



## The Leaderless Revolution: How Ordinary People Will Take Power and Change Politics in the 21st Century

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### Introduction

**JOANNE MYERS:** I'm Joanne Myers, director of Public Affairs Programs, and on behalf of the Carnegie Council I'd like to thank you all for joining us.

It's my pleasure to welcome Carne Ross to our program this afternoon, and I thank him for accepting our invitation.

For any of you—and I can only assume that there are more than a few—who are disillusioned about the way our government is operating and feel that you have little power to effectuate change, then you have come to the right place. Carne's book, [The Leaderless Revolution: How Ordinary People Will Take Power and Change Politics in the 21st Century](#), may offer you a solution, because in it he addresses ways to create alternative systems of governance.

"The problem for many," he says, "is that government is seen as being increasingly responsive to special interests but not to, and often at the expense of, the public's interest."

Just as an example, I wonder how many of you know that there are now lobbying organizations representing the interests of lobbyists [laughter], to ensure that they get what they want, unlike our elected leaders, who don't always give us what we need.

While this may be but one example of the ways in which the general public is being ignored, it is a very important reason why so many people are frustrated and disappointed with our political system. Instead of a democracy where all citizens have an equal say in the governing process, the reality is that some organizations and individuals have a disproportionate and unfair influence over what the government does. The result is that power and greed of the few too often win out over the needs of the many. It's what Carne has called "a deficit of democracy."

In *The Leaderless Revolution*, Carne argues that we have to accept that government is no longer fixing things for us. Whoever is in charge, whichever bunch of politicians has taken over government, they will not provide the answer.

In the alternative, to produce the outcomes that are needed and that we want, we will have to take on the burden ourselves. This will be a fundamental cultural change and requires a real examination of our role in political circumstances.

Unlike those who "talk the talk" but have never "walked the walk," Carne is a man of both action and of words. He is a person of principle and belief, as indicated by bold gestures he has taken in the past, and continues to do so now. Once a rising star in the British diplomatic service, he gave up his career in objection to his government's positions during the [Iraq War](#). Since that time, as founder of [Independent Diplomat](#), he has been very successful in advising governments on international law and on how to navigate through difficult negotiations, something he is quite familiar with. In addition, he has been working with the [Occupy movement](#) to create alternative banking options.

For all of you who are cynical about our government, you will find Carne's message crystal clear: We must act for ourselves. Rather than being oblivious to the promises of the politicians who say they can fix whatever ails us, we have to take the initiative and think, "Yes, we can." After all, together we are the most potent agents of change. And as he indicates, if we do not make attempts to change our world, then others less benign and more out of

touch will be making those changes for us.

To find out what you can do and how you can do it, please join me in welcoming the leader of the leaderless revolution, our guest today, Carne Ross.

Thank you for joining us.

## Remarks

**CARNE ROSS:** Thanks, Joanne. That's very sweet of you.

Joanne, your introduction was not only very generous and kind, but it also kind of covered the ground I was about to cover.

So you've more or less heard the thesis. It is actually quite a simple thesis. But perhaps what might be helpful is to try to outline how I got to this thesis, what is the kind of logical argument behind it, which is also a bit of a personal journey for me, from a belief in democratic government composed of nice, decent people like me, to a belief in a very different kind of system, a radically different kind of system.

If you had told me 10 years ago that I would be here giving a talk about what some might call a very gentle kind of anarchism, I would have been absolutely astonished, because I was stuck in a career—happily in a career, not stuck in a career—which was in many ways the embodiment of a state-based approach to politics and to political change; namely, working for a government as a diplomat. I was very committed to that career, and I really did believe that governments, when acting correctly, would produce good outcomes, would manage the problems of the world effectively.

I no longer believe that. I now believe in a different system. I think it's worth trying to chart the intellectual journey that I made to get there, because I believe that the current system of representative democracy and capitalism—because these are two sides of the same coin; our economics is our politics and vice-versa—and is in grave crisis, if not in terminal crisis, and actually we are going to have to find some kind of alternative. I don't know necessarily that mine is the best alternative, but we are going to have to find an alternative.

I will also try to explain that in fact you, as individuals, as a group, that it is in fact your responsibility to find that alternative and to enact it. This is not a rhetorical process. It is not about theoretical argument. It is ultimately about action. It is only action by us as individuals that is going to save us from the rather dystopian future, which I think potentially lies in front of us.

As Joanne mentioned, I was a diplomat in the British Foreign Service. I joined in 1989, a year of Western [triumph](#) ideologically, a real belief that we had won the ideological battle over communism, and, in a sense, a belief that this model was permanent, that we had attained [the end of history](#).

Although I don't think anybody believed that history was a full stop at that point, I think there was a sense that we had reached a kind of logical endpoint of the evolution of political and economic systems, that this was, in a sense, a perfect system.

