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Contemporary meaning of the wealth of nations

There are a lot of theoretical exercises, which are trying to explain why some countries are rich while the others are poor. At the same time, a common prevailing apprehension of the reasons for national prosperity quite often is still reduced to a primitive Marxist idea of imperialist domination (or globalization in newer version) of rich countries, which in one way or another are obstructing the development of poor nations.

Few observations need to be made on that account. First of all it is hardly external factors, what is influencing national development especially in the long run. As a consequence of socialist and Keynesian tradition too much attention is drawn today to different outer pressures on normal pass of economic and social development. In reality the main negative external influence upon economic and social development of underdeveloped countries stands in imported socialist ideologies and in various associated market restrictions and income redistributions. On the other hand, there is no denial that negative external influences are somewhat opposed, especially in the short and medium-term perspective, by positive external factors such as for example foreign investments and international trade.

In long-term perspective the one and the only reason why certain countries are richer while others are poorer is the difference in their societal systems or even the different stages of social evolution among nations. Certain countries are more affluent because their system of social and property relations is superior to the one of underdeveloped countries. And why is it superior? For a simple reason that it incorporates less exclusive social and property rights based on power and coercion, less corruption, less economic inefficiency and less social injustice. The more just and efficient is societal system the richer is the country. While justice and efficiency of particular social system have little to do with external factors. They are conditioned exclusively by internal factors and, first of all, by current and historical counteraction of any imperfections in the system of social and property relations and by the level of lawful (legal) corruption in society.

Recipes for elimination of the gap between rich and poor countries are also dominated by quite a false approach, which is significantly explaining why this gap is either permanently growing or at least not diminishing. It is not a secret that majority of underdeveloped countries are dictatorships, semi-dictatorships or at most are the countries with cosmetic democracy. It is, first of all, because of that they are poor. Under these circumstances in no way we can equalize interests of the people and those of the State or interests of the State and economic development in these countries. Normally those interests are one hundred percent opposite because an ultimate economic, social and political objective of the State is to extract as much money from people as it is only possible for internal consumption of superior state bureaucracy. Helping States in these circumstances means to act against the people. Big idea must be exactly an opposite - to

help people against the States, otherwise any international development and any international aid are futile or even detrimental and reactionary.

Classical school of economics supplied fundamental guidelines for understanding both of reasons and causes for the wealth of nations and of what we call a “free market” society. Later societal experience and first of all the notions of exclusive rights and coercion are calling for a slight extension of these definitions. It is exactly the power and coercion what is always limiting and restraining economic development and we have to take them into most serious consideration if we wish to explain reasons for the wealth of nations. How wealthy or how prosperous the nations are depends on one single fundamental factor – how advanced are their systems of social and property relations or how suppressed are any exclusive (based on power and coercion) social and property rights in society. Therefore not only and not so much economic factors are playing here, but much more superior is the role of political or social factors because exclusive property rights are all about politics, power and coercion and have little to do with economy. The less of exclusive rights incorporates particular society the wealthier it is and vice-a-versa. “Free market” at any times neither means an abundant quantity of non-monopolistic buyers and sellers, nor it suppose a lack of price influence situation on behalf of particular buyers or sellers, nor even it is implying a lack of economic monopolization. The one and the only deviation from free market conditions are exclusive property rights based on mechanisms of power and coercion. “Free market” is a societal construction (not just an economic one, but predominantly political one), which does not allow any exclusive property rights. Most probably in its pure version such societal construction has never been achieved by mankind so far and hard to imagine whether it will be possible to reach it in the future. However, the closer to “free market” conditions the nation comes, the wealthier it is and vice a versa.

Western Democracies and their friends

Clearly the enemies of democracy, corrupted power circles and emotionally motivated "patriots" in different countries of the world are not completely in accord with the policy promoted by western democracies. But even more surprising is that lately economically developed democracies managed to decrease their popularity among liberals and democrats in underdeveloped countries. There is no doubt that from one side economically developed countries are key promoters and advocates of democracy in those countries. At the same time, however, quite often their policy tends to be not entirely consequential. If it is impossible to have a friendly government in particular underdeveloped country, economically developed countries in pursuit of their short-term, would be political interests, are trying to attract and support repulsive and good-for-nothing political regimes of low social value in the blind assurance that (1) friends of democracy will bear everything or that (2) there are not many friends in this kind of countries anyway and it is worthwhile to attract, at least temporarily, ideological or even real enemies even with a price of diverting friends. May be such policy is right at the end of the day, because it is very difficult to promote democracy in the modern world filled with dictatorial and semi-dictatorial regimes directed against their own people, proficient in empty suitable rhetoric and often better organized for promotion of their non-socialized interests. However, several observations need to be made on this account in order to see all the effects of such a policy.

First - "friends of democracy will bear everything". Major argumentation is:

1. Democrats in underdeveloped countries in their major part are intelligent and educated people, whose apprehension of reality is based upon logic and reason, the latter two finally being on the side of western democracies.
2. These people because of their intelligence and education anyway cannot support an opposition to western policy, which normally is rough and uneducated.

All this is pretty much true, but at the same time intelligent and educated people have also an ability not to believe in anything except the reason. Unlike emotionally motivated people they usually do not believe in any nice phrases. While Reason and Logic are telling them that the World soaking in social mendacity is significantly corrupted, that western democracies are not entirely sincere and are rarely acting on international arena according to proclaimed principles. Although these people may not be transforming into the enemies of democracy right away, they are certainly becoming merely passive observers, while their children raised in different social environment might already become not only careless opponents of democracy, but sometimes even the enemies of particular western countries or of the western civilization as a whole.

Second - "there are no many friends of democracy in the underdeveloped countries under perverse social regimes anyway ". Major argumentation being:

1. Intelligent and educated people are much less influential than people in power, who may be the adversaries of economically developed countries in nature and in spirit, but with whom it is much more pragmatically to be friends.

This is true again to some extent, although the western policy of support for perverse social regimes in narrow political purposes is stimulating itself a statement of things when the most intelligent parts of population are having hard times in order to get influential in the first place. But major problem is not even that. The truth is that educated and intelligent people are usually more influential than one can imagine. Sometimes, they may not be too influential politically, but much more influential spiritually and ideologically. On the other hand, what probably is much more important is that under the profound social mendacity dominating international order today those people are becoming negatively influential. They normally think that it is not worthwhile to fight for principles, which are not entirely or even not at all backed up by their promoters and might choose to become passive observers (which often is far more profitable) or even servants of the perverse political regimes of low social value.

