

# Contemporary Crisis

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*Where Does the World Go? Attempt of Scientific Forecast. Article #3*

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Now, let's talk about "local" crises comprising the major one, and crises that accompany it.

## Local Crises

My colleagues and I in our innovative projects conducted in last couple decades found out multiple "local" crises that affect individual industries and areas of human activities; below, you can find some of these crises:

### Automotive Industry

This crisis is caused by the fact that a human mind, the major component in controlling the vehicle, in safe driving and in selection of path "from point A to point B," cannot meet the growing requirements the contemporary transportation imposes on it. The crisis could be resolved by step-by-step automation of these functions.

### Advertising Broadcasted on Radio and TV

This crisis is caused by the fact that a prospect, due to various reasons, manages to forget where to call by the moment when he or she has a chance to make this call. This crisis could be resolved by providing the prospects with one-point access to all advertised information, for instance, in the website with URL that doesn't need to be "remembered," such as [www.myradio.com](http://www.myradio.com) or [www.mytvchannel.com](http://www.mytvchannel.com).

### Home or Vehicle Security

This crisis is caused by the fact that a "key" that opens the security circuit is easy-to-recognize by criminals and thus could be easily stolen or copied. This crisis could be resolved via recognition of "property owner" rather than key; the owner could be recognized by biometrics or by owner's belongings that cannot be easily associated by criminals with a "lock" that protects the property.

### Energy Consuming Manufacturing Processes

This crisis is caused by the fact that huge energy consumption of some manufacturing processes, e.g. manufacturing of intermediate products such as sugar, cement or multiple pre-polymers, prevents further cost reduction. In many cases, the main portion of energy is consumed due to need to transform the dissolved product into the solid product, while later this product is

dissolved again for further use. This crisis could be resolved via exclusion of “solid state” stage from the single-shot process transforming the natural raw material into the end product.

### **Security of Online Banking**

This crisis is caused by the fact that computers of users who access their banking accounts online cannot be protected completely from spyware attacks; the pin codes and passwords could be easily stolen. As a result, the users’ accounts could be “swiped clean” without any “tampering,” rather by use of authentic pin codes and passwords. This crisis could be resolved via simultaneous use of two access systems, i.e. computer and phone.

### **Therapies**

This crisis is caused by the fact that artificial medications not only affect either symptoms or the root causes of illness, but they also affect other systems of organism: there is no medication that doesn’t produce the “side effects.” Non-systemic approach to curing different illnesses results to “unforeseeable” complications. Then, the cost of curing the “consequences of initial cure” might be times larger than the cost of curing the initial illness. This crisis could be resolved via enabling the natural mechanisms of curing the illnesses, and stem cells aren’t the only way to do so.

### **Chemical Manufacturing**

Chemical processes for manufacturing of various useful materials from natural resources evolved in last 5-6 decades by continuous increase of volumes. Losses caused by inefficiency and unevenness of chemical reactions in large-volume reactors and necessity to separate the end or intermediate products from inevitable impurities currently comprise up to 80-90% of total product cost. This crisis could be resolved via use of accelerated reactions in small volumes, via shift toward small-volume local production providing for the local needs, and via shift to the no-intermediary-product processes, i.e. producing the end product from natural resources in one shot.

### **Software Development**

This crisis is caused by fact that no software development projects aimed at solving the particular problems of client is finished in time and within the budget. The root cause of this crisis could be explained as follows: software specs are usually a mere reflection of client’s perception on what software could solve the client’s problem; finally, when it comes out that software cannot solve the problem, the client complains and asks for similarly useless improvements. This crisis could be resolved via shift toward the two-stage work with a client: first, the client’s problem is analyzed and solved, and only then the software is developed, if necessary.

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As you could see, the solution to each crisis is contradicting to the current ideas on how one or another industry or area of human activities should work. This is a small portion of “local” crises discovered by my colleagues and myself, but even this brief list covers a wide range...

## Accompanying Crises

Such systemic global crisis cannot go easy. It inevitably manifests itself in multiple national and international crises, both financial and political, including, probably, another World War. The most vivid consequence is simultaneous shift of multiple governments in leftist direction.

