
Kluwer Mediation Blog

The view from the balcony

Charlie Woods (Core Solutions Group / Scottish Universities Insight Institute) · Sunday, October 8th, 2023

In their recent [book](#) ‘Power and Progress’ Daron Acemoglu and Simon Johnson analyse technological progress over the course of human history. They conclude that technological advances tend to initially benefit a fairly narrow elite before countervailing societal pressures and political developments result in a fairer distribution of the benefits of this progress.

Their survey of history shows how the benefits of agricultural advances in the middle ages were initially captured by the church and aristocracy, while peasants remained extremely poor and that for many years after the industrial revolution worker incomes stagnated while a few grew extremely rich. They contend that we are at a similar position today with regard to digital and associated technologies and that countervailing forces are needed to broaden benefits.

“the broad-based prosperity of the past was not the result of any automatic, guaranteed gains of technological progress... Most people around the globe today are better off than our ancestors because citizens and workers in earlier industrial societies organised, challenged elite-dominated choices about technology and work conditions, and forced ways of sharing the gains from technical improvements more equitably.”

From a mediator’s perspective this throws up the whole question of helping parties explore and understand what is in their longer term, wider interests compared to more immediate, narrow interests on which there is a tendency to focus. William Ury’s approach of ‘going to the balcony’ to survey the wider horizon is a good example of this.

In the context of inequality Wilkinson and Pickett’s [book](#) *The Spirit Level – Why equality is better for everyone*, demonstrates this relationship between narrow and broad interests. On the face of it growing inequality might appear to be in the interests of the better off end of society, however they demonstrate how the wellbeing of all parts of society benefits from greater equality. The positive relationship between equality and overall wellbeing has been highlighted by other [studies](#).

There appear to be various reasons for this relationship, for example greater equality is linked to improvements in health, trust, productivity, safety and security, with less having to be spent on fixing problems. The idea of thinking more about investment in prevention has recently been developed by the think tank Demos to [propose](#) a refinement to public sector accounting.

A number of extremely rich people seemed to have reached similar conclusions, which has guided their actions, for example the contributions of Warren Buffett, Bill Gates and other philanthropists

to good causes. While they no doubt have altruistic motives, they probably also have a clear perspective on the wider benefits. In a similar vein a wider [group](#) of wealthy people across the world have called for higher taxes on the wealthy to widen the spread of benefits more systematically.

Within the study of economics the concept of externalities is another way of trying to take on board the idea of wider interests. This is a recognition that many private investment or consumption decisions will be driven by relatively narrow private costs and benefits and will not fully account for wider societal costs and benefits. Think here about the costs of pollution or the spin-off benefits of research and development. These external costs and benefits make the case for taxation or subsidy to try to make sure they are included in private calculations.

In an era where political advantage seems to be sought by narrowing perspectives and asking people to focus on short term self-interest, fear of loss and who they are against, one of the biggest challenges we face seems to be finding a way of helping political leaders and their constituents to go to the balcony to survey our wider, longer term collective and individual interests as a society and as a species. There will be trade-offs that have to be addressed, particularly in the short term, but there will also be synergies that can be achieved by broadening perspectives. We needn't be engaged in a zero sum race to the bottom, the terms of engagement can be changed. Mediators have much to offer to such an endeavour.

To make sure you do not miss out on regular updates from the Kluwer Mediation Blog, please [subscribe here](#).

Profile Navigator and Relationship Indicator

Includes 7,300+ profiles of arbitrators, expert witnesses, counsels & 13,500+ relationships to uncover potential conflicts of interest.

Learn how **Kluwer Arbitration** can support you.

Learn more about the newly-updated *Profile Navigator and Relationship Indicator*



This entry was posted on Sunday, October 8th, 2023 at 8:00 am and is filed under [Book Review](#), [Business](#), [Cooperation](#), [Economics](#), [Go to the balcony](#), [Mediation and Society](#), [Policy](#), [Public Policy](#). You can follow any responses to this entry through the [Comments \(RSS\)](#) feed. You can leave a response, or [trackback](#) from your own site.