2. Diverted friends afterwards whenever the need arise can be bought once again with certain financial resources.

And again this is true to some degree. Of course, those people will be different kind of friends – the friends, which are capable to resell any social principles or at least to be wise enough and remain neutral in any circumstances. And probably western diplomacy perfectly understands that. But what is even more important is that with the time passing by, underdeveloped countries are inevitably becoming wealthier, more economically developed and more democratically advanced, while people on average – more educated and more intelligent. At that time, they will be seeing the past politics of economically developed countries in historical retrospective and this will hardly add to their sympathy for inadequate western policy and for relevant economically developed countries.

The other thing, which have to be taken into account supporting perverse social regimes is that such position irritates not only intelligent people in these particular countries, but also friends of western democracies in underdeveloped countries, which are negatively influenced by an external policy of particular country with perverse social regime. Not even mentioning disappointed people in the very same economically developed countries and all over the world. Generally speaking if strict social and political principles are not placed as a corner stone of political process, it might offend as much people as it is pleasing. The difference, however, is that you are pleasing the opponents, adversaries or enemies, while offending and irritating friends. How long such kind of social mendacity and social hypocrisy can be kept up and how much it is deteriorating any social principles and believes of the most intelligent and educated people up to the boiling point – is just a matter of time. People are starting to question an overall existence of any social values while a general disbelief in societal structure supporting such statement of

things might be even more disastrous than an open confrontation with the perverse social regimes.

Principles of International Development

International development is often understood as an international aid of various types, donors and combinations. Obviously such an equalization is not even partially valid, mainly because development of a particular country is not only or rather not so much a mission of international organizations and donor countries, but primarily suppose to be based upon overall devotion and determination of particular underdeveloped country. Nevertheless, aid component is difficult to underestimate not only owing to its direct support of country's development but also due to its indirect lobbying influence upon reforms, economic and social policies, power and social views. Based on all that, four major development factors or components can be identified:

- Reforms
- Democratization
- Economic development
- Foreign aid

Reforms mean changing the "rules of the game" for more efficient utilization of the available resources. Reforms are one of the major if not the main development factor especially in application to emerging countries and countries in transition from one social system to another. First of all we are talking about political, macroeconomic and global social reforms. Lack of reforms generally means conservation of poverty, social and economic degradation, continuous or accelerating violation of human rights and simultaneously a large incentive for return to the previous regressive type of social relations. Reforms dealing with formation of an adequate legislative, political, social, economic and business climate in underdeveloped country are directly influencing the other three factors of international development.

Lobbying of the political, social and economic reforms is the main function of international development. If there are no reforms, all the other aid-supported measures are having very superficial and unsustainable effect because they do not produce any added social value – they simply do not generate any development impulse. In the best case they represent redistribution of resources in favor of tiny politically powerful minority associated with poverty conservation, in the worst – complete totalitarian dictatorship

Proactive position of donors in lobbying reforms - not simply following either their own short-term political interests or underdeveloped countries' "strategies" - is essential under the overall political conditions predominant in underdeveloped countries where normally exist extremely powerful state bureaucracy and extremely weak for pushing any reforms civil society. Only if political lobby is successful and if underdeveloped country is eager and ready to follow economic, social and first of all political reforms - aid supported actions make any sense at all. Aid projects by themselves have little lobbying power. Those are the embassies, ministries of foreign affairs and governments of donor countries who possess the major reform lobbying power.

Reforms are also the most problematic and difficult development component from the point of view of the population at-large of underdeveloped country. They are not only changing economic, political and social rules, but are also significantly deteriorating the social foundations of society. Naturally, that in any society exists a strong opposition to reforms. On the other hand, yet even stronger and even more pro-active opposition to reforms is coming from the ruling social groups. Changes in social architecture are leading towards the loss of their power and first of all towards loss of a variety of economic, material and financial benefits and privileges. In order to overcome these two types of opposition a serious lobbying, compensational and sometimes even conformity buying mechanism is necessary. Role of such compensational mechanism to significant degree is playing the foreign aid.

Democratization represents one of the major challenges for underdeveloped and emerging societies. In this sense for the sake of prioritization we consider it separately even though in reality it forms an integral part of the earlier identified development component of "reforms". Democratization can only be promoted together with a combination of the other reforms and is not viable without a lack of adequate measures in legislative, political, social, economic and institutional domains. Democracy can only be sustainable and moreover can only exist when specific development conditions and first of all economic conditions for development are assured. In order to promote democracy people need special skills, certain strength, knowledge and unbiased apprehension of reality, real including financial independence, all of which being primarily based upon economic factors. Democracy cannot be achieved under poor economic performance, under the poverty and hunger. In fact democracy is much more determined by economic factors, than by the social ones. Only affluent and economically independent people and societies - people who can oppose and counteract the State with financial resources, knowledge and information - can build a strong democracy.

In order to build a viable democracy first of all it is necessary to build a strong and rich economy, otherwise there is no any democracy whatsoever. There are no any poor countries in the world, which can provide an example of strong democracy just as there are no any prosperous dictatorships. The process of formation of democratic institutions in underdeveloped society cannot be underestimated. However, a major if not the single factor influencing emergence and consolidation of democratic institutions in underdeveloped society is pressure and lobbying on behalf of the donors. Civil society in underdeveloped countries normally is too weak in order to effectively counteract an enormous inherent State domination.

Democracy is valuable in itself and by itself as a fundamental way of the complete self-expression and development of every human being, as an absolutely necessary instrument for complete realization of personal freedom. In fact under a lack of democracy people are losing undeniable intangible property rights like would be the right on one's own spirit, feelings, thoughts, ideas, opinions, apprehension of social

reality and finally upon one's own life. Lack of democracy simply means the most profound limitation of property rights, while any limitation of property rights is very close to an act of robbery.

If a person cannot freely express his point of view and cannot act correspondingly it means that he is not only deprived from undeniable intangible human rights but that he is also alienated from the tangible property rights, which could have emerged based on actions according to his principles and ideals.

Economic development implies procedures and actions directed towards efficient utilization of available resources based on established rules. Economic development does not necessarily include reforms although some auxiliary reformation of the particular aspects of society and economy may deem necessary in order to achieve better utilization of available resources in the specific sector. Quite possible is a situation when a country is not implementing any reforms but it still has to follow certain (may be "good", may be "bad") economic and social policies. There is another fundamental difference between basic societal reforms and economic development. Economic development is lead by commercial institutions and does not necessary require interference at the policy level – interference of the government. On the contrary, profound societal reforms require certain degree of coercion and cannot be carried out except at the state and policy levels.

One of the major differences between reforms and economic development stands in the fact that reforms create a base for social evolution from one type of society to another or from one social construction to another, while economic development actions are rather providing certain development incentives under the current type of social formation. Unlike reforms, economic development policies are not so socially painful. Reforms need to be socially supported and stimulated by additional financial inflows, while measures directed at economic development do not influence comprehensive social base and thus need significantly less efforts and means in order to attain ample social support or at least social compliance.

