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EAST-WEST COSMOPOLITAN ETHICS: ADDING VALUE TO GLOBAL SOCIAL EXISTENCE

Leon Miller[I]
Tallinn University of Technology, Tallinn, Estonia

ABSTRACT

Harvard University economist and social scientist Talcott Parsons defined culture as an outlook on reality (a world view) formed by a social group as a conceptualization of its understanding of how to shape out of the conditions of existence maximized chances for survival, satisfaction, and increased enjoyment of life (this is true in both the East and the West). Parsons' understanding of human social endeavors has an economic aspect in that is conceived of society as consisting of a plurality of individuals who have learned to interact together in such a way so as to shape out of their social and natural environments the optimization of material gratification. In this respect - from both the Eastern and Western perspective economics is inclusive of social normative prescriptions that are established - on the basis of collective reflection - in order to determine what is best for realizing the good life (i.e. happiness, flourishing, prosperity, and well-being to use Aristotle's description of the good life). This makes the good life the end value that human social and economic endeavors are meant to achieve. However, the natural forces that generated culture eventually prompted civilization (kingdoms, empires and nation states) and now civilization has evolved to the level of global social existence. Because the global is now localized (and vice versa) plus the market plays a major role in maximizing material satisfaction and the ability global citizens have for experiencing the value they seek there is increased concern for how to assure the delivery of real value. For this reason economic cosmopolitanism is increasingly recognized as a vital source for creating the value that is added to the services and products delivered to global citizens.

JEL CLASSIFICATION & KEYWORDS

■ A13 ■ VALUE-SPHERES ■ COSMOPOLITANISM ■ TIANXIA ■ PROVIDENTIAL ■ PROPOSITION(S)

INTRODUCTION

"The dignity of the 'personality' lies in the fact that for it there exist values about which it organizes its life; - even if these values are in certain cases concentrated exclusively within the sphere of the person's 'individuality,' then 'self-realization' of those interests for which it claims validity as values, is the idea with respect to which its whole existence is oriented" (Weber, 1949, p. 55).

The former Chairman of the London School of Economics, EU commissioner, connected with the establishment of the ERASMUS program, and former head of WTO - the renowned Peter Sutherland - states that the fact of interdependence demands an approach to policy making that can reduce conflicts over values that until comparatively recently were regarded as exclusive and an inevitable cause of a clash of civilization (Sutherland, 1999, p. 48). A preferred perspective views values as ends that are not only desired because they enrich each culture but,as well,because creating value is essential for enriching global social existence. That is to say that in spite of the enormous difference in conceptions of value (e.g. the unreconciled differences between social value theory and economic value theory, the value placed on individuality,the preference in some cultures for personal sacrifice for the common good, and whether or not policy-makers should intervene in the market) there is universal agreement that social existence is the means by which cooperative relationships can be organized in a way that increases what is considered valuable.

Harvard University economist and social scientist Talcott Parsons thought of society as operating on the basis of normative principles that promote behaviors that are believed to maximize chances for survival, satisfaction, and the enjoyment of life (this is true in both the East and the West) (Parsons, 1991, p. 3). Parsons' understood social interchanges to have an economic dimension in that he conceived of society as consisting of a plurality of individuals who interact with each other in such a way as to shape out of their social and natural environments the optimization of material gratification (Miller, 2014, p. 148). In this respect from - both the Eastern and Western perspectives - economics (one of the most important disciplines of the social sciences) involve a set of social normative principles that are established (on the basis of collective reflection) in order to guide social behavior toward maximizing the chances of enjoying the good life (happiness, flourishing, prosperity, and well-being to use Aristotle's description of the good life). In this sense the good life is the end value that human social and economic endeavors are meant to achieve.

Economics, according to one of the foremost economist of the 20th century - Alfred Marshall, are acts carried out by individuals and social groups to obtain value ends that are believed to create a satisfying life (Marshall, 1980, p. 1). He then stressed that the material aspect of social existence is only a part of a larger social sphere in which economics is embedded. Marshal believed that social life is divided into two main categories - mundane material pursuits and higher cultural ideals (Marshall, 1980, p. 1). Marshall regarded economic activity as reflecting a shared understanding of how to organize the relationship that the members of the society have with each other and the connection the society has with the natural order into outcomes that are more beneficial for individuals and for the entire society. This challenge has now been expanded to the extent that economic activity encompasses the human effort to shape global relations (and the use of the world's natural resources) into outcomes that are beneficial for individuals and for the global public (the common good).

