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Editor's Note

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Editor's Note

Padraig O'Malley

Robert Reich's lecture at the installation of Dr. Michael Collins as Chancellor of the University of Massachusetts Boston this April was clarity itself: the future belongs to those who are educated — not to those who have graduated from high school or college, nor to those who have done post-graduate work — but to those who receive education that enables them to constantly adapt to new situations, including employment; continuing education has overtaken traditional modes of education obtained in discrete, often four-year modules.

In the United States, education as we know it is still basically aligned with a paradigm shaped by the demands of a mass production and mass consumption society. The assumptions of continuity and stability, which an economy organized on these principles inculcates, are embedded in how we think about the way we live our lives, organize our communities, plan families, and articulate our educational needs. Learners are taught “subjects.” As they grow older they learn increasingly more sophisticated levels of the “subject,” which is still conceptualized within compartmentalized structures of definition.

Now we are discarding this approach, but far too slowly. Reich persuasively argues that the function of education is to teach people to *think*: “We’re teaching [students] tools,” he explains, “ways of understanding and developing *their own continuing education* later on in life.” The purpose of education is to “teach people to think critically, about problem identification and problem solving and pattern recognition.” The outcome: “[a people] who learn to be innovators and learn to be creative.” Like other economies, a knowledge-based economy is not immune to the dynamics of latent obsolescence. Every innovation sows the seeds of its own eventual destruction. And like “old” economies, one that is knowledge based learns how to adapt to exponentially accelerating rates of knowledge obsolescence. Lifetime careers belong to the old economy. There are no finishing points, like graduation. Each perceived finishing point is simply a starting point on a nonlinear trajectory. Education is no longer about acquiring the skills to do “some-

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thing” for life. The shelf life of the activity for which a student is “educated” may be less than the length of time the student spent in being educated for the activity.

Three factors — globalization, technology, and demographics — determine the trajectory of a society. They are interrelated, the rate of change in one affecting the rate of change in the others in an ongoing reiterative cycle. Our understanding of how the interaction of these variables works provides the framework for developing educational systems that meet their respective rates of integration and innovation. Security now lies in our capacity to adapt. Adaptation itself is a learned skill. Education must provide us with the tools to adapt. The division into students and workers is artificial. Our store of knowledge must be constantly replenished, otherwise we will become entrapped in “old economies.”

Reich quickly dispels the cartoon notions of globalization as a zero-sum game of “I win, you lose,” where low-wage Chinese workers voraciously swallow American jobs and dump Americans into unemployment. Globalization, he maintains, is best understood in terms of a global production chain where value is added at different stages of production in different countries, often in different continents. For every outsourcing there is an insourcing. The global economy exists in an amalgam of both. What determines our “take,” both as individuals and societies, is the amount of value we add at any particular point in the process. In countries like China, those who work in low-value occupations — the mass production industries — have relatively little education; similarly, in the United States the workers with relatively little education receive relatively low remuneration — they work primarily in local service economies. Those who work in knowledge-based industries or with technical skills that serve the knowledge-based industries are those who prosper. Reich disposes of the canard of an America losing its manufacturing edge. Manufacturing output accounted for 20 percent of employment twenty years ago. The same output is now realized with 8 percent of employment.

In “The New Division of Labor in Massachusetts,” Georgianna and Williams’s study of job replacement patterns in New Bedford and Fall River compared with all of Massachusetts, the findings substantially support the hypothesis that these cities with high unemployment and relatively low rates of educational attainment show patterns of job replacement by computers while Massachusetts, the state with the third highest per capita income and high levels of education, shows a pattern of job creation enhanced by computers. In the two cities, new technology increased productivity but reduced employment and wages of skilled workers. With lower levels of education, wage earners were forced into marginal occupations because they had not the skills nor the opportunities to acquire new skills. Young adults were relatively less likely to acquire a college education and thus

found themselves part of a surplus labor pool competing for low-paying, non-skilled jobs or jobs that were themselves soon replaced by technology. Jobs that can be reduced to steps and rules, no matter how complex, ranging from stock-market traders and bank-loan officers to waiters/waitresses in restaurants, to now-nonexistent bank tellers and soon to be redundant airline ticketers will be replaced by computer technology; jobs that cannot be replaced are jobs that require real-time judgment, which also include low-wage jobs such as tending to children and truck driving. These jobs invariably are low-income jobs with wages often driven down by abundant available labor. Computers enhance jobs that require judgment and problem solving.