Foreign aid means additional external resources for accomplishment of the three development tasks identified above – reforms, democratization and economic development. Foreign aid both directly and indirectly (through buying opposition to strategies and policies aiming at national development) is influencing realization of the other three development components.

Although classification of aid and aid resources differs among donors and international organizations, we can clearly identify four major forms of aid delivery:

- Loans (reimbursable financial aid)
- Grants (non-reimbursable financial aid)
- Technical assistance
- Humanitarian aid

Aid represents an international tool aiming to achieve national (not merely governmental) development priorities. Another powerful international tool for national development and reforms is represented by political and economic influence of economically developed nations. In fact donors' political and economic pressure and foreign aid should always come together and provide a single international package lobbying national development. Such a lobby is absolutely necessary in order to approximate short-term interests of the underdeveloped countries' governments to the short and long-term interests of the underdeveloped countries' people.

Development industry at the moment is in the serious crisis (if not in disastrous situation), which is manifested by the following fundamental considerations:

- Very few countries are achieving real substantial outcomes as a result of an application of international aid. Speaking otherwise very few countries are transferring from a category of "underdeveloped" to a category of "economically developed".
- A lot of aid recipes and principles are based upon unsustainable social idealism and hardly can produce any viable results. The main reason for that is a substantial misunderstanding of social realities on behalf of donors and even inside the donor countries themselves.
- Huge and devastating interconnection of development industry either with the "bad" diplomacy roughly promoting donors' national interests (in the best case) or with the "good" diplomacy based upon false apprehension or misunderstanding of social realities and promotion of unsustainable social idealism (in the worst case). Both types of diplomacy are enormously harmful for international development
- Profound social mendacity on international arena immensely projected upon international development industry combined with a lack of any social principles clearly and unquestionably supported by all economically developed countries partly due to a stubborn promotion of the donors' short-term political and economic interests, but mainly due to an idealization of international social processes on behalf of the donor countries
- Aid is mainly provided to the States and the governments, which are the least co-interested institutions in any reforms and social changes, not even mentioning direct opposition of their interests to interests of the people in underdeveloped countries

Stipulations of Paris declaration and Accra agenda for action are predetermining particularly important components of the new "vision" or of the new deal for international development. However, most imperative of them together with associated policies are producing a great deal of questions leading to major controversy and inconsistencies being based upon the fundamental causes of crisis in development industry.

Predictability ("country systems – partner country systems will be used to deliver aid as the first option, rather than donor systems"). Since majority of underdeveloped countries are

dictatorships, semi-dictatorships or countries with cosmetic democracy, “partner country systems” mostly represent legally and illegally corrupted and absolutely inadequate mechanisms (including, first of all, state budgets) based upon private ownership of the State and all state resources by national dictators together with their associates. This concept, in fact, much more relates to aid ownership and it is not entirely clear why it is configured under “predictability” principle

Aid ownership. Conception of aid ownership by underdeveloped countries received a significant attention in the modern world. It is having a straightforward inherent controversy, which significantly downgrades any good intentions. Aid ownership is equalizing proprietorship and interests of the people and those of the State, which is absolutely preposterous for underdeveloped society. Besides a clear-cut fact that in underdeveloped countries the very ownership of the state is very far from being a prerogative of the people, normally these countries neither possess political and social preconditions nor institutional capacities for producing any development programs. Interests of the major stakeholders in political process (of governments and States) are normally incoherent and opposite, to urgent development requirements. Major objective of international development - economic, political and social reforms – is hardly ever realizable if underdeveloped countries’ leadership will select a development agenda itself.

We have to remember that interests of the State and those of the people especially in the countries with poorly developed democracies are absolutely not the same and State policy in no way can be considered as people’s policy, rather vice a versa most of the time it is directed against interests of the people.

In interests of the people of underdeveloped countries as well as of a mankind generally is not only for the aid to be managed by donor countries, but preferably even for the underdeveloped countries themselves to be governed by economically developed nations. It is basically only non-socialized interests of underdeveloped States and of the top-level state bureaucracies in underdeveloped countries directed against their own people what advocate emotional and degrading patriotism and national independence. People must have the right to choose their own State and not only through emigration, but even preferably making to emigrate their national State and import the civilized economically developed country ruling

Not even saying that there is no such thing as a variety of economic recipes for national development, which are applicable under particular circumstances. There is only one single fundamental set of rules, which have to be followed in order to reach the preconditions for national development. This set of rules may be followed with higher or lower intensity and that only means that the country is pursuing development objectives faster or slower. But there is no any alternative for harsh and tough recipes of national development – there is no any national specific whatsoever. To claim otherwise means completely misunderstand not economy, but society – not economics, but sociology

Capacity building versus knowledge transfer. Capacity building is one of the main actions supporting economic development. Lately capacity building is considered to be of even greater importance than know-how or knowledge transfer. From one side no knowledge transfer is possible without capacities in place or without people and institutions to which the knowledge should be transferred – a lack of capacities certainly is the main barrier on the way of knowledge transfer. On the other hand, what for the capacities are needed if they are grounded on the obsolete knowledge? We must clearly understand that when there is no transfer of knowledge, capacity building is leading to conservation of regressive social and institutional relations and does not have any value; vice-a-versa it is becoming detrimental to national development. Today capacity building concept is enormously abused and reduced in reality mostly to additional camouflaged sources of income for people in the public administration of underdeveloped countries.

Fighting corruption. Strangely enough is understood in modern world the phenomenon of fighting corruption. Generally speaking prevails an apprehension that national government is a sort of warrior against corruption or at least is distanced from corruption, while the main corrupted structures are medium and low levels of public administration. This, however, is very far from reality. Corruption is understood very narrowly – as an out-of-law or illegal corruption. In reality, corruption is much more profound phenomenon first of all based upon corruption in social relations, which is normally quite legal. Main institution responsible for corruption in social relations is the government or the State. All the corruption in any type of society starts with the government and with the state. What people usually understand under corruption - illegal corruption - is only a follow-up or a superficial expression of the much deeper process of corruption in social relations, which is a perfectly legal process. In order to fight corruption, especially in the underdeveloped countries, it is necessary to fight societal construction, the government and the State, while all anti-corruption measures do exactly the opposite – further corrupt the government with additional financial resources supplied by donors and international organizations – that is why they are almost one hundred percent inefficient, not to say harmful.