The direct consequence of systemic crisis is unbelievably high level of unemployment, because expertise of vast majority of industry experts is negated by new paradigms. The only rescue to these experts would be re-education preceded with re-evaluation of their own expertise and values. Accordingly, the educational system would be in similar crisis: value of current curriculums deteriorates fast, and new curriculums cannot be developed with old-era thinking.

Economical crisis will be systemic, too, because its root cause is the paradigm shift in investing and finance. While in course of industry era investing and financial policies were based on past performance and success, the new era will need them to be based on innovative potential of business entities. This shift will take a lot of time, and will be pretty painful to investors who risk their own money.

Crises of education, unemployment and economy will be inevitably taken by young generation as a sign that they have no hope to prosper through legal, useful activities. As a result, this generation will turn to crime, terrorism, military activities; the appropriate ideologies will grow like mushrooms after a good rain. This aspect of systemic crisis will be, probably, the bloodiest one. And the longer the major systemic crisis and accompanying crises take, the more blood will be shed.

Hence, time is essential, and the need for means and people to overcome the crises is urgent. Every day, every year of prolonging these crises means real deaths of real people. “The ashes beat upon my heart.”<sup>1</sup>

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<sup>1</sup> *Legend of Ulenspiegel and Lamme Goedzak and Their Adventures Heroical, Joyous and Glorious in the Land of Flanders and Elsewhere*, by Charles de Coster, Kessinger Publishing, LLC, 2003.

## Government Crisis

Every substantial systemic crisis usually leads to the government crisis.

There are two “ideal” types of government:

1. Government that governs and controls every aspect of citizens’ life, and
2. Government that provides the conditions needed for stability of citizens’ life and activities

While the former government is responsible for everything, the latter one’s duty is only providing the safety of country for foreign countries, safety of citizens from criminals from within the country, and safety of citizens’ private property from other citizens’ infringement. These three conditions provide for stability of interactions within society, which is the basis for stable development of businesses.

“Governing” government is an extreme materialization of tyranny. “Providing” government is an extreme materialization of liberty – don’t confuse it with anarchy. All real governments populate the entire spectrum between these two extremities.

## “Governing” Government

The Governing government is easy to recognize by its claiming that “government better knows what the society needs, only government can initiate and run the long-term global projects, and only government can lead the [presumably stupid] citizens to the brighter future.” Such government, accordingly, has to govern any and every activity and aspect of life. This government plans every activity, every industry, every enterprise, and consumption of every product or service. This government assumes power to make all the decisions and punishes every violation and deviation.

The assumptions behind this model of government are as follows:

1. “Simple” citizens cannot understand what is their “good” and how to limit their insatiable appetites;
2. Only specially educated and experienced rulers better understand what is good for citizens and society as a whole, know what should be done to bring society to this brighter future and how to manage this process;
3. Only specially selected members of government know “how much is enough” to every citizen, and how to distribute goods and values between them in all fairness.

As one could see, such government assumes that all property rights belong to this government; otherwise, the governing people and entities would not have any right to manage any processes and businesses or to distribute goods and values by the “fairness” rules defined by themselves.

## **Governing Government as an Occupational Regime**

More often than not, the Governing government has to behave like an occupational regime, as if the citizens in their countries belong to a different, hostile civilization and culture. The undisciplined, unwilling to understand their own good and resisting to government actions citizens should be dealt with as if they are enemies... The “rules of occupation,” i.e. the main principles any occupational regime uses to rule the occupied territory, are shown in Appendix 8.

Russian Communists in Tambov region (1920-21) and Saddam Hussein in Kurdistan (1987-89) using military-grade poison gases against rebelling citizens, taking hostages and shooting them are not any different from Germans of WWII taking hostages in occupied Poland, France, Ukraine or Russia, shooting them and killing prisoners in the concentration camps with poison gases. Does it matter that, in former two cases, the government dealt with “their own” people, while in the latter case the people were from occupied countries?

## **Governing and Responsibility**

Since Governing government pokes its nose in every hole, in every aspect of citizens’ lives, and imposes its own rules and laws, the efficiency of ruled in such way society strongly depends on adequacy and responsibility of government leaders for results of their governing. The Governing government is never accountable for its errors and wrongdoings, so we are talking here about the individuals’ sense of responsibility for results. If a governing individual or “team” or party is irresponsible and unaccountable for consequences of their ruling, then even the most efficient “doers” cannot produce a useful result.