That is to say, the forces that gave rise to culture - in the form of ethnic tribal groups and villages - eventually prompted the emergence of civilization (tribal-village groups were expanded into social, economic, and political units that

[I] leonmonroemiller@yahoo.com

took the form of kingdoms, empires, and ultimately nations).

At the midpoint of the second decade of the 21st century civilization has progressed on to the global level which is now beginning to clearly make evident the emergence of global social existence, global social networks, and a global civil body. Given the fact that the global is now localized (and vice versa) the end value that individuals and social groups desire to achieve (regardless of what culture or nationality the individuals and the social groups represent) is increasingly dependent on the value commitments (plus the ethics and guiding principles) of a diverse number of agents who operate at various points and in various geographical locations along the global value chain.

This means that today various agents from diverse cultural, ethnic, and national backgrounds are determining what value is added to the products we rely on for nutrition, security, health, and/or the enjoyment of a better quality of life. The fulfillment of the values sought by individuals, regardless of cultural background,can only be realized if the global market truly operates on the basis of the principle of adding value at the various stages of the global value chain. This article argues that the principle of increasing quality by adding value - which is believed to improve both organizational and economic performance - is fundamental to the economic cosmopolitan approach for satisfying the value interest of global consumers(which makes it a viable approach for planning global economic relations).

This is true because today most people will not turn directly to nature in order to shape out of natural resources what is needed to fulfill their material needs. Most people today will merely rely on the value propositions offered at various locations in the globalized economy. Thus, regardless of cultural background material satisfaction for today's global consumer is primarily dependent on the value proposals offered by global market agents. This means that because social existence today is shaped by an interdependent global market and supplied by an interconnected global value chain the satisfaction, quality, and value one is hoping to experience is dependent on a complex array of what Max Weber called value spheres(Weber,1949, p. 15-17). The global market for Weber is the place where individuals enjoy ever increasing possibilities for experiencing what they find meaningful, beautiful, of worthwhile quality, satisfying, and pleasurable (Weber, 1949, p. 50-55; Weber, 1978, p. 63-65). However the fact is, as Weber critically implied, the value proposition offered by the global market only truly satisfies the end values that individuals and social units seek if economic activity becomes a global strategy for increasing both economic and social value by establishing a complementary connection between the two.

This article argues that the increasingly worldwide acceptance of Kantian ethics in the form of the Universal Declaration of Human Rights (and the aspects of his ethics that promote mutuality, win-win outcomes, Perpetual Peace, improved interpersonal relations, and improved interstate relations) is reflected in the increased appreciation of Cosmopolitan Ethics (which includes the Kantian slant on economic cosmopolitanism). This article analyzes the ethics of cosmopolitanism and the contribution it makes to the effort of social scientists to develop a theoretical framework for global social existence. The article proceeds in the following manner: the first section introduces economic cosmopolitanism as a strategy for expanding zones of beneficial cooperation, the second section argues that the value produced by the market and offered to global consumers proves to be of higher quality if market agents truly add value at each stage of the global value chain, and the final section analyzes cosmopolitan economics through the lens of Schumpeterian economic philosophy and his ideas about how entrepreneurial activity creates value that has social benefit.

Cosmopolitan Economics: expanding zones of beneficial cooperation

David Held defines economic cosmopolitanism as a global economic strategy for "Enhancing people's capacities for pursuing their own projects - individual and collective - within the constraints of community and the interdependence between communities" (Held, 2010, p. 108). Held points out that although the roots of cosmopolitanism are ancient the recent theoretical explanations of its principles refer to Kantian ethics and its emphasis on a consensus and/or collaborative approach to decision-making in which individual viewpoint[s] "Enjoy impartial consideration in public deliberation and argument [meaning that] the equal moral worth of persons should be recognized by all" (Held, 2010, p. 15). Cosmopolitanism refers to: social-political value propositions that outline a strategy for collective security, Perpetual Peace, and transacting on the basis of the principle of mutuality (a type of reciprocity better known as human rights) (Kant, 2006, p. 67-109).

