

# The Foundations of a Democratic Economy

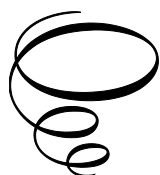


# The Foundations of a Democratic Economy

By

Robert Henman

**Cambridge  
Scholars  
Publishing**



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This book first published 2026

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

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ISBN: 978-1-0364-6018-1

ISBN (Ebook): 978-1-0364-6019-8

To all who still desire to reach for the truth

“That’s the genesis of it all.”\*

“[To] deny the possibility of a new [economic] science is . . . to deny the possibility of the survival of democracy.”\*\*

\* A response by Bernard Lonergan in 1981 during a phone conversation after he had asked me what I was working on. I had replied, “The child’s quest.”

\*\* Bernard Lonergan, *For a New Political Economy*, vol. 21 of *Collected Works of Bernard Lonergan*, ed. Philip McShane (Toronto: University of Toronto Press, 1998), 111.

# CONTENTS

List of Figures.....	ix
Preface.....	x
Chapter One.....	1
Development vs. Survival of a Democratic Economy	
Chapter Two.....	20
A Brief Introduction to Bernard Lonergan’s Discovery of the Science of Economics	
Chapter Three.....	31
Curiosity as the Reach for Truth*	
Chapter Four.....	59
What Are the Foundations of Political Science?	
Chapter Five.....	66
Generalized Empirical Method*	
Chapter Six.....	75
A Method of Intervening in History*	
Epilogue.....	94
Persuasion: Closing the Existential Gap*	
Appendix A.....	99
Teaching Foundations in Peace Studies	
Appendix B.....	105
Parenting the Reach for Truth*	
Appendix C.....	111
Curiosity and Mental health	

Bibliography ..... 121

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## LIST OF FIGURES

Fig. 3-1 The alphabet puzzle .....	39
Fig. 3-2 A first clue for the alphabet puzzle .....	42
Fig. 3-3 A second clue for the alphabet puzzle.....	43
Fig. 3-4* Dynamics of knowing .....	45
Fig. 3-5* Dynamics of doing .....	45
Fig. 6-1* The keyhole diagram.....	85
Fig. 6-2 Divisions within functional specialization .....	86
Fig. 6.3 Question types corresponding with specialties.....	89
Fig. A-1 Divisions within functional specialization .....	102

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## PREFACE

The topic of this brief text was motivated by global issues around economic disparity, the form of education of economists, and political chaos. Some of these chapters are edited versions formerly published from my previous books. Other chapters have been written in response to the rise of populism and the move to totalitarianism, exemplified mostly by the continuing emergence of dictator-type personalities with little or no theoretic understanding of economics. Responses to these events by legislators, economists and politicians have been, for the most inadequate, and the chapters that follow describe two of the central reasons. Further chapters outline long term solutions to these problems. A secondary focus to locating the foundations of a democratic economy is to discern what is going forward in history, is it progress and if not, can humanity intervene and shift the direction?

My title, *The Foundations of a Democratic Economy*, assumes that I hold that democracy is a better form of government than the alternatives. I do. That said, I must have some meaning for the term democracy. But defining what I mean by a democracy, is not what I am prepared to do, at least at this stage of my life, nor is history prepared yet to do so. Definitions abound for the term democracy and efforts at creating a democracy are limited by unscientific positions on economics and education. Liberty and freedom are considered central facets of democracy and interestingly, they are intrinsic traits and aspirations of the human spirit. What I will say is that until an explanatory account of the human person is provided by the sciences, it is premature to attempt to define democracy or even to envisage what a democracy might be like. Any definition at this time will be restricted to our present experience of democracy without an understanding of human nature. Achieving foundations, grounded in an understanding of human nature, will provide the possibility of shifting democracy as an experiment towards one of an emerging authentic objectification of human consciousness.

The term science appears often in this book and like democracy, it means different things to different people, even to scientists. By science I mean an empirical study of the relevant data leading to an explanatory account of the relations between things, verifiable in instances, beyond description. This is a nominal definition that may have little meaning if one has no experience of theory. Both statistical and classical methods anticipate system, and their

complementarity is vital for progress. The term classical as an adjective to describe a scientific method appears in this book and was often used by Bernard Lonergan, not in the sense of a historical period, but as a method of explaining the relations between things and the correlations involved.

This discussion of science calls for some comments on the front cover image of a person working on an algebraic problem. What does mathematics have to do with foundations of a democratic economy? Learning mathematics challenges one to be specific and precise in one's thinking providing the opportunity to reflect on one's performance by adverting to one's own intellectual operations. This process enables one to understand the transition from one viewpoint to a higher viewpoint, such as is accomplished in understanding the transition from arithmetic to algebra.<sup>i</sup> I am well aware that reading that statement and attempting to understand it are two very different experiences. I can attest to the difficulty as I have recently made the attempt. If you made the attempt, like me, you may have noticed that you did not understand the pattern of the rules and operations of arithmetic. That experience reveals that much of high school and university mathematics was dominated by the memorization of the rules and operations required. Algebraic symbolization provides a generalization of arithmetic's rules and operations which provides a formula for solving an indefinite number of problems. Understanding was not part of mathematical education, so the transition was never understood. Such precision in one's own understanding will be called for in the future in the working out of problems in science, economics and education and their relationship to the development and survival of democracy. Besides the personal development that doing mathematics offers, it has revealed its usefulness abundantly over the past few centuries in all of the sciences, not least of all in economics. Quinn describes the influence of mathematics in the following. "Mathematics is a growing, dynamic, historical global enterprise that is vascularized throughout the sciences, humanities, technology, engineering, and society."<sup>ii</sup> That said, this book is not about mathematics. It is about the need for precision in human thought and the higher viewpoint that mathematics promotes. It is a nudge towards the need for explanatory science to offset the destructiveness of common nonsense. It describes problems in

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i. Terrance Quinn, *(Growing)<sup>2</sup> in Mathematics*, (Toronto, Island House Press, 2023), 38–42. Also see higher viewpoints in mathematics, Bernard Lonergan, *Insight: A Study of Human Understanding*, vol. 3 of *Collected Works of Bernard Lonergan*, ed. Frederick Crowe and Robert Doran (Toronto: University of Toronto Press, 1992), 334–337.

ii. Terrance Quinn, *(Growing)<sup>2</sup> in Mathematics*, 232.

contemporary education and the need for explanatory science as the way forward to ensure the survival and development of democracy.