Results (“developing countries and donors shift focus to development results and results get measured”). Major argument against results-based approach is that in reality it is very difficult to determine what kind of results have to be achieved. There is a huge difference between “doing things right” and “doing right things”. Objectives of any development program are subjective, biased and partial. Achievement of predetermined results or objectives does not yet necessarily mean that correct and constructive results were reached; not only negative, unsustainable or harmful results can be achieved as well, but most of the time exactly this kind of results are predominantly reached in international aid. Results-oriented aid is having ambiguous short-term impact and need to be exchanged for long-term reform process-oriented actions.

Mutual accountability (“donors and partners are accountable for development results”). This is also a rather superficial and subjective criterion significantly coupled with the previous

one. Who is to judge about accountability and about achieved results? To whom donors and governments are accountable if at all? What is the mechanism of accountability, moreover when diplomatic considerations are involved - not even mentioning a variety of opposite and contradictory interests, visions and opinions dominating development programs? International organizations delivering a majority of aid in modern world are almost absolutely uncontrolled and unaccountable, while authoritarian or even totalitarian governments of underdeveloped countries are even less accountable to anybody. How then, such a combination of almost absolutely uncontrolled institutions can be held accountable at all?

Conditionality ("donors will switch from reliance on prescriptive conditions about how and when aid money is spent to conditions based on the developing country's own development objectives"). Underdeveloped countries with authoritarian governance regimes and with enormously powerful state bureaucracies combined with a rather weak civil society do not have any development objectives with very rare exceptions. Any changes are never on the agenda of power holders; they simply do not want any changes ever. That is all the "development agenda" of the underdeveloped countries. Therefore, any "development objectives" of underdeveloped countries or mostly of their governments is a complete nonsense or a fairy tale. Plus to that donors are almost never suspend aid delivery even in relation to countries, which pursue neither reforms, nor democratization. Major actions leading to aid suspension are being mostly initiated by particular underdeveloped country through a breach of diplomatic and political relations. Even severe totalitarian dictatorships with an absolute lack of reforms but with a suitable rhetoric may receive significant development funds. Normally donor countries would not even decrease aid resources in case of conditionality incompliance and continue to finance political regimes of low social value with low aid absorption capacities in fear of damaging bilateral diplomatic relations. Instead they prefer to damage their image among the most intelligent and educated parts of population in underdeveloped countries, which are probably the major hope both for national development and for sustainable friendly bilateral relations with the very same donor country in the longer-term perspective.

International Aid Controversy

Any interventions in a very complicated mechanism called "society" are generating a massive chain of consequences, which must be considered most thoroughly. First of all, we have to analyze social or even societal consequences of any artificial interventions and only afterwards economic ones. While modern international development industry in the best case is investigating economic follow-ups of aid interventions, completely ignoring transformations in human interests and in societal relations.

Whatever aid actions we undertake, their imminent side effect is elevated support of existing governmental regime, of the people in power and diminishing of competitive capacities of any political and social opposition whatever political spectrum it represents.

Support of existing governance is based upon a variety of material and moral back-ups for governmental actions the most fundamental or the most general among those being:

1. Additional financial resources are effectively buying the voters (elevating aggregate demand, salaries, pensions, social protection, various forms of state support and so on)
2. Aid resources stimulate inadequate income distribution and distribution of interests in underdeveloped society. First, they withdraw human resources from private sector – the main engine of economic growth in any type of society – and place them in exorbitantly inefficient aid programs. Secondly they artificially withdraw the most intelligent and educated parts of population from social opposition, social "criticism" or at least from social impartiality in relation to the State, employing them in State attached aid programs and in one way or another reorienting their interests (first of all material or financial interests) towards advocacy and support of existing government and governmental policies
3. International aid creates an illusion that government is doing "all right" since it is supported by "international community", whatever that is.

International aid generates a sufficiently wide-scale controversy both in donor countries and in "aid recipient" ones, though very little opposition so far. First of all, efficiency of international aid, i.e. its capacity to achieve development (not "political") objectives of specific programs is exceptionally doubtful and is hardly praised anywhere except in biased and partial official declarations. However, for the time being we are interested in the entire idea of international aid generally rather than in its extremely poor efficiency – i.e. in the idea of coercive expropriation of taxpayers' money in economically developed countries and of the redistribution of this money to the governments of underdeveloped countries. Fundamental arguments for and against aid are coming from its very nature and its overall objectives:

1. *Aid is having a rather controversial influence upon beneficiary country's economic development (economic factors/efficiency)*

Positive

- In the short-term aid is elevating aggregate demand through growth both in governmental (grants, budget support, direct subsidies, concession loans, etc.) and private (local and international experts, contractors and sub-contractors) spending in beneficiary country

Negative

- Beneficiary governments have rather inadequate capacities to manage international aid
 - Comprehensive illegal and legal corruption in underdeveloped society as well as inefficient governance are being further consolidated by additional resources coming from international aid
 - General situation in underdeveloped countries characterized by enormously powerful State bureaucracy and rather weak civil society is further promoted by international aid – our money are effectively strengthening government against opposition and against civil society buying voters in favor of governments and against opposition, which might be more friendly to donor countries
 - Rather doubtful is the very nature of supporting national and sectoral programs/policies of the governments of underdeveloped countries. In majority of cases such programs represent fictitious documents created specifically to please donors and even written by the donors. Governments in underdeveloped countries, owing to an existing there balance of power (strong state bureaucracy and weak civil society), are having a possibility to do literally nothing – normally they simply do not have any real policy, strategy or any sustainable vision for that matter – on the contrary to economically developed countries the pressure upon those governments on behalf of voters and on behalf of civil society is rather insignificant.
 - Because of the specific balance of power in underdeveloped society (enormously powerful State bureaucracy and rather weak civil society) underdeveloped countries are dictatorships, semi-dictatorships or at most countries with cosmetic democracy. Accordingly, interests of underdeveloped countries' governments and real true interests of their people are usually one hundred percent opposite. This is moreover so because the single economic interest of governments there stands in redistribution of people's money and of other economic benefits through the state budget in favor of the top-level state bureaucracy. On account of the latter four bullet points the entire conception of aid ownership by beneficiary government is quite a nonsense
- Donors have rather limited capacities to manage international aid
 - Donors and people in donor countries are having a rather poor and too idealized understanding of the nature of underdeveloped societies combined with a rather strong inclination to apply in these societies economically developed countries' recipes. This is particularly unsustainable since underdeveloped countries are built on absolutely different balance of power.