Kant envisioned that the principles of Cosmopolitanism would improve relations between individuals (social), states (political - as well as having implications for how to achieve the common good), and with the natural order (environmental - although Kant does not emphasize environmentalism to the extent that Aristotle did it is there is his works - especially in his works on aesthetics). In other words cosmopolitanism concurs with the natural law concept that stresses the allegiance owed, first and foremost, to the moral realm of all humanity, not to the contingent groupings of nation, ethnicity, and class. Because economic cosmopolitanism is firmly rooted in the same ethical perspective that fosters the Universal Declaration of Human Rights supporters claim that it is a viable basis for relations between cultures and for building global social existence (Held, 2005, p. 10).

To understand why the principle of Cosmopolitanism is important to global social existence it is important to keep in mind the definition of culture provided by Parsons (i.e. socially organized or cooperative means for increasing satisfaction). Today with civilization having advanced to the global level social scientists are faced with the challenge of formulating a theoretical model for shaping global social existence into beneficial outcomes for global citizens. In other words, by conceiving of global social existence on the basis of Parson's definition of social formation scholars are pressed to devise a theoretical strategy for global political economy that is inclusive of a normative prescription for maximizing outcomes considered beneficial and satisfactory for individuals and for societies (such normative principles will undoubtedly be influenced by the Cosmopolitan model for strategizing international relations). Such principles are needed to reconcile the dichotomy between the social, political, and economic differences existing between the East and the West and will provide a strategy for reconciling social value theory and economic value theory.

Professor Emeritus of Economics at University College London and senior policy consultant for the European Policy Center, Nigel Harris argued that to understand what kind of problems need to be reconciled in the world we are entering (or the world we are shaping for ourselves with our operative principles) one needs clarity on how the future socio-economic strategies will eliminate the dichotomy between established market ethics and the ethics demanded by

Cosmopolitanism (Harris, 2003, p. 2). Economic cosmopolitan ethics are a means to reconcile this difference because they are consistent with the principles of international relations as conceived by Grotius (the father of international law who proposed that international relations reflect principles consistent with the natural order or what is referred to in contemporary jargon as natural law/natural rights) and that such an approach to both international relations and global social existence can reconcile individual interests with the common good and/or reconcile the dichotomy between Economic Realism and Economic Liberalism (Rawls, 1999, p. 64-67).

Cosmopolitanism according to Harvard scholar of international politics the late John Rawls (considered as one the most respected social and political philosophers of the last century) grounds its value theory on an ontological and epistemological knowledge-basis that is reliable (e.g. the Cosmopolitan principles of mutuality, respect for individuality, cooperation, and fair distribution) which is nearly universally operable (Rawls, 1971,p. 4; Sen, 1999, p. 242-244) where he supports Cosmopolitanism tempered with Constructivism). It thus establishes an ethical basis for our relationship with each other and with the environment (thus has implications regarding the role of natural law in both classical economics and environmental economics), plus establishes a connection between respect for cultural differences, global financial and economic stability, and research into the most effective social economic strategy for the governance principles needed for global social existence.

To appreciate the significance of economic cosmopolitanism (as a basis for global economic activity and global social existence (i.e. what it offers in terms of promoting an integration of both social and economic value) one must reflect on the interface between social science and economic philosophy that dates back before Adam Smith and the Physiocrats - and the Scholastic Doctors - back to the roots of Western Civilization's thoughts on economic philosophy to Aristotle's political economy (e. g. Aristotle understood the concept to mean a complementary connection between the "Government of Nature," and how humanity acquires the resources needed for social flourishing) which is the form of economic philosophy that was dominate in Europe and inherited by Adam Smith. Aristotle thought of economics as the science of obtaining the material aspects of what is needed to make social life enjoyable (what he called a collective endeavor to achieve the good life).

That is to say that Aristotle thought of economics as a type of social knowledge that pertains to the complementary (or ontological) connection between appearances (legetai kath' hypokeimenou) and that which is manifest as appearance (en hypokeimenôi estin) which is akin to Adam Smith's notion of the invisible hand (Heidegger, 1973, p. 5-10). In other words, for Aristotle,a proper understanding of the epistemological and ontological foundation of economics insures the ability to discern the role that economics play in the pursuit of eudaimonia (which this article referred to earlier as Aristotle's understanding of how to achieve happiness, prosperity, and well-being and his understanding of the strategy necessary for each unique socio-economic context to realize the aims of economic pursuit). Aristotle believed that the ontological forces shaping social existence ($\Psi_{\upsilon\chi\acute{\eta}}$) are manifest as bona fide social processes that result in flourishing when each aspect of the nature-culture relationship exists in complementary relation with all other aspects of social-economic activity(Aristotle, 350 BC, p. 5-17). In this respect it must be kept in the mind that Aristotle's economic philosophy prescribes a viable approach to dealing with the environmental challenges that humanity is confronted with today by promoting sustainable management of natural resources and prescribing mutuality (equal rights) as the basis for how individuals organize their relationship with what is considered to be the proverbial other.

