Journal of Intercultural Management and Ethics

JIME

ISSN 2601 - 5749, ISSN-L 2601 - 5749

published by

Center for Socio-Economic Studies and Multiculturalism
Iasi, Romania
www.csesm.org

TABLE OF CONTENT

Editorial ……..……. 3
Liviu Warter

Ethics & Consciousness in Organizations: A Conceptual Hierarchical Model ……..…..5
Hershey H. Friedman, Kenneth A. Globerman

Ethical Challenges in Online Research.……...…….…….……. 17
Bianca Hanganu, Irina Smaranda Manoilescu, Beatrice Gabriela Ioan

Ethical Challenges of Digital Technologies in Covid-19 Pandemic Management.....25
Simina Petra Simion; Harald Jung

The Image of the Male and Female Doctors in the Covid-19 Pandemic. The First Pandemic with Woman Doctors in the Front Line ……..…….……..…39
Orsolya Horber, Karoly Zilahi

Why Nations Collapse: The Rise and Fall of The United States ……... 45
Hershey H. Friedman, Sarah Hertz

Egocentric Perceptions and Self-Serving Bias in Negotiations: Fairness, Dynamics, and Ethics ….…….…….……..……. 61
Oleg Komlik

WHY NATIONS COLLAPSE: THE RISE AND FALL OF THE UNITED STATES

Hershey H. Friedman, Ph.D.
Professor of Business
Koppelman School of Business
Brooklyn College of the City University of New York, USA
E-mail: x.friedman@att.net

Sarah Hertz, Ph.D.
Associate Professor of Finance
School of Business
Empire State College of the State University of New York, USA
E-mail: Sarah.Hertz@esc.edu

Abstract

This paper analyzes the rankings of the United States in critical areas so that people can easily evaluate how well the country is doing. Areas discussed include Social Progress Index, Quality of Infrastructure, Income Inequality, Social Mobility, Global Peace Index, Stability of Nations, Democracy, Median Wealth per Adult, Poverty Rate, Happiness, Perception of Corruption, Education, Life Expectancy, Healthcare System, Top 25 Countries in the World, Reputation of Country, and Prison Population. It is hoped that examining the above statistics will make people aware of what needs to be done if the United States wants to remain a world power. The first task is to focus on repairing the decaying infrastructure and providing jobs and training for Americans. A flourishing middle class is the key to a strong democracy.

Keywords: income inequality, Gini coefficient, poverty rate, Social Progress Index, Corruption Perception Index, prison population

Introduction

What causes once great empires to collapse? The end of World War I resulted in the demise of four empires: Germany, Austro-Hungary, Ottoman, and Russia under the Romanov family. The decline of once-powerful empires has fascinated scholars from many diverse disciplines, including the social sciences, archaeology, and the life sciences (Middleton, 2012). Schneider and Adali (2014) ascribe the decline of the mighty Assyrian Empire in the seventh century BCE to climate change and demographics. There was a considerable increase in the population residing in the empire's heartland, making the area especially vulnerable to shortages combined with a severe drought.

Evrensel and Minx (2017) attribute the decline of the Ottoman Empire to problems involving various institutions, including the power and succession structures. Chua (2007) examined several of history's superpowers such as the Achaemenid Persian Empire, the Tang Dynasty, the Mongol Empire, the 17th century Dutch Republic, and the British Empires to determine what made them so great. She found that these societies were, at least for their times, tolerant and pluralistic. Such openness enabled them to tap into the creative abilities and talents of various groups that were not tolerated in other countries.

Acemoglu and Robinson (2012) compared successful economies with unsuccessful economies to determine the reason(s) that some nations are poor and others are rich. One fascinating example is Korea, currently divided into South and North Korea. Korea is

homogenous, yet the people residing in North Korea are impoverished, and those living in South Korea are wealthy (pp. 57-58). The same kind of disparity exists in the city of Nogales. The half of the town in Arizona is much more affluent than the portion that is part of Mexico (p. 7). The authors discovered that the differences have no association with natural resources. Instead, it is a nation's economic and political institutions that are a significant determinant of a country's prosperity. This is so because nations with trustworthy institutions thrive because they encourage people to work hard and save. If the United States is to continue to flourish, it must have credible institutions concerned with the public welfare. Nothing is more destructive than leaders that are only concerned with enriching themselves.