- Procedural concepts and aid delivery methodology in donor countries are critically underdeveloped. Moreover, this is being combined with an emergence of new particularly controversial aid modalities such as budget support – the easiest way to buy beneficiary government and simultaneously the most inefficient mode of aid delivery. Economically developed countries do not have any vision of international development, except for the simple buying of underdeveloped countries governments. Buying of these governments already accomplishes a major part of aid objectives and under these circumstances no wonder that aid efficiency is extraordinarily poor
- Donor countries possess rather low institutional capacities in order to manage international aid. Institutional capacities are low on account of bureaucracy, specific interests, partiality and bias on behalf of concrete officials and experts, shortage of suitably qualified and experienced personnel, lawful corruption and enormous inefficiency of the entire development industry, rush and bulk (volume) driven approach to aid delivery
- Another strong indicator of wrongdoings in the industry is political motivation, sucking up and pleasing of beneficiary governments

2. *Aid is controversial in terms of pure political buying of beneficiary governments (political factors/interests)*

Positive

- In the short-term international aid is buying the governments of beneficiary countries thus generating our current minute allies as well as promoting to one degree or another would be economically developed countries' interests (mostly imaginary, idealized and illusory interests)

Negative

- First of all, as underdeveloped countries are becoming richer and richer on account of higher than ours economic growth our capacities to buy their governments are constantly deteriorating
- Support of the repulsive governments in underdeveloped countries significantly irritates most educated and intelligent parts of population in these countries (major, if not the single, stronghold of economically developed countries' values and of sustainable sympathy towards donor countries and people) as well as other parts of civil society. Also we must take into account that in underdeveloped society patriotism and national unity are rather weak and any aid funds are usually seen there as a support for existing government – not for national development. [short-term perspective – irritating friends, generating wide-scale disbelieve among them]
- Another problem is that together with future economic and social development, a share of educated and intelligent people in these countries will grow and the way they will see economically developed countries and our "buying governments" policy will

be equally negative [long-term perspective – rooted sustainable mistrust to donor countries]

- Support of repulsive and corrupted beneficiary governments is deteriorating in underdeveloped societies any trust in any social principles and in economically developed countries generally [long-term perspective – rooted mistrust to any type of society and societal order embedding potential non-socialization in people abundantly immigrating in donor countries]
- Buying of current governments does not necessarily mean that we are buying friendly governments – most of the time we are buying our ideological or sometimes even real enemies (corrupted and dictatorial governments of underdeveloped countries are hardly ever our friends). While our true real friends if represented by opposition and by more educated and intelligent parts of civil society are appalled and pushed away by such actions [short-term perspective – pleasing enemies, irritating friends]
- If we are buying our ideological or our real enemies there is usually no guarantee that our money are not strengthening military and oppressive capacities of beneficiary governments [long-term perspective – paying for our enemies’ military capacities]

Any aid is interfering in a very delicate balance of power in underdeveloped society supporting Government and State bureaucracy (which are normally very strong in underdeveloped countries) against opposition and civil society (which are rather weak there). Only extremely efficient aid might probably more or less justify such deterioration of power balance. While international aid as such, being managed by poorly qualified, rather inefficient and incompetent governments of economically developed countries and being provided to legally and illegally corrupted governments of underdeveloped countries is very far from having anything to do with efficiency.

Table bellow provides several additional arguments for and against aid or rather arguments for aid and arguments against “arguments for aid”.

	<i>Arguments for aid</i>	<i>Arguments against “arguments for aid”</i>
<i>Reforms</i>	1. Aid helps to support reforms with necessary technical actions and expertise (privatization, democratization, improvement of regulatory framework, consolidation of institutional capacities) 2. Aid helps to explain the need of reforms to wider parts of population 3. Aid helps to buy conformity of certain governmental officials and of certain groups of population with extra benefits so that they will have less incentives to oppose any reforms 4. Aid helps to ease burden of reforms for the most vulnerable parts of population 5. Aid is lobbying reforms by applying aid conditionality principle	1. Without aid voters would not have access to additional financial resources and will be much sooner dissatisfied with inefficient and authoritarian governance. Therefore, reforms can be implemented much faster or at least a need for them might be understood much earlier. 2. Aid conditionality principle is poorly followed and is effectively applied very rarely if at all 3. Any artificial support produces one or another degree of social parasitism and/or even aid addiction. Support of long-term nature also generates an addiction to social parasitism both on behalf of governments and on behalf of the people, which poses serious barriers on the way of any kind of reforms 4. Very few aid resources are reaching the most vulnerable parts of population

<i>Democratization</i>	Aid supports civil society and alternative social institutions	<ol style="list-style-type: none"> 1. Most of the time, aid rather supports the Government in mythical believe that it will pursue a scope of democratization. Democratization is something, which is strange as well as absolutely contrary to any government and only creates problems for the latter 2. Civil society organizations and NGOs quiet often are becoming addicted to foreign aid, trading specific aid objectives for a direct parasitism on aid contracts 3. Lobbying for democratization is more an issue of international influence, which has to be supported through diplomatic and political tools rather than by means of aid
<i>Social and economic development</i>	Aid can contribute to a development of the most important value generating sectors of economy, which consolidation is finally influencing national development in the long-term perspective	<ol style="list-style-type: none"> 1. Usually aid supports economy in significantly one-dimensional manner – either promoting particular economic sectors or moreover supporting particular companies and enterprises interfering in this way in loyal competition 2. Quite often aid is very much channeled in sectors and companies according to a narrow biased interests of particular beneficiary government's officials further corrupting the government, consolidating the most powerful internal lobbies and producing rather counter-reforms in this way
<i>Alternatives</i>	Lack of aid may bring even worse Government or even violent social conflicts, which could be dangerous not only for particular underdeveloped country but also for peace and regional stability.	<ol style="list-style-type: none"> 1. Aid may support current repulsive governance, which leadership in the long-term means not only poverty conservation but also unavoidable social and economic regress and degradation and which finally may degrade society up to the very same dangerous point 2. It is exactly the political regimes and governments of low social value what is cultivating and feeding any social conflict. 3. Any acts of support for political regimes and governments of low social value significantly irritate intelligent and educated parts of population in aid recipient countries and produce long-term mistrust to the donor countries and even to democracy as a whole 4. It is most unlikely that an inadequate governance in poor underdeveloped country may represent any real threat for economically developed nations

Fundamental Problems with International Aid

International development industry is significantly based upon unsustainable and devastating for underdeveloped countries idealistic views dominating modern economically developed society, which fact by and large explains its rather poor performance. International development is one of the most controversial and doubtful social phenomena because its immanent real consequence is consolidation of inefficient and corrupted state monopoly both in underdeveloped countries and in economically developed societies through coercive expropriation of huge financial resources and their channeling from one State to another. Naive question would be how this reinforces the State in economically developed countries. Actually a lion share of aid resources is never leaving donor country leading to further degradation within already incapable and inefficient state bureaucracies as well as among aid addicted programs' implementing private companies, which on the contrary to individuals of idealistic mentality perfectly understand where the wasted money are and how to get them. If a general misuse of state revenues and state expenditures in economically developed countries is more or less camouflaged and a bit limited by our homeland balance of power, the waste of international aid resources brings a great deal of degradation, corruption, inefficiency and absurdity, which cost a lot to underdeveloped societies including in terms of human lives.

