

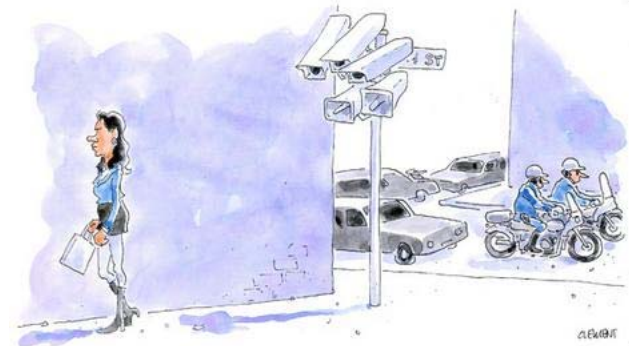
The processing potential of information technology has lured public organisations towards mass surveillance and has led critics to warn against 'creeping authoritarianism'. The fear expressed there is not the one of totalitarianism - undemocratic leadership using the existing structures as a means of repression, although this fear is also expressed - but rather of a gradual, generally unnoticed and almost unconscious encroachment of individual privacy and liberty by institutions, under the auspices of improved efficiency.

(Ian Angell, 1995)

# The Agora-Pnyx Paradox

*George Mickhail*

Senior Lecturer, School of Accounting and Finance, University of Wollongong  
Professeur des Universités Invité, IAE, Université d'Orléans, France  
Visiting Scholar, Baruch College, The City University of New York, USA  
Director, MetaCapitalism Research Centre, Australia





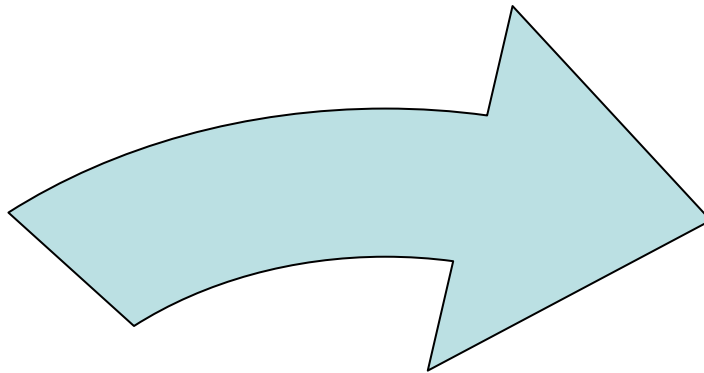
# **I**ntroduction

Plato, believed in *separating* the Agora (economic space) from the Pnyx (political space), because it appeared to him, that *need* and *greed* *enervates* people's capacity for what is *just* and *right*.



economic rationalism -  
not political idealism,  
shaping the debate over public  
policy issues, such as:

surveillance  
& privacy.



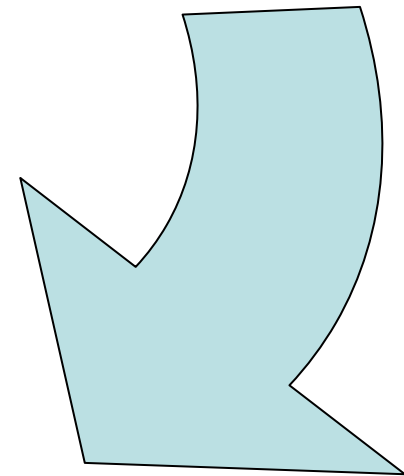
3

Analytics of  
Complexity

1

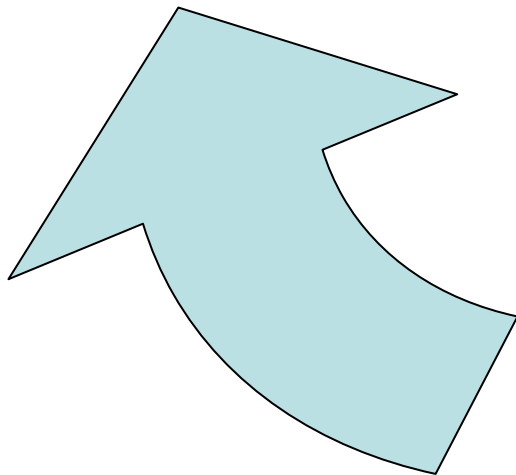
Agora-Pnyx  
*liaison*

3 Challenges to  
Transparent Society  
with capacity to  
misinform analysis  
of public policy



2

Consumer  
-Citizen

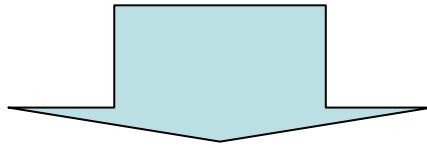




Aggora-Pnyx

Liaison

CAPITAL + TECHNOLOGY + LABOUR



Technology that lowers the cost of capital for a firm is an attractive value proposition, and naturally results in reconfiguring the capital and labour resources within the firm, in favour of the technology.

# Airlines

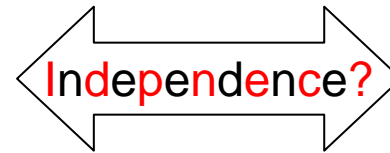


CNN Special Report on Airport Security 2001



**Airlines**

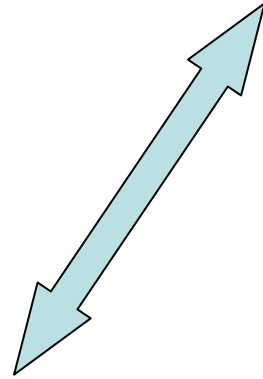
Airlines most powerful  
through trade  
organisations & direct  
representation, decide  
much of the FAA  
policies



**FAA**  
regulatory agency  
acting as watchdog

# Politicians

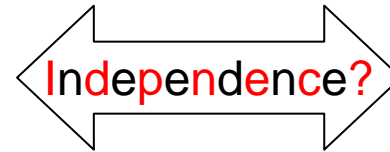
Airlines, like most businesses, attempts to influence federal oversight through contributions to political candidates in both major parties



TWA 800  
baggage matching measures  
airlines argued too costly & enrage passengers.  
commission delayed  
immediate implementation

# Airlines

Airlines most powerful through trade organisations & direct representation, decide much of the FAA policies