Kreml (1994), basing his opinion on organizational theory research, attributes the decline of America to political institutions that are disintegrating. Case and Deaton's book (2020) entitled *Deaths of Despair and the Future of Capitalism* hints at the decline of the United States if capitalism's flaws are not corrected. It is clear that capitalism no longer works for the working class, and they are dying in vast numbers from deaths of despair, including suicide, alcoholism, and drug addiction. The United States has become a country of broken families for working-class individuals without college degrees. Case and Deaton blame this on several factors, including the voracious greed of the health care industry, which is more concerned with enriching themselves than in improving health. Also responsible is the weakness of labor and increasing strength of corporations.

Is the United States in decline? Will Americans wake up one day and find that the United States is no longer the most powerful empire the world has ever known? It happened to the Soviet Union; will it happen to the United States too?

Let us examine our rankings in key areas and see how well the United States is performing on various measures of well-being.

Social Progress Index

Using numerous economic indicators, which include education, human rights, corruption, life expectancy at 60, nutrition, safety, etc., the Social Progress Index measures the true well-being of people living in 163 different countries on 12 components. These components include Nutrition and Basic Medical Care, Water & Sanitation, Shelter, Personal Safety, Access to Basic Knowledge, Access to Information & Communications, Health and Wellness, Environmental Quality, Personal Rights, Personal Freedom & Choice, Inclusiveness, and Access to Advanced Education.

Because the Social Progress Index is a broad measure of social well-being that includes numerous economic indicators, it is a better measure of how well a country is doing than per capita Gross Domestic Product (GDP). It was created so that it would be easy to determine whether or not a nation was providing for its people's basic needs and see whether opportunity is provided for citizens of a country to achieve their full potential. The latest Social Progress Index shows that the United States dropped from 19th place in 2011 to 28th in 2020. The United States is only one of three countries where the quality of life had fallen from 2011 when the index first began; the others are Brazil and Hungary (Kristof, 2020).

Quality of Infrastructure

According to the 2021 Report Card for America's Infrastructure released by the American Society of Civil Engineers (ASCE), the United States received an overall C- grade on infrastructure. The report rates the United States on 17 categories of infrastructure ranging from Rail to Dams. The U.S. received D grades in 11 of 17 areas (aviation, dams, hazardous waste, inland waterways, levees, public parks, roads, schools, stormwater, transit, and wastewater) (ASCE, 2021). Essentially, our infrastructure is in mediocre condition.

What this means for the future of the United States, according to Thomas Smith, Executive Director of the ASCE, is:

> We have not made significant enough investments to maintain infrastructure that in some cases was built more than 50 years ago. As this study shows, we risk significant economic losses, higher costs to consumers, businesses and manufacturers – and our quality of life – if we don't act urgently. When we fail to invest in infrastructure, we pay the price.
>
> There were 22 weather and climate disasters in the U.S. that cost at least $1 billion in 2020, the most in history.
>
> If the U.S. does not pay its overdue infrastructure bill, ASCE said by 2039 the U.S. economy will lose $10 trillion in growth and exports will decline by $2.4 trillion. More than 3 million jobs will be lost in 2039. In addition, each American household will bear $3,300 in hidden costs per year (ASCE, 2021, paras. 5-7).

Income Inequality

The effects of income inequality on society are devastating and should not be ignored. Significant differences in problems such as mental illness, homicides, huge prison populations, obesity, poor physical health, a high dropout rate in high school, and a high teenage pregnancy rate are common in countries where income inequality is high. This is common even among various states within the United States (Wilkinson & Pickett, 2009). These symptoms reflect a society in which true equality of opportunity is diminished.