However, if a governing individual feels himself responsible for results of his ruling, and he assembled the team for similarly responsible people, then some useful results could be achieved; but when such leader is gone and replaced with irresponsible one – and there always are more irresponsible candidates than responsible ones – his achievements exponentially diminish.

Some contemporary historians consider Stalin as an example of such leader responsible for the entire country and its success in the international affairs. He tried to render all his subordinates accountable, hired and promoted the most capable and responsible ones. As a result, as Winston Churchill said, “Stalin found Russia with the wooden plough and left it with the atomic bomb.” After his murder, followed by extermination of his team of responsible and capable managers led by Lavrenty Beriya, the power in the Soviet Union was usurped by Communist Party, the team of irresponsible, but “ideologically correct” people led by Nikita Khrushchev. He and his followers managed to destroy the country in mere three decades... Stalin times achievements, nuclear power and rockets, continued developing by inertia for 15 more years, but with deaths of leaders, Kurchatov and Korolyov, quickly diminished “under Party ruling.” As a result of irresponsible Communist ruling, Russia still imports bread, corn, cars and technological secrets...

Hence, the efficiency of Governing government is heavily dependent on personality of its leaders: whether or not they understand what they are doing, whether or not they feel personally responsible for results of their ruling, whether they take power as a way to “rule as I wish” or as a huge responsibility for those they are governing.

### “Providing” Government

The role of Providing government is very important, but strictly limited to:

1. Providing security of country from foreign intervention;
2. Providing safety of citizens and their affairs from criminals; and
3. Providing inviolability to citizens’ private property.

Under such government, citizens are free to act if their acts aren’t prohibited by law, free to protect themselves and their beloved, their values and property, and their rights, and free to pursue the better conditions of life, whichever they consider such.

This type of government is an extreme form of liberty.

### Liberty vs. Freedom

Let’s define – and distinguish – two seemingly similar notions, “freedom” and “liberty”:

***Freedom** means independence of one person from another and right of each person to do whatever she or he considers is the best for satisfaction of her or his individual needs, while this person has no responsibility and is not accountable for consequences of her or his actions to other people.*

***Liberty** means independence of one person from another and right of each person to do whatever she or he considers is the best for satisfaction of her or his individual needs, while each person takes responsibility and is accountable for consequences of her or his actions that hinder satisfaction of needs of other people.*

As one can see, “freedom” is distinguished from “liberty” only in terms of responsibility and accountability for hindering satisfaction of needs of other people. As one teacher explained to her pupils, “Your liberty to wave your fist ends up exactly where the nose of pupil next to you begins.” In case of freedom, one feels free to wave his fist wherever he wishes regardless of where another’s nose is.

Freedom is the basis of anarchy, and usually results in development of new hierarchy where those who are stronger clamber upward while pushing those who are weaker downward.

Liberty comes at significant cost of risk, responsibility and accountability. Not everybody is prepared to pay this cost. Some people prefer to live “in prison” where satisfaction of their needs, to some limited extent, is guaranteed in exchange for right to do whatever they would prefer. It is much easier to delegate responsibility for satisfaction of one’s needs to somebody else in exchange of dependency and obedience than to be independent and carry all the burden of responsibility.

Hence, efficiency and success of country with Providing government heavily depends on personal responsibility of its citizens.

### **Instability of Providing Government**

The Providing government is an unstable system. Since one of its duties is to distinguish legal actions from illegal ones and punish the latter according to the damage these actions cause to the citizens and entities comprising the country, the legislative branch should define the signs of illegal activities, thus taking the “governing” role; the judicial branch should play the “arbitrative” role rendering some activities punishable, thus taking the “governing” role, too; and executive branch takes action enforcing the laws and judicial decisions, thus taking the “governing” functions, as well. Hence, the more complicated are the activities “on the border between good and evil,” the more “governing” becomes the “providing” government, the more power it assumes in controlling, ruling the industries and other aspects of citizens’ lives. Keeping the “providing” government in strict boundaries is a difficult and permanent job of citizens, because government “naturally” tries to govern, tries to grab more and more power over the citizens. Citizens who are busy with their lives and business affairs, on the other hand, don’t have spare time to permanently control their government and prevent its sliding toward the “governing” one; as a result, the government steadily gains momentum in this sliding.