Fundamental reasons for a rather controversial influence of international aid are:

1. *Accelerating State domination in underdeveloped society.* Major problem with international aid is its consolidation of the State and of the state domination in underdeveloped society, which are extraordinary strong there even without our interference. Large share of all aid resources is channeled through corrupted and incapable governments of underdeveloped countries constantly elevating both illegal corruption and corruption in the system of social and property relations (legal corruption) as well as preserving and supporting impotent (often intolerable) governance by hurting, damaging and sometimes even by destroying any social and political opposition and on top of that by relieving the government from any worries about economic situation and economic efficiency. All this wicked international support happens, of course, on account of interests of the people in underdeveloped countries further escalating poverty, starvation, desperation and violation of human rights owing to consolidation of repulsive societal regimes by means of international aid.

2. *Enforcement of social parasitism in underdeveloped society.* There are basically two major groups in underdeveloped society, which are benefiting from international aid. First and absolutely superior beneficiary is top-level state bureaucracy, which directly or indirectly is supervising an overwhelming majority of all aid flows reaching underdeveloped countries. Besides that, international aid is creating another specific relevant group of people - local experts and aid projects' subcontractors - who are serving those massive aid funds and who mainly represent a single group in underdeveloped societies except for

the top-level state bureaucracy, which is benefiting directly and financially from influx of international aid resources. Because these people just like international experts and programs' implementing agencies are basically living on coercively expropriated resources (coercively expropriated from the people in economically developed countries), they are or at least they have to be diplomats and bureaucrats being in need to justify spending of coercively expropriated, not earned in open market competition, money. Correspondingly is positioned a level of their efficiency - a level of efficiency coming from coercively expropriated resources – a big joke and simultaneously a big tragedy of modern socialism. Those people might be highly educated, super intelligent and skilled professionals, but even if all of them would be like that – it will not change one bit inefficiency, waste and often even damage coming from the entire industry. Not even mentioning that quite often happens that local experts and local subcontractors are either friends or relatives of top-level state bureaucracies in particular underdeveloped countries. And finally, through redistribution of aid resources already in underdeveloped societies (whatever insignificant those resources are) particular groups of population there, are also becoming to be addicted to aid related parasitism - certain more or less socially vulnerable parts of population or rather, in fact, various special interest and lobbying groups, which pretend to fight for their interests, particular non-profit and civil society organizations, etc. etc. etc.

International aid especially in its modern “bulk-oriented” form has a strong tendency of subsidizing reactionary and autocratic social regimes and political forces oriented towards the past and towards regress in societal relations.

3. *Exorbitant devastating social idealism in economically developed societies and its projection on underdeveloped countries.* Modern economically developed countries are consumed by unsustainable social idealism, but idealism related to international aid and international development is probably the most extreme one. People prefer to think that the only thing they have to do is to be compassionate and to write a check. However, the problem with writing checks underlined by coercively expropriated resources redistributed to obnoxious corrupted coercive regimes is that not only we are destroying underdeveloped societies and their people, but to a significant extent we are damaging our own quite handicapped society. Social idealism dominating modern economically developed nations in a peculiar way is projected on underdeveloped ones. This is happening in two premeditated ways. First of all, under an influence of foreign diplomacy and of foreign aid, “social” or rather indeed socialist values of economically developed countries including social idealism are being significantly imposed on underdeveloped society or at least upon those parts of population there, which are having financial resources in order to be idealistic. Secondly, top-level state bureaucracy in underdeveloped countries is getting extremely attuned to socialist ideas and socialist rhetoric dominating modern economically developed society, which are helping it not only to enslave, to trick and to fool their own people and to expropriate whatever money they got, but also to deceive and to fool the entire “international community” whatever it is.

We must always remember that interests of the State and those of the people especially in countries with poorly developed democracy are absolutely not the same and State policy in no way can be considered as people's policy. Vice a versa, most of the time any State policy is directed against interests of the people mainly because the State's and the state bureaucracy's single way of supporting themselves stands in expropriation of money from the people.

4. *Exceptionally low capacities of donors and international organizations* to manage international aid. Donors and international organizations are mostly following two disgraceful patterns in their policy – “good diplomacy” (trying to impose unsustainable and auxiliary development objectives) and “bad diplomacy” (trying to promote would-be our “national interests”, which in fact are nothing else as the interests of our top-level state bureaucracy) and do not care at all about aid efficiency or at least such “care” almost never materializes in something good in practice. Donor agencies of economically developed countries are always understaffed, filled with incompetent bureaucracy instead of experts, lacking any vision of international development besides the one coming from biased politicians, limited in their actions by inadequate international and internal regulatory frameworks and platforms, restrained by bulk mentality of aid delivery, handicapped by unsustainable social idealism and poor understanding of both underdeveloped and economically developed societies, sometimes “doing things right” but almost never “doing right things”. Even more repugnancy comes from uncontrollable and financially as well as politically biased international organizations, which mostly represent mockery and farce of money-beggars based on unqualified bureaucracy, chronic inefficiency and accelerating degradation.

5. *Deterioration in underdeveloped societies of any social principles.* Owing to a deficiency and inadequacy of international development policies, of international relations and to a colossal inefficiency and absurdity of international aid practices, international development industry is not only deteriorating in underdeveloped societies any social principles but is also significantly undermining there any trust to economically developed nations. Mistrust is cultivated by extraordinary enforcement of lawful and illegal corruptions through massive income redistributions from economically developed countries to mostly futile governments of underdeveloped ones; by discrediting democracy, which in underdeveloped world is rather associated with corruption and ludicrousness than with societal justice; by enormous benefits arising from sucking up to repugnant homeland political regimes supported by international aid on the contrary to benefits, which arise from the hard work; by deplorable parody on “freedom” based on accelerated state domination consolidated by international aid; by inefficiency of economy and society multiplied by inefficiency of international aid, etc. etc. etc. Such mistrust, strong enough already today, will essentially accelerate with the time passing by, when people in underdeveloped countries will become more educated and intelligent and will be able to substantively evaluate results of our hideous socialist experiments in their poor unhappy countries.

Today international aid is in strong opposition to international development and represents almost a counter-development tool. International aid is buying futile and non-socialized political elites of underdeveloped countries with a price of economic, social and human development of underdeveloped nations. In the best case international aid is promoting short-term political interests of economically developed countries' political elites on account of long-term interests of the people both in economically developed and in underdeveloped countries.