This book has been written as a descriptive pointer highlighting problems and long-term solutions which will require eventually a form of collaboration within an explanatory context if progress is to occur. It also provides the opportunity for a gradual development of the reader's own understanding of some of the issues that threaten democracy and social livability, followed by discussions of the long-term solutions. That said, I encourage the reader to follow the order of the chapters in order to gain some development of one's own self-understanding and of world process. Through that personal development, one might gain some personal view of oneself and through that, an image of what democracy might be.

Chapter 1 explores the challenge of current democratic nations to survive, at a time when the exploitation of wealth has been teamed up with socio-pathological political power. Profit maximization is only one of the problems that inhibits equal distribution of wealth. Chapter 2 provides a brief description of Bernard Lonergan's discovery of the science of economics, providing a basis for the survival of democracy. Chapter 3, by describing the role of human curiosity in child development and education, which is referred to here as the reach for truth, one might glimpse something of one's own inner operations, at a time when such a reach is neglected by educational theorists and political discourse. Chapter 4 explores the act of decision as a foundation for political science and political activity. Chapter 5 describes what is called Generalized Empirical Method, which lays the groundwork for the future new science of Functional Specialization, discovered by Bernard Lonergan. Chapter 6 outlines the structure of Functional Specialization and implications for the future of science and humanity.

The Epilogue speaks to the need for new methods of persuasive communication at a time in history, when an existential gap exists between what we think we are and what we are, and between current theories of science and Generalized Empirical Method. The Appendices, though not directly foundational to economic and political discourse, bring to the discussion three zones of enquiry that set the stage for later problems in education. Appendix A recalls my experience of teaching Peace and Conflict Studies at a time when such a zone of enquiry focuses on developing solutions to both local and global problems ignoring theory, a theory of history and world process. The article reveals a methodical problem within Peace Studies itself, inhibiting its own development. Appendix B reflects briefly on how to create continuity between parenting and schooling. The discontinuity leads to educational challenges which

education systems are currently unprepared to resolve. Appendix C discusses the relationship between curiosity and mental health. All three Appendices are relevant in contributing to the eventual emergence of foundations in both economics and education in general.

There are two schools of thought on the relationship between economics and democracy. One being that economic success requires a democratic government, the other being that a democracy requires an adequate economic base to remain democratic. This text takes the position that without an adequate economic theory and a revolution in education, democracy cannot survive.

Special thanks to James Duffy, Olive Dewan-Henman, and Terrance Quinn for their editorial assistance.



# CHAPTER ONE

## DEVELOPMENT AND SURVIVAL OF A DEMOCRATIC ECONOMY

### Introduction

This opening chapter is a gathering of a few thoughts on the relationship between political activity and democracies in light of global events that are currently dominating human livability. Topics discussed are (1) three quotations that point to current problems in global society, (2) the current state of democracies, and (3) future possibilities. I begin with three quotations:

International chaos is a growth industry.<sup>1</sup>

[T]he people who can do the most harm are doing it and the people who could do the most good are not.<sup>2</sup>

[To] deny the possibility of a new [economic] science is . . . to deny the possibility of the survival of democracy.<sup>3</sup>

These three quotations critique our present global situation. Is it so, and how can we come to an understanding of that critique? The first quotation by Silva is rather negative as a description of global society. The novel from which the quotation is extracted is fictional, but is the meaning fictional? The second quotation, negative also, describes our present situation regarding the inhibitions to progress. The third quotation suggests that there is a relationship between an adequate theory of economics and the survival

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1. Daniel Silva, *The Order* (New York: HarperCollins, 2020), 289.

2. Bernard Lonergan, *Phenomenology and Logic: The Boston College Lectures on Mathematical Logic and Existentialism*, vol. 18 of *Collected Works of Bernard Lonergan*, ed. Philip McShane (Toronto: University of Toronto Press, 2001), 307.

3. Bernard Lonergan, *For a New Political Economy*, vol. 21 of *Collected Works of Bernard Lonergan*, ed. Philip McShane (Toronto: University of Toronto Press, 1998), 111.

of democracy. Let me explore these quotations further, beginning with Silva's.

How are we doing on planet Earth?<sup>4</sup> Are we still fighting and using wars after ten thousand years as an excuse to refusing to develop? Are there over half a billion people displaced or homeless in the world? Is economics still not yet explanatory of concrete activity?<sup>5</sup> Are the less than 1 percent still controlling 50 percent of the world's wealth, and is that percentage on the rise?<sup>6</sup> Can they be trusted to use that wealth wisely? There are approximately eighty-nine dictators<sup>7</sup> among the world's 195 countries and approximately sixty wars and civil strife situations currently happening on the globe.<sup>8</sup> Climate change and G20 efforts to get agreements implemented are ongoing, but to where? Is democracy on the brink of being a failure? Racism, gender violence, and prejudice are ongoing. Are the social sciences still inept at resolving social ills? Are transnational corporations focused on profit maximization and shareholder primacy or on providing a standard of living for all? Such questions can be answered. But one's horizon<sup>9</sup> if it is contextualized by a lack of understanding, egoism, or ideology will tend to

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4. Philip McShane, James Duffy, Robert Henman, and Terrance Quinn, *Seeding the Positive Anthropocene* (Vancouver: Axial Publishing, 2002), 65, and other essays in this text.