### **Dynamics of Governing Tendency of Providing Government**

Providing government is initially less prone to the features typical to any Governing government, such as tendency to plan and rule economical and social life, corruption and separation from citizens. However, eventually Providing government acquires more and more symptoms of Governing government: it seizes every opportunity to expand its power, its members attempt to stay at power as long as possible, they begin lobbying the interests of groups within the country and even foreign countries instead of pursuing interests of their electorate, they take any opportunity to distance themselves from their citizens, etc.

The first “Progressive” President Theodore Roosevelt was in power between 1901 and 1909:

*With the assassination of President McKinley, Theodore Roosevelt, not quite 43, became the youngest President in the Nation's history. He brought new excitement and power to the Presidency, as he vigorously led Congress and the American public toward progressive reforms and a strong foreign policy.*

*He took the view that the President as a "steward of the people" should take whatever action necessary for the public good unless expressly forbidden by law or the Constitution." I did not usurp power," he wrote, "but I did greatly broaden the use of executive power."<sup>2</sup>*

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<sup>2</sup> <http://www.whitehouse.gov/about/presidents/theodoreroosevelt/>

This was still timid attempt to usurp more power than it was determined by Forefathers; other attempts followed with enviable persistence. “Public good” became the slogan and banner of his followers to camouflage steady usurpation of power and stealing of liberty.

## **Corruption as an Universal Feature of Any Government**

Corruption, i.e. seizing the opportunities provided by position in the government to pursue the personal interests, is natural to human beings. Publicity and frequent rotation of members of government are the tools to keep corruption under some control: if a member of government is serving for a short period of time, it is difficult for her or him to establish relationships with groups and individuals who return favors for promoting their interests at expense of interests of other groups, individuals or even society. On the other hand, if a member of government stays there for a long time, the close relationships with groups and people interested in governmental “support” are inevitably established and exploited.<sup>3</sup>

## **Crisis as an Amplifier of Governing Tendency**

Under the Governing tendency, any government exploits every crisis as opportunity to grab as much power as possible.

*Rahm Emanuel, the president’s chief of staff, says, “A crisis is a terrible thing to waste.” The causes of the economic crisis are not of our making, but we can use the angst about our economic system that the crisis has generated to fix some fundamental problems if we choose.*<sup>4</sup>

Since the root causes of crises are not overt, it is easy to use the “would-be culprits” to blame. As a result, the wrong root causes are addressed with wrong tools to produce the wrong result. This is the easy way irresponsible members of “governing” governments take to promote their agendas. This way always follows the same rules:

1. It doesn’t matter whether or not blaming the would-be culprit looks reasonable, could be supported by any facts, or has any merits;
2. It does matter that both would-be culprit and suggested solution sound right to justify the promoted agenda; and
3. It matters a lot that would-be culprit sounds harming the citizens and suggested solution sounds like a deep care about at least some limited category of citizens, preferably somehow “depraved,” “discriminated” ones, regardless of consequences of promoted agenda to all citizens or at least to the very same category of citizens.

Blaming the “lack of planning” supposedly typical for capitalism for “overproduction” crises is a good example of these rules: first of all, it doesn’t matter if “overproduction due to the lack of

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<sup>3</sup> See, for instance, *Catastrophe*, by Dick Morris and Eileen McGann, Harper, First edition (June 23, 2009).

<sup>4</sup> [http://www.uft.org/news/teacher/speak/cant\\_afford\\_waste/](http://www.uft.org/news/teacher/speak/cant_afford_waste/).

planning” has something to do with reality of capitalist manufacturing and sales; then, it does matter that this reason, as well as its would-be solution, “introduce industry-wide planning,” sound right; and nobody can deny that crises are harming the poor citizens, deprived and discriminated by greedy capitalists, regardless of consequences of promoted agenda, “governing” tyranny government, to all citizens, especially to poor ones...