The answer to this problem, as Reich and others, like Peter Drucker, have pointed out, is better schooling for displaced workers and their children to learn new skills. But, of course, the education "industry" has its own embedded hierarchies of ossification, entrenched interests that adhere to obsolete curricula, reluctance to require school teachers to acquire new skills so that they can impart new skills and, too often teachers themselves are unwilling to undergo continuous training and to embrace new ideas. Perhaps unsurprisingly, teachers at all levels, like workers elsewhere, are resistant to change because change is threatening. Most, however, have been trained in the methodologies of the "old" educational systems. Again, the prescription is "education based on pattern recognition rather than facts or rules to prepare students for computer-enhanced jobs." In Massachusetts, the quality of primary and secondary education is determined by the property base. The disparity in spending on education between high-income and low-income communities ensures the replication of class divisions in future generations. Class counts.

One sector of the new economy is examined by Sarah Kuhn and Paula Rayman in their article, "Software and Internet Workers in Massachusetts." They conducted a comprehensive survey of workers in two industries and focused on three issues: work/family, flexibility/security, and work motivation/meaning. Among their findings: Since frequent job change is the norm and workers take jobs with the expectation that they won't last, "employability" is now the watchword, rather than the "job security" of the old economy. Hence, continuously upgrading their skills is perceived by workers as essential to maintaining their employment and gaining a higher threshold of security. In the "new economy," workers worry about falling behind, about maintaining their employability elasticity rather than about losing their jobs in the traditional sense. In a follow-up study, the authors found that a significant number of interviewees mentioned "puzzle solving" as an intrinsic attraction of their work. Here we see the *character* of the new worker emerging: adept at solving problems, perhaps in a particular field, he or she can roam the fields as opportunities arise or as the industry mutates into a more sophisticated form, still qualified to work because they

have enhanced their skills, working long hours at good pay (56 percent of workers surveyed worked between forty-one and fifty hours, a further 25 percent work between fifty-one and seventy hours, and a small percentage work even more hours.) Getting enough sleep was a problem for over half of respondents and three-quarters reported a lot of stress in their lives. Family life is a casualty, and measures to support working families in the industry are a priority.

One implicit conclusion of Kuhn and Rayman's study is although the new economy may create elite classes of workers, we may find that the kind of life that we have always thought "the good life" is changing; for example, the authors find that well over half the women surveyed had no children or step-children and over a third of the men had no children. These findings raise serious social concerns regarding the sustainability of family life and suggest that family life as we know it is itself undergoing redefinition.

Daniel Charette's article "Malaysia in the Global Economy" examines Malaysia's developmental path as an export-dependent economy. Ranging in breadth from independence in the 1950s to recent years, it pays particular attention to the impact of the 1997 Asian financial crisis on Malaysia and the adjustments policymakers there had to make to national economic plans in order to prevent a future crisis from destabilizing the economy and plunging the country into recession. Charette's article places the policies that Malaysia adopted in the context of both the political objectives the government had to address after independence and its economic objectives. On the political side, policy had to bring about the redistribution of income to the majority — the Malays — from Chinese Malaysians and Indian Malaysians. On the economic side, it had to promote the development of indigenous industry behind tariff barriers, and attract inward investment with special tax and benefit assistance to multinational corporations so as to create the base for export-driven growth.