Abandoning that belief was, naturally, a very painful process, very disillusioning. I eventually resigned from the British Foreign Service in 2004, after giving then-secret evidence to the first official inquiry into the use of intelligence on [weapons of mass destruction](#) in advance of the Iraq War. I gave evidence in secret to the first so-called [Butler Inquiry](#) in Britain. After giving that evidence, I decided to resign from the Foreign Office because I did not feel that I could with any honesty go back to the Foreign Office and work with my colleagues after having delivered evidence which was profoundly critical of what had taken place, above all that the government had ignored alternatives to war and had also exaggerated the evidence of the threat posed by weapons of mass destruction.

This was a profoundly disillusioning moment in my life. I really did believe that democratic governments did the right thing, that they were fundamentally honest, that they acted in the fully expressed interests of the public at large. And yet, here was a government made up of my friends, my colleagues, me, that was telling lies to young men and women about why they might be going to their deaths, was lying to the world about the threat posed by Iraq, and that manipulated international law—indeed, arguably broke international law—in order to conduct this exercise, having spent the previous decades—indeed, I had spent the entirety of my career—telling the world that Britain believed in international law as one of the fundamentals of a stable international system.

So this was a very, very disillusioning moment, and it forced me to confront not only the reality of myself as a diplomat, what I had done as a diplomat, but also the nature of the world. I am a deeply political beast, I'm political to the ends of my fingernails, and I think about the world politically all the time. That is why I became a diplomat, because I am fascinated by international politics.

Abandoning government, leaving it, forced me to look at the world with fresh eyes and look at the world we had

created. What was the evidence of this perfect model of economics and politics? What was the output of this model? What had we created? How could we assess it?

When you looked at on the face of it in the 21st century, something strange seemed to be going on. The evidence was not adding up.

I always have taken a rather kind of narrow, scientific view of how political theory should work. I dare say I have some more illustrious precedents in this. [Thomas Hobbes](#) took the same approach, that one should look at the world, assess its nature, look at the facts of the world, and from that derive a form of politics or philosophy that might be appropriate for the world that you see—not the other way around.

Indeed, in government I had often experienced the fact that government did not do that; it would tend to create a vision of the world internally and then impose that vision on the facts. I did this as a diplomat working on Iraq and Afghanistan. I was extremely skilled at collecting a selection of facts that justified our world view.

But this, of course, is not a particularly good methodology when trying to develop a political philosophy appropriate for the world. Rather, one should look at the outputs of the system, what are the things that actually result as a consequence of our former politics and economics. That is the measure of any political economic system: What are the outputs?

When you start looking at the outputs of the system, the unassailable logic of markets modulated by governments, governments held in check by civil society, that logic starts to fall apart, because the outputs of the system are deeply troubling. In some ways, they are very severe.

In the last three years, for instance, reinforcing a long-term trend, the wealth of a very small number of Americans has accelerated dramatically, but median wealth has fallen by an astonishing 39 percent for those at the top of the bell curve of the wealth distribution. Median incomes have been stagnant for two decades in America, reflecting a trend that is now visible across the Western world in developed economies. And, indeed, inequality is rising in all economies, including in places like China and India.

Growth is stagnating in the West. It's slowing in places like China and India as well.

If you take a look at what is going on in the European Union, this is a rather striking example of the failure of our traditional models of politics and economics. The European Union is in many ways the most sophisticated model structure of international cooperation to manage an economy for mutual benefit that the world has ever seen. It is a highly designed, highly elaborated, thought-through system of pooling sovereignty, a common currency, common management of that currency, to achieve growth for all Europeans.

It is not working. The [slow bank run](#), which is essentially happening in Greece and now Spain, and one suspects soon Italy, is not susceptible to the control of the institutions that the European Union has set up to manage this European economy.

The only plausible answer to managing the Eurozone successfully, which you are now seeing politicians talk about, is profoundly anti-democratic; namely, forming a fiscal or monetary or banking union of the Eurozone countries which will essentially centralize and unify all economic policy amongst all of those countries, something that almost no electorate in the whole of Europe will plausibly vote for.

It is notable that the fiscal pact that was agreed in Brussels a month or two ago has only been put to a referendum in one country, namely Ireland. Not a single other member of the European Union is putting that fundamentally anti-democratic decision of massive ramifications for the economy of Europe to popular consent.

That's the economy.

Let's take a more basic measure of the outputs of the system: our natural world, what is going on around us, the air that we breathe.

Scientists have determined that the concentration of carbon in the atmosphere that is safe for us, after which there is a risk of runaway global warming that will not be controlled, that level they have assessed is 350 parts per million of carbon in the atmosphere. You will not have seen it, because it got very little attention, but in the last couple of weeks there have been [reports](#) that Arctic monitoring stations have found that the concentration of carbon in the atmosphere is now over 400 parts per million.

There is one authoritative climate scientist who believes that the world is on a perfect course for a temperature rise of 6 degrees, Centigrade, or 11 degrees, Fahrenheit. This is catastrophic for the future of humanity. That is an output that has to be reckoned with in assessing this political/economic system.