5. Robert Henman, "A Brief Introduction to Bernard Lonergan's Economics as a Science," *London Journal of Research in Management and Business* 24, no. 6 (2024): 79–86. See Lonergan, *For a New Political Economy*, chapter 1. See also Terrance Quinn and John Benton, *Economics Actually: Today and Tomorrow, Sustainable and Inclusive*, 2nd ed. (Toronto: Island House Press, 2023).

6. *EL PAÍS* interview with Amitabh Behar, executive director of Oxfam: 3.6 billion people live below the poverty line. See Patricia Blanco, "Amitabh Behar: 'We are moving from a scenario of inequality to one of global oligarchies,'" *EL PAÍS*, February 8, 2025, <https://english.elpais.com/international/2025-02-08/amitabh-behar-we-are-moving-from-a-scenario-of-inequality-to-one-of-global-oligarchies.html>.

7. List of countries in a dictatorship, thirty-two hard autocracies, twenty-eight moderate autocracies, and twenty-nine hybrid regimes from *Dictatorship Countries 2025*. A dictator is defined as "a ruler with total power over a country, typically one who has obtained control by force." *Webster's New World Dictionary*, 5th ed. (New York: Houghton Mifflin Harcourt, 2014), 409. Peace through might is presently dominating political discourse.

8. World Economic Forum, "Global Risks: Why Cooperation Matters Most in a World at War."

9. By "horizon," I mean different contexts from which one's view emerges. It may be that of common sense, theory, aesthetic, scholarship, or religious. A developed view understands the difference in such horizons and the need for an understanding and distinction of all these horizons if one's view is to be relevant.

have little sympathy. Issues of the social sciences and political policy will be dominated by a belief in the omniscience of common sense vs. theoretical explanation.<sup>10</sup> What is your context?

The second quotation by Lonergan may be contextualized by a lack of will to understand the problem in economics but may also point to a lack of any serious efforts by the social sciences to work out their ineffectiveness. Much of the literature on world problems will, as I did above, list the many crises that we face in the twenty-first century. And there are many more. Is it possible that all of these problems are symptoms of something much deeper? Are we trapped in our underdevelopment, unable to work out what is the root of such chaos? Do we lack a development in understanding just what development is?

The third quotation asks, how is the survival of democracy related or tied to an explanatory account of economic activity? Chapter 2 discusses this relationship,<sup>11</sup> describing the basis of an adequate theory of economics and some of the current mistaken notions of establishment economics. It provides a context for understanding the relationship between economics and the survival of democracy.

## The Current State of Democracy

How does an economic theory support and provide the possibility of the survival of a democracy?<sup>12</sup> A few thoughts on the present situation in the United States reveals the fragility of democracy when it is not supported by a science of economic theory or foundations for democratic progress.

Donald Trump has taken over what was considered a democracy. That takeover is a slide toward totalitarianism. This has also been occurring in Europe for the past two decades.<sup>13</sup> Such political events are not new to history, but to the United States, it is. Neither the economists nor the politicians have yet to work out how to prevent such occurrences, leading

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10. Bernard Lonergan, *Insight: A Study of Human Understanding*, vol. 3 of *Collected Works of Bernard Lonergan*, ed. Frederick Crowe and Robert Doran (Toronto: University of Toronto Press, 1992), chapter 4.

11. Henman, "Brief Introduction."

12. Economics is a substructure of human living, and as long as it remains unscientific, our democracies will be vulnerable.

13. Sergio C. Fanjul, "Steven Forti, historian: 'Dissatisfaction among young people is leading to a rejection of democracy,'" *EL PAÍS*, January 27, 2025, <https://english.elpais.com/society/2025-01-07/steven-forti-historian-dissatisfaction-among-young-people-is-leading-to-a-rejection-of-democracy.html>.

English supporters of this ideology are cultlike inasmuch as a denial of truth maintains cohesion.

to the effort to understand the relationship between economics and the function of political policy.<sup>14</sup>

The first reason being that they have no understanding of economics as a science, which I take up in chapter 2. The second reason being that they hold a mistaken view of the function of an economy as profit maximization; and if that view is working for some (which means that there are firms producing jobs and profit, stock markets are doing well, and the Gross Domestic Product is going up), then the belief is that the function of politics must be working correctly.

When the economy begins to “run hot,” prices rise; and central bankers raise the interest rate to “slow” the economy down, believing this to be the solution. Economists and governments try something and hope it works. The tried solution to the 2008 mortgage derivatives was a prime example of this. Raising interest rates can eventually slow the economy. When that occurs, a trail of individuals and families will have lost their homes, and numbers of the homeless will have increased. They have become victims of the stupidity of economists and government policy. There will be no court of appeal in such a situation. American banks during the past year increased their profits by 20–30 percent through the increase in interest rates. Might those who lost homes or faced increased debt due to rate increases consider a class action suit against possible suspects, be they both economists and central bankers? Bruce Anderson, in the chapter “The Fifth Functional Specialty and Foundations for Corporate Law and Governance” in *Seeding Global Collaboration*, makes a case for criminal charges in relation to policies that contribute to further economic hardships and has this to say about good corporate governance:

The foundation of good corporate governance is knowledge of economic science which, in turn, calls for suitable actions at appropriate times, and other actions that should not be permitted. With this new context of economic science, we notably left the zone of common-sense street policies and entered the zone of sane economic theory grounding democracy.

