

# Systemic Social Sciences: From Zero Sum Games to Social Values Consensus

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## Abstract

In times of global economic crises (instable currencies, ever rising debt burdens for national states as well as for corporations and private persons, environmental pollution, job losses caused by automation, etc.) we have to ask what Social Sciences can contribute to quick and sustainable solutions. Economics as well as Law usually just explain, what is not possible, because it would harm some anonymous interests or get in conflict with traditional rules or habits, but rarely ever provide viable solutions for the population at large (common people). Most problems do not even exist from the viewpoint of Economics and Law, e.g. scarcity. If scarcity is part of the definition of Economics („The optimal use of scarce resources.“<sup>1</sup>), then it is not even possible to reach a state of abundance for the [CITATION Ber28 \I 3079]whole population following the traditional rules of economics, not because of scarcity, but because the definition of economics uses „scarcity“ as a premise: economists talking about abundance and showing ways for all of us how to get there, put themselves outside of their own scientific discipline! Where abundance lives, Economics can not exist, as a result of the definition of this scientific field. So if we really want to reach the realms of abundance for our whole societies we need new scientific disciplines, that allow us to go there without leaving their own, very narrowly defined, borders. This paper tries to construct the first principles for such a new scientific discipline, that firstly re-unites and secondly overcomes the traditional fields of „Economics and Law“. We got used to those two disciplines as being the hallmarks of our western civilization, the corner stone of progress and justice. But what completely got out of our sight is the fact, that practically all of the forementioned troubles we are facing today have their roots in the illogical and destructive mental models that worked quite well in medieval times to keep the powerful in power and the wealthy rich. In the days of open information and mental as well as spiritual growth, we need new scientific paradigms for steering our societies other than giving some „scarce coins of precious metal in circulation“. To this aim we will look at „Economics and Law“ from the meta-level, from the perspective of human communication. Using those insights we can construct the meta-science of Economics and Law: Systemic Social Science.

## 1. Science vs. Ideologies

What are the most significant characteristics of science compared to ideologies? First of all **in science we need exactly defined terms**. Undefined or ambiguous words are used by ideologies to manipulate the minds by playing dialectic and linguistic games. Let's look at some examples: A very important term we find every day in the media is „market“. The idea behind the „market“ is a place, where demand meets supply and then a certain local price is the result of the communication between potential buyers and sellers. This is the theoretical perspective. In reality you will never find such a „market“. In reality we can only observe (and as researches we can only test) a certain variant of „market“, a monopoly, or oligopoly. The variant of perfect competition won't be found very often, by the way. It seems to be the economists „pink unicorn“, living only in their storybooks. So speaking scientifically (empirically that is), only monopolies or oligopolies really exist, perfect competition might still be sought by some undaunted, but nowhere will we find an undefined „market“! The term „market“ itself (leaving it unclear whether we talk about a monopoly, an oligopoly or the mythical „perfect competition“) is therefore an ambiguous term, undefined and therefore the characteristic of ideologies. **People talking publicly about „markets“ instead of „monopolies“, „oligopolies“ or „perfect competition“ (giving the exact coordinates where we can find them) expose themselves as ideologists** and don't use scientific terms at all<sup>2</sup>.

What are the consequences of **ideological manipulation in scientific disguise**? Some decades ago we used to buy our daily needs in grocery shops. In those shops we could bargain with the shop owner and some day the shop owner could even give away some bread or milk as a gift for people in need passing by. So the term „market“ (as the „place where supply meets demand and a price is dealt“) had some plausible meaning. But then very fast those little shops were closed because so called „super markets“ opened their doors, outsized warehouses, managed by badly instructed and underpaid employees without any authority to decide. Did you ever try to bargain with the cashier behind the conveyor belt in the „super market“? **In the so called „super markets“ the legal owners of the goods aren't even present, so there is no way how „demand“ could „meet supply to bargain a price“!** If we only can buy for a given price without the chance to negotiate, **the correct term is „extortion“**. So scientifically correct we should call „super markets“ warehouses of „super extortion“. This is only one small example of how ideologies (in scientific disguise) can manipulate our perception and shape our everyday lives.