In this note I will concentrate on the economic policies Malaysia followed and the consequences of having to adapt to an increasingly integrated world economy. Malaysia averaged GDP growth rate of 7 percent per year between 1970 and 2000. The "Malaysian model" has attracted a lot of attention in the developing world as one to emulate. But successful as the policy was, it exposed Malaysia to increasing vulnerability as the world economy became more integrated. Developing countries in the 1980s and 1990s were advised to adhere strictly to the advice of the Washington Consensus: trade liberalization, capital liberalization, privatization of state-owned bodies, smaller government involvement in the economy, small deficits in the government budget, and prudent monetary policy. Adherence to these precepts, developing countries were told, would create the optimal conditions for foreign investment. And with foreign investment would come economic growth.

One ingredient missing from this mix was advice on whether a developing country should allow its currency to free float or to peg it to either par value or some percentage of the full value of the dollar. Malaysia chose the latter course and thus benefited as a result of the controlled appreciation the Japanese yen underwent relative to the U.S. dollar in the 1970s. Exports were more competitive, foreign investment flowed in — Malaysia attracted more than \$80 billion in FDI (defined here as fixed investment [plant and machinery], short-term capital inflows, and foreign borrowing) during the 1980s and 1990s, turning it into one of the world's most export-dependent economies and pushing the economy toward manufacturing. Foreign firms accounted for over 75 percent of manufacturing exports. But imported inputs accounted for much of the total value of the products, and thus, with little value added, products were vulnerable to a change in the terms of trade, such as currency appreciation, that would eliminate the small competitive edge. Such an appreciation occurred after an agreement between the United States and Japan in the 1990s and forced an appreciation of the Malaysian currency via its peg to the U.S. dollar. Short-term capital inflows reversed themselves, FDI fell, and the balance of trade deficit, which heretofore could be sustained because capital inflows more than offset the difference, resulted in a currency devaluation, a financial crisis due to structural weaknesses in the banking system and non-performing loans, more capital outflows, and recession.

Malaysia recovered, as Charette explains, but what is important for our purposes is how the free flow of capital through increasingly sophisticated financial instruments can have extremely deleterious effects on the economic wellbeing of developing countries. The more developing economies become integrated into the global financial network, the more vulnerable they become to external shocks over which they have no control. Had Malaysia chosen to allow its currency to float free, it would have opened itself to currency volatility, a deterrent to fixed foreign investment, and to sharper fluctuations in capital flows.

What the Malaysian experience highlights is the inadequacy of the Washington Consensus in the context of capital liberalization. If these are the “rules” that developing countries have to play by in order to become fully fledged members of the global economy, then the price of admission is the surrender of economic sovereignty. This raises questions as to what impact, if any, macro economic policy has in developing countries as an instrument to steer growth.

In the 2006 Robert C. Wood Memorial Lecture, “Democracy Means That the People Make the Law,” Gerald Torres utilizes Wood's concept of remedial law — the use of injunction to compel obdurate institutions to comply with their constitutional obligations — as a starting point for his discourse, which takes Wood's analysis to a different level.

Wood concluded that institutions had to change if legal commands were to have any real impact. Courts cannot be administrators without the capacity to transform the institutions that are given over to their management. Drawing on these findings, Torres proffers the question: how do we piece together the relationship between legal change and fundamental social change, especially if we use the law to precipitate rather than just to validate social change? Changing the rules will do nothing to fundamentally transform a society if there is no social pressure to insure that change. What, then, is the transformative potential of legal action?

Torres uses an analytical typology that posits lawmaking as having five general goals: (1) To create new rights and remedies for victims; (2) To alter the conduct of the government; (3) To alter the conduct of citizens and private entities; (4) To express a new moral or ethical ideal or standard; and (5) To change cultural attitudes and patterns. Unless *each* (my emphasis) of these general goals is achieved, all that results is *rule shifting* (my emphasis). Of these goals the fifth is crucial. Here lawmaking requires a confluence of rule shifting and cultural change. Disputes over the meaning of the constitution are grounded in the nature of our political relationship to each other and to the state. This is an open-ended process, but not an unbounded one.

