Editorial

Brexit, Sustainability, Economics, Companies' Responsibilities, and Current Representations

In the first article of this issue, Steve Corbett examines the 2016 Referendum on the United Kingdom's (UK) European Union (EU) membership. The author presents the outcome of the referendum, the British Exit (Brexit), as a new EU phenomenon with implications that go beyond the UK's relationship with the EU. It is an expression of the wider rise of right- and left-wing populism across Europe, including the Freedom Party of Austria and the Netherlands, Front National, Podemos, and Syriza political parties. These parties and their outriders articulate popular anger—among right-wing populists, anger at the perceived preferences given to some minority groups (e.g., immigrants) over others. However, both right- and left-wing populists express anger about disconnected and gilded political elites, about the privatization of profit, and about the socialization of risk for financial institutions and major corporations. But the emboldening of right-wing populists suggests that Europe is increasingly being defined by its neoliberal and proto-nationalist cleavages: by divisions of openness against closure, economic competition against division and exclusion, and technocratic economism against "post-truth" ideologies in which anything goes. Corbett draws on research demonstrating that the Brexit vote reveals wider and deeper societal tensions along the lines of age, class, income, education, and geographical location in the UK and suggests an underlying Eurosceptic populism and specifically *English* nationalism as reasons for the success of the vote to leave.

In the referendum campaign everything was permitted. For example, the anti-Brexit campaigners did not systematically stimulate a debate on the potential for European cooperation, especially in terms of the huge societal challenges that we face, such as climate change, precarity, poverty and inequality, and war. Instead, their technocratic case for EU membership emphasized the financial risks to individual households of leaving the EU, dubbed "Project Fear." Meanwhile, the pro-Brexit campaigners promulgated populist fantasies. As a pro-Brexit campaigner, the current British foreign secretary, Boris Johnson, permitted himself to compare members of the European Commission with the Nazis. Along with populist politicians such as Nigel Farage of the UK Independence Party, he sought to attribute blame for the underfunding of public services, lack of control, "overflow" of immigrants, bad housing conditions, and poorly paid and insecure work for millions in Britain squarely on Britain's EU membership. Despite the fantasy of the Brexit campaign, those arguing to remain in the EU have failed to understand the rise of the populist right in the UK and its anger with political elites. Therefore, a prominent Leave campaigner's claim that "the people are tired of experts" captured a sense of the national mood for many. However, Marija Bartl (2016) suggests that this weariness with "expert" opinion is symptomatic of a wider disaffection:

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> Ordinary voters may be grappling towards a far more sophisticated epistemic claim than commentators assume. They are not challenging knowledge, or expertise, *per se*. They are trying to challenge *that* knowledge, which stands behind—and justifies, the way we do things now, the current socio-economic order or status quo that has predominantly been of little or no benefit to them.

Corbett believes that the challenge of Brexit requires social quality researchers and other social scientists (including economists and jurists) to understand the drivers of this disaffection and to create a project that presents clear and coherent social democratic and participatory alternatives to the collapsing neoliberal order. He draws on the "social quality architecture" as a point of departure for beginning to develop an alternative.

In considering the fundamental future of the UK, both pro- and anti-Brexit campaigners remarkably avoided engagement with at least five important challenges of humankind: first, *how* to cooperate constructively as European countries on "overall sustainability." This implies a common understanding of the interrelationships of the geological, biological, and societal spheres. The second challenge is *how* to go beyond serious forms of inequality and discrimination—especially with regard to education systems—in order to pave the way for this contribution on European and global levels. Third, *how* do we seriously reflect on new forms of economic growth that are necessary for this contribution? In other words, the referendum avoided the issue of how to change the dominant economic paradigm of neoliberal market economics with its inclination to the commodification of natural phenomena that result in overfishing the world's oceans, unlimited business-organized burning of forests, and decreased biodiversity. The fourth challenge is *how* to understand the societal responsibility of the business world. Also, how do their market-driven interests cause increased pollution by promoting consumerism? This results in a constant increase of sea and air traffic, as well as incredible levels of conspicuous consumption and waste. Numerous corporate scandals have revealed, for example, misleading control systems of diesel engines in cars produced by several automobile manufacturers, which is compounded by the millions of euros spent on lobbying activities by automobile companies in the European Union, thus obfusacting the consequences of pollution by their products. That cynical publics increasingly distrust the roles of political and economic elites suggests the fifth, and much deeper, challenge: *how* to understand the collective representations referred to by different groups perceiving the societal realities through different lenses. The following articles consider each of these five overarching concerns.

