

Technocracy and the questionable moral philosophy of management.

A Southeast Europe inside.

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Abstract

The moral philosophy of management and the effects of the dominating doctrines in public policy and decision making, in wider terms means to question what kind of relations, once applied, these doctrines and strategies created between state, groups and individual rights.

The EU accession of Southeast Europe countries represents a unique chance to understand the real capability and superiority of technocratic solution, as a dominating doctrine in accession processes, exerted in situations of limited capacities in decision making, lack of established democratic institution, which presume weak capabilities in setting up long term strategies.

A unique chance to test the real value of the so-called cold and rational solutions in public decision making. In this case the trade off is between the kind of society this political and managerial doctrine creates, how much the interests of those who mandates the “technocratic power” by the power transfer process are still in balance or under consideration.

Keywords: moral philosophy of management; technocracy; European Union, accession; Southeast Europe.

Introduction

The history of Europe after the 90's and in particular of that part of Eastern Europe, which core is Southeast Europe, testify for a ongoing argue between which management philosophies, that in most cases means strategic decision making in all levels of the authority pyramid, to adopt and apply.

What's more important, it questions which moral features and moral code this managing mindset must acquire and which to reinforce from the past.

What made more vivid this stunning was the fact that all Europe at that historical momentum changed.

The technocratic solution to inner conflicts, ethnic confrontations, inefficiencies in public policy making, came into stage as the best formula for accomplishing the UE

integration of Southeast Europe countries by enhancing a debate on management philosophies, public policies and strategic choices to be undertaken and followed in particular by those countries aspiring to access in EU.

The moral philosophy of management

A pending quest still stands over the heads of aware policy makers and strategists:

Does the dominating philosophical doctrine operating on today's society make the delineation between state, enterprise, individual on one side and the groups of interest which exert pressure above and around?

The prospective of the United Europe, previously limited in western countries with free market and pluralism tradition, has expanded instantly, by gaining a new horizon and prospective, rich in geography and resources, natural and what's more important, the human one.

The point of view of decision making futurists at that time, was not easy to understand, considering the ideological inspiration of that particular moment.

The dominant moral philosophy can be considered a deductive consequence of this, become more readable as time went by. The position of the 'groups of interest' in this picture, became a reading key of the relations between state, individual, economic and political structure and the integration prospective in the big European family.

As Monthoux¹ stated, the European foundations of management philosophy, represent a quest for the moral philosophies of management embodied in the economical thought.

This in the particular historical moment the definition and division between producing goods and making money comes once again into stage by re-opening the debate.

The proved de-attachment of the financial markets from the real economy, can be considered as having two main consequences: the first, that of calling for new semantics and the re-definition of goods and money, and second, interpreting the domination of the "Technocratic approach" in the European Union countries and as a consequence also in the aspirant countries as a necessity for a definitive transfer of political power into the hand of group of interests which more than a political motivation did have a strong economic and financial aim in exerting their power.

In analyzing the cash flow figures and their global uses, it is useful to distribute these flows between commercial activities and financial speculation. In the 70s and 80s, 90% of the capital used in global economic transactions was used for commercial or

¹ de Monthoux, Pierre Guillet. *The Moral Philosophy of Management: From Quesnay to Keynes*. ME Sharpe, 1993.

productive purposes and 10 percent for speculative purposes². After 2000, a total reversal of these ratios is observed, with capital having a 90% use for speculation in the financial markets and the remaining 10% to produce in the sectors of the real economy. The result of this speculation has led to a galloping growth of available monetary capital, making it reach the dizzying sum of 14,000 billion dollars.

One of the direct results in international trade related to these flows is the insufficient evidence of the equilibrium established at Bretton Woods, which instead had to guarantee the growth of the real economy. The rest was pure speculation, with negative effects on inflation. Fighting the latter by national governments, under the conditions of global scenarios of financial and geo-political speculation with the aim of stabilizing the economy of their country, has had only one result: the immediate movement of capital to other underdeveloped economies, with lower wages and an enormous need for monetary flows in the form of FDI for their survival. This has led to a recession in the countries on the way to recovery and total submission to international technocracies, worried about losing control over finance.