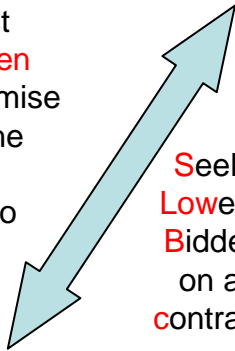


**FAA**  
regulatory agency  
acting as watchdog

Members of Congress  
say part of the reason  
airport security has  
become a problem is a  
system geared to cutting  
costs and increasing  
profits

# Airlines

Seek  
Lowest  
Bidder  
on a  
contract



# Security Firms

Conflict of interest  
between profit-driven  
airlines trying to minimise  
flight delays and the  
responsibility the  
companies carry to  
provide security

# Airport security: A system driven by the minimum wage



# Airlines

Conflict of interest between profit-driven airlines trying to minimise flight delays and the responsibility the companies carry to provide security

Seek Lowest Bidder on a contract

Security Firms

Security Screeners

Technology X-Ray & Detectors

contractor is going to go to the lowest cost person out there -- minimum wage people - so they can make a little money

# Airlines

Conflict of interest between profit-driven airlines trying to minimise flight delays and the responsibility the companies carry to provide security

Seek Lowest Bidder on a contract

During peak periods, security screeners feel the pressure from the airlines to move people along

## Security Firms

## Security Screeners

## Technology X-Ray & Detectors

contractor is going to go to the lowest cost person out there -- minimum wage people - so they can make a little money

Ensuring comprehensive screening presents a conflict, critics say, between profit-driven airlines trying to minimise flight delays and the responsibility the companies carry to provide security



# Politicians

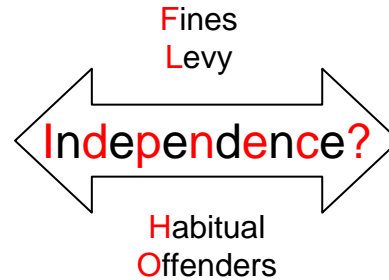
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baggage matching measures airlines argued too costly & enrage passengers.  
commission delayed immediate implementation

Something wrong with levying the same fines year after year

# Airlines

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# FAA

regulatory agency acting as watchdog

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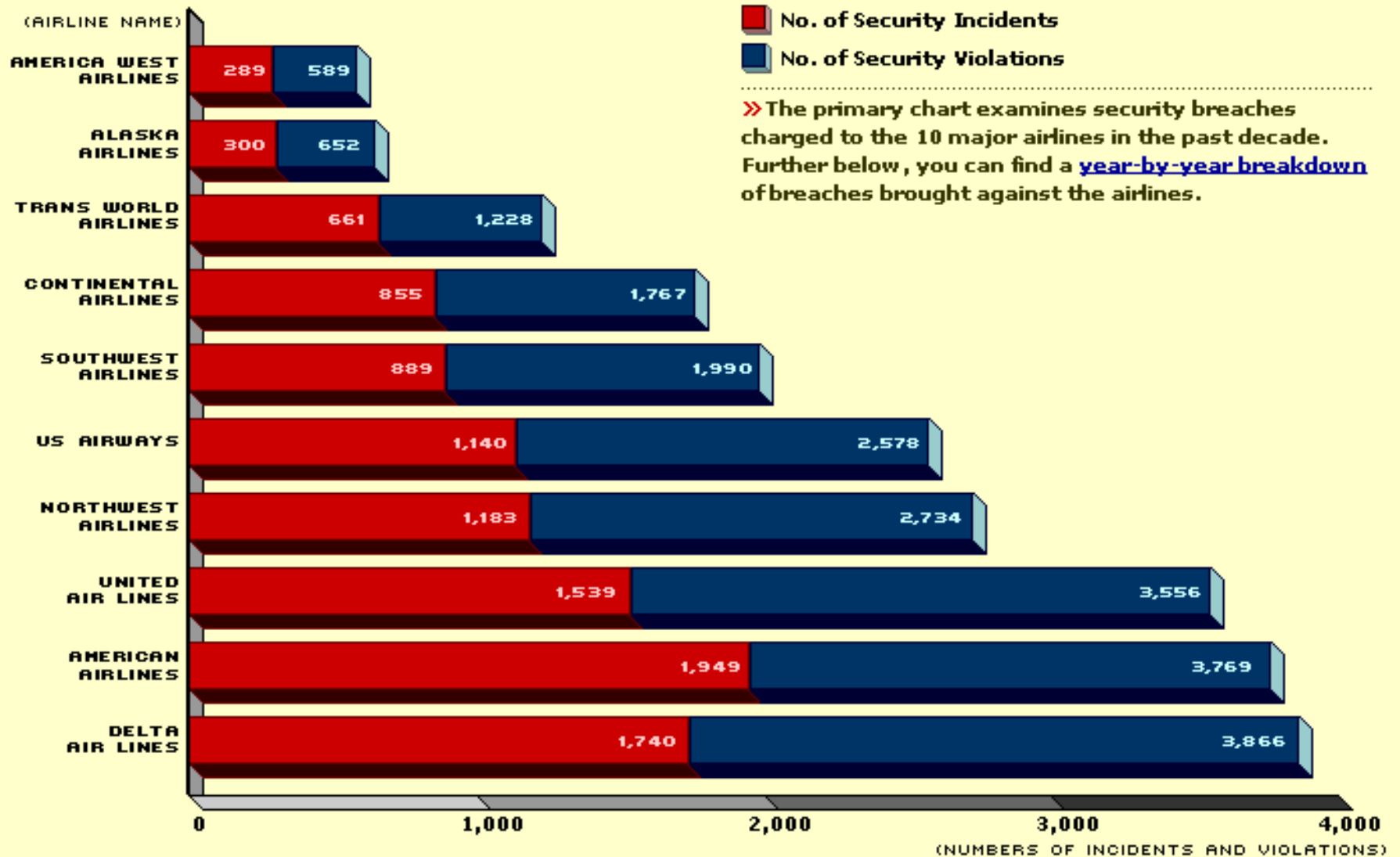
# **Security Incidents in the Decade**