All these obnoxious outcomes are enormously consolidated by a new wave of absurdity coming from Paris Declaration on Aid Effectiveness (or rather indeed "on aid ineffectiveness"). This "new deal" for further deterioration of both underdeveloped and of our own countries leads to the following unpleasant conclusions:

1. Economically developed countries do not live in a real world anymore – neither what concerns underdeveloped societies nor what concerns our own
2. Economically developed countries prefer to buy governments of underdeveloped countries instead of helping people in these countries
3. Economically developed countries do not care anymore neither about human rights, nor about elementary justice in these countries
4. Governments of economically developed countries are suffering from outstanding incompetence (very softly put) imagining that they can win anything in such a disgusting way except may be only in the shortest term possible.
5. There is no end to both moral and mental degradation of our governments if they propose a direct channeling of financial resources in bulk to our friends, to our opponents and to our disguised and undisguised adversaries (all of them normally being adversaries of the people in underdeveloped countries) for developing of their military, demagogic and oppressive capacities. Because that is what they are normally doing with our money
6. Economically developed countries intend to promote even further an extremely extensive corruption in underdeveloped countries through an aid ownership misconception and a budget support absurdity. Because that is where our money are normally ending – in the pockets of the top-level state bureaucracy of underdeveloped countries
7. Governments of economically developed countries are all set to destroy our own society – among other things through a huge influx of legal and illegal immigrants running from repugnancy of their countries – repugnancy accelerating thanks to our international aid; immigrants without any trust whatsoever in any social principles and in any social construction – trust destroyed by our international aid.

What is wrong with International Order

Apprehension of a modern stage of economic and social development is rather difficult without investigation of the nature of modern international order and of the constituencies of international organizations. Entire system of international law is having one essential deficiency, which unfortunately is undermining all its potential good deeds and intentions. Modern system of international law is based upon representation of States and not of the people. While vast majority of the States in modern world are in fact very far from being ruled by the people and for the people, but are much rather directed against their own people. Under these circumstances by no means international organizations represent interests of the people – not even close, not even indirectly.

International law as well as any other law is based solely on the balance of power and if it is not reflecting or not following the power balance it is becoming non-operational right away. There are no any laws without their foundation on the balance of power. Law, which does not reflect balance of power is only a proclamation of principle or rather a fantasy, simply because there is nobody to punish the lawbreaker for incompliance. There is an even stronger issue undermining modern international law involved. Modern international law is based upon a sovereignty of States; i.e. subjects of law are the States. State generally has no any intrinsic value, while particular individuals have it all. It is mainly a low level of social and human development enhanced by egocentric financial interests of the top level state bureaucracies what generates worship of the State and patriotism generally for that matter. There is a great deal of inconsistency in the very basis of international law, especially with majority of countries in the world being based on the governance system of dictatorship. While international law and international organizations normally are not only going blind on this matter, but are actually supporting dictatorial regimes of low social value both politically and through the means of international aid. Military combat of every dictatorship - is probably not a solution. However, it is obvious that international order based upon sovereignty of nations is defected in its foundations.

In the late history international law and international organizations are presented to people as a kind of opposition to international hegemony of one separately taken world superpower and recently particularly to a hegemony of the United States (even though European Union is already more colossal in all the dimensions). Such a thesis is understandable when expressed by the state leaders living up to a variety of material and non-material benefits coming from the State power, but it is quite strange to hear from common people. In international politics and international relations there is an objective centuries proven and perfectly fair mechanism of domination of the strongest. In application to society the strongest means exactly the most democratic, the most economically developed and the least corrupted country or societal system. Situation when one particular economically developed country is undermining rights and interests of underdeveloped nations would be bad if underdeveloped states would reflect interests of their people for one hundred percent or so. However, such an outcome is very far from

reality. Normally, interests of underdeveloped states and of their citizens are about one hundred percent opposite and economically developed countries are much more reflecting real true interests of the people in underdeveloped countries than their own governments and their own states. Like they say "justice always prevails, wins the strongest" and the greatest societal injustice comes when a "weak" wins. "Weak" at most might be helped and supported, but there is nothing worth from the point of view of economic development, efficiency, societal justice and social evolution than if it wins.

There is no denial that international law and international organizations have played and are still playing a certain role in international order and international stabilization. However, today, when any national as well as international social and economic order is increasingly dominated by socialist ideologies, the role of international law becomes not just purely symbolic but much rather reactionary. It more and more represents a concentrated point for consolidated common position of the repulsive social regimes worldwide in defending, promotion and assuring sustainability of their non-socialized interests and in dividing economically developed and democratic nations.

International law and international organizations so far have little power and this is essentially good. Alternative statement of things would mean that international order is dominated by dictatorships, semi-dictatorships and cosmetic democracies. Current situation, on the other hand, demonstrates that world is still dominated by heavily outnumbered but economically and politically powerful and influential democratic societies.

A word of caution on European unification

European Union definitely seems like a pleasant joint of nice and friendly people. Moreover that people, cultures and countries are having very much in common and first of all fascinating and also complicated long history, which has significantly procreated modern days European realities. Even more amazing, inspiring and hope generating angle of European unity is a breathtaking perspective for former communist countries of Central and Eastern Europe, which road to modern civilization is shortened by this factor by a couple of dozens of years. Finally if all this sounds to somebody too idealistic there is a major argument and much more materialistic one - astonishing economic possibilities. Probably even the toughest critics of European unity are speechless here because finally it is exactly an economy what will decide on the fate of European Union.

Is there anything more to be said? Unfortunately there is. Major problem with European unification is an *acceleration of the State presence or rather of the state domination in society*. Even without European Union we are having in Europe quite a significant degree of State involvement in public and private life - far more exceeding the North American pattern. The State is literally everywhere critically accelerating inefficiency of public sector and largely contributing to inefficiency of private sector orienting it towards serving preferences of particular bureaucrats and of the State generally rather than the market and the people. But this is only half of the story. State domination in society is harmful not only in terms of efficiency, but generally is a sufficiently dangerous phenomenon crucially limiting personal freedom and all kinds of liberties for which Europeans fought for centuries. People are actually voting for more income redistribution through the State and therefore for more State and more state domination in society. European unification creates enormous State institution, absolutely unknown in Europe and hardly ever known worldwide considering associated amounts of financial resources. Hardly people have any experience in control of such an enormous State entity. It took Europeans and the entire humanity hundreds and probably even thousands of years in order to come up with a modern days experience in counteraction of the national states. It literally took a disastrous for property and human lives military combat with the State in order to rip off present day liberties, freedom and democracy. People are already enslaved themselves far enough with socialist ideologies and with a comprehensive State presence in every day life. Can we take another huge, unfamiliar and suspicious institution of power and coercion in Europe? Today Europeans are having a very relative almost illusory control over national states. On the other hand, people are having no control whatsoever over pan-european institutions and first of all over European Commission. Today still exists some kind of idealization of European Union and of the European unity. But such idealization will soon disappear. People will see that European Union as a State is even less controllable than their small national States, even more distanced from people and from civil society, even more authoritative and demagogic and much more bureaucratic. Unfortunately such situation represents a natural outcome of persistent in modern world societal tendencies - state domination in society, enormous income redistributions and social idealism. We can only hope that all these negative tendencies will not go too far

and will not acquire threatening proportions. The difference between dictatorship and democracy is very fragile representing a quantitative rather than a qualitative relation in terms of the State control over people, property and society. It can be very easily missed and overlooked especially with a huge, permanently growing and all-subordinating to itself state entity such as European Union. Hopefully, dictatorship will never happen in Europe again, however, such a threat at this point in time is very far from being a science fiction.