In this scenario, those who remain completely outside are the world populations, who are thus alienated from their conscience and from any decision-making power.

Technocracy and social justice

The moral philosophy of management, managerial elites and political doctrines has always dressed the charm of “knights of social justice”, the perpetual motive of all revolutions and social movements.

This becomes particularly seducing when developing countries and their fragile democracies face turmoil, characterized by a continuous strive to write again and again the rules of the game, as a primitive need to achieve a certain social status far different from reality, which is also a characteristic of the social tissue in these social realities.

Thus “technocrats”, not politics, people leaded by the philosophy of doing the right things under the measuring tools of effectiveness, efficiency and merit systems.

Technocracy comes to stage as a logical system of management, not affected by local political lobbies and group of interest connected to them.

This constructed “tail” of effectiveness and efficiency of technocracy versus democracy, comes into question when we consider the tradeoff between decisions made in the public sphere by democratically elected bodies and technocratic establishments.

² Chomsky, Noam. "Understanding the Crisis — Markets, the State and Hypocrisy". *Foreign Policy In Focus*, February 2009.

The concept of social justice in this case is the reading key for interpreting the impact mainly referring to concepts such as public interest, strategic decisions affecting public goods and the most important, freedom space and dimension for individuals, communities and social groups.

Michael Walzer's notion of 'spheres of justice,' in his work of 1983³, by introducing the concept of the society compounded from different social spheres, each of them following different regularities, tools and philosophies used to accomplish public decisional processes cannot be considered as good or bad referring to an unique moral standard of evaluation and interpretation. Thus, both democracy (issued by democratically elected bodies) and technocracy are not bad or good. The equilibrium between the two approaches is the guarantee of having the best of the impact and efficiency in the process.

Thus, the illusion that technocracy is the solution of the absence of knowledge, expertise and subjectivity of decisions by democratically elected bodies, is nothing else but an effort to consecrate the fact that in most of cases, the de-attachment of the decision making process followed by technocratic elites, is the most efficient way of handling the process. Thus, justice of a sphere overcomes that of the others.

Technocracy in action and UE

The perennial philosophy of "Making Europe without Europeans" as the necessary approach during and after all the conflicts of modern European history, enlighten by the principles of equality and solidarity through a government of technocrats implementing the reforms necessary for the purpose, was the greatest inspiration of Jean Monnet, one of the founding father of the European Union⁴.

The idea of a New United Europe is backed by the technocratic philosophy of the American neo-functionalists.

The founder of this thought, Ernst Haas⁵, saw the implementation of that idea in moving decision-making centers into the hands of political elites, groups of economic interest and pressure in the labor market, thus dispossessing the affected populations of their natural power.

Thus, technocratic elites and interest groups behind them, being motivated by the direct impact that these decisions have on their *raison d'être*, would be highly active

³ Michael, Walzer. "Spheres of justice: A defense of pluralism and equality." (1983).

⁴ Featherstone, Kevin. "Jean Monnet and the 'democratic deficit' in the European Union." *JCMS: Journal of Common Market Studies* 32.2 (1994): 149-170.

⁵ Haas, Ernst B. "Does constructivism subsume neofunctionalism." *Debates on European integration* (2006): 437-446.

and deeply aggressive in influencing the decisions that, even if this would mean have less support from the majority or popular consent.

Considering the high capacities of supranational institutions as a guarantee in smoothing conflicts and problems arising from national economies, which find themselves in the anvil of restructuration due to globalism, technocracy becomes the solution to obliterate potential conflicts deriving from national legal systems, while giving more and more space to the interests of groups and elites.

The European integration was settled in this layer.