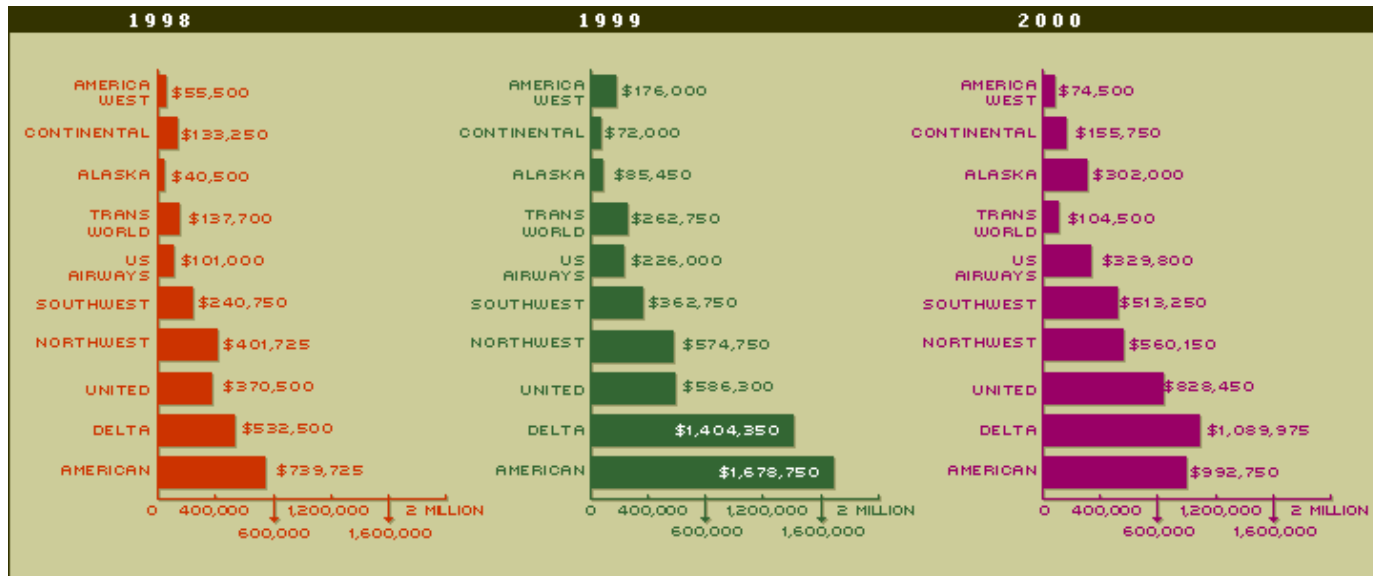
**American Airlines**  
**(hijacked 11/09/2001)**  
**1<sup>st</sup> highest**

**United Airlines**  
**(hijacked 11/09/2001)**  
**3<sup>rd</sup> highest**

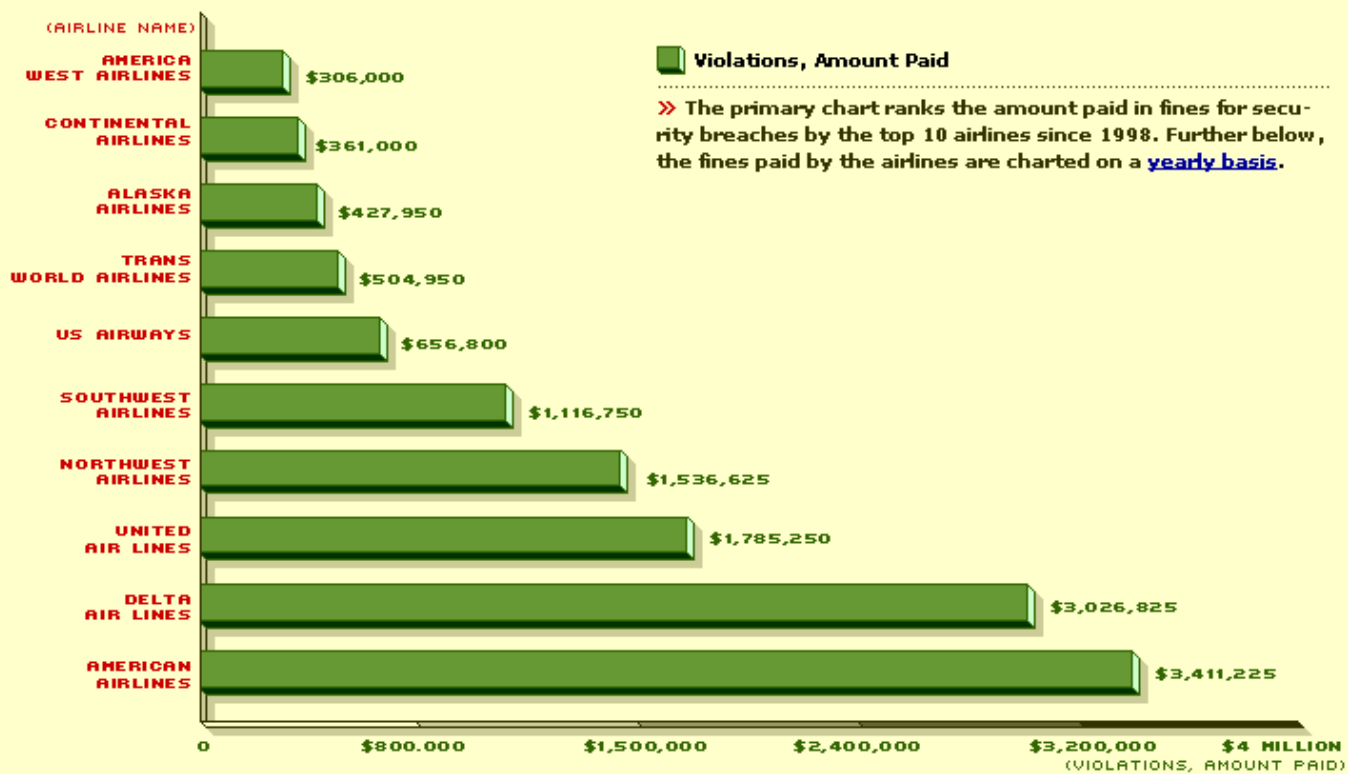
**American & United paid > \$5 million FAA fines 1998-2001**

## 1991-2000 TOTAL AIRLINE SECURITY INCIDENTS AND VIOLATIONS





#### AMOUNT PAID FOR SECURITY VIOLATIONS 1998-2000



# Lowering Costs!



and, **at what cost?**

14 (out of 90)

families of 9/11

victims settle suit

CNN, 19 September 2007

2 weeks after the attacks, Congress created the victims compensation fund to help the families of those killed and the injured survivors. The fund was also designed to discourage lawsuits against American & United airlines, the carriers whose jets were hijacked in the plot. Those who accepted payment from the fund waived their rights to sue individual companies.