Of course, it is impossible to legislate the proper actions for all occasions where good corporate governance is demanded. However, unacceptable behaviour can be identified and perhaps spelling it out and assigning legal sanctions would be useful. For instance, there could be a law fining or jailing

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14. John Gunnell, *The Descent of Political Theory: The Genealogy of an American Vocation* (Chicago: University of Chicago Press, 1993), 200. The author provides a history of political theory during the twentieth century in the transition from the European scene to that of the United States. It raises the issue as to whether political theorists have any real influence on political practice. Much of the debate oscillates around philosophical positions blocking any real progress.

directors and officers whose corporations destabilize the monetary circuits by, for instance, speculating on currency rates. . . . And it might be worthwhile making it a criminal offense for corporations and their directors and officers to treat money as a commodity.<sup>15</sup>

After a few years, the economy picks up and slowly “runs hot” again, and the cycle repeats itself. There have been six major inflationary periods since WWII and even more since 1840. Without such an understanding of economic process, there are no adequate precepts to prevent the slide toward recession and/or totalitarianism. This is compounded by a generally mistaken view of education of people<sup>16</sup> who would, by a majority, vote for a convicted felon as their president.<sup>17</sup> The “system” had no recourse to prevent this occurrence. A large percentage of the population are poor or in poverty, and they blame the government, so they vote it out while listening to the lies of promised better days.<sup>18</sup> Democratic politicians believe that as long as it is the will of the people, democracy is safe.<sup>19</sup> How wrong they were and are. Democracy has no protection unless it is supported by a science of economics and an education of its people that is beyond the present focus on memorization inhibiting a maturity that would have no fear

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15. Bruce Anderson, “The Fifth Functional Specialty and Foundations for Corporate Law and Governance,” in *Seeding Global Collaboration*, ed. Patrick Brown and James Duffy (Vancouver: Axial Publishing, 2016).

16. Of course, this problem of education is not just of the United States of America. It is global and historical. Pedagogically, education is presently a process of memorization, with little or no understanding. On education and memory, see Philip McShane, *The Future: Core Precepts in Supramolecular Method and Nanochemistry* (Vancouver: Axial Publishing, 2019): “Exam structures were such that memory work could replace comprehension.” See also Robert Henman, *Reorienting Education and the Social Sciences: Transitioning Towards the Positive Anthropocene*, 2nd ed. (Vancouver: Axial Publishing, 2022), introduction and chapter 1.

17. On voting in the United States, see Anne Applebaum, *Twilight of Democracy: The Seductive Lure of Authoritarianism* (Toronto: Signal Books, 2020), 14, where she describes that “[t]he Constitutional Convention of 1787 created the electoral college as a means of ensuring that a man with what Alexander Hamilton called ‘talents of low intrigue, and the little arts of popularity’ could never become president of the United States.” It failed in the present case. See Jonathan Manthorpe, *Restoring Democracy in an Age of Populists and Pestilence* (Toronto: Cormorant Books, 2020) on the archaism of the US Constitution.

18. Murray Edelman, *The Politics of Misinformation* (Cambridge: Cambridge University Press, 2001), chapter 4 on public opinion. Literacy rates in the United States range between 35 percent and 53 percent, having below-average reading level. This may have some influence also on adult development.

19. People vote in Russia also. See footnote 21.

of asking questions and reaching for the truth. Such foundations would enable the possibility of precepts that would enable lawmakers to adequately understand what is occurring in the economy and develop policies contributing to human well-being.

The drive for profit as the goal of economic activity creates slumps and/or recessions in a cyclical pattern. They recur, and when they do, central banks and governments adjust interest rates in order to slow the economy down. This form of interference tends toward totalitarianism inasmuch as such impositions change the debt load that individuals may obtain due to such changes. At the same time, the drive for wealth leads to power by individuals who exploit the middle classes.<sup>20</sup> Capitalism is exploitative of resources and people in its present functioning. Marx was not wrong on this point, but his solution led to deeper forms of human degradation. If democracy is to survive, it will require that economic policies be grounded in a science of economics and not imagined models that are remote from the actual data of economic activity.

The United States is presently sliding toward becoming a totalitarian nation. Voting may be a right of a people and a show of freedom; it does not mean the system is democratic. There are numerous examples of nations that allow people to vote, but they are not democratic nations.<sup>21</sup> As the function of an economy is to provide a standard of living, so the function of political policy is to ensure that that function of an economy is maintained. Is that what is occurring in the United States as well as many other countries?

Generally speaking, genocide does not necessarily mean the immediate destruction of a nation, except when accomplished by mass killings of all members of a nation. It is intended rather to signify a coordinated plan of different actions aiming at the destruction of essential foundations of the life

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20. David Lingelbach and Valentina Rodríguez Guerra, *The Oligarchs' Grip: Fusing Wealth and Power* (Berlin: De Gruyter, 2023), 263 on the "practical implications" of the fusing of wealth and power.

21. As of 2020, there were fifty-two nations with a dictator or authoritarian regime ruling the country: three in Latin America and South America, twenty-seven in Asia and the Middle East, and twenty-two in Africa (*Dictatorship Countries 2024*). Russia is a federal semipresidential republic and an oligarchy. Also see Lingelbach and Guerra, *Oligarchs' Grip*, and Bill Browder, *Freezing Order* (New York: Simon & Schuster, 2023). Both texts outline the criminal activity of Putin and the oligarchs regarding control of Russian finance and money laundering in the trillions of dollars that involved both European and American banks. These funds were stolen from the Russian people through corrupt sales of Russian companies and, in Browder's case, funds allocated to promote Russian businesses.

of national groups, with the aim of annihilating the groups themselves. The objectives of such a plan would be disintegration of the political and social institutions, of culture, language, national feelings, religion, and the economic existence of national groups, and the destruction of the personal security, liberty, health, dignity, and even the lives of the individuals belonging to such groups. Genocide is directed against the national group as an entity, and the actions involved are directed against individuals, not in their individual capacity, but as members of the national group.<sup>22</sup>

Lemkin's description of genocide conjures up images of what is now happening to democracy, an intentional effort and plan to annihilate. Power, even in democratic nations, is embedded in the wealthy and the transnational corporations. People believing they are free and control their own lives is an illusion.