Even if growth were restored across the Western world, across the world, it's increasingly clear that people are questioning—certainly I'm questioning—what on earth it's all for.

The idea of freedom from work, of a life where you would be leisured, actually released from the toil and burdens and tedium of work, doesn't seem to have actually come true.

I think some of you will remember—apparently, there was an advertising campaign called "[Freedom at 55](#)." I don't know if any of you remember that. Some American friends have told me that was a thing 10 or so years ago, the idea that we would all be able to retire at 55. That has now become a kind of pipe dream for almost everybody. The opposite has happened. Most people are looking at working much longer than they ever expected, some until the day they die, because they are not able plausibly to afford a comfortable retirement at any point.

Even for those in work, the specialization of labor in the global economy, the pressure of continual market forces, has produced work that is for many grotesquely tedious, producing things that are needless, in workplaces, in employment that is essentially meaningless.

Is this what we should have been aspiring to? Is this a model that we should continue to stick to?

Could technology rescue us from this rather dismal situation? I was at a conference yesterday called the [Personal Democracy Forum](#). Some of you may know it. It's a gathering of technologists who believe in the fundamental liberating power of the Internet, that it is a disruptive force that is democratizing, it is creating a better government in itself. I simplify their views, but that is basically the belief that a lot of them share.

I was in Silicon Valley last week talking to technologists at Google and elsewhere, who do believe that technology in itself is going to release mankind from its problems, that it will produce an abundance sufficient to cater for everybody's needs. "After that," the man from Google said to me, "all we have left is the distribution problem," as he called it. [Laughter]

But the evidence, of course, of the effects of technology is ambiguous to say the least. Technology companies are lauded for their liberating power in [Tahrir Square](#). But the IPO [initial public offering] that [Facebook](#) had a few weeks ago could be regarded in another way, as one of the largest transfers of wealth from the many to a tiny group in the history of humanity.

The web has seen the manifestation of the so-called network effect, where all the business goes to a tiny few number of sites and everybody else gets nothing. So we see extraordinary wealth in the hands of the people who own Google, eBay, Craigslist, and everybody else gets nothing.

That actually appears to be increasingly true across the globalized economy, that a few brands and companies are sucking up all the business from everybody else. It has certainly happened in advertising, where Google now more or less monopolizes advertising, along with Craigslist, destroying small newspapers and other outlets across the country.

But technology has also introduced us to phenomena that we were not familiar with before. Economic and financial volatility is certainly contributed to by this new practice of [quant trading](#), highly computerized, rapid trading, causing greater volatility in prices of every asset, including equities and commodities.

Commodity volatility is affecting single-commodity exporters most of all, otherwise known as poor countries. They are the ones who suffer most from this volatility.

To give you a rather vivid example of the grotesque misallocation of our modern version of capitalism, down the road from here they are building an undersea [cable](#) to London to connect the markets in London and New York together for quant traders to use that line to gain a time advantage over their rivals. This line will be faster than other ways of communicating between the two markets. Those who pay for it will have exclusive access to this fiber optic cable. This cable costs \$300 million to build. The time advantage it will give its users is 5.2 milliseconds. That is an illustration of what capitalism has become.

In our security, technology arguably has made us less secure. I'm not talking about nuclear bombs, but I'm talking about the emergence of new forms of warfare, like cyber-warfare or remote-controlled drone strikes, both of which seem to have delivered us into a state of more or less permanent war.

The United States has more or less admitted that it was behind the [Stuxnet](#) virus attacks against Iran, a country with which the United States is not at war, which has not done anything to any other country apart from some rather nasty rhetoric and threatening to develop a nuclear bomb. However, the United States has been engaged in creating physical damage in Iran's nuclear sites.

One might argue about the rights or wrongs of that. But even the United States would accept that this is a form of warfare. This precedent now has been set, that this form of warfare may be used even in times of so-called peace.

[Remote strikes](#), too. We seem to be in a condition where these are going to be perpetually used against those

designated as potential threats, in countries with which we are not at war, in circumstances of dubious legality to say the least.

So we seem to be at a moment where the contradictions of the current system are accumulating, to such a degree that the current paradigm of how we do politics and economics is no longer sufficient to answer these contradictions.

This is a moment that [Thomas Kuhn](#) in *The Structure of Scientific Revolutions* identified as the moment of paradigm shift. He was talking about discourses of science, whether of a particular belief in a particular form of medicine, or a particular view of quantum physics. He identified these patterns in the emergence of new paradigms of thought, that a paradigm is developed and people amend it and refine it, until finally it is no longer able to explain the phenomena going on, and at that point a new paradigm has to be developed. I think we are at that moment in terms of our political and economic models.

I personally don't think that refining or amending the current system is going to work. These trends have been visible for some time. I don't think voting for better politicians will make any difference. Inequality has been rising regardless of who is in power in Britain as well as in America.

In Britain, inequality accelerated the most under a Labour government, which in theory is socialist. Of course it's not. But that is when inequality accelerated the most in Britain. Likewise, in the United States it accelerated most quickly under the [Clinton administration](#).