Some families **opted not to accept** money from the fund and sued **United Airlines, American Airlines** and **Argenbright Security**, which was **released from its contract** by the **Department of Transportation** in **2002** amid **allegations** of **inferior security standards**.



The rhetorical question is whether airlines, or other corporations, finance political campaigns of major parties, so as to wield 'some' influence over political oversight, given that politicians are left with no option but to offer 'protection' to their benefactors at the expense of the citizenry?

The **p**roblem thus is with this **unholy union** between the economic (agora) and political (pnyx) space, which seem to **p**rivilege their interests, with the *unintended result* of a **p**olitical oversight that **sanctions** the interests of the **e**conomic space to the **detriment** of the **p**olitical space.

A large, light gray number '3' is centered in the background. It has a thick, rounded font style with a white circular cutout in the middle.

**C**onsumer-C**C**itizen

global boom in hi-tech industry, financial services & media service organisations, which represent the new cultural ideal of the new capitalism despite being only a small part of the whole economy, exerts a profound moral and normative force as a cutting edge standard for how the larger economy should evolve.

Avatars of new Capitalism proclaim their reconfigurations

Work + Talent + Consumption

=

More *Freedom*

Free Market = Freedom & Democracy

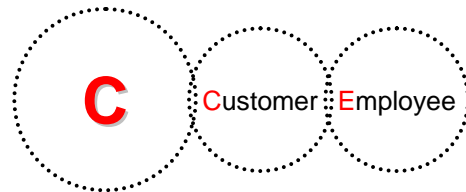
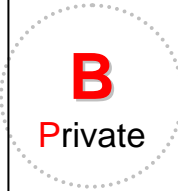
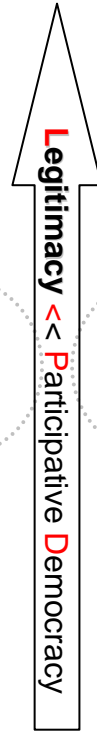
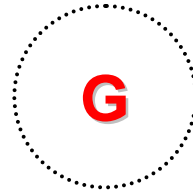
*nexus*

which brings Agora & Pnyx together

{ God } ↔ { Kings/Queens } ↔ { Interest Groups: Merchants/Guilds } ↔ { Individual Citizens acting as a whole }

Freedom  
Democracy

Free Markets  
Efficiency



Pnyx

Agora

If Individuals do not occupy their legitimate position, then it will be occupied by God, King or a Coalition of Interest Groups.

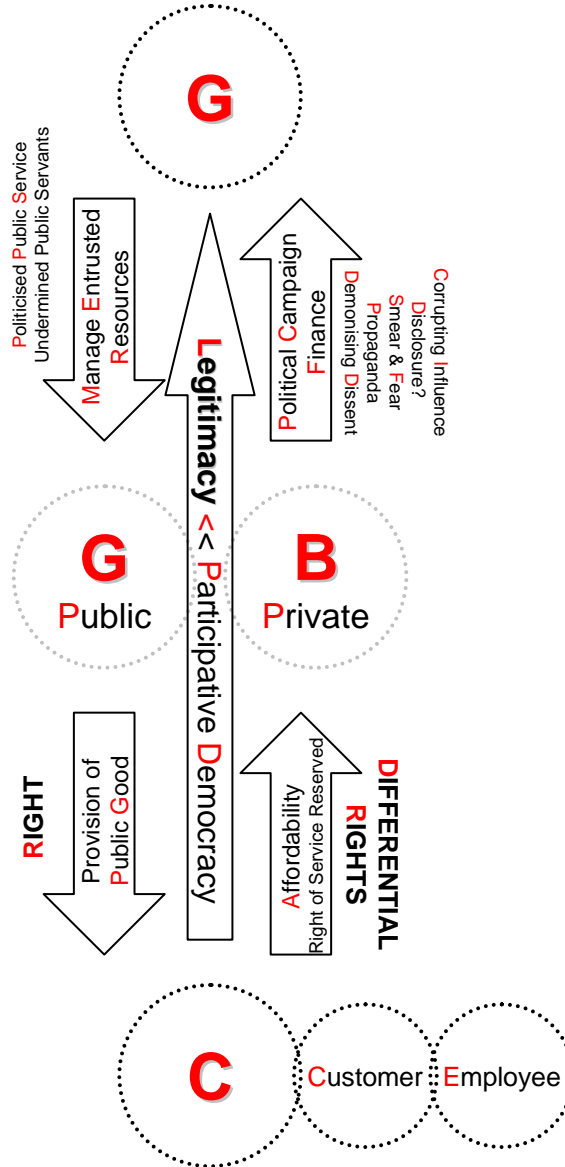
{ Slave } ↔ { Subject } ↔ { Citizen } ↔ { Consumer Citizen }

“the king's head was not taken off because he was king, nor the lords laid aside because lords – but because they did not perform their trust.”  
Oliver Cromwell (1599-1658)

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Freedom  
Democracy

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Efficiency



Control



Accounting

Globalisation  
Foreign Ownership  
Speculators  
Complexity  
(Cooperation vs Collusion)

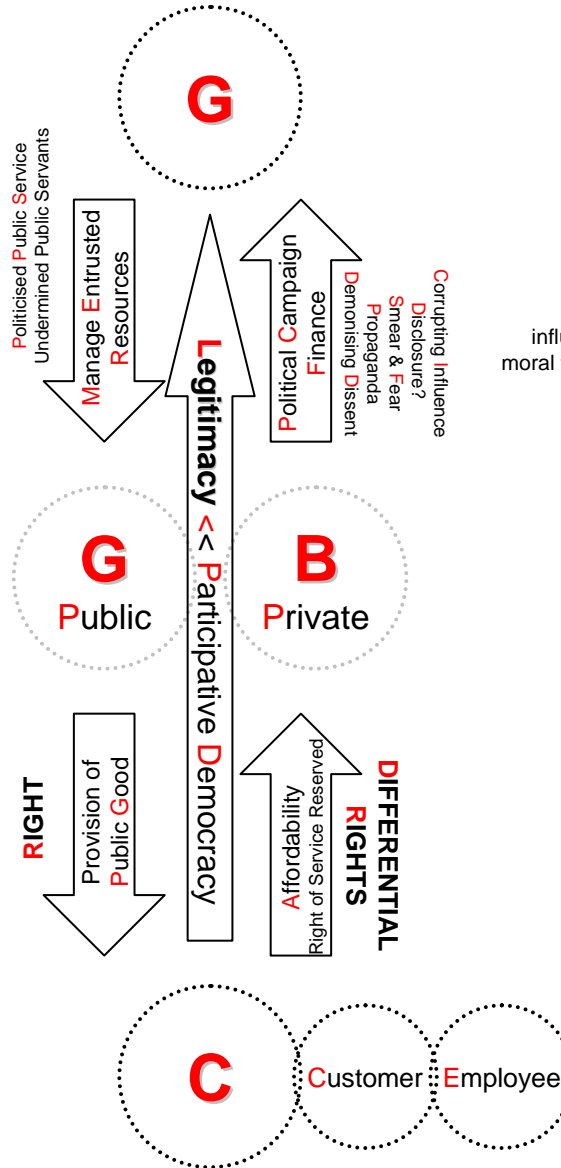
influence over anything subject to economic calculation  
moral technology privileges specific socio-economic relations