Max Beer describes the pre-classical influence on European economics as an environmentally oriented approach to social economic planning that was based on the cosmopolitan view that promotes "The love of humanity and an ardent desire to establish peaceful intercourse between nations" (Beer, 2014, p. 181). Beer believes that pre-classical economics represents the noblest period in the history of liberal thought and ethics (Beer, 2014, p. 181). Certainly this perspective on economics had an influence on Adam Smith's notion of providential economics which places a heavy emphasis on ontology(i.e. the significance of the natural order in economic activity, the belief that natural forces would shape human exchange into outcomes beneficial for individuals and the common good, or, in other words, what Adam Smith famously referred to as the "The Invisible Hand").

The fact that cosmopolitanism places a heavy emphasis on the natural order (the laws of nature thus science and, as well, emphasizes maintaining an appropriate relationship with the natural order) means that there is a clear naturalistic vein to its methodology. However because cosmopolitanism is interdisciplinary (inclusive of the social sciences, economic positivism,normative economics, and legal positivism) it is based on a methodological approach that Ulrich Beck calls "Social-scientific - a meeting of the normative and empirical" (Beck & Sznaider,2010, p. 385 & 388). That is to say that cosmopolitanism is akin to naturalism in the same sense as science (which is not culturally exclusive). Because of this fact those who embrace cosmopolitanism assert that the laws of nature apply universally (although each culture decides how to formulate their cultural response to the natural order into a unique cultural world view, particular cultural artifacts, and a unique view on social economics).

In fact, recent Chinese reforms are based on the premise that economics is a science - although one of the social sciences - involving knowledge of how to improve human/social relations and the nature-human relationship. Indeed there are already a large number of scholars who wonder if China's traditional ontological view of existence - its yin-yang model of the nature of existence which advocates that what seems oppositional, thus resulting in tension, can actually be regarded as complementary thus creates harmony - will in any way manifest as a Chinese value perspective from which to view global social and economic relations. A close scrutiny of China's sudden and surprising rise to superpower status reveals that China's proposal for economic reform indeed resonates with the principles of cosmopolitan economics (to the point that the term Chinese economists use to identify its reform can be translated as cosmopolitan).

Ethicists have long recognized that there are basic value perspectives in the traditional Chinese world view that are highly compatible with Aristotle's Virtue Ethics and Kantian Cosmopolitan ethics. For example the current Chinese model of economic reform is based on a concept called Tianze yanjiusuo (which is the name of an outstandingly progressive approach to current economic strategizing in China proposed by The Tainze Yanjuisuo (The Unirule

Institute of Economics). The Tainze Yanjuisuo employs a mixture of the top governmental and academic economists. Yanjiusuo merely means institute thus to clarify the current Chinese approach to globalizing its market one must take a close look at the meaning of the term tian·ze. Anyone remotely familiar with Chinese knows that Tian refers to Universal principles. But the reason why tian·zereflects Chinese economic thinking and the compatibility that current Chinese economic planning has with Cosmopolitanism is even clearer when understood in light of the roots of the concept tian·ze which istian sheng zheng min, you wu you li - 天生烝民, 有物有则 - "The same forces that gave birth to the natural biological aspects of existence gave birth to humanity and human culture and all are subject to the forces shaping the natural order."

Viewed from the perspective of current Chinese economic thinking this approach proposes that everything follows the pattern of the Tao (the principle underlying the yin-yang concept) and all social, economic, and political activity proves to be more beneficial when they adhere to the fundamental ontological principles of reality. From the perspective of Chinese economics when market exchanges take place on the basis of Cosmopolitanism the exchange can be described as tianxia wei gong - 天下为公 - (i.e. a concept that dates back to The Chinese Book of Rites which means when social-economic activity is planned in accordance with the principles of the Tao the outcome creates a public and common spirit that promotes harmonious interaction with all under the sky) (Confucius,1885, p. 364-365). On the basis of the fact that) - according to its advocates - although contemporary Chinese economic planning has deep historical roots its cosmopolitan economic philosophy (tianxia wei gong) is compatible with Western economic Cosmopolitanism thus has international validity and value. Such grounding is made possible by the universal respect for the natural sciences and recognition that establishing a better connection with the natural order is essential to global social existence. However, it should also be noted that these environmentally oriented principles are not yet evident in China's environmental practices.