## Future Possibilities

In order to meet and overcome present chaos, there is the need to establish foundations of political progress.<sup>23</sup> Problems with present establishment economics will be outlined in chapter 2. To establish further foundations of political activity, there is the requirement to begin with what has the least presuppositions. It is an answer to what it is about the human person(s) that expresses the desire for freedom and liberty. It is established by reflecting on one's own desire for understanding. There are no presuppositions to that desire. It is what is human about each and every one of us. To maintain that fundamental ability requires that one have an environment that promotes an ethos that not only cultivates such a desire but allows it to express itself. That can adequately be acquired only in the context of liberty and an order that protects such liberty. Such characteristics are of a democracy. So education takes on the task of cultivating that human desire<sup>24</sup> and, in doing so, supports not only what it is to be human but also what supports a democracy.

These reflections provide a context for discussing world process. But did you read the quotations in an effort to understand them? Did you pause

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22. Raphael Lemkin, *Axis Rule in Occupied Europe: Laws of Occupation, Analysis of Government, Proposals for Redress* (New York: Columbia University Press, 1944), 79–95. Lemkin coined the term “genocide” in describing the Stalin-forced Ukrainian famine of 1932–1933.

23. Chapter 4 will explore this topic.

24. Philip McShane, *Futurology* (Vancouver: Axial Publishing, 2017) on the role of curiosity in human development and education. Chapter 3 discusses the reach for truth having its origins in human curiosity.

or just form an opinion<sup>25</sup> based on your bias or ideology? Is there an intelligibility immanent in world process?<sup>26</sup> Is it enough to hold that intelligence must play a role in the future life of humanity? Well, what do you mean by intelligence? AI has become a distracting bit of nonsense in that regard.<sup>27</sup> Is there a relation between intelligence and progress? What is intelligence, and how do we go about finding out an answer to that question?<sup>28</sup> One might think of verified theoretical insights as the ground and the analogy of what development is, which provides greater statistical probabilities for progress.<sup>29</sup> Is world process intelligible, or are we absurd in our driven curiosity to correctly understand anything?

## World Process

A brief description of world process can help in understanding prior comments. World process, may be defined as a continuing process of schemes of recurrence that reveal an intelligibility. Schemes as concrete,

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25. Opinions of the commonsense type are a dime a dozen, and they tend to have no theoretical ground. Postmodernism has given everyone's opinion the "character" of truth, while the search for truth has gone the way of the dodo bird in political discourse. In the sciences, truth is what the scientist reaches for. All conclusions are subject to eventual revision. New questions emerge, and new insights occur. But it is always an effort to reach the best explanation at that one time. Social media and populism have accelerated the "character" of commonsense opinion toward a level of acceptance and, at the same time, a deeper level of ignorance apparently, unbeknownst to the speaker possibly. But it is more probable that bias and ideology have taken over one's mind.

26. Lonergan, *Insight*, chapter 4, section 2.4 on emergent probability and world process.

27. Jordi Pérez Colomé, "Michael I. Jordan, artificial intelligence pioneer: 'There's a little too much hubris in the world of AI,'" *EL PAÍS*, February 8, 2025,

<https://english.elpais.com/technology/2025-02-08/michael-i-jordan-artificial-intelligence-pioneer-theres-a-little-too-much-hubris-in-the-world-of-ai.html>.

Interview with Jordan, mathematician, who is the UC Berkeley professor emeritus and researcher at Inria Paris: "The people who develop the technology love to talk about it and they love to extrapolate, but I think there's a little too much hubris, also." See Terrance Quinn, *(Growing)<sup>2</sup> in Mathematics* (Toronto: Island House Press, 2023), 136, no. 46 on artificial intelligence and its complete absence of operations of intelligence. AI is intelligible, but not intelligent.

28. Lonergan, *Insight*. Discovering for oneself what intelligence is requires years of reflecting on one's own performance while doing serious science, such as mathematics or physics. See Philip McShane, *Wealth of Self and Wealth of Nations: Self-Axis of the Great Ascent* (Vancouver: Axial Publishing, 2021), for an introduction to self-understanding.

29. Lonergan, *Insight*. Chap. VII, sec. 8.3. Thinking of such insights requires actually experiencing such an operation in some science such as physics.

begin, continue, stabilize or cease to function in accord with statistical probabilities. Plants and animals function within cyclical schemes drawing their sustenance from the environment, recurring schemes provide the possibility of an environment. These schemes possess an intelligibility to be discovered by the sciences. World process is an ongoing process of a combination of both classical and statistical laws driven towards systematization.<sup>30</sup> Emergent probability is distinct and yet related to evolution. "...species of living things emerge and function within ranges of alternative sets of schemes of recurrence."<sup>31</sup>

The emergence, survival and extinction of both species and schemes of recurrence are subject to successive schedules of probability. A positive intervening event in world process has been the emergence of human curiosity. It is not cultivated because our education schemes do not recognize it as relevant to human development, to world process and progress. Curiosity is a higher synthesis of biological and psychological schemes of recurrence, the beginnings of intelligence. It remained for Aristotle and Aquinas to notice the act of insight and in the 20<sup>th</sup> century, for Lonergan to discover the nature of intelligence centralized in understanding insight.