His arguments are as follows: Rule shifting as the result of a sustained social movement (like the civil rights movement) challenges the dominant narrative of social life by linking alternative narratives to other powerfully held ideas about ourselves as a political community. Saying what we know to be true rather than what we are supposed to believe to be true changes the nature of the debate. It engages the question of how we know. Therefore, “[While] rule shifting through litigation is one way of engaging and challenging the dominant narrative of social life, the use of litigation entails the use of story telling [a social narrative] in a specific way that is determined, to a large extent, by the institutional imperatives of law.” For litigation to function as an effective public articulation of a counter narrative “[it] has to reframe the nature of the claim of what is at stake and change what counts as evidence of the claim.” And “by changing what counts as a valid legal argument and what counts as valid legal proof changes in the law can be used to reframe politics.” Lawmaking, then, is “the expression of our durable commitments to one another as well as a recommitment to binding the future to our belief in democratic constitutional justice.”

Aaron Lazare’s elegaic essay, “The Future of Apologies,” complements Torres’s article. They both address, although from very different perspectives, the nature of individual/social narrative, how embedded dominant narratives embody perceived truths, how social and political change, often propelled by conflict, impel alternative narratives that claim an equal and sometimes superior legitimacy into the sociopolitical arena. Apology, Torres argues, has emerged as one of the social and political instruments that

enables us to resolve conflicts between competing social narratives and to reconcile differences. In the Torres schema, one of the biggest impediments to change is the idea that things are *necessarily* one way or another. In Lazare's schema, apology acknowledges that they are not.

Lazare connects the emergence of apology as a tool to mediate differences and negotiate perceived grievances. He shows how it has become a decisive tool in conflict resolution among groups or nations. Successive technological revolutions have created a world more interdependent and integrated not only at the macro level, but at the personal level as well. As the number of interactions we have with others increases, the nature of our relationships with individuals changes, and in the absence of our being able to manage those changes, conflict is inevitable. Apology has emerged as the tool that mediates among parties, individuals, or nations to address wrongs and instigate a process of healing. For apology to achieve its purpose it involves both the wrongdoer and the wronged, the perpetrator and the victim, the victor and the vanquished. The wrongdoer must be willing to acknowledge his role as offender and offer reparations either directly or indirectly through some future commitment. Without reparation, the apology is incomplete.

Some wrongdoing is brought to light by compelling consideration of an alternative social narrative that challenges perceived "truth," in which there is embedded wrong. It is not enough for the wrongdoers to express regrets: they must show remorse and make amends. The victim must have an opportunity to confront the wrongdoer face to face, so that the wrongdoers might understand the victim's narrative of how the wrong has affected and will continue to affect his life. In recent decades, the emergence of apology in the field of conflict resolution has become an essential tool for promoting reconciliation. Like Torres, Lazare turns to the power of the law to redress wrong through the medium of apology.

In "Boston and New York: The City upon a Hill and Gotham," Shaun O'Connell ruminates on the *meaning* of two cities that have occupied a special place in his literary life. Author of *Imagining Boston* and *Imagining New York*, both virtuoso explications of the "ways each city imagined itself into being" by readings the books that became the literary underpinnings of the cultures of these very distinctive cities with their unique voices and contrarian traditions. As always with O'Connell, the "message" is in the writing, the "haunting presence of absence" he finds at Ground Zero, the "passing glimpses of my alternate self, an adventurous young man from the provinces who took the road not taken by my actual more circumspect self" whenever he visits Manhattan, the cadence of loss conveyed with the terrible beauty of it all.