Adding Value to Global Social Existence

The connection between the value creation concept, the Chinese economy, and China's social-economic value theory is significant because it is a good example of how Cosmopolitan economic ethics work in relationship to the global value chain. That is to say that the value global customers are seeking is dependent on the value convictions of many agents along the global value chain and supply line. China's role in the global value chain is evident in Nokia's smartphone, Apple, Nike, General Motors, Cisco Systems, Coca Cola (and the list goes on) which are all produced in China. A study conducted by the World Trade Organization (WTO) and the Organization of Economic Cooperation and Development (OECD) indicate that the integrated system of creating and delivering value is another feature of global interdependence and, as well, indicates why the satisfaction of our value expectations are dependent on globally interconnected value chains.

In this respect China's development is not just a reflection of its cosmopolitan commitment to economics, its availability of natural resources, and its enormous workforce, but as well, reflects how well China has integrated itself into the global value chain. The value creation dimension of global market activity, to a great extent facilitated by information communication technology, has allowed developing countries to become "Destinations for the outsourcing and off-shoring not only of industries but also of sophisticated services" (Müller, 2009, p. 8). That is to say that economic cosmopolitanism (value creation, stakeholder satisfaction, and adding value at each stage of the value chain) is playing a role in enriching the lives of millions of Chinese by adding value to their lives (in terms of material satisfaction) plus adding value to the lives of untold numbers of global stakeholders.

OECD, WTO, & UNCTAD (2013) report that the value creation concept has increasingly become a basic principle applied to market-customer relations with most global market agents now engaged in adding value to the global supply chain which means that what the customer is experiencing in value is the outcome of value being created and added from everywhere, rather than, as had been true until now, from some particular context (OECD et al., 2013, p. 19). Thus, value creation has become a basic factor in market-customer relations with global market agents now engaged in adding value to the entire global supply chain which means that what the customer is experiencing in value is the result of the value created by various agents, representing various cultural, ethnic and national value perspectives along the global value chain (World Economic Forum, 2015, p. 6-8).

Value is not added to global social existence merely as a result of what suppliers contribute to production and services (as a part of their effort to deliver products to the market). Value is created, enhanced, and delivered on the basis of a globally integrated and networked value chain that operates on the principle of value creation at every step. In order to manage this global challenge and to cope with the increased dimensions of intense competition that accompanies the technological age of economic activity the market has introduced the Cosmopolitan principle that puts the concept of economic value in a new light.

That is to say that "Currently businesses are "Re-defining value offers and joining in collaborative efforts with suppliers to create distinctive competitive advantage" (Martinez & Bititci, 2006, p. 6). Thus, in order to be able to actually provide value in addition to products market agents are intensifying their efforts to create value generating innovation at each stage of the supply chain. In this respect the ability of each individual customer to experience a valued way of life correlates with the value added by (or value commitments of) various agents, at various levels, from various cultures (that is true depending on the extent to which one relies on the market to meet material needs). Economic Cosmopolitanism is a strategy for assuring that the theoretical concept of value creation is applied to each level of the global value chain (the global market) (Fuchs, 2014, p. 46-49). In this way the market will offer the value hoped for by each consumer (by emphasizing that there is a competitive advantage not only by value creation but, as well, that value should be collaboratively co-created to guarantee stakeholder satisfaction).

Famed Critical Theorist and former director of the London School of Economics (who is most known for his scholarship on globalization) - Anthony Giddens - defines globalization as "The intensification of worldwide social relations which link distant localities in such way that local happenings are shaped by events occurring many miles away and vice versa" (Giddens, 1990, p. 64). Giddens refers to this increasing integration of the local and the global as resulting in the necessity to reflect over how "The changes which have affected the self in modern social conditions [challenge the possibility] of a self that is internally referential" (Giddens, 1991, p. 80). Giddens points out that personal integrity, the

achievement of an authentic self, and the creation of a personal value stance are influenced by global media and global market value propositions.