Does anybody really think that signing a petition about a single issue, whether online or on paper, is ever really going to change anything except at the very margins of this fundamental system? This is not enough. We need something that might plausibly affect things more fundamentally, change these fundamental forces that are shaping our future in this rather dystopian direction.

Joanne mentioned another reason why representative democracy is not a plausible vehicle for the necessary change, and that is because of the malign influence of those with more power than ordinary people. Take a para-analysis to what is going on. In American discourse about the problems with politics, it's all about partisanship and the lobbyists.

But in fact there is a para-analysis that is going on. There are people with more power than others. Those people with more power are increasing their power by getting access to legislators and producing laws which are more in their interest than they are in our interest.

[Jamie Dimon](#), the head of JPMorgan, gets access to whomever he wants in the [administration](#). He can see everybody from [Ben Bernanke](#) to the White House whenever he wishes to talk about banking legislation.

We do not. And yet, we are the ones affected when a banking crisis creates unemployment or destroys our savings. Somehow we seem to have accepted that this is okay, that this is a normal model of how representative democracy works.

It's not okay. It's not representative democracy. Our interests are not included in the decisions. And so democracy is distorted.

[Slavoj Žižek](#) has a great line, which I think I'll probably misquote. It's that we don't actually believe the current system is working; nevertheless, we continue to pretend and to act as if we do.

What might be an alternative to all of this?

At the heart of this problem in my view is a crisis of agency. This is both an individual existential crisis but also a broader crisis of our political forms. Somewhere along the way we feel we have lost control over our circumstances, over people who take decisions. We don't feel in control of things.

There seems to be a universal kind of anomie about society today. People don't really believe in politics, people are terribly disillusioned, but they don't themselves feel they have any real control. "Climate change, unemployment, the financial crisis—What the hell can we do?" It's a very understandable reaction.

What's more astonishing is that when I was working in government I found that politicians and government ministers, senior officials in government, felt the same way, that they didn't feel they had any real control. I remember sitting with a senior government minister from the British government who said, "I've been 30 years in politics, Carne, I spent my life fighting to get into this office, and now I find I can't do anything." This is pretty extraordinary when people start to feel like this.

We've lost agency. We need to take it back. This simple idea is at the heart of a new, and very much available, philosophy of how we organize ourselves as human society.

This view of a new form of politics is also reinforced by research—social research, behavioral research—but also by an analysis of how the world is today. Let me try to explain.

Behavioral research has confirmed something that, in fact, mankind has known all along, that the thing that most influences our own behavior, and thus the politics of our circumstance, is not government legislation, it is not the opinions of experts, it is not any authority. It is in fact our family, our friends, the people right next to us. These are the people who most influence our behavior.

The nature of the world reinforces this mechanism of change. The world is, of course, vastly more interconnected than it ever was before. In the 1960s, [Stanley Milgram found](#) that there were on average three social connections between any two given Americans. That study has been done using electronic media globally, and it was found in 2007 that the average path, as it's called, the number of social connections between any two individuals in the world, was on average 6.6. That's not very many. We can imagine that as the mesh of interconnections in the world grows ever tighter and denser, that that number will fall.

We are more connected with one another—this is a kind of platitude of analysis of the world today, but it actually offers an extraordinary potential for political change because if it is the case that our actions are able to influence the person next to us, and analysis suggests that that action may ripple across to the person next to them, then we have an extraordinary possibility to change things across the system—indeed, across the world—very quickly.

This is indeed confirmed by network research, that change can ripple across the system very fast, like a wave in a sports stadium, where people stand up and wave their hand. That is now a potential form of change.

We are not separated in isolated polities and economies that do not communicate with each other. There is now a kind of emerging global—I wouldn't call it consciousness, but global debate about phenomena, where a discussion in Indonesia may affect a discussion in Bosnia. Or other forms of connection—behavioral trading connections, connections of belief, of businesses, of people talking about [Lady Gaga](#) songs. It is an incredible new world that is being created around us, and it is changing very fast.

So in fact you put all of this research together and what you get turns conventional political theory on its head. Authority is not the best way to manage a system of this kind. In fact, complex systems, for that is what the world is, are very resistant to top-down management. The most effective agent of change is the individual acting alone at first, then with other individuals.

But what would this mean in practice? What does an agent-based approach to politics actually mean in practice? It means changing things, atom by atom, in our micro-cosmos, and through that the macro-cosmos, in our own actions in the workplace, and in how we decide things together.

For instance, in the company, the prevailing unit of economic activity in the modern economy, there are very plausible and available alternatives to the model of the private profit-seeking company, which has become the dominant understanding of what companies are supposed to be like.

There are cooperative, employee-owned companies that are extraordinarily successful, are competitive. In Britain, there is a very well-known company called [John Lewis](#), which is a huge retail giant. It's the third-largest private company in Britain. It shares benefits with its employees. They're not called employees; they're partners, because these partners also vote in how the company should be run. They have agency. They have given back that thing that we so lack in our modern circumstance.