### **How Governments Prolong Crises**

The proven historically fact that such agendas usually prolonged the crises doesn't teach any government a lesson. Citizens, too, tend to believe any BS from government, especially when it is spiced with “care of those who are affected by this crisis.”

Industry leaders who feel that the ground is slipping from under their feet turn to the government for a help; they typical blackmailing adage is either “if our industry falls, we'll have to fire all millions of workers, and that will be your responsibility,” or “if our industry falls, the entire economy will follow.” Any government easily and even willingly buys this blackmail: for example, the same blackmail was used by Russian automakers in 1997 and by American automakers in 2005 when they asked to “protect the domestic manufacturers from unfair foreign competition” and raise custom fees, and both former communist Yeltsin and conservative Republican G.W. Bush reacted in the same way. The consequences of these protectionist actions were the same in both Russia and America: government increased its power and budget, while automakers simply raised prices to match those of imported cars – and then continued running their companies “as they always did it,” without any attempt to become more competitive. Such uniform reaction shows that the mechanism of this “old industry – government” symbiosis is much more complicated than simple political bias or economical regime.

As a result of such cooperation between government, old industry leaders and citizens, the country slides deeper and deeper into the crisis instead of finding the ways out of it, with hope that it would pass as a nightmare in the morning sun. Meanwhile, the government grabs more power, and doesn't tend to give it up when industry overcomes the crisis.

### **Current Governmental Crisis**

The current governmental crisis is, accordingly, the reflection, the derivative of the systemic crisis that sweeps the industries like a huge tornado. Since multiple industries, including the financial one, show simultaneously inability to deal in timely and flawless manner with paradigm shifts, no one could reasonably expect that governments could afford wasting this crisis. The global leftist shift in practically all governments, from socialist tyrannies to capitalist democracies, seems totally unexpected after conclusion of the Cold War just 20 years ago – but nonetheless, it is not a result of conspiracy of some “covert global government,” rather the natural process. Of course, as any natural process, the process of leftists empowerment and weakening of conservators practically everywhere has a lot of root causes, culprits and

explanations. My discovery is rather modest: one more mechanism that explains the natural course of this process from point of view of simultaneous paradigm shifts in multiple industries.

## Unemployment Crisis

The current structure of mega-industries, industries and industrial “relations of production” do not fit the new paradigm. It will inevitably be replaced with new structure in course of unfolding the emerging trends. The new paradigm, as a “double negative” to the current paradigm, earlier or later dismisses the vast majority of industrial expertise and professions. Industry-centered specialization and narrow focus won’t work anymore. As a result, there is a huge army of people whose experience, expertise, skills and abilities are quickly devalued. They either already have lost or are going to lose their jobs soon, without any chance to find an application for their labor.

This enormous unemployment accompanied with enormous deficit of knowledgeable, capable people to raise the new-era industries and mega-industries would create huge pressure on the labor market.

The only rescue to people who are losing their jobs due to the systemic crisis is to learn how to fit the new-era requirements. The trouble is, these people are humans, and – as any human beings – they are prone to the confirmation bias. As a result, they will experience a lot of difficulties to accept the new, “contradicting” and “counterintuitive” knowledge. Are they hopeless? Not at all. The fact that they have no job and cannot find a job that fits their expertise and skills might soften their resistance to learning the new skills.

The other difficulty that could be easily foreseen is lack of match between old and new skills; as a result, it would be difficult to suggest to any unemployed expert the new expertise where his old knowledge and skills could be used with maximum effect.

## Education Crisis

Current educational system, from elementary school to PhD, is an exact reflection of requirements the industrial era imposes on industry experts and leaders. Experts of new-era industries and mega-industries should learn different knowledge and in different way. Instead of teaching students the “particular” knowledge, new educational system should rather teach them how to learn new knowledge on their own and fast.

Current educational system supplies each student with one well-focused profession; the rest of life, this professional only improves his skills and expertise. Vast majority of people never in their life time crosses the boundaries of their profession. Length of service in the particular industry is the key criterion for hiring and promotion, and serves as the main sign of degree of professionalism. This is OK with industry-era silo structure of industries, enterprises and departments. The only trouble the educational system experiences in the industrial era, especially recently, is to timely adjust the curriculum to match to the current technologies. Some curriculums weren't reconsidered for at least three decades, and some have to be reconsidered at least once in five years.