Still necessary the success of the transfer process having as outcome the shift of national powers toward international bodies as an expression of the will of national populations of belonging to a common future, by legitimizing the new powers.

The effect of these strategies must be assessed by analyzing events and processes in the European Union. Scholars and economists agree that the EU's direct contribution cannot be attributed in a substantial way to the economic growth that affected post-war Europe. This is confirmed by the fact that growth has also influenced countries that were not part of the economic community and moreover socialist countries.

The end of the growth period has triggered a series of structural reforms in the EU countries aimed at reducing the negative effects of the non-growth of the markets of the same union, and countering, in general, the threats of reduced economic growth. These reforms, however, did not have the desired effect.

In reference to the historical and political role played by the EU, the Union in most cases missed the fulfilling of the much proclaimed mission to prevent new wars between the most important states of Western Europe

During the crisis of the former Yugoslavia, which began in 1991, the EU proved completely incapable of imposing stability and peaceful coexistence among the different peoples of the former federation, despite the help of the United States. This has given rise to a new reality in the South East Europe area, outlining a new Europe, also in its image and projection of union.

The same can be said for Kosovo, due to the fact that the EU was forced to ask for military help from the United States; this indicates, once again, that the work of the technocracies does not show great flexibility, should new interests emerging from new realities be taken into consideration.

Technocratic transformation processes in Europe

This process can be summarized in its most characteristic phases. Initially there was the transformation of sovereignty into Europe by way of technocratic unification.

This was followed by a phase of transfer of sovereignty and delegation to powers external to popular will and expectations. It followed a technocratic political cycle characterized by a sophisticated system of technocracies on a large European scale.

These institutions, with powers co-opted by governments and representatives of nations, have given way to a set of laws and regulations on which they have less and less to say national governments as the process of transfer of these powers becomes increasingly blurred. Institutions such as the European Central Bank, the European Commission and the European Council, despite their considerable level of consolidation and decision-making power, have not been able to slow down the change in the cycle, ie the transition to the political cycle - as actually case of Greece. In fact, as soon as the Greek Government announced a plan of rescue reform different from that imposed by the EU precisely at the peak of the crisis, this constituted the strongest signal of the change from the economic cycle to the political one.

Southeast Europe area and European history

The Southeast Europe area, represents a vivid testimony of the waves of history by the Ottomans, Tsarists, Austro-Hungarians, Bolsheviks and Nazis. The result of this tormented history was a continuous conflict aimed at claiming its national identities as a guarantee of survival and territorial claim. History, religious matrix and cultural influences have all been valid elements for each country to claim national identity as the oldest nation in the region.

In all these events with history, the European institutions, in terms of strategies and management, found themselves under the macro-economic pressure of finance rather than that of global diplomacy.

The European institutions have found themselves, as evidenced by events in the area after the 90s, more under the pressure of global finances than under international policies. This also led to a change in conflict management strategies, orienting them towards a macro international balance, together with closer integration and collaboration.

Accession processes to the EU of the Southeast Europe

The early 90s, the fall of the Berlin Wall signed a new era for the countries of this area, which found a new orientation and inspiration at the European Union, projecting their future as members of the same system of values, market and social progress.

This inspiration was politically well received by the Union. The roadmap toward this destination time after time seemed to be separated by the territory, following continuous changes and oscillating dynamics which in some cases resulted to be dramatic and striking events for the Southeast Europe countries.

It is, in fact, a process extended over a period of almost 3 decades, characterized by a set of technocratic criteria to be followed, but also by a system of principles and values to be extended and applied to all the Southeast Europe countries.

In other words, it was a matter of unconditionally respecting fundamental principles of freedom, democracy, respect for human rights, fundamental freedoms and the rule of law.

Of the initial premises, some specifically concerned a list of 'must do' for each of the countries in the area, incorporated into the EU Enlargement Strategy of 2006⁶.