As important as the 2015 outcomes of the Climate Change Conference in Paris are, they address only a specific aspect of the broad "sustainability question"—the reduction of current energy-production systems responsible for greenhouse gases (CO_2) in the world (van der Maesen et al. 2015). According to the United Nations Department of Economic and Social Affairs (UNDESA), the broad question may be hidden behind the conclusion that if nearly 10 billion people are seeking a European lifestyle by 2050—and why not?—under present production and consumption patterns, this would require the natural resources of a least two planet Earths (UN 2015). And with this in mind, it is relevant to note that applied pricing mechanisms of global market instruments are oriented on the short term without any concern for the long term. Will natural resources become exhausted in the long term because of the global lack of restriction on short-term concerns? Of course, the change in temperature caused by current energy production will create unbearable circumstances for millions of people in the near future, including food and water shortages and increased migration flows, but not directly the need for a second planet Earth. Both issues—the role of changing energy production and the increase of people seeking European lifestyles—are interconnected and cannot be swept from the table by the restricted and disputable suppositions involving technical innovations, to which many economists cling. They adhere to mostly technological and economic solutionism. UNDESA argues that the financial crisis initiated by Lehman Brothers demonstrates the way the global financial system undermines the "overall sustainability" of society and causes a decline of solidarity, which causes the European financial system to lack resilience and come under pressure from economic downturn. This has produced growing income and wealth disparities and increased unemployment and underemployment, all of which undermine sustainability (UNDESA 2015).

In the executive summary of the World Wildlife Fund's *Living Planet Report 2016*, recent global research underpins these arguments. The report concludes:

> If current trends continue, unsustainable consumption and production patterns will likely expand along with human population and economic growth. The growth of the Ecological Footprint, the violation of Planetary Boundaries and increasing pressure on biodiversity are rooted in systemic failures inherent to the current systems of production, consumption, finance and governance. The behaviors that lead to these patterns are largely determined by the way consumerist societies are organized, and fixed in place through the underlying rules and structures such as values, social norms, laws and policies. (WWF 2016)

With this in mind, in the second article, Takahiro Sato, Mario Ivan Lopez, Taizo Wada, Shiro Sato, Makoto Nishi, and Kazuo Watanabe argue that the challenge of sustainability must be comprehensively addressed by developing a new framework with which to connect (a) the geological, (b) the biological, and (c) the societal spheres, which operate individually according to a specific internal logic and together compose our "environment." Here the authors differ from the commonsense distinction between the economic, social, and environmental dimensions of sustainability. They instead propose a holistic interpretation of the environment by including these three spheres. Their study may be appreciated in line with the policy of the government of Ecuador that stresses the inevitability of looking at the intergenerational relationships between humans and nature, in order to achieve sustainability in a holistic sense that understands human development in an "ecosystematic and intergenerational" way (Waldmüller 2015). Sato and colleagues also go beyond the restricted orientation articulated at the Paris 2015 conference and the limited approach of other frameworks (e.g., Sen and others on capabilities), especially the dominant neoliberal economic paradigm (Herrmann 2012). Their approach instead concerns the conceptual framework of the Humanosphere. In their study, Sato et al. stand on the shoulders of a hundred Japanese scholars, who constructed a large-scale, five-year Japanese Ministry of Education–funded government program between 2007 and 2011. These scholars conducted a wide range of interdisciplinary studies on sustainable development in Asia and Africa from a global and long-term perspective.

According to Sato et al., the Humanosphere framework goes beyond the welfare economics approach to human societies. They conclude that processes in the geosphere and biosphere limit the sustainability of human society. In other words, a "sustainable Humanosphere" is achievable only when the interlinking potentialities of all three spheres—geological, biological, and societal—are considered and measured. To do so, they argue that those constituting factors can illuminate potentialities for and burdens on the "overall sustainability" of human life. It is interesting that they present an endeavor to develop and apply indicators with which we can analyze the interrelationships and reciprocity of these three spheres. Per capita CO_2 emissions are an important indicator of changes in the geosphere. Changes in biomass and biodiversity will deliver indicators for understanding processes in the biosphere. According to Sato et al., an important indicator for measuring changes in the societal sphere concerns problems related to access to care as a condition for societies to reproduce and replenish themselves.