The new era, the new paradigm of producing the products for satisfaction of human needs renders this system outdated. Actually, the new educational system should be a double negative of current system. This educational system should teach the students how to learn the particular knowledge fast, how to become an expert in the new area, and how to acquire knowledge from areas absolutely unrelated to the previous experience. This kind of curriculum can be based only on the functional / outcome approach and general principles of human knowledge.

The need to develop the curriculums and teach the teachers before they can start teaching the students is a factor aggravating and prolonging this crisis. The curriculums, of course, cannot be developed by people with industrial-era thinking. Accordingly, the vast majority of incumbents of educational system don't fit this task. As a result, they will resist overcoming the educational crisis, thus prolonging it even more.

## Economical Crisis

What we see today is only a beginning of enormous economical crisis. Crash began, as usually, at the weakest area of human activities, financial. Pro-socialistic massive program “Home to everybody” couldn’t withstand the pressure of multiple unfolding crises in the industries, and crashed. Again, details do not matter – who “did it first,” and why it snapped in this area and not in another. The key point here is, the crash of most powerful in the industrial-era world financial system is a beginning of shift from industrial-era financial and investing system toward the new-era financial and investing system.

New era will need a universal equivalent of value as well as industrial era needed it. New era will need an investment system, i.e. system of financing the anticipated future, as well as industrial era needed it. The difference is in principles of investing and financing. In industrial era, investors risked their money to development and expansion of manufacturing capabilities in the specific industry. The level of risk to investors was determined by the following factors, in order of their importance:

1. Risk of financial failure of new enterprise;
2. Risk of organizational failure of new enterprise; and
3. Risk of commercial failure of new product.

Investors first of all were concerned with ability of company leaders to manage their finances and sell their products. Executive with experience of growing a different business or two from \$X million to \$Y million was taken as an A+ for the first test.

Then, they paid substantial attention to ability of company management team to run the appropriate organization: how experienced are the managers, how completely and thoroughly are the management positions filled, how well is the enterprise organized and structured. Without an experienced and well coordinated management team there is no investment, period.

And the last portion of decision-making was focused on stage of product development: the longer is time to the market, the larger is risk. If a new product is at conceptual stage, there would be no reasonable proof to justify the investment. If a new product is a copycat of one already successful in the market, the investors are more than willing to supply their money.

All that, as you could see, was said about investing in the start-ups; similar rules direct the investing in existing corporations: first, the “leadership’s credit score,” then management’s experience, and then – and only then – what is the reason for investment: expansion of existing product manufacturing or new product.

These rules, however, don’t fit the new-era market paradigm.

New era paradigm takes different consideration of risk: first of all, it is the risk of being not-in-time to market with a new product or being in-time with wrong product; second level of risk is caused by inability to strategize new products in multiple markets and in multiple generations of

product; and the third level of risk is caused by inability to foresee the next generations and new markets far enough. As a result, the key document for investors should be the strategic long-term plan rather than the current short-term business plan.

The current paradigm's short-term-oriented tactically-driven investing should be replaced, in step-by-step process, with long-term-oriented strategically-driven investing. This means that investors in any specific category of products should make their decisions based on relevant FutureMaps, and their expertise should shift from industry-oriented toward outcome-oriented.

This means disruption of all "economical indicators" such as Dow, S&P et al. Economy should be reoriented from hailing "solid doing what we was successful yesterday" toward innovative indicators. Financing should be provided to the companies that show the innovative potential rather than capabilities of repeating yesterday's successes.