In the last decade he senses metamorphosis and convergence: both cities have become richer (with San Francisco, they comprise the three richest

cities in the United States), “glitzier, more expensive and expansive;” Boston, “ritzier, more tolerant of diversity and suddenly avid for reconstruction;” Manhattan “grown more Bostonian, more closed-in, more nostalgic.” While the essay is full of contrasts and comparisons, the sum of his street-roaming thoughts leave him believing that the residents of both cities now “live beyond their traditional myths and identities . . . each city has to revise its sense of the other.” The writers that O’Connell drew lovingly on to conjure up his own imaginings of the two cities still hover in the shadows of his own pages, inspiring his observations with the textures of times more certain, principles more fixed, morality more bounded. At the heart of all great obsessions is hope and O’Connell finds hope, and one suspects solace, in concluding that “America’s Athens and Sparta may still war, but each needs the other to define itself; taken together the two cities represent a synthesis of values and virtues that define the American experience — Boston’s idealism and moral values; New York’s pragmatism and passion — as well as many of the nation’s failings, . . . from Boston’s exclusiveness to New York’s tolerance for corruption. Today they have merged into America’s mega-city, united in their difference from most of the rest of the nation in the rich sense of the past and deep sense of place that their residents share.”

United in their difference, that is, until the Yankees and Red Sox face off, and the usual hell breaks lose!

Afterword

The articles by Charette, Torres, and Lazare have implications for public policy and the broader polity that go beyond their respective remits. If one were to flip the Malaysian experience and juxtapose it with the growth path the United States has pursued under the Bush administration, some disturbing conclusions emerge. Unnoticed by most Americans and largely ignored by its policymakers, given the rather cavalier manner in which they deal with the problem whenever it makes its way to the policy table, is the extraordinary fragile state of the global economy primarily as a result of America’s profligate spending habits. The United States has abused its position as the global lender of last resort, the medium of exchange for the settlement of international accounts economy by running up huge trade and budget deficits, to such an extent that its role in that position is being called into account. The deficits on the trade side are now of such magnitude that then Reserve Bank Chairman Alan Greenspan, the acknowledged *eminence grise* of central bankers, warned Congress in numerous appearances before he retired that the deficits were unsustainable. Yet, his words went unheeded and the deficits continue to accumulate. What Greenspan meant was that at some point countries holding trillions of dollars in U.S. treasury bonds (Japan holds close to one trillion in U.S. foreign exchange reserves;

China and the rest of Asia about 1.4 trillion dollars) would begin to significantly reduce their holdings for other non-dollar-denominated assets; countries would no longer accept dollars as the medium of exchange to settle international accounts, countries would turn to some basket of other currencies. The end of dollar hegemony may be looming and the administration rather than taking actions to redress the situation is playing global financial brinkmanship, daring other actors to call its bluff.

The process of untangling the problem may unwind in an orderly or disorderly way. Because it is being ignored or attempts to begin to grapple with it are so fragmentary and misdirected, a disorderly process becomes more likely. Any hint of uncertainty may trigger a movement out of dollars, which, once underway, could accelerate exponentially in keeping with the markets' herd instincts, forcing the United States to raise interest rates, and in the process becoming the catalyst for global economic meltdown. The markets are about faith. Sentiment is fashioned by perception.

In 2002, 2003, and the first half of 2004, foreign governments financed \$564 billion (43 percent) of a cumulative current account deficit of \$1,131.8 billion. Translated this means that foreign countries loan the United States the money to buy their commodities, thus increasing their exports and stimulating growth. In the United States, total spending now exceeds GDP by 6 percent; the net national saving rate is about 1.5 percent. Deficits are created when demand grows faster than supply, when the exchange rate is uncompetitive.

The short answer to correcting the situation is either for the United States to depreciate its currency, cut demand, or have other currencies such as the yuan and the yen and the euro revalue. The major currency countries are unwilling to do the latter since it shifts the burden of correcting U.S. excesses to their economies. In the EU, growth has been sluggish, unemployment persistently high (over 9 percent in Germany and France). Japan is tentatively coming out of a prolonged period of stagnation. Recovery in both regions is predicated on generating exports. Neither is willing to have its currency appreciate against the dollar, making exports become less competitive and discouraging much needed growth. Were the United States to take corrective measures to eliminate the excess demand, the result would be a recession in the United States most likely followed by a global recession.