These are all components of the Humanosphere Potentiality Index (HPI). This differs substantively from the well-known Human Development Index (HDI), which reveals the dominant developmental paradigm—not sufficiently wrested from the neoliberal and individualistic orientations—that underpins the HDI perspective. In the HDI perspective, the geosphere and biosphere are totally neglected, the societal sphere is undertheorized, and therefore this perspective itself is inadequate. Sato et al. elaborate the thesis that the HPI perspective asks us to pay more attention not only to development but also to global potentiality from a long-term sustainability perspective. The HPI accentuates the logics intrinsic to the geosphere and biosphere and how they both support the societal sphere. This framework suggests that tropical countries (so-called developing countries) have a positive influence on sustainability and that the Western world has a negative influence. The HPI should be placed at the heart of debates on the global long-term sustainability of human society. If the principles are acceptable, HPI can be further elaborated with current knowledge about societal processes and their consequences for the other two spheres.

In the third article, Faryal Khan and Maricel Fernandez-Carag present a critical case analysis of gender parity in the Sultanate of Oman as partner of the Gulf Cooperation Council countries. The purpose is to learn lessons and obtain insights in order to formulate strategies for promoting gender parity and equality that will inform an "Education 2030 Policy Dialogue" in relation to achieving the new targets for Sustainable Development Goals, as an outcome of the World Education Forum held in Incheon, South Korea, in 2015. In their *Declaration on Education 2030*, the central issue is to ensure equal education opportunities for all. And as the Thirty-Eighth General Conference of UNESCO—held in Paris, in 2015—concluded, sustainable development starts with education. In the article by Sato et al., the human development and related HDI approaches are critically developed. In this article, the main point is not the "development approach" as such, but rather political, economic, and cultural strategies for changing education systems.

Illiteracy still affects millions in the Gulf countries, especially women. These disparities have been driven by ongoing regional conflicts, as well as discrepancies in reform across different education systems. The purpose of the article is to identify the specific indicators with which to understand the strategies that may help progress toward gender parity. Khan and Fernandez-Carag focus on the quality of education systems in order to understand the symmetry between general education and higher education outcomes and to determine whether these outcomes are appropriate, for example, in the labor market. Furthermore, Khan and Fernandez-Carag outline strategies for developing centralized and decentralized teacher quality training, and paving the way for databases to advance training and qualification programs. Finally, Khan and Fernandez-Carag focus on how to recognize effective systems for evaluating training benefits, and how to select scientific studies for measuring training effects and determining the feasibility of training programs. By applying the indicators, they conclude that there is progress toward gender parity, but the nature of gender equality remains uncertain. Parity is a necessary but insufficient step on the road to gender equality.

Drawing on their work in Oman, Khan and Fernandez-Carag provide important insights on how to realize the World Education Forum's target of gender equality and on what is needed for more gender-sensitive policies, planning, and learning environments, as well as mainstreaming gender issues in teacher training and curricula, especially by eliminating gender-based discrimination and violence in schools. This study and the application of Khan and Fernandez-Carag's indicators may contribute to the global debate on combating related forms of discrimination in daily circumstances. According to social quality theory, this supposition refers to appropriate monitoring devices, which differ from indicators (van der Maesen 2013). To gain a real understanding of societal processes and contradictory mechanisms, the challenge is to elaborate a constructive connection between applied monitoring devices in specific policy areas, such as education, health, housing, and the labor market, and indicators that are functional for explaining these processes and related mechanisms on a more abstract level. This article, oriented on parity and equality, provides new insights for establishing this connection in the policy area of education.

In the fourth article, Peter Herrmann aims to analyze the digital revolution and its effects on labor markets. But the underlying point goes beyond this review of the phenomenological level and discusses changes in the economy and economics. According to Herrmann, thinking is narrowing down from a broad understanding of political economy toward an understanding of economic processes of exchange according to subjective values as reflected in particular marginalist theories developed in the second half of the nineteenth century. The problems associated with this change are explicit in the sustainability debate. According to the European Political Strategy Centre, economic growth remains necessary as long as human populations grow and billions must be lifted out of poverty:

> but the planet requires a different form of growth: one that relies less on scarce resources, … We need economic growth largely dematerialized, based on renewables and maintaining materials within the production cycle … a new growth model has been taking shape mainly in Europe … green technology capability is one of Europe's outstanding competitive

> advantages as highlighted by the 2016 European Semester…. Digitalisation has boosted new collaborative models of economy. (EPSC 2015: 7)

This intriguing plea goes beyond the predominantly neoliberal economic strategies involved in the recent negotiations for the Transatlantic Trade and Investment Partnership and for the Comprehensive Economic and Trade Agreement. As Nick Dearden (2016) argues, the economic and financial powers preparing this contract, are driven to turn every aspect of society into a gigantic marketplace:

> they set up mechanisms to enforce that vision. Most of them include special legal panels only open to foreign capital—special "corporate courts"—which can be used to sue governments for taking action which damage corporate "investment." Where they already exist these corporate courts have allowed big business to sue government for putting cigarettes in plain packaging, for raising the minimum wage, for applying better health and safety standards to coal-fired power stations.