But also, of course, the benefits of the company, the wealth, the profits, are shared amongst everybody. Surveys show it has the happiest workforce compared to more normal companies.

This company is also much more enduring. It has been successful for over a century. There are not many companies, private share-owned companies, that can say the same thing.

Similarly, in Spain, [Mondragon](#), which is a collection of cooperatives, largely based in the Basque country in the north, is the fifth-largest company in Spain.

These things are economically plausible. They're not just about your bakery around the corner. This model of the company which distributes wealth more fairly, distributes agency in a way that makes life more meaningful for the partners in the company, this is possible.

In New York State, a group of very innovative people have [developed](#) this idea of the [benefit corporation](#). I don't know who has heard of this here. Has anybody heard of a B corp here?

[Show of hands]

It's funny. It is still a minority. I think it will become a very well-known idea quite soon.

Basically, the idea, until recently, if you registered as a private company in New York State, as still is the case in many states in America, you could only be a profit-seeking company. That was required to be your purpose. You couldn't have any other purpose.

B corp legislation allows you to establish companies that have three purposes: you benefit not only your bottom line, but also your employees and the environment. You are audited on all three aspects of your performance.

So you can establish a different form of company in this country, in New York, right now. One day this may become federal law.

But I think the most radical change that I would suggest is actually in how we decide things together, a real alternative to representative democracy, because for me if you actually want government for the people, you've really got to have government of the people. This idea of the many electing a few with this trivial act of voting once every four years is to me kind of the absolute opposite of what real political activity means.

I think that's kind of deliberate. We have been told that actually this is a meaningful political activity, when in fact it is not that meaningful. And the outcomes from that system are inadequate, they are iniquitous.

There are better models available. In Porto Alegre, Brazil, a large industrial city in Brazil, they have been running for the last 10 years or so an experiment. It's called the [Porto Alegre Experiment](#)—but it's not really an experiment anymore—of participatory democracy. Fifty thousand people take part in debates around the city on how the city's budget should be allocated. This has been going on for some time. This has had pretty extraordinary results, documented, amongst others, by the [World Bank](#).

The culture of politics has changed completely. There is no more partisanship. The kind of trivial "yah-boo" kind of politics that we see, I'm afraid, here and in many other so-called democracies has vanished. Instead, there is a culture of trying to address problems, trying to talk about the problems.

Corruption has dramatically declined because decision-making, contracting, is done transparently.

But, above all, the outcomes are more equitable. The provision of public services—things like schools, water services, health care—is now much more evenly distributed across the city. This is no wonder, because everybody is taking part in the decisions. Therefore, everybody has a stake in what happens, everybody has a voice in the distribution of the services of the city. That is in contrast to the situation we face in representative systems.

I think this model is plausible for other places. And indeed, there are four city council people—I think two women and two men—in New York City who are [trying](#) participatory budgeting for a small discretionary portion of their own budgets. One million dollars each is not much. It's a start.

Unfortunately, the true benefits of participatory budgeting of this kind only happen when you do the whole lot. It's got to be all of it. You can't really do it piecemeal. You don't change politics by having participatory approaches to only a small amount of the expenditure.

You really need to do all of it because, contrary to a common misconception, when you put people in a room with a real decision—say we said to all of us, "We are actually right now going to decide the future of the local hospital"—this will create an extraordinarily different atmosphere in this room. We would not be merely debating, trying to score points off each other, trying to win a rhetorical argument. We would be very seriously trying to understand the problems of that hospital and trying to find a way forward consensually to address those problems.

This is a different culture of politics. It is completely different from the confrontational, trivial, childish way that politicians are today encouraged to behave like. It works.

These are the new techniques of a new kind of politics, a new kind of economics.

But I think the most important change is, of course—and this sounds a bit kind of [Tony Robbins](#)-ish—it is actually within us. It is to change our own view of what politics is, our own view of what our own role is in life, in our dealings with each other.

Because fundamentally, this is a philosophy of self-actualization, of self-realization, of existentialism to put it pretentiously, that is actually available to us. It is a form of living which is about the expression of our fullest and richest needs, instead of this very narrow view of the conception of the human which dominates our affairs today, which is the view of us as utility-maximizing consumers who wish economic growth above all.

This doesn't seem to me to be a very accurate picture of humanity. When people are on their deathbeds, they don't talk about how they wish they'd had more money; they talk about how they wish they'd had more time with their family. What we crave as humans is connection, we crave meaning, we crave love, we crave compassion. Material things are important, of course—I'm not dismissing that—but it is not the only goal of humanity.

Unfortunately, we have an economic system which is built around that, to the detriment of our lives as humans, to the detriment of our connections with each other. Instead of us dealing with each other honestly, sorting out our business together, we defer to these people over there, who we largely resent; we don't really trust them, we blame for all of our problems.