Democracy in the United States was not the first experiment in representative political citizenship. The Greek experiment lasted 180 years from 508 to 322 BC. It came to an end due to the intervention of wars and corrupt rulers. Are we doing it again? The point or insight to get in this brief description is that schemes of recurrence will continue to recur as long as no non-systematic event that disrupts the stability and survival of that scheme occurs. Schemes of recurrence can either come to an end by complete dissolution or be subsumed into some higher synthesis. Schemes are only as stable as the foundations upon which they are grounded. Democracy, as it presently functions, lacks an economic foundation and an educational foundation. So it is vulnerable to a non-systematic event that could bring it to an end, such as what occurred in Greece 2,300 years ago. An ideology that leads to totalitarianism is the type of event that can intervene in a democracy and bring it to an end.

What is an ideology? An ideology is defined as "a set of beliefs or principles on which a political system, a party, or an organization is based." This is a nominal definition. An explanatory account of ideology would involve contrasting it with the intellectual operations of cognitional theory. Ideologies are not the result of a verified insight into data. They are not

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30. Ibid. See emergent probability as world process.

31. Ibid. 156.

concrete. They are most often the result of a bias, prejudice, or personality disorder that contextualizes one's political or life view. Because democracies lack the two foundations mentioned above, ideologies are often the position that political parties or individuals hold to develop policies that correspond with their ideology. If one does not ask questions about one's personal interference, ideologies will remain. Ideologies based on bias, prejudice, or early childhood trauma will seldom raise the questions that would challenge that ideology.<sup>32</sup> To arrive at the best understanding of any issue, one must ask and answer all the relevant questions.

Why should we honour those that die upon the field of battle? A man may show as reckless a courage in entering into the abyss of himself.<sup>33</sup>

The occurrence of such a negative non-systematic event is highly probable in current world process. When a culture is in decline, ideologies tend to occur more often. Dictators and populism<sup>34</sup> are those types of non-systematic events that perpetuate decline. What is needed is an intervention in the historical process that will reduce the probabilities of such a non-systematic event occurring in the future. World process is an intelligibility that continually seeks a higher synthesis to a more intelligible order. The emergence of human curiosity in history is that higher order that shifts history from the intelligible to the intelligent by seeking insights into the relevant data—reaching for the truth, offsetting the probability of the

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32. Alexander Vindman, *The Folly of Realism* (New York: Public Affairs, 2025). See epilogue for a reflection in which Vindman describes Donald Trump as a ruthless authoritarian personality. Again, such personalities never raise questions that will challenge their disorder. Ideologies are a pathology and therefore are self-screening, cutting off any questions that would threaten their survival. That is the task of the therapist, and such characters would not go that route as that would be admitting a disorder. See also Ben Macintyre, *A Spy Among Friends: Kim Philby and the Great Betrayal* (London: Bloomsbury Publishing, 2014) on the psychology of ideology regarding political allegiances of the spy era and their origins in childhood, upbringing, and misguided cultural nationalism.

33. A well known quote usually attributed to William Butler Yeats. The issue is that characters such as dictators will never enter their own abyss or ask any questions that might challenge their disorder. Fear of oneself is the barrier.

34. What defines populism? According to Cas Mudde (2004), "Populist radical right (PRR) parties challenge mainstream parties by combining radical anti-immigration and anti-globalization positions with a thin populist ideology depicting politics as an endless struggle between 'evil elites' and 'the people.'" See Markus Kollberg, "Does Mainstream Populism Work? Populist Rhetoric and the Electoral Fortunes of Mainstream Parties," *Political Science Research and Methods* (2025): 1. doi:10.1017/psrm.2025.

emergence of ideologies.

### **Intervention in the Historical Process<sup>35</sup>**

There are so many questions and so many problems without adequate answers. What is to be done? And how will we find the answers, and how will we implement the policies that emerge from such answers? Presently, countries are being run at a time in history when we are seriously uneducated, and it enables too many to live with an ideology that dominates their thinking and controls the lives of many more.

Do you view humanity as possibly maturing—in some serious way—or just messing along between good and evil, whatever you think they are?<sup>36</sup>

Even those of goodwill lack the education required to set a path toward human well-being. We are at a crossroads in history where those of goodwill need to find out what is actually going forward in history and has been going forward for more than a few centuries. Building “things” and providing employment do not necessarily provide progress or cultured leisure. Bertrand Russell described leisure as an opportunity to relax intelligently.<sup>37</sup> But what then does Russell mean by intelligence? What do you mean by intelligence? This is the unanswered question that you and I, together, take up in the chapter three. Leisure today, for those who can afford it, is a vacation or visual entertainment. Tourism is the new twenty-first-century industry. Are these survival mechanisms at a time in history when global culture urges humanity to move with the pace of electronic transfers? What will be cultured leisure is still in the future. But it will have something to do with knowing oneself, both psychologically and intellectually. Growth is presently a devalued term. What will be needed in the future is growth in understanding—and not just the understanding of common sense, but of scientific understanding that is explanatory, the relations between things. This can be known by reflecting on our cognitional interior operations of what it is to do science and what it is to be human. A time when conversation will have become an objectification of authentic subjectivity, putting conventions out of the picture. You cannot grow authentic people adequately

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35. Chapter 6 describes the new science designed to intervene in history.

36. Philip McShane, *The Everlasting Joy of Being Human* (Vancouver: Axial Publishing, 2013), 77.

37. Bertrand Russell, *In Praise of Idleness* (London: Routledge Classics, 1935), 12. Uwe Kliemt, a German musician, speaks of the “tempo giusto,” the slow tempo, which is most applicable in efforts to understand, to be intelligent (page 232).

when you do not know what one is.<sup>38</sup>

Democracies, as they presently operate, are always fragile, somewhat dysfunctional, and somewhat arrogant.<sup>39</sup> How could we fail? Don't people want to be free and have order? Well, when a democracy is supported by a mistaken understanding of economic activity, there will always be a percentage of people who are left outside of an adequate standard of living; and they will blame the government, and eventually, they will rebel against that government. Because economic activity presently operates to maximize profit, there will be a percentage of the population who have to pay for that. You cannot continue to maximize profit<sup>40</sup> and provide a standard of living for all at the same time.<sup>41</sup>

Profit merely demonstrates the profit-maker's ability to get a lion's share out of aggregate income. Tell men to seek profit and tell them that profit is the result of intelligence, enterprise, and risk. Things will go well for a while. But sooner or later even the stupidest will realize that the maximum return for their money is through monopoly prices and inelastic demand. This maximum return coincides with the minimum welfare of the community. It tends to yield a perpetual and artificial scarcity.<sup>42</sup>

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38. McShane, *Everlasting Joy*, chapter 3 discusses authentic child growth. Also see Henman, *Reorienting Education*, introduction.