Problems?

coupled to [Totalitarian/Democratic]  
imprecise language [A=L+OE(R-E)]  
dubious objectivity  
contestable P&L = real consequences  
[mass lay-offs, obscene rewards, etc]  
technically abstract & ambiguous  
non-transparent practice

Results?

tangible freedoms or lack thereof



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**Surveillance**

used due to perceived economic efficiency  
driven by procedural fairness + impartiality  
dubious as to its accuracy + precision

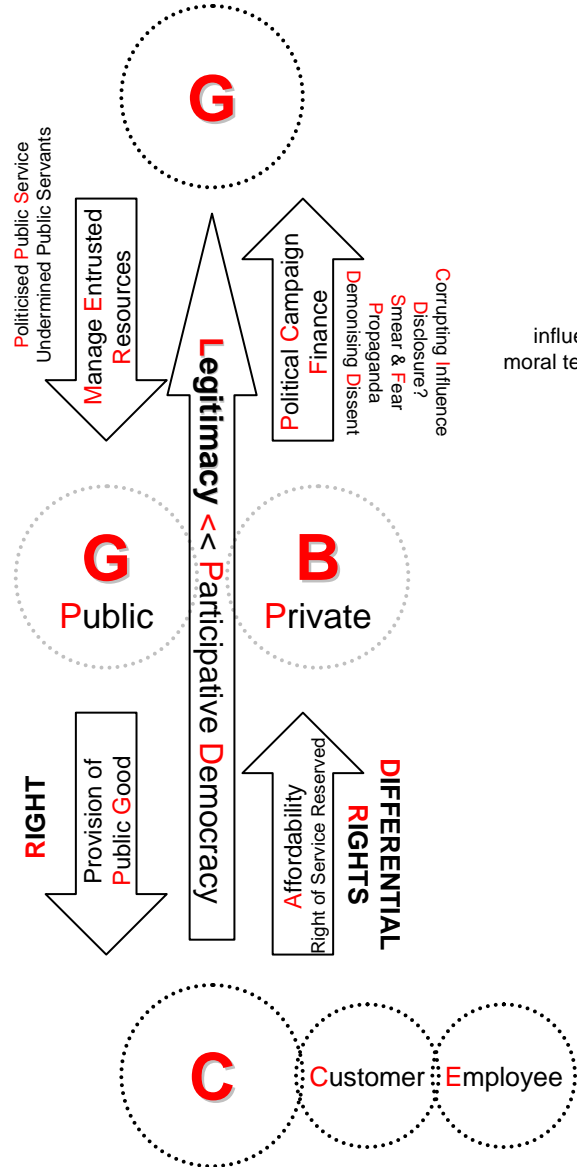
**Problems?**

ambiguous practice within society

**Results?**

misinformation + misinterpretation

**Agora**



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**Freedom  
Democracy**

**Economic Growth Dominance**  
State adopted private a/c practices + norms

Result?

**Consumer-Citizen**

Ressentiment vs Self-Consuming Passion  
Packaging vs Deliberation  
Passive (motor of fashion & planned obsolescence)  
vs Active (branding & potency)

Freedom due to self-consuming passion?  
aren't people free when they transcend in spirit  
what they directly know, use or need?

**Surveillance & Privacy**

we don't limit what we want to what we can actually do with it

Privacy: infringement of privacy, attack on freedom ??