It is not a plea for new forms of protectionism as promoted by populist political forces, such as those in the Brexit referendum. It is a plea to steer economic and financial strategies from sociopolitical and sociocultural desiderata and not to reflect in an uncritical way the legacy of the philosophical systems of Machiavelli and Hobbes, which are based on greed and individual human selfishness that accentuate absolute power, struggle, competition, rivalry, and envy.

According to Herrmann, this narrowing of economic thinking resulted in a systematic form of ignoring the reciprocity of economic processes and general societal processes. The main debates about the future of the United States or the EU, for example, are centered narrowly on economic strategies, as sui generis entities: "the social" has therefore been reduced to a mathematical function that has little concern for economic decision making—it is "without responsibility and meaning." Hannah Arendt (1958: 4) makes this clear when she states:

> if we would follow the advice, so frequently urged upon us, to adjust our cultural attitudes to the present status of scientific achievement, we would in all earnest adopt a way of life in which speech is no longer meaningful. For the sciences today have been forced to adopt a "language" of mathematical symbols which, though it was originally meant only as an abbreviation for spoken statements, now contains statements that in no way can be translated back into speech.

The emergence of the market system and socialization as the specific form of instrumental relations between individuals—mediated through commodities—also led to a specific shape of "social policy," emerging as a distinct practice, following the same mathematized rules. Herrmann argues, with reference to Karl Polanyi, that paradoxically the distinction emerged from the fact that the disjointed, disembedded economic space, that is, the market system, required a complement that would guard against the complete loss of societal relations, without interfering negatively with the market system.

With this in mind, he discusses the ideas and related policies of William Beveridge. When human labor is removed from its societal context and seen only as part of a market mechanism, individuals are increasingly exposed to market forces directly and without mediation through the concerns of "social policies." A current form is demonstrated cruelly in Qatar, namely, the construction of football stadia for hosting the 2022 FIFA World Cup, with the conditions of the workers akin to the most severe nineteenth-century forms of exploitation and slavery. Herrmann develops an alternative to this unmediated economism by drawing on social quality theory and Paul Boccara and Michel Aglietta's theory of regulations. This alternative restates the value of societal practice by taking an integrated approach toward societal analysis. It enables us to understand new developments as part of the historical totality as an outcome of the production and reproduction of "the social," which is conceptualized in social quality theory in a specific way. This enables us to go beyond the Beveridgean approach. Herrmann argues that labor market analyses are very much caught in the dichotomy of marginalist economic theories on the one hand and welfarist approaches of administration on the other. This, however, denies the notion of the theory of regulation and social quality—that the central concept is society and, within society, economic activities are networks of societally based relations. That is, we do not say there are individuals who from time to time connect with others and engage in economic exchanges but rather that exchange is itself a societally based relation of a very particular sort.

This central point is further elaborated in Herrmann's analytical framework. Using this analytical approach, Herrmann concludes that unbalanced economic growth—though we may better speak of unbalanced development—can now be understood as a matter of congruence and incongruence in the overall patterns of societal (re) production. It is a complex analytical framework that may evoke repercussions in the sequencing of the human genome, which now suggests the sequencing of societal codes. At stake is the pattern by which—looking at work and labor in the current context—we find a framework that develops monitoring processes in a more holistic way, not least centering around use and exchange value.

In the fifth article, Ka Lin, Dan Banik, and Longfei Yi discuss the driving force behind the growing popularity of Corporate Social Responsibility (CSR) in China and which forces have influenced the nature and evaluation of CSR discourse in the country. CSR has been largely developed in Western countries but is increasingly being taken up in non-Western countries. At least 90 percent of the top five hundred companies in the world ranked by *Fortune Magazine* have explicit CSR initiatives, while more than half of these companies publish regular annual CSR reports. It is suggested that the main reason for this growing interest has been the nature of the global market. According to Lin and colleagues, studies demonstrate that the overall CSR score is positively associated with firms' credit ratings and therefore that commercial interests and market demand are assumed to be strong forces that push companies to implement CSR policies. With this in mind, it is useful to examine what CSR really means. One of the definitions is that CRS refers to a profit-maximizing corporate strategy that can be viewed as socially responsible. In many "developing" countries, the sociopolitical demand for CSR plays a bigger role than the economic need. This points to a possible paradigm shift in global capitalism.