As a result, we are not really connected. We only connect in this kind of weird concept of our social life, when in fact we could be connected by everything. We could be talking to each other every day about how we manage the Carnegie Council, for instance, or any number of things that concern us.

That's a rather extraordinary possibility, one that actually carries the possibility of re-weaving society's connections in a rather more fundamental way.

Thomas Hobbes, of course, was the originator of the idea that "without government we face the life that was solitary, nasty, brutish, and short, a war of all against all." Perhaps it's no wonder, because he was living in the age of the [English Civil War](#), that he believed this. And yet, this view of government, of the necessity of government, has informed our view of the nature of the state and the nature of ourselves to this very day.

Nobody really questions it —"Gosh, without government, everybody would be fighting everybody else." Well, this is a presumption. It is not an evidence-based analysis. We don't know what life would be like without government. It has never really been tried.

It was briefly [tried](#) in northern Spain during the [Spanish Civil War](#). [George Orwell](#) writes about it. In [Homage to Catalonia](#), he described it as a beautiful thing—people owning their own businesses, sorting out their own affairs directly, cooperatively.

It came to an end, of course. He said it could never end. Of course it was crushed not only by fascism but also by [Stalinism](#). The Russians decided that this kind of people's revolution was not the kind of people's revolution they had in mind after all.

The current system, built on a Hobbesian view of stability, that without the government there is insecurity, doesn't seem to me to be producing the goods. It promises security, but in fact we face greater volatility. The things that government and the economy are doing are actually creating disorder, not its opposite.

What I am suggesting is a different form of economics and political interaction that would actually create a deeper sense of order.

The world is a remarkable place these days. Seven billion interacting constantly, acting, reacting, giving feedback to each other constantly. It is not chaos, but neither is it order of a conventional kind. It is something in between.

That is the definition of a complex system. It is not a chessboard. It is not susceptible to linear analysis or policy, where we can pull a lever on policy A and expect outcome B. I think the history of government in the last few decades rather illustrates this truth.

Complex systems don't respond to top-down management. You can't freeze them in a moment, decide what is going on, and understand that enormous, enormous complexity in its totality. That's impossible.

Businesses are beginning to understand this. They are beginning to realize that the way to be successful in this environment is to empower the individual agents, their representatives at the lowest level. You will see this in our business papers. You will see *Harvard Business Review* have an issue about complexity that talked about this very idea. It's very interesting that business has got there before politics has. I think we will see more of it.

One of the interesting characteristics of complex systems is an idea called [emergence](#). What this is is that individual agents acting together will manifest a characteristic that they do not have in themselves. Let me try to explain that more clearly. A water molecule is not wet, but you put it together with lots of other water molecules and you get wetness. An individual neuron in your brain is not conscious, but you put them together with other neurons and you get consciousness.

This is my suggestion about our complex system, that if the individual agents (i.e., us) behave in the way that I am suggesting, collaboratively, dealing with each other directly, nonviolently, consultatively, that, rather than an order imposed from the top down, which seems to be a model that is less and less effective, we will create a much deeper order from the bottom up. And indeed, the definition of emergence is the creation of order and functionality from the bottom up. This is an extraordinary possibility that a globalized world has actually made more possible rather than less.

But it won't happen on its own. This is not an inevitable function of the situation we are in today. It is not an inevitable consequence of the machinations of market forces, and certainly not an inevitable turning of the wheel of the dialectic of history. Many worse outcomes are very plausible. Dystopia is all too visible. This will only happen if we decide to make it happen, if we ourselves decide to act. This is actually rather frightening, but it is



also extraordinary and, in my view, rather wonderful.

Thank you.

## Questions and Answers

**QUESTION:** [Mladen Joksic](#), Carnegie Council.

You didn't mention [Occupy Wall Street](#) even once in your talk, and it seems to me that the Occupy Wall Street movement is sort of a model of what you are talking about, bottom-up change. So is it a model for you?

**CARNE ROSS:** I think it is the embryo of it. I've been part of Occupy. As a movement, it is not an action-oriented movement, it is largely a protest moment. I am rather dismissive of protests in the book, saying that actually protesting to a system that is not going to change, that is not going to reform itself, that is dominated by the Jamie Dimons of this world, is not a plausible route to change.

But also within Occupy there are elements of it which are trying to construct a better alternative. For instance, I'm part of a banking group that is trying to build a bank that is transparent, democratic, owned by its customers and staff, and that will eschew the risky banking practices that brought the entire world economy into grave danger.

I think you are beginning to see it. I think there will be more Occupies. I think you are beginning to see the emergence of national and global movements to effect particular kinds of political change.

[Avaaz](#), an organization some of you may be familiar with, an organization of 10 million people around the world, that picks particular policy targets—again, it's still a campaigning organization, rather than an action organization, but it is already beginning to make that transformation. It campaigns, petitions about particular issues.

But, interestingly, in [Syria](#) it has been supplying satellite phones to members of the opposition. It did the same thing in [Libya](#). It has actually been trying to help get people out of Syria. So it is turning into an action-oriented movement.