Another significant feature of science are transparent, reproducible rules in contrast to intransparent, „magical rituals“, that are only understood and competently practiced by „wise masters“ (insiders). Let's have a look at our current stock markets: insider trading is quite common there, transparency would spoil the business. Or let's look at the daily business of banks, when they create fresh money in their accounts claiming to „grant a loan“. **How many bankers really know, that they never lend out the money of the depositors but instead just extend the balance sheet of the bank?** Those who know it, can abuse it<sup>3</sup>: they can claim that the „losses of the bank“ are dangerous and they need taxpayer's money to „save the bank“. But it's a fact, that banks always can „lend out money“, even if their deposits are empty, because the „money in the bank“ is nothing

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2 In fact Economics has been very competently criticised in [CITATION Kee11 \l 3079]. The role that mathematics played in the construction of this „pseudo-science“ is explained in detail in [CITATION Wei02 \l 3079].

3 How banks are abused by creating new money in the so called „loan business“ is explained in [CITATION Bla13 \l 3079].

more than „the bank's debt“, an accounting entry as the bank's liability. Banks act in the same way, whenever they „buy“ (real estate, commercial papers, computers, etc.) or „pay“ (their employees, the bonuses of the directors or the dividends of their shareholders): **the book money of the bank is nothing more than a debt of the bank.**

Those facts have been openly explained by the Bank of England<sup>4</sup>, Standard & Poors<sup>5</sup> and even empirically proven by Prof. Richard Werner from Southampton University<sup>6</sup>. Yet still we can't find those facts in any textbooks neither in business schools nor in universities. **Scientifically (empirically) proven facts are being concealed** just to keep the legend of „scarce money“ (the legend of „scarcity“ itself!) artificially alive!

In science we need reproducible results following well studied methods and practices. Let's ask some economists how to avoid a financial crisis or how to end it once it's unfolded – how many different answers will we get? And who is able to prove his theoretical claims empirically? Or let's ask who is responsible for functioning financial markets: bankers, politicians, consultants, financial supervision or law makers? **We will find a lot of different answers, what they all have in common is, they can neither be proven nor disproved.**

## 2. Economics & Law - Science or Superstition?

**Is a peaceful, prospering society even possible, when we separate „economics“ from „law“?** Or is this artificial construction indeed the primordial invention of economic crime? There is a well known quote: „Give me control of a nation's money supply, and I care not who makes it's law.“ In it we immediately realize the consequences of this feature, the detachment of law from economics. But we could, as well, turn this historical quote around: „Give me control of a nation's law, and I care not who makes it's financial bookkeeping.“ Suddenly it comes to our mind, that ledger entries always require some legal basis, otherwise they are illegal, legally void!

The „creation of book money out of thin air“ in an act that bankers call „granting a loan“ – when **in fact they just exchange IOUs with their customers** – is nowhere in the world legally regulated. It is a historical artifact from times before the French Revolution, when aristocrats exchanged IOUs just to create something that „looked and felt like financial value“ to „pay their bills“ of craftsmen. Two noblemen each signed a promissory note of equal value and then they exchanged them. So aristocrat A payed his baker with the debt note of aristocrat B and aristocrat B payed his blacksmith with the debt note of aristocrat A. But clearly, after the swap no „debtor“ „owed“ his partner anything, because they exchanged notes of the exact same value.

The so called „loan business“ of our commercial banks today is exactly the same procedure: the „debtor“ signs the loan contract (his „promissory note“) and the bank creates the „book money“ as an accounting entry, as a financial liability (a „promissory note of the bank“) of the exact same value. Now it's anyone's guess, why the banking clients „repay“ their „loans“ and even pay „interest“ for „money lent by the banks“, when in fact all that happened was the swap of two equal debt notes!