Illusion enervates shaping of hope contributing to our own passivity

**Free Markets  
Efficiency**



**Control**



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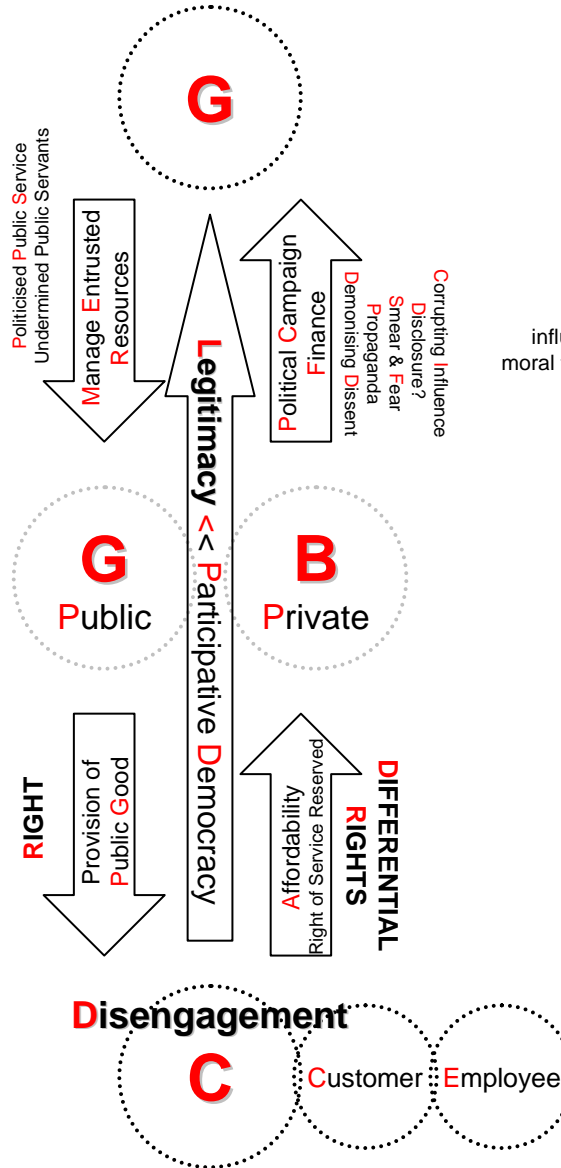
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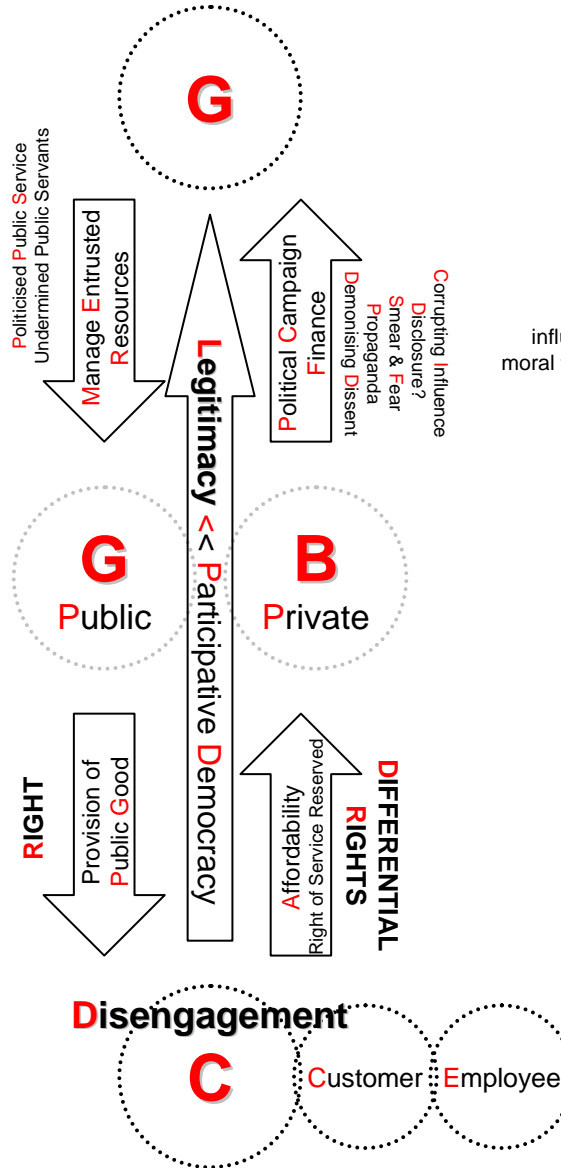
Illusion enervates shaping of hope contributing to our own passivity  
5 ways turn consumer-citizen away from progressive change

1. Consensus politics (shared political platforms)  
business friendly, socially inclusive & immigrant ambivalent
2. Gold-plated differences  
re-contextualisation of the fact. (Muslim terror to justify wider powers)
3. Discount "twisted timber of humanity" (interpreter technology)
4. Credit user-friendly politics  
consumer-citizen disengage from complexity (privacy/transparency).
5. Continually accept new political products on offer  
(free-floating anxiety), e.g., "if you see something, say something"

Agora-Pnyx convergence shifts engaging to passive c-citizen  
Q: legitimacy of democratic process driven by cultural forms which celebrate  
personal change & indifference, not collective progress

Pnyx

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**Free Markets  
Efficiency**



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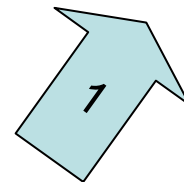
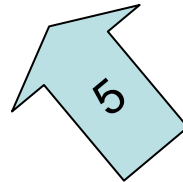
**A**nalytics of  
**C**omplexity

Corporatisation of the public service (Saul 1997: 76) was a calculated assault on the independence of public servants, which hindered any meaningful analysis on policy, regardless of whether it may be contrary or not, to the policy line of the government of the day.

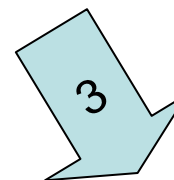
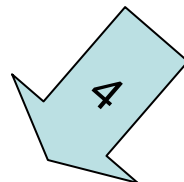
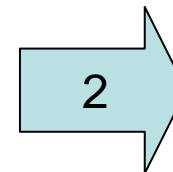
Rosenhead (1995: 311) explains the 'robust simplicity' by which those think-tanks justified their policies.

*It starts with strong value assertions and then proceeds directly to detailed prescriptions. Argumentation is intuitive (with a 'public choice' flavour), and proposals are not costed or quantified. There is appeal at most to anecdotal evidence, but certainly not to research.*

disbanded 15  
Central Policy  
Review Staff  
(CPRS) replacing  
them with 8  
comprising PM  
Policy Unit (PU)