This conclusion is supported by research conducted in Cleveland Federal Reserve Bank:

*A new study featured in the Federal Reserve Bank of Cleveland's 2005 annual report (available at [www.clevelandfed.org](http://www.clevelandfed.org)) sheds some fresh light on this question. Authored by Federal Reserve Bank of Cleveland economists Paul Bauer and Mark Schweitzer and Case Western Reserve University professor Scott Shane, the study finds that differences in state income levels can be explained largely by two factors: innovation and education. States that make the most of their knowledge base are the ones that are likely to prosper.*

*Looking at the period from 1939 to 2004, the study measures income disparities among the states. While per-capita personal income in the United States has risen by more than 400 percent since 1939, variations in income levels among the states persist.*

*The study shows that states that foster inventiveness, as measured by number of patents per resident, can gain economic dividends that endure for generations. The same is true for education -- residents of states that sustain a high proportion of high school and college graduates can enjoy significantly higher long-term incomes. This "knowledge stock" is a good predictor of a state's future economic prospects.<sup>5</sup>*

This correlation between innovative potential and economical success proves that the new paradigm of innovation-based success rather than of past-success based perception of successfulness is covertly enabled for a long time, while it has not been yet recognized by financial and investment world. Acknowledgement of this correlation and making it the central pillar of investment and financial policies is the key to shifting toward the new paradigm of financial world. Accordingly, clinging to the old financial policies based on past performance and successes would aggravate and prolong the current economical crisis.

Current economical crisis is seemingly going to stop using the US dollar as a world currency, as the solid equivalent to values the other countries can offer to the human society.

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<sup>5</sup> *Private Sector: Innovate, educate: Knowledge is not just power, it's also money – and Pennsylvania is slipping*, by Sandra Pianalto, Tuesday, August 15, 2006, <http://www.post-gazette.com/pg/06227/713448-28.stm>.

*China called for the creation of a new currency to eventually replace the dollar as the world's standard, proposing a sweeping overhaul of global finance that reflects developing nations' growing unhappiness with the U.S. role in the world economy.*

*The unusual proposal, made by central bank governor Zhou Xiaochuan in an essay released Monday in Beijing, is part of China's increasingly assertive approach to shaping the global response to the financial crisis.<sup>6</sup>*

The question, which national currency will become the new-era world currency, could be answered easily: the new-era world currency will be the one of the country that will first overcome the current economical crisis and accept the new, innovation-potential-based standard of investing and financing. I have some doubts that communist-minded China would be such a country, but nobody can be sure; miracles happen in this world. FutureMapping cannot say “who” and “when,” it can only say, “how” and “why.”

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<sup>6</sup> *China Takes Aim at Dollar*, By Andrew Batson, <http://online.wsj.com/article/SB123780272456212885.html>.

## Turmoil and Conflicts

Crisis of educational and employment systems might take a long time; as a result, these crises will teach young generation that they have no perspective of obtaining the profession and prospering by productive activities. The more hopeless, bleak the situation would look to the youngsters, the better chances that they would find the only way out of this situation through violence. Hence, the crisis will inevitably involve increase in crime, terrorism and wars.

*Gunnar Heinsohn (2003) argues that an excess in especially young adult male population predictably leads to social unrest, war and terrorism, as the "third and fourth sons" that find no prestigious positions in their existing societies rationalize their impetus to compete by religion or political ideology. Heinsohn claims that most historical periods of social unrest lacking external triggers (such as rapid climatic changes or other catastrophic changes of the environment) and most genocides can be readily explained as a result of a built-up youth bulge, including European colonialism, 20th-century fascism, and ongoing conflicts such as that in Darfur and terrorism.<sup>7</sup>*

Under the conditions of enormously high unemployment, economical downfall and inability of educational system to channel the youth's energy into the new-era accomplishments the perspective of "no prestigious positions in existing societies" would aggravate effect of relative excess of young population. The nations with smaller "youth bulge" might experience substantial social unrest, wars and terrorism.

It is painful to acknowledge, but I don't see any way to avoid this bloodshed in any way but artificial acceleration of overcoming the current crisis. All the blood that will be shed in these conflicts is on the hands of those who, whether willingly or not, attempt to postpone the emergence of new trends and thus prolong this systemic crisis. It doesn't matter what ideological or religious slogans and banners will lead people to these crimes, acts of terrorism or wars; they are just concealing the efforts of real culprits to preserve the status-quo of outdated paradigm.

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<sup>7</sup> Wikipedia, [http://en.wikipedia.org/wiki/Youth\\_bulge#Youth\\_bulge](http://en.wikipedia.org/wiki/Youth_bulge#Youth_bulge).