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4 [CITATION McL14 \l 3079]

5 [CITATION Pau13 \l 3079]

6 [CITATION Wer16 \l 3079]

When on one hand economists don't know that and don't learn it in schools and at university<sup>7</sup> and on the other hand judges in court deny to accept empirically proven facts („book money out of thin air“ in the form as a swap of debt notes, with the consequence, that the banking client owes exactly nothing to the bank, neither redemption nor interest!) – then what can we say about the nature of „economics and law“? **Can we accept them as science or are those the characteristics of medieval superstition?**

Economists and accountants very often claim, that they use „**financial measurement**“. But as long as we use money as a „medium of exchange“, that claims an intrinsic value of itself, can we really believe that? If we look at a building site, where we use yardsticks – **do we ever experience a „lack of centimeters“?** If we see half-finished houses in the landscape, what did the builder-owner lack, centimeters or Euros? A unit of measurement can never be „scarce“, because we don't „spend“ it in the act of measurement! **Therefore there is no need to „borrow centimeters“ – and return them „with interest“.** But in fact, the centimeter „has“ no length, it „is the length“, it describes the length of some other object. And, if we would really use financial measurement, the unit itself would be completely „worthless“, we would only use them to represent the value of some other thing, most probably of human achievements.

What is the exact value of 1 €? Compared to the question: What is the length of 1 cm? We can use **exchange rates** and give the value of the € in \$, in Yen, in Pounds etc. But of course this **is a circular argument**. And, **can the length of the cm ever „increase“ because of „high demand“?** **The rule of „supply and demand“ is scientifically nonsensical. It is only a psychological instrument to accustom the population to the everyday exploitation of a debt-based money system bearing interest!**

Why do we use „monetary measurement“ in financial statements at all? Is it even possible to do that, in a scientific (empirical) way? If we look at the structure of the balance sheet, we see, that the asset side consists of two parts: current assets and noncurrent assets. While current assets are determined to be sold in the next business year, long-lived (noncurrent) assets aren't sold at all, their destination is to be used. If we remember **Sir Charles Popper and his falsification principle** as the touchstone of empirical science, we realize, that **financial valuation is only possible in an empirical way** (where the valuation model can be disproved) **for current assets**, because they will be sold. Noncurrent assets, that will be used, not sold, can never have their financial values disproved and therefore their „financial valuation models“ can never be part of empirical science<sup>8</sup>! What is the scientifically (empirically) correct alternative following the rules of Sir Charles Popper? Quite easy, their historical costs can only be transformed into expense right in the year of purchase! If we would really do that, „**equity**“ (some financial numbers representing cash that has already left the cash desk of the company) **would immediately vanish**, not even come into existence. So we can say, that **the whole ideology of „capitalism“ is only the consequence of the violation of Popper's criterion for empirical science in accounting whenever we post noncurrent assets into the ledger**. That's the exact point, where accounting (and with it the whole discipline of economics) leaves the scientific grounds and drifts away into ideology and myth, that **triggers the emotions of shareholders** („capitalists“) to **abuse their emotional incompetence** to „pull their strings“ (inflate their ego) and transform them into the „puppets of the system“. The lobbies then play their part<sup>9</sup> (in the IASB in London e.g.) to create legal rules (IFRS in this case) for the optimal exploitation of this ideological system to make the wealthy even wealthier at the expense of the poor in an **artificial zerosum game**, once again created

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7 The consequences of the brainwashing style of „higher education“ at Universities, in this case for technical physicists, is demonstrated in [CITATION Sch01 \I 3079].

8 In fact the dire consequences of the abuse in the form of financial statement fraud is very deeply explained in [CITATION Zac09 \I 3079].

by the rules of accounting, where each financial number (monetary value) must be registered twice, on the debit as well as on the credit side of any account.

As long as we live in divided societies (split into the two parts of „economics“ that triggers our greed and „law“ that triggers our fears) we are stuck in irrationality, because **greed and fear are not rational**. The indoctrinated, trained emotional incompetence makes us easily controllable by greed and fear, the lower part of the social pyramid using extortion, the upper part using corruption. So once we recognize, that **„economics and law“ are just psychological instruments to manage the masses using their emotional incompetence**, we can overcome this game and enfold a rational society after a new, true and honest enlightenment.