European unification tends to bring in European society even more socialism - dominating European ideology - even more income redistribution, even more societal and economic inefficiency, even more legal and illegal corruption, even more of unsustainable social idealism and of social mendacity. Two factors are playing here and leading Europe towards a higher degree of statehood and higher degree of sociality. The most important probably is that if for now certain European countries are still more conservative than the others and are occasionally voting for right-wing political parties - Europe generally and taken all together is definitely dominated by the pro-socialist parties and ideas. The former situation creates at least some benchmarking of societal systems, which will disappear with unification. Those parties and those countries will be suppressed by a general mass of socialist political preferences. Not even saying, that many of the European presumably right-wing political parties are poorly reflecting conservative and libertarian ideas and are rather left-wing parties on North American political scale. The second factor playing for an enforcement of socialism in Europe is European enlargement. European Union is recently joined by twelve nations with significantly dominating socialist and social welfare views inherited yet from communist times. Germany was brought to almost an economic and political disaster after adding welfare oriented Eastern Germany. Social and political orientation of Eastern European nations unfortunately might be expressed in votes for left-wing political parties further promoting socialist ideologies of income redistribution and State domination. If up to now, partly in fear of return of the past, these countries to one degree or another are opposing socialist traditions - with EU accession and upcoming feeling of political security nothing will keep their welfare appetites and desire to benefit on account of the richer partners generating double income redistribution - from richer people to poorer people and from richer nations to poorer nations. It is absolutely not an argument for leaving those countries behind just like Europe has not left behind Eastern Germany, but we all must clearly understand our societal realities. Moreover, that today people in Eastern Europe are much more realistic about what the State finally is and how much it should be trusted (certainly much more realistic than Western European nations). However, one of the most serious threats they are facing now stands in their voluntary or involuntary orientation on socialist and highly "pro-etatist" values dominating in Western Europe (in European Union generally).

European unification is critically limiting availability of social systems benchmarking on international arena and especially in Europe. While economic and social benchmarking is an absolutely inevitable condition for full-fledged societal competition. It is actually a

fundamental and the most powerful tool among known to us for counteraction of the state monopoly on particular territory as well as for reduction of economic inefficiency coming from the State. Economic and political benchmarking is, first of all, allowing people to see and to compare which societal and economic systems perform better and secondly it is allowing people and economic agents to escape from inadequate appetites of particular state entities in other states and societal systems. European unification does not leave people a geopolitical escape from an extra annoying statehood. There will be no more any different State entities or slightly different societal systems within three-four hours drive. Now in order to flee from the accelerating State appetites, Europeans will have to change social environment completely and move overseas. The same goes for European business. No more havens to escape - just a transatlantic runaway. From the point of view of economic and social competition between the States, it would be rather preferable to have several alternative to European Union state entities up. For example, one of the alternative State entities might be created on the basis of English-speaking countries – United Kingdom, Ireland, Canada, Australia and New Zealand – connected by at least equally strong and comprehensive cultural, historical and spiritual ties. May be several other European countries might create an additional supra-state alternative to European Union. In such a way people and capital will always be able to vote with their feet, all kinds of inefficiencies in any particular supra-state entity will be much more visible in comparison with the other supra-state entities and it will be difficult to hide State domination, corruption and inefficiency under a single European economic superpower.

With European unification European Union is becoming financially and economically the most powerful player on international arena. This statement of things will result in *enormous bargaining power worldwide*. Somebody might think that even though it will be tough for outsiders - for Europeans this represents new beneficial opportunities. Not quite so. It is at least equally problematic for European people on the contrary to the benefits, which it might bring up for European statehood. Extreme bargaining power will allow to conceal a piling up inefficiency, State domination, legal and illegal corruption, which are much more transparent and fixable under normal circumstances and much more hidden and threatening with an enormous and comprehensive blow at one point in time if left alone. This has happened previously in ancient Rome when inefficiency of slaves' labor was covered up by massive financial inflows from military campaigns. This has happened recently in former Soviet Union, where huge State inefficiency was covered up by financial inflows from selling of abundant natural resources. But additional resources and international power neither saved ancient Rome nor did they save Soviet Union. They will certainly not save European Union if it will come to the boiling point.

There is some hope today that European Union can be build on “anglo-saxon principles” and this will save Europe from further escalation of excessive income redistributions and of already enormous State domination in society. That would be really very nice simply because there is no other way if we do not want to dump our society down the drain already in the nearest future. Two observations, however, need to be made on this

account. First of all, those anglo-saxon or free market principles are far from being followed in the very same anglo-saxon countries and comprehensive socialism of modern anglo-saxon societies is driving them further and further away from principles established by their distinguished compatriots in the past. Second and much more fundamental complication is that unfortunately today social parasitism associated with enormous income redistributions, social idealism and State domination are already not only economic strategies of socialist states, not even merely social principles, they are beginning to be immanent dominating features of human nature. And to remake human nature is far more difficult than to proclaim return or revival of any principles. Does it sound reasonable that a couple of dozens of non-anglo-saxon countries will give up their nature in favor of anglo-saxon economic principles hardly followed in the very same anglo-saxon societies? Governments – at the end of the day might, people – very unlikely.

One small observation needs to be made in conclusion. This article is not at all directed against European unification per se, although argumentation provided might create such a feeling. It is generally not up to the people to decide on that. People neither taken separately, nor taken together are ever able to decide anything what concerns social processes based upon natural societal laws. They can vote, but they cannot decide. Decision always stands with the maximum social and economic efficiency requirements. If European Union will prove to be an efficient social and economic construction it will survive, if not - it will vanish. It is as simple as that. What is not so simple is that dissolution of European Union (if it comes to that) will mean an enormous social catastrophe for all Europeans - any State dissolution unfortunately is a very painful and explicitly or implicitly violent societal process.