I think people realize that governments are not able to do this stuff. I think certainly when you talk to young people in Occupy, what is very striking is the absolute universal disillusionment with politics. It's not Democrat or Republican; it's just total disillusionment. That seems to me very fertile ground for the kind of politics I am talking about.

I do think it is an emergent thing. We'll see more of it.

**QUESTION:** James Starkman. Quite a fascinating philosophical discussion. Very difficult to translate it into practice.

There have been experiments, broad-scale experiments, I would say utopian rather than Stalinist communism, the establishment of the [kibbutz](#) in Israel. Why have these failed? If the core of success for a broad population of people was at the core of these ideas, why did they not succeed?

**CARNE ROSS:** That's a very good question. I can't answer the specific examples. But my suspicion is, as anarchist structures were destroyed in the Spanish Civil War by the Communists rather than the [Francoists](#), is that these kind of structures pose a grave threat to our idea of centralized government.

The benefits that you get from them only really appear when they are shared more generally. Doing it in little pockets may give satisfaction individually, but it doesn't produce these broader benefits of changing the political culture, changing the economy, in the way that I described is possible. So it does need to be a sustained experiment done by many people.

What I'm suggesting now is that actually these models are more relevant today than they ever have been, (a) because of the evidence of the growing crisis of capitalism and representative democracy, and (b) because of the connectedness of the world, which actually makes this kind of politics more possible than it ever was before.

So I would suggest to you—and I'm groping for an explanation here, and it's hypothetical, and I'm not claiming that I'm an authority on the kibbutz, or indeed many other experiments—that those failed because they were done in isolation, and that the unitary nature of the state ultimately overwhelmed them.

But actually, if this is done by more people, this form of organization starts to infiltrate our culture—say the Borough of Brooklyn decides to decide its budget by participatory methods, say the mayor of New York says, "We'll decide the entire city budget by that method." It is not crazy. I mean they have done it in Porto Alegre. It's not a ridiculous idea. You can't just laugh it out of court. Say they did that in New York City. That message would go blaring out to the world. It would be extraordinary if that were to happen, and I think it would have a profound effect on the way we globally understand democracy.

I'm dreaming now, I know, but let me dream.

**JOANNE MYERS:** What would it take to dismantle the present system in order to go to the system that you want?

**CARNE ROSS:** Well, I've thought a bit about this. I am not saying again that this is an absolute certain answer, because we are hypothesizing. I don't know what a world would look like where everybody exercises their politics and their expression of themselves as humans in the way that I'm suggesting. I think that method is extraordinarily exciting and offers something far better than the ugly compromise system we have today.

I don't think you dismantle it. I think you replace it by example. I'm not talking about a violent overthrow of the current system. I'm talking about the growth of these kinds of—in the book, I talk about "Why not try this at your local school, your local hospital?"

If you did this, say you formed at your local school a group of teachers, pupils, parents, staff, and that group was genuinely inclusive and it made decisions about the future of the school, that would be a group that a local politician or school board would have to take very seriously. It would have far more legitimacy than the Board of Education or the local borough president yakking away about the future of education. You could do that. That's a possibility that you could do.

So I think it is about spreading the ideas. One of the things I found rather depressing about Occupy was that there wasn't really much conception of alternative forms of politics. There was great anger and disillusionment with the current system but very little developed thinking about what to do instead. Perhaps that's no surprise, given that we have been so fixed on the current model for so long, so kind of complacent in our view of its supremacy.

**JOANNE MYERS:** I think that some of the charter schools actually in New York are moving more towards what you are describing, because the educational system is going so far down that parents are taking control of what their children are experiencing in these particular charter schools.

**CARNE ROSS:** The problem is there are certain kinds of principles that underpin my vision of it. One of them is inclusiveness. You can't just separate out the privileged people and give them a wonderful—you know, this is the problem with libertarianism of the [Peter Thiel](#) type—you know, you set up an ideal community, screw everybody else.

I think a governing principle of this—but this is my personal view; I accept that many people don't believe that—is that our primary moral duty is to people who are suffering. This is what [Karl Popper](#) said government should do. He said you should address suffering first, that is the easiest thing to fix, it is the only thing you can measure.

Government cannot know how to make you happy. Indeed, people don't know themselves how to make themselves happy. So it's kind of ridiculous that government has set itself that goal, of actually making us all feel better off. Isn't it absurd? And I think fundamentally we know it's absurd.

But the one thing we do know how to fix, and can fix very easily, is suffering. I think that criterion has to be satisfied in this kind of organization. You can't just set up—"we think the education system is crap; we are going to set up our own special school where we will pay for people who are going to be better than the norm."

**QUESTION:** My name is George Paik.

I'm picking up on the last comment about not dismantling but letting things grow, if you will, somewhat organically. Is there room to talk about development, in the sense that even though we consider ourselves an advanced industrial, well-connected society, there is development yet to be had? I would proffer the language of [Amartya Sen](#), that the abilities of persons to live as they would is what drives people and what we perhaps need to develop.