### 3. It's not a Bug – it's a Feature!

So we see, that the construction of „economics and law“ is on the one hand the controlling mechanism for the powers that be, and on the other hand a prospering business model for our banks, as long, as the masses don't understand it – as long as they are kept ignorant. Keeping the public uninformed can rarely be regarded a wise policy in an age of scientific progress, discoveries and the common good. The global mind control by concealing empirically proven facts in our educational system is just a defensive strategy of desperate (power) elites. But as the prey of predatory lending („loan to own“) get's larger and larger (from the private homes of mortgage debtors over large corporations up to whole national states) those strategies become more and more visible in public. At the end of this development we see the „privatization“ of national states and public property, because of something called „national debt“. Public property will be seized as collateral – but is this even possible?

There are only two possible interpretations of a „national state“:

- 1) The national state is the „maker of the law“, the legislative power. In this case he is definitely also the creator of commercial law, and as such, the national state can never be an object of it's own laws, it would be a circular argument.
- 2) The national state is in fact just a private corporation, the object of commercial law. In this case, first the question arises who then writes the laws, and, secondly, what happens when this private corporation acting as a „national state“ goes bankrupt. Certainly these would be the same procedures as in the insolvency case of private companies: the owners pay the bills! The population, in this case, acts as „employees of the national state“, and, employees are always creditors, never debtors in the case of insolvency of private firms! So, whenever national states are threatened by bankruptcy, the taxpayers can keep cool – we have to find the private owners of the company, they pay the debt!

We learn, that the term **„debt“** (an artifact of ancient religions, a psychological trick for self-punishment in the times of hegemony of priests) after more than 2000 years is still **used to control the population exploiting their emotional incompetence**<sup>9</sup>. The tool of ancient priesthoods is nowadays being used by banks to make their profits to the detriment of the rest of our societies.

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9 The whole „accounting profession“ was even historically „shaped by fraud“, as we can learn in [CITATION Cli13 \l 3079].

But, to be fully honest, we have also to understand, **that the „real power“ in those „financial games“ is not with the bankers, but with their auditors, the CPAs** (certified public accountants). They create the valuation rules the bankers have to follow whenever they „grant a loan“ (they create „money out of nothing“ as a ledger entry in the accounting system of the bank).

#### 4. Systemic Social Science – the Overcoming of Economics and Law

„We cannot solve our problems with the same level of thinking that created them.“ (*Albert Einstein*)

The quote above reminds us of the **metá-level** of perceived problems as the best way to solve them. So as long as we try to „solve the problems in economics“, we invent different, new, money systems and as long as we try to „solve the problems in legislation“, we create new legislations, new national states and constitutions. And then, different money systems and different constitutions „compete“ and „fight against each other“. To overcome the splitting in economics and law, we have to find **the metá-level of „economics and law“. This is „human communication“.**

The flows of goods, services and money (economics), as well as the creation and enforcement of rules for human communities (law) all are rooted in human communication, they consist of communication processes. Those communication processes, their style, syntax and symbols, have psychological consequences (inflating egos of capitalists in correlation to the amount of „money“ on certain accounts) and those consequences transform the nature of the relationships they are able (or unable) to enter and to sustain. So we need the insights of social psychology, linguistics, communication theory, and, information technology (most financial numbers today exist only in the form of bits and bytes in the storage of computer systems – the so called cloud) to reconstruct human behaviour in ways that are beneficial for our societies. This is exactly what the newly founded scientific discipline Systemic Social Science is all about: the **metá-discipline** of economics and law, re-uniting those two artificially split parts to overcome them and explain openly and in public those psychological tricks and mechanisms that we already find in Edward Bernay's very insightful book „Propaganda“<sup>11</sup>, where he gives us an important hint, how our current political systems („democracies“) really work:

„THE conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country. We are governed, our minds are molded, our tastes formed, our ideas suggested, largely by men we have never heard of. This is a logical result of the way in which our democratic society is organized. Vast numbers of human beings must cooperate in this manner if they are to live together as a smoothly functioning society.“

Only after those facts are openly discussed and accepted as reality even when made public will we live in a free, self-governed society, the one the founding fathers of 1776 had in mind, that brings freedom to each and every woman, man and child. The **free spirit of true science** could make the

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10 The history of the psychological control implemented in the form of „debt“ is explained very competently in [CITATION Gra12 \I 3079].

11 [CITATION Ber28 \I 3079]

first steps in this liberating direction **to heal the** deliberate as well as unconscious **conflicts in our world.**

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