Technocratic criteria, therefore, but not only. MEPs have in fact reaffirmed the need for the candidate states and other Southeast Europe countries to commit themselves unconditionally to respect the fundamental principles of freedom, democracy, and human rights, fundamental freedoms and the rule of law and, for Croatia, a set of judicial reforms, economic reforms against barriers to private initiative and policies implemented for the return of refugees. In March 2006, the European Parliament welcomed the Union's decision to open accession negotiations with Croatia, but the country was required to continue the implementation of the reform program, to collaborate with the Hague court and to undertake administrative reforms, alongside with the reformation of the judicial system. Tangible results in the fight against corruption were a main measurable objective on regard.

In the case of Bosnia and Herzegovina, the focus was on the necessary revisions of the Dayton agreements, with the aim of carrying out a total restructuring in the judiciary, the very sensitive sector of defense and the police, and for the revision of an economic and financial framework to ensure the rule of law and multi-ethnicity.

The European Parliament, on the released enlargement strategy on March 2006 while assessing the advancement of Serbia and Montenegro (Montenegro proclaimed its independence in June 2006), stressed upon the good results referring the collaboration with the International Criminal Tribunal for the former Yugoslavia.

On Kosovo case, referring to the same document, the Parliament has positively assessed the climate of the first negotiation talks, but has again stressed the potential risk in respecting the rights of minorities and the multi-ethnicity. For this purpose

⁶ Conclusions of the European Council, Bruxelles 2006

<http://data.consilium.europa.eu/doc/document/ST-16879-2006-REV-1/en/pdf>

they provided solutions of the Statute of Kosovo and foresight the role of UN and the European Union in ensuring the territorial integrity of the country.

In the case of the former Yugoslav Republic of Macedonia, to which the status of candidate country was already granted in 2004 (to be then frozen since 2006), warnings have been made regarding the too small progress made in areas such as free movement of property, intellectual property law, competition policy and financial control. Finally, the solution to the question of the name of the country with Greece is one of the challenges still open today.

A clear set of tangible results has been set on Albania's progress measurement by considering the fight against corruption, the fundamental revision of the electoral law and the freedom and independence of its information systems as milestones for accession processes.

The key words for the EU membership of the Western Southeast Europe countries are therefore outlined: nation-building and structural reforms.

Furthermore, failure to properly address EU actions in the area, particularly in Bosnia and Kosovo, would produce "failed states" under the pressure of "frozen conflicts".

The temptation to adopt the philosophy of 'all together, establishing a single date' has touched the course of EU action on enlargement to the Southeast Europe very often. This is not to be considered, however, the fruit of a moment of reflection and a plausible solution on the reduction of the risk that the area represents. It was not either to be considered as a momentum of awareness of the importance that this philosophy can have for the EU.

Clearly, this represents the umpteenth effort to establish and make operational a technocratic network already included in the negotiation process and intent on outlining the processes of interpretation.

New action plan to unite the Southeast Europe with the European Union

July 2017 marked a very significant volte-face in the integration perspective in EU for the Southeast Europe countries.

At the end of the Trieste summit on Southeast Europe⁷, Paolo Gentiloni, President of the Italian Council at that time, articulated an action plan which was introduced as an additive anteroom for the countries of the area striving for accession. The plan was that of creating previously an integrated economic area that brings together tariffs and trade in an area of about 20 million inhabitants.

⁷ Trieste Summit of the Western Balkans. Statement by the Italian Presidency, Trieste, July 2017.

Starting from the economic agreements, in fact, there is a great commitment in infrastructural projects of interconnectivity in the region, equal to a value of 194 million Euros, which will act as a flywheel for investments for another 500 million Euros.

The integration between the EU and the Western Southeast Europe has been called 'a strategic and irreversible choice'. The Forum sees in the creation of an area without trade barriers between the Southeast Europe countries a working strategy to grow the economy, increase investments and grow exports and the competitiveness of companies.