Lin et al. use China as an illustrative example whereby non–market-driven forces, through an exogenous path of action, primarily influence the development and consolidation of CSR activities. This means that it concerns a more "open" model of corporate governance that goes beyond the traditional shareholder–manager dichotomy. China's primary strategy of CSR development has been to use state power to encourage compliance with CSR concerns through regulation, laws, and guidelines, although the mass media and academic articles have also been influential. This article relates to Herrmann's mediations on economism. Lin et al. confirm that any societally based strategies that do not take into account the entirety of the question of production and reproduction have short-term foci, such as urgent issues. However, the authors posit the need for a more broadly accepted conceptual framework, without which arriving at a comprehensive overall strategy that guarantees "social quality" and "overall sustainability" is difficult. This suggests the need for a global agenda that subsumes the economic agenda within "the social." The former must reflect on the needs and possibilities given by the developmental stage of the means of production. Similar to Herrmann's account, this study is an invitation to take this step in order to also understand the meaning of the adjective "social" in the concept of CSR—to take a step to develop CSR as an issue that goes beyond the voluntarist and arbitrary notion that has proliferated in the West. A similar step toward reconceptualization is necessary in China, where the governmental commitment is a stronghold that should be used for a broad discussion of the substance for taking social quality perspectives into the future of economic development.

In the sixth article, Jan Berting discusses how our collective representations have an impact on the future of the European Union. In fact, this question also concerns collective representations applied in, for example, India, China, or Brazil. According to Berting, we never see our society as it really is, but always as it appears through our collective representation. Berting defines this as shared mental images that people and collective entities have about the societal and natural reality they live in, but also about worlds with which they do not have immediate experience. They often refer to imaginary worlds or to worlds we cannot perceive empirically. They give indications about who we are and who the others are. At the same time, they are also an important source of confusion or disorientation. For example, the first article in this issue considers that the collective representations of pro-Brexit campaigners focused on a shared mental image whereby all of the UK's problems can be attributed to the bureaucracy and self-interest of the EU. This notion of collective representations can be applied elsewhere in this issue—for example, it is also the case with the ranking by *Fortune Magazine* of the nature of the CSR initiatives of the top five hundred companies in Lin et al.'s article.

According to Berting, these representations are very functional but often have a serious, even a nasty character. This is a central theme of this article, which also stands on the shoulders of excellent anthropological studies, published around World War II by Bronislaw Malinowski, Raymond Firth, Edwards Evans-Pritchard, Clyde Kluckhohn, Ruth Benedict, and others. In the case of Europe, a main sociopolitical problem involves how to get rid of invalid or misused concepts such as culture, collective identity, and community as aspects of collective representations. Berting presents an elaboration of these concepts in order to give an overview of these misconceptions. This is a condition for understanding the present situation of the European Union. He concludes that the powerful collective representations concerning the European nation-states are often determined by one-sided ideas about the relations between individualism and collectivism. As is also argued in the theory of social quality, the dichotomized view or duality between individualism and collectivism is untenable: "the social" is an outcome of the dialectic between processes of self-realization and the formation of collective identifies (van der Maesen and Walker 2012).

Berting presents three interrelated developments that hinder an efficient and rational adaptation of the European nations and the European Union to the most important challenges confronting them. These include first, the lack of democratic quality, second, embarrassment due to the consequences of modernization, and third, the significant rise in migration. Berting concludes the article with the argument that, without an intensive program of reality testing, we can no longer ignore the disjunctions between our ways of regarding the world around us. We must discard from our minds those collective representations that are incompatible with our task of developing a much more democratic political system for the EU, which recognizes and focuses on improving the quality of daily circumstances for future generations. Given the disjuncture revealed by Brexit, the democratic development of the EU is mandatory if the "European project" is to progress. A courageous and concerted decision by European politicians is needed to develop a new European future. According to Berting, it is evident that the nation-states as sources of wrong collective representations of the EU are one of the main obstacles on this road to building a more democratic European society. This conclusion, referring to the social quality vision about the future of Europe (Beck et al. 2001) will also add a new argument to ideas and proposals concerning how to cope with the Brexit vote with regard to the UK. All EU member states need to recognize the need for fundamental change. As the first article in this issue argues: the societal consequences of the Brexit vote are a real demonstration of this need.

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