Giddens believes that one's personal value stance is challenged by the fact that the knowledge age economy is influencing a person's ontological sense of self, one's choices about lifestyle, and one's outlook on what is fashionable which subjects individuals and societies to the impact that global market value propositions have on the experience of and the understanding of value. "In conditions of modernity, larger and larger numbers of people live in circumstances in which disembedded institutions, linking local practices with globalized social relations, organize major aspects of day-to-day life" (Giddens, 1990, p. 79). Giddens points out that these value propositions are supplied by a network of global value chains that represent economic and financial corporations (some having more financial resources then the local economies they impact).

Thus, according to Giddens, the value choices that are now made possible by the ICT/technological revolution (coupled with the globalized market and its globalized value chain) is "Ordering life within relatively set channels [which is determining] "The existential terrain of late modern life" (Giddens, 1991, p. 80). In short, Giddens recognizes that if the flourishing of local social-economic existence is based on market agents actually providing the end value that stakeholders rely on for satisfaction then the flourishing of global social existence depends on effectively applying the principle of adding value at each level of the global value chain (i.e. in order to insure the creation of a more satisfying global social existence the market would operate in accord with the principles of economic cosmopolitanism). Thus Cosmopolitan economic ethics are a means of putting in place the principles necessary for assuring that the value demands of global customers are satisfied. In the knowledge-based economy this is achieved by participating in a resource integration network to create what Professor Martina Fuchs calls the globalization of knowledge for the purpose of upgrading value at each stage of the global value chain (Fuchs, 2014, p.41).

Innovation and Cosmopolitan Economic Value Theory

Adam Smith proposed a strategy for increasing The Wealth of Nations that is, in fact, based on - what is referred to as - a providential perspective on economic philosophy primarily thought of in the history of classical economics as the conviction that there is a force built into the ontological nature of existence that guides economic exchanges in such a way that they result in satisfaction for the buyer and seller and also in a way that creates the common good. However, what is not so apparent, to most scholars of economics, is that Smith - as was John Stuart Mill - was influenced by Kant's cosmopolitan ethics and Kantian ethical principles of transnationalism, global economic interdependence, and peace (Risse, 2013, p. 429). Joseph Schumpeter added to these established Cosmopolitan aspects of classical economics by offering the most elaborate statement on the casual relationship between social economics, economic interdependence, and peace" (Risse, 2013, p. 429). Schumpeter anticipated that aesthetics, creativity and knowledge would become essential to generating the value creation dimension needed for innovation. "Throughout much of the twentieth century creativity was totally ignored by economists and cultural aspects were largely ignored" (Sacco & Segre, 2009, p. 285).

Schumpeter envisioned that aesthetics, creativity, knowledge, and cultural values would become essential aspects of the creation of value concept, innovation, economic growth, development, and sustainability. He realized that by analyzing the basic key factors of economic theory, which attempted to explain economic growth, we can identify a specific role played by cultural and creative factors (Sacco & Segre, 2009, p. 285). Schumpeter envisioned that creative breakthroughs will be a major factor in sparking improved economic performance and will influence organizational and market activity to the extent that the market would be regarded as a center of both value creation and collaborative interaction with stakeholders. Schumpeter believed that by making creativity and aesthetics essential aspects of market activity the intrinsic value dimension would be added to what otherwise had been a sphere of social activity that focused on instrumental means. Thus, the emphasis on value creation and innovation establishes a complementary connection between the material aspect of economic activity and those factors that are the intangible, value based, and creative. In this respect "Creativity may be seen as one, albeit crucial, instance of a deeper process of [the] re-orientation of production processes toward intangible forms of added value" (Sacco & Segre, 2009, p. 281).

When Schumpeter's value creating theory is applied to development it results in an economic strategy proposing that materialism (GDP) and values(intangibles) are complementary factors for generating growth. "Schumpeter's work creates conditions in which social innovation and social entrepreneurship will flourish" (McNeill, 2012, p. 81). That is to say that Schumpeter's social economic theory continues to be viable not only because it is the basis of current economic theory regarding innovation but as well because he reconciles what initially was one of the most significant debates of his era regarding economics, the natural sciences, and social sciences - The Methodenstreit Debate (which included Karl Marx taking one side in response to issues of German idealism that are rooted in interpretations of Kantian Cosmopolitanism). The split evolved into what is referred to as "The Continental Divide" but politically and economically that has been reflected in East-West ideological warfare (prompted by the differing social, political, and economic views that have resulted in tension between the East and the West). The ideological split ran so deep that (although it did not result in ideological and ethical controversy in regard to the other sciences) it did result in what Max Weber called "Making two sciences out of economics" (Weber, 1949, p. 63).