39. Stephen White and J. Donald Moon, eds., *What Is Political Theory?* (Thousand Oaks: Sage Publishing, 2004). The text focuses on globalization and the difficulties that political theory has in its search for foundations as nation-states struggle to maintain identity. The various authors have no consensus as they have no common foundations from which to establish an adequate theory of political science. As this essay points out, without a science of economics, political theory and practice are the blind leading the blind. That foundation would be found in their own common interior desire to understand. See Henman, *Reorienting Education* for the process of reflection on one's interior performance to discover the foundations of any and all the sciences. See also Lonergan, *Insight* on the unity of collaboration.

40. Quinn and Benton, *Economics Actually*, 18 on profit. See Francisco de Zárate, "The State as Common Good's Last Stand: Recipes to Stop the Oligarchy," *EL PAÍS*, February 22, 2025, <https://english.elpais.com/economy-and-business/2025-02-22/the-state-as-common-goods-last-stand-recipes-to-stop-oligarchy.html>. Many economists and authors acknowledge a problem with profit maximization. Profit is required if a business is to survive. It is the psychology that drives maximization that drains the consumer's standard of living. Solutions offered, such as de Zárate's, fall short of real solutions.

41. Henman, "Brief Introduction." See bibliography of this book for further texts on the subject.

42. Lonergan, *For a New Political Economy*, 92.

The scarcity eventually will bring about a rebellion that will first be one of an ideology and later a struggle for survival. Because no one comes forth to set the economic theory right, it eventually becomes an issue of survival. The psychology supporting such ideology becomes an inhibition to raising further questions, cutting off any chance of an insight, and blocking any opportunity to explain the origins of the crisis or to provide an adequate solution. Counterpositions do eventually bring about their own reversal, but an intervention of intelligence of a specific form and an understanding of how to intervene in the historical process usually take time. At this time in history, such forms, although available, are neglected or considered too difficult to implement.<sup>43</sup>

How are these crises currently being resolved? By conflict or short-term solutions, of course. It is the only way we know how to settle such matters. And not always are the outcomes for liberty and order. Too often, they are won by authoritarians, dictators, or the wealthy. By people who also have no knowledge, nor care, of economics or any notion of progress.<sup>44</sup> If we want to stop using conflict and short-term solutions to settle ideologies, we need to understand what a person is as well as how to grow people and develop the science of economics. Until we do, democracy will always be vulnerable, and ideologies will continue to rise; and the recurrent scheme of decline will continue until the culture or nation collapses.<sup>45</sup> When the dust settles, if no one analysis the fall, we will begin again with no science of economics and no self-understanding, and the scheme will repeat itself.<sup>46</sup> Echoes of the fall of Rome.<sup>47</sup> This is the lesson that history teaches, but learning that lesson and providing the solution seem to be beyond a developing species called *Homo sapiens*. Interestingly, “sapien” has its roots in Latin, meaning “full of knowledge or wisdom.” It would appear that we are potentially intelligent. If we were to advert to and understand the

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43. On counterpositions, see Lonergan, *Insight*, 413. On intervention into the historical process, see Lonergan, *Phenomenology and Logic*, chapter 14.

44. Yaroslav Hrytsak, *Ukraine: The Foraging of a Nation*, (New York, Hachette Book Group, 2023) tr. By Dominique Hoffman, 5. “Is it even possible to achieve sustainable progress in the face of global threats?”

45. Lonergan, *Insight*, chapter 7, section 8 on general bias and decline.

46. I do not support the notion that history repeats itself. Rising out of the dust will bring on something new. But if the needed intervention does not occur, a new way of being in decline will.

47. Think of the phrase “Nero fiddles while Rome burns,” which means to occupy oneself with unimportant matters and neglect priorities during a crisis. It originates from the story that Emperor Nero played the fiddle (violin) while Rome was burning during the great fire in AD 64, although this tale is likely a myth, who is fiddling now while decline spirals?

data of consciousness (attention, curiosity, insight, judgment, and decision), we would be approaching wisdom or, as Bernard Lonergan phrased it,

thoroughly understand what it is to understand, and not only will you understand the broad lines of all there is to be understood but also you will possess a fixed base, an invariant pattern, opening upon all further developments of understanding.<sup>48</sup>

This statement is not a dictum to be bandied about in philosophical debate. It will take considerable time to understand understanding within a scientific context. Our future survival depends on taking up the task in order to understand humanity. The further issue, pointed to in the first part of the title “Development and Survival of a Democratic Economy,” is that we are so overly preoccupied by recurring symptoms of decline that we have little time to develop as a species. Politicians devote much of their time and planning dealing with social and cultural symptoms of decline and quite often to ensure they win the next election. Historical consciousness is not part of their mindset. Academics are inhibited by mistaken views of science and human knowing. They are quiet on such issues, often preoccupied with survival through struggles to attain tenure or status in their field of inquiry. Eric Voegelin offered his position on the state of the social sciences in the university in the following:

I knew ten years ago that our universities, not only in America but in Europe, were completely rotten: brothels of opinion; no science, nothing.<sup>49</sup>

Elsewhere, Voegelin states that when he enters a university department, he always takes stock of the number of people in it that would condemn him to death in a totalitarian society.<sup>50</sup> I spent over twenty years in the social sciences and found opinion to be the main diet. Survival dominates lives and living.

