and resources) as banking collateral, with the following steps: A) to tax the economic value of land as public revenue; B) to decrease (<) the taxation of (real value creating) labor & capital and to increase (>) the taxation of economic rent in all appearing forms; C) to introduce banking regulation, with 100% money or very narrow reserves, capturing seigniorage as public revenue. Such an evolutionary path of economic systems evolution is compatible with the democratic and theocratic ideas, ideals and practices of the Islamic Republic of Pakistan; a maximum of production and a free flow of trade as envisioned by Mohammad Ali Jinnah (July 1, 1948) can be realized via geonomic thought. Among the 10 most populated countries in the world, only China has made some substantial progress in implementing such a taxation system which was called by Milton Friedman: 'the least bad tax'.

Henry George called it: 'the ultimate tax', based on the works of David Ricardo, Baruch Spinoza and the Biblical account of Leviticus (chapter 25) which is guided by ancient prophetic wisdom and experience.

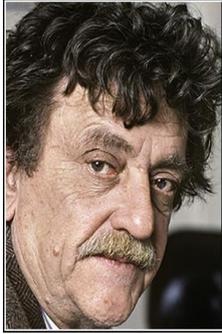
Forward and Backward Motion

A future-oriented geo-economic reform program does not think in the mono-causal or linear behavioral model that the past informs the future; in any case, statistical data (Gaussian and non-Gaussian) of the physical economy provide governance with decision-making tools, but even the most exact post mortem (on energy, growth, population, education, ...) cannot predict the future. Real foresight is based on anticipating events of the future and how these chain of events starts probabilistically in the present. It is very important and decisive to understand that the original Einsteinian formula for bodies in motion ($E^2 = (mc^2)^2 + (pc)^2$) is quadratic and allows for forward & backward causality; the human systems evolution of our physical economy possesses most probably a teleological nature of patterns, selection procedures and strategies, i.e. all the physical motion (wave frequencies and lengths that translate into cycles; cycles that transform into spiral form of progression vs. retrogression or expansion vs. contraction) of the living body economic behaves in this manner of mass energetics. If we want to apply economics as a science, it is necessary to advance our book-keeping techniques well beyond the privatization of nature and the maximization of assets via liquidity (fiat bank credit money and interest. The rent-seeking mentality of capitalist nepotism, which is present at the bottom and the top of the societal fabric and value orientation (confusing price and value), must be corrected via future-oriented geonomic thought that works by thermo-economic prudence and behavioral ethics. Systematically, a capitalist system can function without liberal democracy and the market information mechanism for a certain time; such a rentier capitalist planned economy, with banks as politburo, transmutes first into an authoritarian monopoly and afterwards collapses. Since 2000, the post-WW2 economic cycle (1950-2000) ended and the economic return from capital formation has decreased, i.e. liquidity is directed into the assets of the rentier elite class, thus curbing

productivity. Pakistan can surely build up a workable alternative economic strategy, without imitating the radical errors and mischief of the modernized landlord monopoly.

Harmony as Structural Law of Human Systems Development

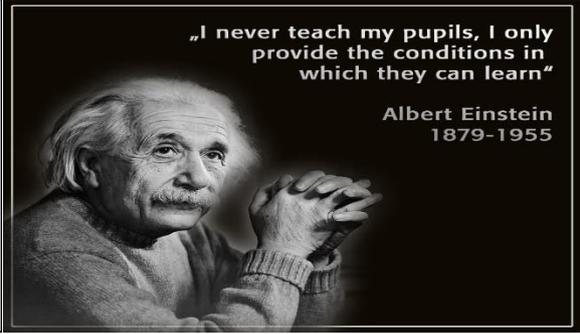
Great social conflict, revolution and war are the economic results of false strategic (leadership) thoughts, concerning the future of a community, nation or the human fraternity. Economic ideas carry very powerful impacts and empirical feedbacks in real human life; religious ideals and philosophical ideas need the scientific method for finding solid ground, an economic foundation where we can erect a sustainable life-supporting system. A list of economic wishes like a Soviet 5-year-plan is a definite recipe for failure, the fusion of 'Der Staat' (the state) and markets can never work in the longer run, because no institution can exercise a centralized privilege on right decision-making. The good economist is a social scientist who can apply creative realism and empirical rationalism; there are many alternative roads to serfdom (social prison machinery) and the worst can always rise to the top. The economic creation of human living chances is the core of peace and the psychological warfare of internal or external aggression (a natural result of frustration with the status quo) will become obsolete. The physical, physiological and psychological states are one (1) working unit and what counts are good economic deeds as contrary to virtual paper monopoly; however, there exists no physical or natural law that a social economy should fulfill all human needs or wishes. A harmonic civilizational order, which can rise spiritually and physically over the fractal natural chaos of diverging life forces, is an ethical, economic and ecological working body in motion, not an orbit of dead objects and their monetary exchange, i.e. the universe is not a computer and the motion and exchange of living bodies in space and time is a moral force to harmonically develop our human potential for eternity...



Einstein's $E=mc^2$ is an extraordinary concept. So radical: matter and energy are two phases of the same sort of general stuff. There's only one other idea that radical: Forgive us our trespasses as we forgive those who trespass against us.

— Kurt Vonnegut —

AZ QUOTES



„I never teach my pupils, I only provide the conditions in which they can learn“

Albert Einstein
1879-1955

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