According to the Organization for Economic Cooperation and Development (OECD), the United States has the highest level of income inequality among the G7 nations (Schaeffer, 2020). The following indicates how badly the U.S. is performing when it comes to wealth inequality.

> Wealth — the value of a household's property and financial assets, minus the value of its debts — is much more highly concentrated than income. The best survey data show that the share of wealth held by the top 1 percent rose from 30 percent in 1989 to 39 percent in 2016, while the share held by the bottom 90 percent fell from 33 percent to 23 percent (Stone et al., 2020, para. 8).

The Gini coefficient (or index) is the most commonly used measure of income inequality and ranges from a low of 0 (or 0%) to 1 (100%). A Gini coefficient of 0 would represent a state of perfect equality where everyone earns the same, to 1 where one person holds all wealth or a state of perfect inequality. Thus, the higher the Gini coefficient, the more income inequality in a country. The Gini for the United States is an unimpressive 48 (it was 41.1 in 1990); the world's average is 38.43. South Africa, with a coefficient of 63, is the worst (World Population Review, 2021a).

> The United States has a Gini coefficient of 0.480. In 1990, the Gini coefficient was 41.1, indicating an overall increase in income inequality over the last 30 years. In 2015, the top 1% of earners in the United States averaged 40 times more income than the bottom 90%. In the U.S., poverty is an increasing issue, with about 33 million workers earn less than $10 per hour, putting a family of four below the poverty level. Many of these low-wage workers have no sick days, pension, or health insurance (para. 9).

There is evidence that income inequality can increase homelessness in areas where there are housing shortages. About 28% of homeless Americans live in California. In early

2020, 161,548 Californians were found to be homeless (12% of Americans, about 39 1/2 million people, reside in California) (Resnikoff, 2021).

Social Mobility

Closely related to income equality is social mobility. Lifelong learning is also related to social mobility since workers who do not upgrade their skills will see their salaries worsen. At one time, the United States was known for its upward mobility. Children tended to earn more than their parents and were able to climb the economic ladder. This is no longer the case, and the United States is not as upwardly mobile as many other countries. The United States ranks 27th out of 82 countries in social mobility with a Global Social Mobility Index score of 70.4 (World Economic Forum, 2020). The Global Social Mobility Index score focuses on drivers of social mobility and ranges from a low of 0 to a high of 100 and is the basis for the rankings.

Social Mobility Rankings

1. Denmark 85.2
2. Norway 83.6
3. Finland 83.6
4. Sweden 83.5
5. Iceland 82.7
6. Netherlands 82.4
7. Switzerland 82.1
8. Austria 80.1
9. Belgium 80.1
10. Luxembourg 79.8
11. Germany 78.8
12. France 76.7

…

27. United States 70.4

According to Lu, another factor that is reducing upward mobility is stagnating wages.

> One factor behind America's deteriorating upward mobility is the sluggish pace at which wages have grown. For example, the average hourly wage in 1964, when converted to 2018 dollars, is $20.27. Compare this to $22.65, the average hourly wage in 2018. That represents a mere 11.7% increase over a span of 54 years (Lu, 2020, para. 7).

Global Peace Index

The Institute for Economics & Peace (IEP) is an independent, non-partisan think tank that provides a metric for measuring peace. According to the IEP, "The economic impact of violence on the global economy in 2019 amounted to $14.5 trillion in constant purchasing power parity (PPP) terms. This is equivalent to 10.6 percent of the global GDP or $1,909 per person." What does the Global Peace Index measure?

> The Global Peace Index (GPI) measures more than just the presence or absence of war. It captures the absence of violence or the fear of violence across three domains: Safety and Security, Ongoing Conflict, and Militarisation. Both the Ongoing Conflict and Safety and Security domains recorded deteriorations, with only the Militarisation domain recording an improvement. Of the 23 GPI indicators, eight recorded an improvement, 12 had a deterioration, while the remaining three indicators did not change in the past year (IEP, 2020, p.6).

The United States ranked 121 out of 163 countries on the 2020 Global Peace Index (IEP, 2020, p. 9). It spent a total of $649.1 billion on national defense, which was more than the following ten countries combined (China was in second place at $250 Billion) (IEP, 2020, p. 48).