However, Schumpeter's ingenuous contribution to resolving the debate was based on his identifying with a wider vision of economics in that through his schema of the economic activity at themicro, meso, and macro levels his economic philosophy "As a whole, became truly cosmopolitan" (Mathews, 2007, p. 85). In other words Schumpeter, in accord with Max Weber, proposed a cosmopolitan approach to economic strategizing that would reconcile the dispute between Economic Libertarians and the social economists (including the Keynesians who promoted global regulatory governance structures) plus between the English empiricists and German historical school (Hutchison,2000, p. 39). Schumpeter's social, methodological, and economic views laid the foundation for resolving this iron clad ideological split by transcending the dichotomy with his perspective on cosmopolitan (universal) economics. Schumpeter's radical innovation to neoclassical economics was based on the fact that he foresaw that the era of the industrial revolution (which Marx was so critical of) was giving way to the technological revolution with knowledge workers superseding laborers (the old assembly-line paradigm). In this way the Marxist

complaint that the labor of workers actually operate the capital resources to produce value that does not contribute to satisfying their true intrinsic value interests was contradicted by Schumpeter's understanding of the role of aesthetics, vision, culture, and values in enriching individuals and society. His vision has developed into the co-creation of value theory that calls for the globalization of knowledge for adding innovative enhancement to the world's value chain.

Schumpeter's social psychological perspective on the entrepreneurial character and generating innovation plus his approach to reconciling personal interests with the common good had universal appeal. The global applicability of the Schumpeterian approach to economic development is based on how his social psychological perspective on entrepreneurial activity could be a means of strengthening social bonds while encouraging the creativity of the entrepreneurial character (White, 1998, p. 295). Even in a society whose economy is state-centric cosmopolitan principles provide a way to apply Confucian concepts like human feelings - i.e. having a deep concern for developing and maintaining harmonious social relations (人情 rénqíng/jen-ch'ing) - and the Chinese notion of natural law or the natural way of developing and maintaining harmonious relationships (guanxi 关系) - which in fact stands as a variation to Adam Smith's invisible hand (Lou, 2007, p. 2-9).

Schumpeter envisioned that the emerging technological age (with its emphasis on innovation) would increase the recognition of the significance of intangible value assets: tacit knowledge, foresight and creativity, willpower, the increased need for intrinsic value motivation on the part of managers, and an emphasis placed on the values,principles, and beliefs of the knowledge worker (Shionoya, 2009, p. 23). In Schumpeter's own words - as history has displayed - political, economic, and social life are about the whole of human life and motivations: "Human volitions, habits, beliefs, and so on, largely make a given society what it is and without which a society and its pattern of reaction cannot be understood" (Schumpeter, 1997, p. 422 & 812).

Schumpeterians assert that a unique entrepreneurial power results from aligning personal convictions with one's professional mission. It seems that he was one of the early pioneers to propose the strategy of organizational success based on the satisfaction of stakeholders (including engaging them in the process of co-creating value) (Ramaswamy & Gouillart, 2010,p. 211). Schumpeter proposed that creating new growth requires understanding that the new advanced technologies offer economic opportunities to those who employ willpower and conviction to create value. Above all never feel handicapped by the faltering of the old norm for the faltering of the old norm is indeed the basis of the opportunity for a creative breakthrough.

Finally he would say that the largest financial returns can be realized by capitalizing from innovation (building on the established technological paradigm by enhancing its capacity for diffusion). Schumpeter proposed that the diffusion that innovation creates is what establishes the value chain (the entrepreneur creates an ever expanding network of suppliers, creditors, clients, and marketers who participate in a web of those who all endeavor to add value to their part of the process) (Schumpeter, 1939, p. 89; Kamel, 2010, p. 206). He proposed that the key to economic success lies in generating new knowledge and networking with stronger partners who are already economically invested in and committed to success by means of employing Cosmopolitan principles (especially the frontrunner international corporations who are the innovation leaders and who emphasize the significance of the value creation aspect of innovation and satisfying stakeholders). However, it must be kept in mind that the fundamental principle of economic cosmopolitanism that Schumpeter espoused proposes that economic strategy should establish a complementary connection between social and economic value. This means that development will occur in a way that is in line with particular cultural values, identity, ethics, and aesthetics, plus in ways that are compatible with strategies for improving human relations and the human relationship with the natural order.

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