Few months ago, in this blog, I talked about the need for a market for morality. Later, I followed with a discussion of memes and memetics. Last week I listened to a thought-provoking lecture by a brilliant teacher of mine Prof. Yehezkel Dror. While reflecting on his lecture, I realized that the two above mentioned postings are just a fragment of a much broader and much more important issue. We need a number of new kinds of markets, fast.

First, to Prof. Dror’s lecture. While discussing the need to reframe how we educate managers, business (and other) high level decision makers, Yehezkel suggested that the human race, for the first time, has the ability, intentionally or by accident, to self-destruct. He suggested that there are multiple ways that this can happen, including nuclear weapons, bio-tech, nano-tech, and robotics, among others. He concluded that one of the ways to minimize such risk is by developing, what he called, ‘raison d’humanité’ which he defined as “habits of conscious and intuitive thinking, imagining, deliberation, and judgment on a global scale fitting radical uncertainty and inconceivability; contemplation-based decisiveness; detachment from ‘tyranny of the status quo’ and obsolete ideas together with seeking of unconventional originality; and a combination between mass-pedagogic abilities with res publica Machiavellianism as essential for mobilizing the power needed for in part painful measures.”

Following his presentation, we had a brief discussion of using “markets” as an alternative or complementary solution. This brings me back to the reflection. I realized for hundreds of thousands of years humans basically developed numerous ways to deal with “issues” or “conflicts” (very successfully, which the 7 billion people on the planet suggest). The oldest, is physical power, war. Still in use today, but to a lesser degree, as Pinker’s new book “The better angels of our nature: Why violence has declined” suggested recently. Then we had politics and economics. Tribes, nations and other forms of governments were established successfully. Parallel to that, social sciences, philosophy and academic debate, dialogue and discourse were developed. This was followed by the creation of economic markets, which seem to be an effective method of issue resolution or solution creation, so successful that even communist societies adopted that solution. Still, when markets fail, as happened recently, we go back to government (or politics) and when this fails, we go back to war or revolution. Now, we have to realized, that the learning of how to resolve an issue arises as societies experiment, and what seem to be effective and efficient wins, but this is framed by the set of drivers that steers or prompts the issues. As Maslow mentioned a long time ago, hunger, safety and shelter are the basics. Indeed war, governments, economic markets and science (separately or together) seem to be well-functioning solutions for this set of human problems. More recently, since the inception of the industrial and scientific revolutions, for the last few hundreds of years, an orthogonal (independent) set of drivers has been developed. Some of those issues again, were resolved one way or another by the existing set of solutions, as the long periods of relative political stability and economic growth indicate, punctuated by crisis (as illustrated by the Kondratiev’s long waves). But even here we see early indicators of systematic failure since the frequency and the volatility of the crisis is increasing, with no systematic solution insight.

Assuming that Yehezkel’s analysis is correct, this set of solutions, for the 1st time, will NOT work. The present leaders and governments do NOT have the capabilities, skills, vision and interests to resolve the issues and to lead humanity to the unpleasant and painful solutions needed. Also, the traditional solutions from past dealings with major crises, like dictatorships, charismatic leaders and wars, will NOT suffice this time. The market of ideas is running the risks of failing humanity and making us, as the Financial Times mentioned recently, the next dinosaurs. This is a “market failure of 2nd kind” (we don’t have the “right” markets), or as Yehezkel described, a “market caused disaster.”

If this is the case, then the question is twofold, 1) What markets do we need? 2) How can we establish them fast enough, before it is too late (if we are not there yet)?
First, we have to agree that markets are man-made social agreements, counter to what economists and politicians want you to believe. Their creation and effectiveness can be accelerated by legislation. The question is how to create markets (for ideas, morality, clean air, all for today and future generations, among others) when government and legislation fail. We have done that in the past. Open retail markets, financial markets, and virtual markets were created by entrepreneurial individuals first, then recognized, governed and legislated by city, state and international entities.

Can we repeat this process fast enough for “products” that are intangible, when the buyers (future generations), are not around, don’t have the purchasing power and we have no clue what is the value of the item, on a global scale? Will we have the vision, wisdom, initiative and leadership to rise to the challenge, one that will create a reasonable hope in a timely manner?

Do we have the courage to learn from the success and failure of the carbon market, crash of the financial markets (Banks), housing and the coming crash of the labor markets (40% unemployment of the young Spaniards is just the beginning)?

The need for “Neue Markets” cannot be more urgent; will we rise to the challenge?

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