A little bit of background to why I put it that way. For instance, as you put, I believe, in your nine recommendations, the first one is that we need to get our convictions straight. And yet, I believe also you mentioned right after [Obama](#) took office, they had an open forum for issues, and they got all kinds of garbage, right?

**CARNE ROSS:** Yes.

**QUESTIONER:** Does that not mean that we still have that development to go?

**CARNE ROSS:** Yes.

**QUESTIONER:** At the same time, Porto Alegre is great. That's the most developed part of Brazil. A semblance of representative democracy that works reasonably well at the other end of Brazil would be a great improvement of what they have now, notwithstanding any other issues of who did what well or not. Is there an issue of

development, if you will, at a less advanced level there that would be part of an answer as well?

It's very difficult to put this straight.

**CARNE ROSS:** I absolutely agree with the premise of the question. I think the questions are absolutely right.

I think the first step is abandoning our complacency that we've got the answers right now. This is an experimental approach. I think all we need to do to start with it is to accept that the current system is not working adequately, which it isn't. I do think these problems are very severe.

I think inequality of the kind we are now seeing, where a very small number get very, very, astronomically rich and everybody else is flat-lining—this, for instance, means the destruction of the idea of the middle class. We will have no more middle class. It will be the rich and everyone else. That's what we're heading towards. That's the distribution we are now looking at.

I think we are absolutely not addressing the climate crisis. It is extremely severe.

I think we must accept that things are not working right now and that, therefore, we need to develop better alternatives. I would love to see greater debate about that, rather than just, "I'm the politician who can solve these problems," because I don't think that's plausible. I don't think even they believe it anymore.

I suspect that this awful partisanship and straining to hit each other and to find new arguments to decry each other is part of this. Actually, they have lost their own conviction that they can solve it. They know they can't. And yet, they have to keep pretending that they do. It's a very artificial exercise.

It's actually very artificial for us. We are kind of infantilized by the experience of it, pretending to believe that they know what they're doing when we know that they don't.

So yes, absolutely I think there is room for development. I think one way of looking at it is actually the Amartya Sen idea of living life fully, a full expression of ourselves as free human beings.

I do think believing ourselves as purely economic actors—I know none of us individually thinks that, but that actually is the premise of neoclassical economic theory, and that is the organizing principle of our economies, and thus our politics today, is that view of the human. It is a pathetically narrow one and an inadequate one.

And it gives primacy to people who do actually behave like that. You know, we have given enormous political power to people who have spent their lives devoted to making as much money as possible. That to me is objectionable, and I don't accept it, and I don't think we need to accept it. We can do something better.

As for Brazil, I don't know Brazil too well. I couldn't comment on whether it is possible. Actually, I do think if you're looking at the line of development in economic terms, actually lower—I hesitate to use these sort of "high" and "low" denominations, but you know what I mean—it is actually more plausible in less-developed societies because they are less fixed, these structures are less ossified, calcified into the system.

It is enormously difficult to reform institutions once they have been around a long time, because they develop their own sets of interests as institutions. The interests of Congress are not just representing the American people; it is also the perpetuation of Congress as a body, it is also the interests of the Congress members, their salaries, their well-being, their sense of meaning in their own world.

I know this because I was in government. One of the primary things I realized about being in government was that our first interest was the preservation of the Foreign Office. The thing that got people most excited was not [war in Afghanistan](#) but the budget for the Foreign Office that year. If you talked to British diplomats a couple of years ago, the thing they raised first with you was the fact that they no longer got business-class flights.

I'm not demeaning those people. But when you are in an institutional situation, the interests of the institution, although undeclared, become paramount. So it becomes very difficult to reform them. They embody a series of vested interests. So where they are less established, less entrenched, presumably it is easier to change them.

In fact, one of the places we work with Independent Diplomat—and I should pause just to say here these are very much my personal views; they have nothing to do with Independent Diplomat, which pursues a very particular policy about its view of change.

But one of the places we work is [Somaliland](#). We help them develop their diplomacy. Somaliland is a very interesting example of an indigenously developed democracy. It's not Western experts flying in to tell them how to run parliament and do laws, which is a model that has frankly failed where we've tried to do it. It is an indigenous democracy that is very much building on local cultural habits of consultation from the family, the clan, the village.

It has worked. It has produced the most stable part of the Horn of Africa. It is not recognized by anybody. We focus on the [war in Somalia](#), Mogadishu, [al-Shaabab](#), the TFG, the transitional federal government. We don't talk about Somaliland. But actually it has built stability from the bottom up.

**JOANNE MYERS:** You have raised so many provocative and interesting questions that I know are going to continue this conversation. I invite you all to join in talking about all these ideas, which are wonderful.

Thank you so much, Carne.

**CARNE ROSS:** Thanks, Joanne. Thanks for having me.

[Carne Ross](#)

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