The last alternative is that investors will demand cheaper dollars in order to purchase U.S. assets: capital flows to finance the deficit will necessitate a depreciated dollar. Unlike other countries that must settle their balance of payment deficit accounts with dollars and thus accumulate the dollars in their capital accounts, the United States settles its accounts by selling treasury bonds, mostly to the countries with whom it is running deficits. The global economy is now saturated with dollars. Supply far

exceeds demand, and in the normal course of events, the price of the dollar would fall against other currencies, like the yen, the Euro, and the pound sterling. This is what is happening. But since it also means that it changes the terms of trade for these countries, lowering the price of imports and increasing the price of exports, their competitive advantage in world markets is reduced with the usual impacts on employment and so on. Thus these countries take counter actions to keep the devaluation of the dollar within a small range so that they can absorb the impact. They are able to do this because their reserve banks can buy dollars thus artificially creating demand for the dollar and inflating its price.

One of the major causes of global trade disequilibrium is the imbalance between the United States and China. China essentially lends the United States the money it needs to buy Chinese goods. While the United States pushes China to revalue the yuan against the dollar to help redress the trade deficit between the two countries, China is largely resistant and instead acts in ways that protect and enhance its own economic interests, such as maintaining and increasing its share of global trade. While a revaluation by the Chinese is needed, China is only part of the problem. In 2005, China had a balance of payments surplus of a little more than \$100 bn, while the United States deficit was in the region of \$800 bn. The United States wagers that neither Japan nor China, with their vast holdings of dollars, will take actions that might result in a rapid and perhaps catastrophic run on the dollar since this would vastly reduce the value of their holdings of dollars. Indeed the knowledge on the part of all the global players that any precipitous depreciation of the dollar would trigger global recession means that it is in the interest of all players to proceed with caution as reason dictates, but if one player cuts loose from the herd, a stampede might follow.

Global international markets are not rational; capital flows are determined by perceptions of uncertainty. Any small occurrence in the markets might act as a tipping point. There is a consensus of sorts among economists that the dollar must depreciate perhaps as much as 30 percent against the Euro to restore some kind of equilibrium to the global economy. At present the United States absorbs 80 percent of net global savings to finance its deficits, leaving pickings for the developing world to draw on for FDI, the bulk of which now goes to China and India. Given the size of the U.S. economy, most Americans will be insulated from the impact of controlled devaluation. For the present we continue to live with a global economy where the United States borrows from most other countries the money to sustain their growth by using the borrowed money to buy their exports.

Because short-term portfolio flows are determined primarily by calculations of risk plus interest rate differentials, changes in the U.S. interest rate have a domino effect as other countries hike or lower theirs to stem the outflow of portfolio capital, if their balance of trade is running a deficit or

to reduce currency volatility, if their currencies are not pegged to the dollar. If their currencies are free floating, then capital inflows and outflows determine its level, and since few developing countries have sufficient dollar reserves to intervene in open markets to stabilize their currencies' dollar denominated prices, their currencies fluctuate. Perceptions of currency volatility make FDI more problematic.

In short, U.S. deficits pose a real and imminent threat to the global economy. On the one hand it needs to continue to increase interest rates to attract the portfolio investment to meet the deficits. On the other hand, increasing interest rates dampen demand and slow the economy with concomitant effects on unemployment. With regard to the developing world, the situation is still more precarious; the impact of macroeconomic policy is severely constrained; monetary policy too often replicates trends in the United States, and is compelled to follow what happens to U.S. rates rather than being able to chart a course that is best for their own economies. All of which puts developing economies in an untenable position, whether their currencies are pegged or free floating. Their policy options at present are beholden to the voracious appetite of American consumers. At some point it becomes necessary to pay the piper. Unfortunately, the developing world will be writing the check.