Stability of Nations: The U.S. Ranks 37th out of 179 countries

The Fund for Peace publishes a Fragile States Index (FSI), which considers various factors, including income inequality, corruption, and factionalism, to measure the stability of a nation. The United States trails 36 other countries in stability (Fund for Peace, 2021). The five most stable countries are:

1. Finland
2. Norway
3. Iceland
4. New Zealand
5. Denmark

It is difficult to believe that a democracy such as the United States saw the largest increase in the Fragile States Index in 2021.

> The country which saw the largest year-on-year worsening in their total score in the 2021 FSI is the United States. Over the past year, the U.S. saw the largest protests in the country's history in response to police violence which were often met by a heavy-handed state reaction along with sustained efforts to delegitimize the election process, which escalated violently in early 2021. Despite the country's abundant material wealth and an advanced health system, political polarization, a lack of social cohesion, Congressional gridlock, and misinformation contributed to a failed response that left over 350,000 dead by the end of the year and a steeper contraction in GDP than any time in the past 60 years (Fund for Peace, 2021, para 1).

Democracy Ranking: The U.S. Ranked 25th out of 150 Countries

According to the Global Democracy Index, the United States ranks 25th with a score of 7.92 on a scale of 0 to 10. This makes the United States a flawed democracy (Economist, 2021).

The countries that scored in the top seven were Norway (1; Score = 9.81), Iceland (2; 9.37), Sweden (3; 9.26), New Zealand (4; 9.25), Canada (5; 9.24), Finland (6; 9.20), and Denmark (7; 9.15).

Median Wealth per Adult: The U.S. Ranks 21st

The five countries with the highest mean wealth per capita in 2019 are Switzerland, Hong Kong, United States, Australia, and New Zealand. However, it is more interesting to examine the median wealth per adult because of wealth inequality; the median is less sensitive to extreme values. The top countries in median wealth per adult are Switzerland ($227.9K), Australia ($181.4K), Iceland ($166K), Hong Kong ($146.9K), Luxembourg ($139.8K), Belgium ($117.1K), New Zealand ($116.4K), Japan ($110.4K), Canada ($107K), Ireland ($104.8K), France ($101.9K), United Kingdom ($97.5K), Singapore ($97K), Spain ($95.4K), Austria ($94.1K), Italy ($91.9K), Malta ($76K), South Korea ($72.2K), Norway ($70.6K), and Taiwan ($70.2K). The United States is in 21st place ($65.9K) (Howmuch, 2019).

GDP Per Capita (PPP): The U.S. ranked #8

Purchasing power parity (PPP) is a metric used to compare the currencies of different countries using a "basket of goods" approach. The GDP per Capita numbers for tax havens (e.g., Luxembourg, Singapore, Ireland, Macao, Hong Kong) are artificially high.

Top 10 Countries GDP per Capita (PPP) 2021 (projected) (Statistics Times, 2021)

1. Luxembourg $122,740
2. Singapore $102,742
3. Ireland $99,239
4. Qatar $97,262
5. Macao SAR $90,606
6. Switzerland $75,880
7. Norway $69,171
8. **United States $68,309**
9. Brunei Darussalam $ 64,405
10. Hong Kong SAR $62,839

Poverty Rate: The U.S. is in 13th Place

The OECD defines the poverty rate as "the ratio of the number of people in a given age group whose income falls before the poverty line, determined as half the total population's median household income" (World Population Review, 2021b, para. 5). Among OECD countries, South Africa has the highest poverty rate (26.6%), The United States has the fourth-highest poverty rate among OECD countries (17.8%). Currently, any household of four earning less than $25,700 before taxes would be classified as living in poverty. The wealth inequality gap is responsible for the high poverty rate in the U.S.

The following are the poverty rates of various countries for 2021. The overall average for all countries is 23.46% (World Population Review, 2021b).