## Thatcher's public reform



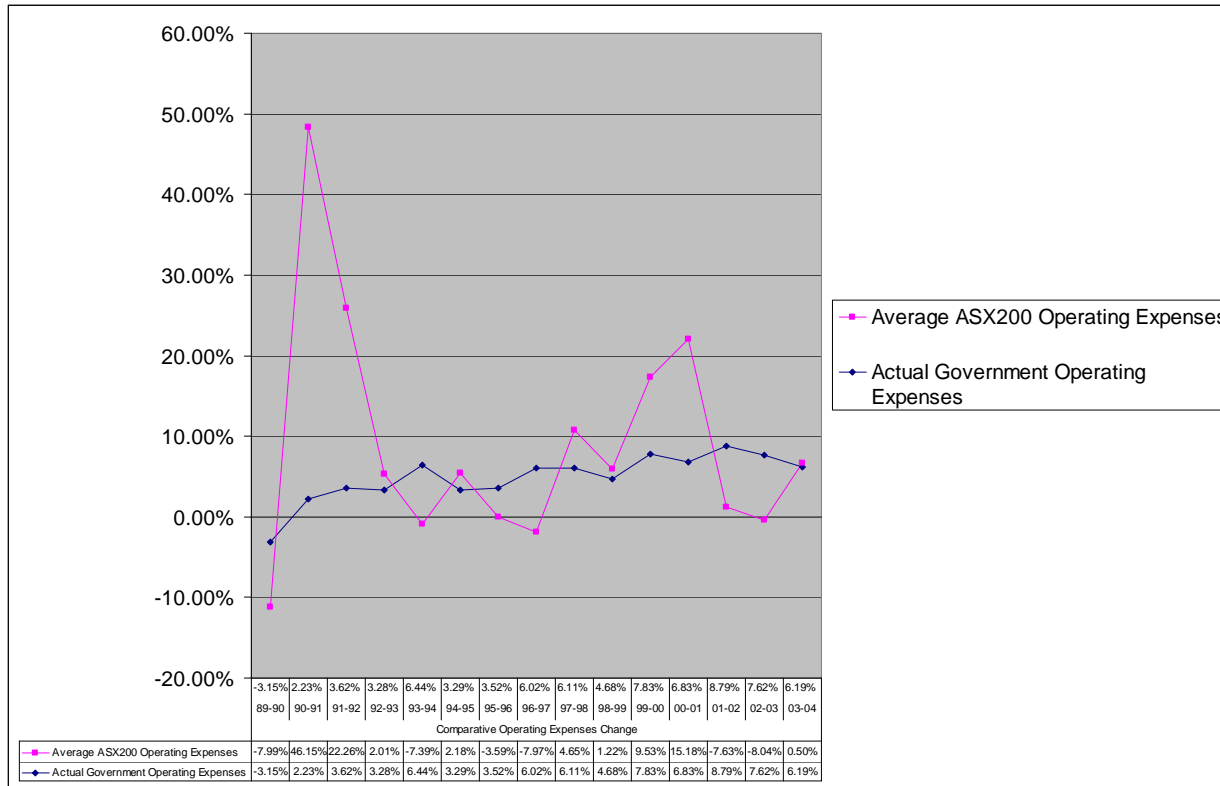
PU didn't do long-term or large-scale studies, but rather offered advice on 'current' matters, with dead-lines from an hour to few days.

Rosenhead argues that her Policy Unit "did not, could not, originate the flood of radical but untested policy ideas" which reached Cabinet, as many emerged from right-wing think-tanks, and the Policy Unit was simply the messenger.

advice didn't go to Cabinet for rebuttal or debate by departmental ministers. It was for her eyes & ears only, given that PU was not a Cabinet Office body.

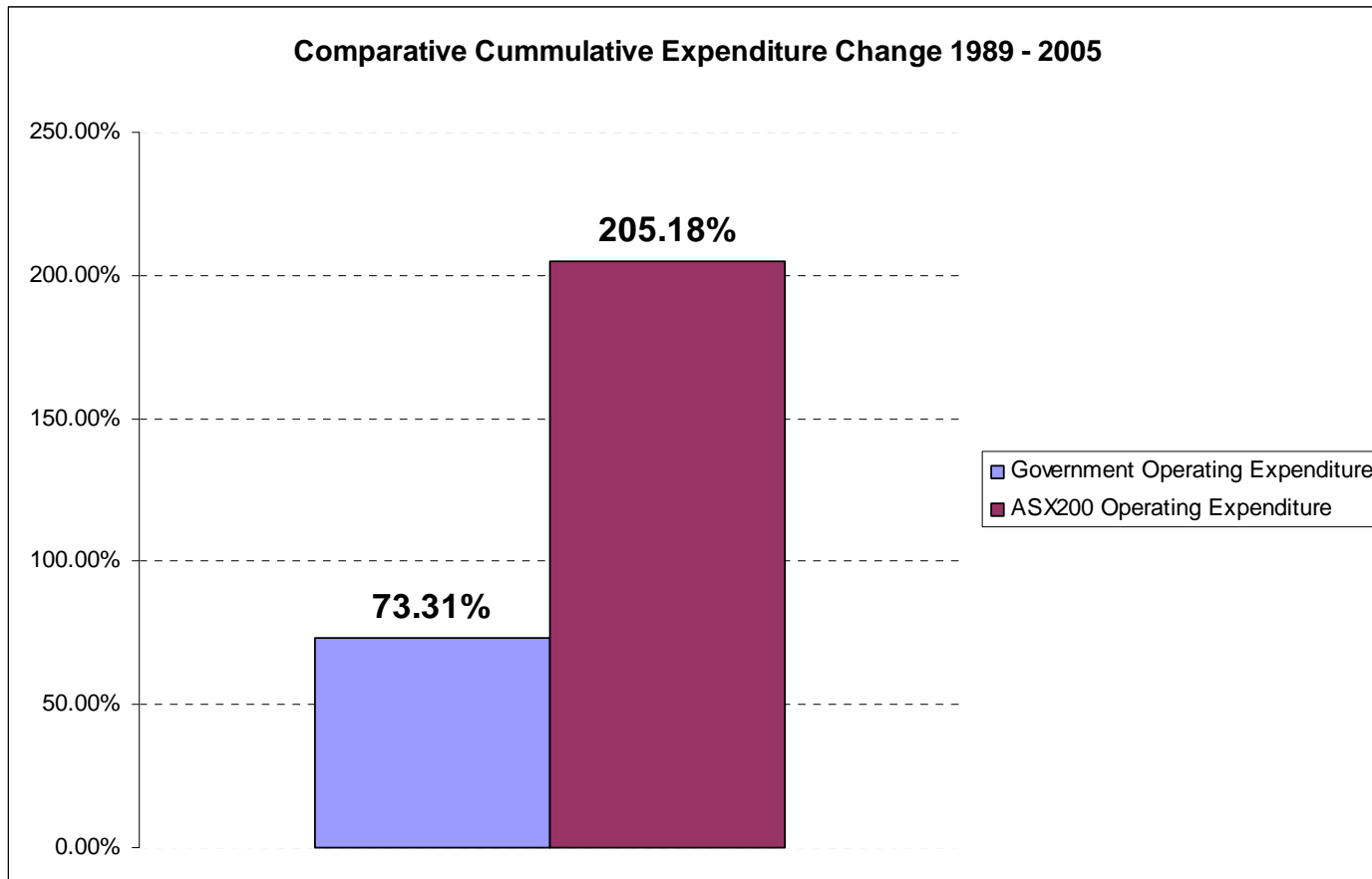
The preceding account  
of events seems  
hauntingly familiar,  
wherever economic  
rationalism is  
dominating public  
policy discussion.

Nor is the problem that the **public**  
**bureaucracy** in particular has become  
so bloated as to be **uncontrollable**.