Is there a solution to the lesson that history is teaching us? To the problem of economics, there is the need for economists to understand economic activity. That will take some time as current economists do not have that ability and show no interest in doing so. Intervening in the historical process will require a new method of scientific inquiry that implements human intelligence into the process in a manner that directs the

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48. Lonergan, *Insight*, introduction, 22.

49. R. Eric O'Connor, ed., *Conversations with Eric Voegelin*, Thomas More Institute Papers (Montreal: Perry Printing Limited, 1980), 110.

50. Elaine Cahn and Cathleen Going, eds., *The Question as Commitment: A Symposium* (Montreal: Perry Printing Limited, 1979), 117–118.

control of meaning, increasing the probabilities of cumulative and progressive results. The control of meaning is facilitated by asking and answering all the relevant questions concerning data and verifying one's insights. In other words, following the order of one's own intellectual operations. Both of these solutions were discovered by the twentieth-century philosopher and theologian Bernard Lonergan.<sup>51</sup> His discovery of functional specialization, a division of scientific methodology into eight distinct tasks, would direct the control of meaning, leading to policies that would intervene in history and over time make life livable.<sup>52</sup>

What I want to communicate in this talk about art is the notion that art is relevant to concrete living, that it is an exploration of the potentialities of concrete living. That exploration is extremely important in our age, when philosophers for at least two centuries, through doctrines on politics, economics, education, and through ever further doctrines, have been trying to remake man, and have done not a little to make human life unlivable.<sup>53</sup>

## Conclusion

I have discussed some of the lessons that history is teaching us at this time.<sup>54</sup> The negative side to these reflections is that history is revealing the fragility of our democracies. That without a science of economics, democracies will remain vulnerable. Second, that education neglects the development of the

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51. Bernard Lonergan, *Method in Theology*, vol. 14 of *Collected Works of Bernard Lonergan*, ed. Robert Doran and John Dadosky (Toronto: University of Toronto Press, 2017). See also Terrance Quinn, *The (Pre-)Dawning of Functional Specialization in Physics* (Singapore: World Scientific Publishing Company, 2017) for an exposition of functional specialization in physics. Shortly after Lonergan developed this method, in 1966, scholars recognized that it applied to all the sciences. See also Robert Henman, *Global Collaboration: Neuroscience as Paradigmatic* (Vancouver: Axial Publishing, 2016), chapter 3.

52. Chapter 6 will discuss functional specialization.

53. Bernard Lonergan, *Topics in Education*, vol. 10 of *Collected Works of Bernard Lonergan*, ed. Robert Doran and Frederick Crowe (Toronto: University of Toronto Press, 1993), 232.

54. As I reflect on the crisis of history, Donald Trump has been sworn in as the president of the United States of America. This appointment points to three issues: (1) the lack of education by the US voters, (2) their ignorance of democracy, (3) and disregard for a convicted felon and rapist—and one could go on. We are witnessing the transition from a dysfunctional democracy to a fascist regime for at least the second time in history. I say “dysfunctional” due to the fact that democracy is not supported by an adequate theory of economics or an education theory that would cultivate the reach for truth.

individual and if we continue educating in this manner, we will always be trapped in a system that is nondevelopmental, inhibiting human authenticity.<sup>55</sup> By becoming aware of the problems, we increase the probabilities of providing solutions. Unfortunately, in this situation, the solutions have been worked out but neglected by those sciences that require more than most to grow in understanding of their zones of inquiry and, through reflection on their own performance, concomitantly grow in understanding of themselves. This process is called “generalized empirical method,” as described by Bernard Lonergan. Functional specialization would eventually implement generalized empirical method into the sciences, leading to more adequate policies toward human livability.

Generalized Empirical Method operates on a combination of both the data of sense and the data of consciousness: it does not treat of objects without considering the corresponding operations of the subject: it does not treat of the subject’s operations without taking into account the corresponding object.<sup>56</sup>

The challenge at this time in history is how to communicate with people in those sciences who hold commonsense views on theory, knowing, objectivity, and reality.<sup>57</sup> Positivism, behaviourism, and naïve realism dominate the contexts of the social scientist’s mind at this time in history. Persuasion will require methods that will cross these barriers.<sup>58</sup> Politicians, regardless of their ideology, lack an understanding of economic process; and dictators, due to whatever childhood trauma, develop ideologies that lead to a lack of moral maturity and a complete lack of empathy for the human situation—sociopathic or psychopathic egotists in the extreme.<sup>59</sup> A

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55. On the final page of Carroll Quigley’s twenty-year study, resulting in his 1,311-page book on the history of twentieth century conflicts up to 1965, he made the following statement: “Some things we clearly do not yet know, including the most important, which is how to bring up children.” Carroll Quigley, *Tragedy and Hope: A History of the World in Our Time* (New York: MacMillan Company, 1966), 1311. On human authenticity, see Lonergan, *Phenomenology and Logic*, 302–305.

56. Bernard Lonergan, *Third Collection*, vol. 16 of *Collected Works of Bernard Lonergan*, ed. Robert Doran and John Dadosky (Toronto: University of Toronto Press, 2017), 136.

57. Lonergan, *Insight*. See objectivity.

58. See the epilogue in this collection of essays.

59. The terms “sociopath” and “psychopath” are no longer considered proper designations for such personality disorders. “Antisocial personality disorder” (ASPD) is the current nomenclature according to *Diagnostic and Statistical Manual of Mental Disorders Fifth Edition* (DSM-5). Regardless of the names, the definitions