China .60%
Vietnam 6.7%
Iran 10.90%
Finland 11.6%
Canada 12.10%
Denmark 12.5%
Russia 12.9%
France 13.4%
Ireland 14.9%
Germany 16.0%
Israel 16.9%
Sweden 17.10%
United States 17.8%
Great Britain 18.6%
Brazil 19.9%
Italy 20.3%
India 21.9%
Nigeria 40.1%
South Sudan 82.30%

In 2019, a family of four was considered impoverished if their annual income was below $26,172 (about $503 a week). The poverty rate in 2019 for children before the Covid-19 pandemic was 14.4% (about 1 out of 7). More than 10 million American children, especially children of color (71% of poor children are children of color), live in destitution. It is feared that the poverty rate for children has gone up significantly because of the pandemic (Children's Defense Fund, 2021).

Happiness: The U.S. is in 14th Place

The World Happiness Report ranks global happiness in countries all over the world. It is an annual survey conducted by the U.N.'s Sustainable Development Solutions Network. Despite Covid-19, the United States improved from previous years and is in 14th place (Bloom, 2021).

World's 20 Happiest Countries

1. Finland
2. Iceland
3. Denmark
4. Switzerland
5. Netherlands
6. Sweden
7. Germany
8. Norway
9. New Zealand
10. Austria
11. Israel
12. Australia
13. Ireland
14. **United States**
15. Canada
16. Czech Republic
17. Belgium
18. United Kingdom
19. Taiwan
20. France

Perception of Corruption: U.S. Ranks 25th

Transparency International defines corruption on its website as the "abuse of entrusted power for private gain." They underscore that "Corruption erodes trust, weakens democracy, hampers economic development and further exacerbates inequality, poverty, social division and the environmental crisis" (Transparency International, 2020).

The United States was ranked #25 (score = 67/100) in 2020 in Transparency International's 2020 Corruption Perceptions Index. New Zealand and Denmark tied for first place (score = 88/100) and were viewed as the least corrupt countries. Somalia and South Sudan tied for last place (rank tied at #179) with scores of 12/100 were perceived as the most corrupt countries in the World (Transparency International, 2020).

A new study by Transparency International and Equal Rights Trust shows that discrimination and corruption interact with each other and worsen problems with income inequality.

> This ground-breaking new report gives their combined impact a name: discriminatory corruption. It is the first snapshot of this kind of corruption around the world. We found compelling evidence that discrimination – whether on the basis of race, ethnicity, age, gender, sexual orientation or belief – enables and fuels corruption, creating a vicious cycle that deepens inequality (Transparency International, 2021).

Education, 2018 PISA Test

The Program for International Assessment (PISA) exam is given to about 600,000 15-year old students in 79 countries and economies every three years. The PISA tests measure performance in reading, math, and science, and the scores are available on the OECD website (http://www.oecd.org/pisa/).

The score for the U.S. on reading was 505 compared to the OECD average of 487. Compared to 35 OECD countries, The U.S. performed worse in reading than four educational systems, better than 21 systems, and about the same as 10.

In mathematics, the OECD average was 489, and the score for the U.S. was 478. The United States performed worse than 24 educational systems in the OECD, higher than 6, and about the same as 6. Math performance of students in the United States is unimpressive and well below the international average.

In science, the OECD average was 489, and the score for the U.S. was 502. The United States performed worse than six educational systems in the OECD, higher than 19, and about the same as 11 (NCES, 2018).

Life Expectancy: The U.S. Ranked 48th out of 201 Countries

Life expectancies range from 85.026 for Hong Kong to a low of 53.684 for Central African Republic. The United States ranked 48th out of 201 countries with a life expectancy of 78.99 years (81.526 for females and 76.486 for males) (World Population Review, 2021c).