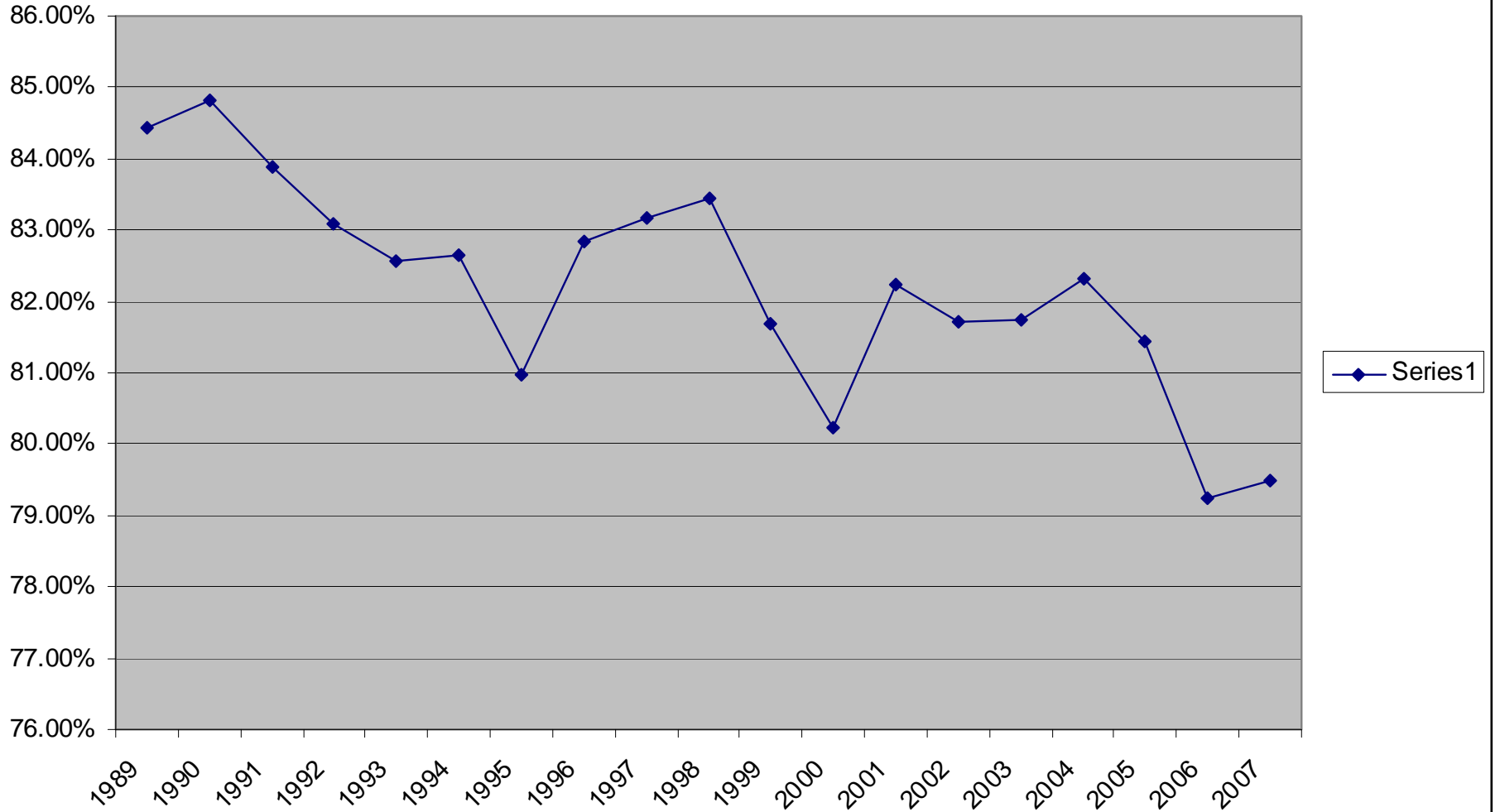




I would suggest that today the problem of **managerial dead weight** is **far greater** in the **private sector** than in the **public**.



## Average ASX200 Operating Expenses / Total Revenue



A catastrophic retreat from  
reason in public affairs, in  
which a quasi-mystical  
ideology attributes magical  
powers to the markets

(Saul 1997: 80, Stiglitz 2002: 138, Glyn:2006: 77).

Markets are thought to be correcting government malfunctions (rather than vice versa). Infrastructure Privatisation, can only produce “a market which is artificial, rigged, imperfect and imperfectable” (Rosenhead, 2006).

For the **uncritical** mind that dwells with fervour for **intelligent design**, the market is seen as a ‘**pseudo-natural**’ phenomenon, which **substitutes** for the exercise of **collectively rational choice**.

The elevation of the market  
to almost divine,  
omnipotent, omniscient  
status has been at the  
expense of the down-  
grading of rational choice  
based on analysis.

It is of no surprise then, that  
hyper debate concerning  
public policy issues such as  
surveillance is taking on  
similar omniscient status  
inflating surveillance into  
überveillance.

Rosenhead (1995: 316)

**rhetorically** asks the question of how can **diversely interested** parties, many of them largely **excluded** from **influence**, become **active** and **effective** advocates in public **debate** when **analysis-free** policy is on offer?



# 'analytic capability'

would help us shape, discard and manipulate information in order to **understand** our situation, devise an appropriate **strategy**, and **advance** convincingly our own *problematique* or to garner support for our causes or to **undermine** or **demolish** competing propositions.

**Freedom**, then for Rosenhead (1995: 319), is **not** just an **individual** matter. The **complexity** of issues in our world, are no longer affecting social life details but predominantly its **structures** and **opportunities**. Individualised **responses** are **ineffectual**, when only **collective** responses backed by **critical analysis** can effectively **confront** the **totalising** discourse of the **powerful**, and force its own **reality** on the public **agenda**.



**C**onclusion

## 3 challenges facing the transparent society

1. **Unholy union** between the economic and political space is problematic
2. evolution of the **passive consumer-citizen**
3. **Corporatisation** of government & analysis-free policy

The **paradox** of our time might be: if the **passive** citizen-consumer will be **'bothered'** to seek the *right to analysis*, so as to be able to **engage** in the **democratic** process.

“What is common to the greatest number has the least care bestowed upon it. Everyone thinks chiefly of his own, hardly at all of the common interest.”

Aristotle

In an  
underpopulated  
world this may not  
matter, but in our  
overpopulated world  
it is disastrous.





Ideology  
separate us,  
dreams & anguish  
brings us together.