Even assuming an orderly transition to a sufficiently depreciated dollar, the present crisis, which will probably only be acknowledged after some minor disaster, highlights the urgent need to reconfigure the rules governing global financial arrangements that will end dollar hegemony. As long as one country's currency underwrites the global financial system, that country is in a position to print money to pay for its own excesses, an unacceptable and ultimately destabilizing arrangement. The new arrangements must ensure that all countries play by the same rules. Just as a Malaysia has to take corrective actions to redress balance of trade problems, so, too, must the United States. As many of its policymakers who were party to creating the present predicament would be the first to acknowledge: There is no such thing as a free lunch.

Torres and Lazare also provide a framework for larger "impulses" of interrogation than those they directly address. Apology as a discipline of inquiry is still only in its infancy. Is remorse a necessary ingredient of apology? And what is the role of truth? Of full disclosure? In South Africa, the Truth and Reconciliation Commission (TRC), South Africa's attempt to mediate the wrongdoings of the country's apartheid past, required full disclosure on the part of perpetrators (a disclosure of all incidents of possible wrong doing in which the perpetrator was involved, not just the acts for which he was seeking amnesty) that there was a political context to the act, that his acts were somehow proportionate to the threat posed before he could qualify for receiving amnesty. Apology was not required, nor was

making amends. Before we can deal with the past, the TRC reasoned, we must know what the past was, that is, we must know what we should believe rather than what we do believe. With Torres, “saying what we know to be true rather than what we are supposed to believe to be true changes the nature of the debate,” which, in South Africa, it did, as the TRC held the African National Congress (ANC) responsible for gross violations of human rights, a finding the ANC refused to accept, arguing that theirs was a just war and that its actions were, therefore, at all times moral as they were executed in pursuit of a moral objective. The point the Commission made was that even protagonists who wage just war may commit unjust acts.

Perhaps the most important achievement of the TRC was to provide a platform where the victims of apartheid were able to express the oppressions they endured and the indignities they were subjected to daily. It gave them the opportunity to speak of what apartheid had done to their families, and to express their own vain searches for missing family members, their tales of indefinite solitary confinement, their humiliations suffered at the hands of the police. The act of recounting these stories freed them from the guilt of having to subordinate themselves to a superior power, empowered them in the belief of their own sense of self, and in the cases where they were able to interact with the perpetrators and the perpetrators asked for forgiveness, the giving of forgiveness restored their dignity. In essence a comprehensive “victim impact statement” created a new social narrative.

Most importantly, Torres asserts the absence of a relationship between humiliation and apology. Our failure to understand the role of humiliation, national or personal, and its consequences, as an ingrained element of most social and national conflicts, whether between Palestinians and Israelis, Catholics and Protestants in Northern Ireland, whites and blacks in South Africa, “terrorists” and the West in the post 9/11 era leads protagonists on every side to label each other the “other,” the enemy. By calling terrorists evil we immediately rob them of their humanity. They, in their states of humiliation and rage, dehumanize us, the easier to inflict mass murder, which is no doubt seen by them as a legitimate means of avenging humiliation and degradation. To see terrorists as human beings with legitimate grievances that have long dehumanized them, which have gone unaddressed for so long that accumulated humiliation and its corollary, rage, have erupted into acts of indiscriminate violence, does not, of course, justify their actions, but it does provide a basis for understanding that they are the actions of human beings, not evil men.

Five years after 9/11, we in the West appear no closer to understanding what motivates young Muslim men with families, wives, and children, living in middle class suburbs of English cities like London, Manchester, or Birmingham to *jihad*, to planning the mass murder of hundreds of innocent people on transatlantic flights. Perhaps we might juxtapose two situations:

Israeli bombers rain down bombs on mostly Muslim villages in Southern Lebanon, arguing (correctly) that Hezbollah has embedded itself within these civilian communities, and that innocents are unfortunately “collateral” damage. This is regrettable, Israel acknowledges, but the fault of Hezbollah for callously and deliberately endangering the civilians. But Muslims worldwide see this as the deliberate killing of Muslims by the enemies of Islam. Their response is to invent ways to kill as deliberately as the perceived aggressor, the West. An eye for an eye. The difference is that the “terrorism” in the one case is being committed by state actors and the latter by non-state actors.