Life Expectancy by Country

1. Hong Kong 85.026
2. Japan 84.79
3. Macau 84.424
4. Switzerland 83.974
5. Singapore 83.798
6. Spain 83.738
7. Italy 83.712
8. Australia 83.644
9. Iceland 83.22
10. South Korea 83.208
11. Israel 83.19
12. Sweden 83.026
13. France 82.862
14. Martinique 82.786
15. Malta 82.752
16. Canada 82.664
17. Norway 82.636
18. Ireland 82.506
19. New Zealand 82.504
20. Netherlands 82.492
21. Greece 82.472
22. Luxembourg 82.468
23. Guadeloupe 82.38
24. Portugal 82.29
25. Finland 82.144
26. Belgium 81.858
27. Austria 81.77
28. Germany 81.568
29. Slovenia 81.542

30. United Kingdom 81.522
31. Cyprus 81.206
32. Denmark 81.112
33. Reunion 80.942
34. United States Virgin Islands 80.826
35. Taiwan 80.7
36. Costa Rica 80.564
37. Qatar 80.446
38. Chile 80.428
39. Puerto Rico 80.354
40. Guam 80.352
41. French Guiana 80.21
42. Mayotte 79.646
43. Czech Republic 79.57
44. Barbados 79.392
45. Maldives 79.322
46. Curacao 79.098
47. Lebanon 79.09
48. United States 78.99
49. Cuba 78.984

Healthcare System: U.S. Ranked 37th

Based on the World Health Organization (WHO) data, the United States ranked 37th out of 100 countries. The Organization believes, "a well-functioning healthcare system requires a steady financing mechanism, a properly-trained and adequately-paid workforce, well-maintained facilities, and access to reliable information to base decisions on" (World Population Review, 2021d).

Country	Healthcare Rank (World Population Review, 2021d)
France	1
Italy	2
San Marino	3
Andorra	4
Malta	5
Singapore	6
Spain	7
Oman	8
Austria	9
Japan	10
Norway	11
Portugal	12
Monaco	13
Greece	14
Iceland	15
Luxembourg	16
Netherlands	17
United Kingdom	18
Ireland	19
Switzerland	20
Belgium	21
Colombia	22

Sweden	23
Cyprus	24
Germany	25
…	
United States	37

Countries with the Largest Prison Population Totals per 100,000 Inhabitants: The U.S. is in First Place

The United States ranked number one in incarcerating people in 2021, with 639 per 100,000 in prison (Statista, 2021). The United States, with less than 5% of the World's population, incarcerates 20% of the World's prisoners. About 1.07% of working-age adults are in prison (Wagner & Bertram, 2020).

Prison Population Totals Per 100,000 Inhabitants (Statista, 2021)

1. United States	639
2. El Salvador	562
3. Turkmenistan	552
4. Palau	522
5. Rwanda	511
6. Cuba	510
7. Maldives	499
8. Virgin Islands (UK)	447
9. Thailand	443
10. Bahamas	442
11. Panama	420
12. Grenada	413

Top 25 Countries in the World: U.S. Ranks #6 out of 78

U.S. News Best Countries Rankings are based on surveys of about 17,000 people across the world. Subjects are asked to associate a set of 76 attributes with a nation. These attributes are grouped into sub-rankings that include Adventure, Agility, Cultural Influence, Entrepreneurship, Heritage, Movers, Open for Business, Power, Social Purpose, and Quality of Life (Hubbard, 2021). The United States ranked #6 overall. It is the largest economy in the world and ranks #1 in power and agility and #3 in entrepreneurship and cultural influence.

Top 25 Best Countries 2021: Overall Ratings (Hubbard, 2021)

1. Canada
2. Japan
3. Germany
4. Switzerland
5. Australia
6. United States
7. New Zealand
8. United Kingdom
9. Sweden
10. Netherlands
11. France
12. Denmark
13. Norway
14. Singapore

15. South Korea
16. Italy
17. China
18. Finland
19. Spain
20. Belgium
21. Austria
22. United Arab Emirates
23. Ireland
24. Russia
25. India

Most Reputable Countries

Countries also develop reputations based on how they treat their citizens and others. The Reputation Institute has been publishing the Country RepTrak annually based on a survey of people living in the G-8 countries. The Institute also measures the corporate reputation of the World's leading companies with its Global RepTrak 100.