In assessing the potentials of this strategy we must consider that no longer than a decade ago the area has been the scene of wars and clashes between countries and ethnic groups. These conflicts in some very sensitive issues remain unresolved (between Serbia and Kosovo, for recognition, and between FYROM and Greece, for the name issue)

Under this prospective the premises of this action plan reveal from the very beginning to be not weighted appropriately, placing this action strategy in very uncomfortable and unrealistic position.

The more unrealistic this becomes if we consider the basic reasons of disputes among the countries in the area, which is domination over their territory and the predominance of trade flows on the economic structure.

In the press release of the European Commission of February 2018 for the state of accession of Albania, Bosnia, Montenegro, Macedonia, Serbia and Kosovo, six guiding initiatives were announced that the EU will implement in the coming years to support of the efforts of transformation of the Western Southeast Europe into sectors of mutual interest, more those characterized by greater congruity between economic structures. These are initiatives aimed at the implementation by the Southeast Europe countries of reforms whose objective is to strengthen the rule of law, to intensify cooperation on security and migration, and to extend the Union's energy union to the Southeast Europe. 'EU. In this context, the integration of communication systems, with the aim of lowering roaming costs and spreading broadband in the region, is a tangible result of direct interest.

Enlargement, therefore, not as a reward for having made the necessary efforts (as has already happened in the case of other Southeast Europe or Eastern European countries already included), but only as a natural result for the fulfillment of the imposed criteria, which, however, technocratic in most cases.

At the European Council meeting of 26 June 2018⁸, Albania and Macedonia were given a year to 'comply' and then, after a new assessment, EU accession negotiations could start again in June 2019.

A new bargaining came in force when the power transfer from the political side to the governing technocracies showed to be weakened, such as the late case of the former Yugoslav Republic of Macedonia for the name issue.

But even in this case the international pressure toward local politics worked, showing that the transfer process in the area has happened by going into an intermediate term, that of the creation of techno-politicians in Southeast Europe, and the facilitating mechanism seemed to be that of the natural establishing of oligarchies in such countries, based on the inherited culture of monarchy, typical for ex-communist countries.

It is obvious and expressed that the Union is highly aware of concerns concerning the effects that stability in the area has on security issues of the union. In these terms, investing in Southeast Europe means direct investment in security, stability and prosperity in an area which easily spreads its disequilibrium in all EU. The logics of numbers in this case is not worthy, even if we talk about how much people live in the area or economic power of Southeast Europe countries.

But the articulated intents of these strategies and action plans undertaken seem to push the area more towards new clashes and conflicts, increasingly under the growing presence of fundamentalism, especially the Islamic one, at the mercy of the currents that in times of political and political imbalances. economic, as already demonstrated in the past, would easily push the area towards fluid alliances oriented towards the East rather than towards the European West.

It is therefore difficult to plan a future for the Southeast Europe area, as it became difficult to create scenarios for the EU in terms of security from the development of the Southeast Europe countries.

Conclusions

Questioning the moral philosophy of management and the dominating doctrine in public policy making, hopefully gives us a tool of assessing the result of them in action.

In wider terms this means what kind of relations, once applied, these doctrines and strategies created between state, groups and individual rights.

⁸ European Council, 28-29/06/2018
<https://www.consilium.europa.eu/en/meetings/european-council/2018/06/28-29/#>

The EU accession of Southeast Europe countries represents a unique chance to understand the real capability and superiority of technocratic solution toward situation of limited capacities in decision making, lack of established democratic institution which presume weak capabilities in setting up long term strategies.

A unique chance to test the real value of the so-called cold and rational solutions in public decision making. In this case the trade off is between the kind of society this political and managerial doctrine creates, how much the interests of those who mandates the “technocratic power” by the power transfer process are still in balance or under consideration.

The reading of Southeast Europe accession into UE shows that probably there no exist any impartial logical solution or impartial decisional doctrine, even the technocratic ones. They are always affected by factors which represent simply a shift in pressuring interests, different by national and individual ones, by simply making dominating interest easily accomplished.

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