If, as psychiatrist Robert Jay Lifton would have us believe, the United States is a humiliated nation as a result of its exposed vulnerability following the 9/11 attacks and that such a state of mind can lead a nation to interpret the external world through the lens of fear and rage and can compromise the nation’s judgment and ability to acknowledge and rectify mistakes, surely, if we substitute the word Palestinian or Iraqi we might get some measure of the dimensions of the problems we face. If in the face of humiliation the most powerful military power the world has ever known lashes back with “a global war on terror,” the invasion of Iraq, Guantanamo Bay, extraditions renditions, then what, one might ask, is it reasonable for the least powerful but most humiliated nation to lash back with?

Lazare’s observations so closely knit and precisely presented, bear repeating: He writes that “states of humiliation cannot participate in relationships of equality and interconnectedness.”

It is difficult for these parties to humbly acknowledge blame, empathically understand the plight of the other party, and behave in generous and forgiving ways. They are too consumed with fighting for and protecting their dignity, their physical wellbeing, their psychological identity and sense of self. In their state of humiliated rage, they are vengeful and unable to see the world as they might see it if their adversaries halted attempts to dehumanize them. The world currently offers multitudes of examples of these humiliated groups: terrorists who offer their lives to restore the honor of their group or nation, the Iraqis, the Chechens, the Palestinians and Israelis, the Catholics and Protestants of Northern Ireland, and those living in emotional and physical deprivation in all countries. All of these groups or nations have long histories of subjugation and humiliation. The interconnectedness of our global village has only intensified their humiliation, because now mass media shows exactly what others have and what they are missing.

The significance of humiliation between nations or major national groups is magnified when either party is capable of inflicting mass destruction. The role of vibrant, prosperous democratic nations should be to humbly and

without arrogance assist in restoring the dignity of other nations and groups in need. Only then can they partake in the dialogue of apology and reconciliation.

“Saying what we know to be true, “recently became the focus of an intense debate after the German Nobel Laureate for Literature, Günter Grass owned up to having been drafted into the Waffen SS in the waning months of World War II. Although he claims that he never fired a shot, knew nothing of the Holocaust at the time and thus no idea of the role of the SS in the Holocaust his admission (confession?), provoked worldwide reaction. The issue was not so much his having been a member of the SS, although some took umbrage at this, but his withholding the truth about himself in this particular role in the war for almost six decades, while becoming, through his writing and public statements, the personification of post-war Germany’s struggle to come to terms with its own past. No writer in the twentieth century wrote more passionately or eloquently of the role of conscience in history. A flurry of words followed his revelation, either condemning him as a hypocrite, exonerating him, or trying to find a middle ground by asserting that his novels retain their moral strength despite his lapse in probity. But his political enunciations should be reexamined in a more critical light. One piece in the *New York Times*, distilled, at least for me, the quintessence of the human dilemma he lived with for six decades. “Grass,” John Gay wrote, “failed to come forward all these years simply because he was too ashamed.” Shame, of course, is the step-child of humiliation. Shame either leads us toward apology or away from it. The longer shame is lived with the more difficult it is to exorcise. Through this prism, Grass’s novels become the embodiment of his own existential dilemma: Using a vehicle of literature, *fiction*, to rally a nation to pitilessly examine its conscience does not easily translate into being as pitiless with oneself. This knowledge informed his fiction. But in the end Grass rallied to the occasion. Surely, this is what matters. He is asking to be understood, not judged. Implicit in his truth telling is reparation: his having to face the contempt with which his truth was met; the withering rubbishing of much of his life’s work, the devaluation of his own humanity. He has apologized. Now it is up to us to rise to the occasion.