The World's most reputable countries in 2019 were (Valet, 2019):
1. Sweden
2. Switzerland
3. Norway
4. Finland
5. New Zealand
6. Canada
7. Denmark
8. Australia
9. Netherlands
10. Ireland
11. Japan
12. Spain
13. Austria
14. Belgium

…

36. United States

The reputation of the United States has been declining since 2016, and we are now #36. A country's repute is vital in determining where to live, where to go on vacation, and locating a factory (Valet, 2019).

Conclusion

The Soviet Union, the largest country in the world, ceased to exist in 1991. What caused the collapse of such a powerful nation? Mikhail Gorbachev, former president of the Soviet Union, explained the reason for its downfall:

> The Soviet model was defeated not only on the economic and social levels; it was defeated on a cultural level. Our society, our people, the most educated, the most intellectual, rejected that model on the cultural level because it does not respect the man, oppresses him spiritually and politically (Aron, 2011, para. 20).

The Institute of Contemporary Development, a think tank chaired by former Russian President Dmitry Medvedev, had the following to say about the demise of the Soviet Union:

> In the past Russia needed liberty to live [better]; it must now have it in order to survive.… The challenge of our times is an overhaul of the system of values, the forging of new consciousness. We cannot build a new country with the old thinking.… The best investment [the state can make in man] is Liberty and the Rule of Law. And respect for man's Dignity (Aron, 2011, para. 35).

Both Gorbachev and Medvedev understood the value of human dignity. When a country has no compassion for its people, that is a sign that something is seriously wrong. The reputation of the United States is suffering – we are in 36th place – and we do not need a prophet to warn us what we are doing wrong. One of the biggest problems in the United States is income and wealth inequality.

Several notable economists believe that inequality weakens the economy and hurts economic growth (Stiglitz, 2014). Heather Boushey, an economic advisor to President Joseph Biden, contends that countries like the United States with a great deal of economic inequality are considerably more vulnerable to financial crises than those with more equality (Lederer, 2020). Moreover, staggering income inequality weakens citizens' faith in a democratic government and a fair and efficient system.

One overarching problem in the United States is the hatred of the poor. This is what Philip Alston, UN Special Rapporteur on extreme poverty and human rights, writes in his report about the United States:

> Locking up the poor precisely because they are poor, greatly exaggerating the amount of fraud in the system, shaming those who need assistance, and devising ever more obstacles to prevent people from getting needed benefits, is not a strategy to reduce or eliminate poverty. It seems driven primarily by contempt, and sometimes even by hatred for the poor, along with a 'winner takes all' mentality…
>
> The United States now has the highest income inequality in the Western world, the highest incarceration rate in the entire world, and one of the lowest turnout rates in elections among developed countries. It is no coincidence that high inequality coincides with the overt and covert disenfranchisement of millions and millions of American voters. The result is that democracy itself is under threat because of extreme inequality and the range of policies being pursued to make it worse (Alston, 2018, paras. 5-6, 11-12).

Susan Fiske, Professor at Princeton, studies Americans' attitudes to the poor; Fiske claims that "Americans react to the poor with disgust." According to Fiske, "We're losing part of our humanity" by dehumanizing the impoverished and "These were the seeds to the Holocaust: That some lives matter more than others" (Lubrano, 2013).

Mackey and Sisodia (2013) note that the term "capitalism" was coined by Karl Marx, an individual who was highly critical of the economic system. Marx believed that capitalism could only result in a nightmare for most of the world. Greedy capitalists would be using cheap labor working for subsistence wages to enrich themselves. In actuality, capitalism has done more to alleviate world poverty than any economic system the world has known. Capitalism has been amazingly successful; research by Pinkovsky and Sala-i-Martin demonstrates that the percentage of people in the world living on a dollar a day dropped by an astounding 80% between 1970 and 2006 (Brooks, 2014).

One should keep in mind that Adam Smith was not a believer in unregulated, "greed is good" free-market capitalism. Instead, he believed in moral capitalism (Friedman & Adler,

2011). We can speculate that if he were alive today, Adam Smith would be very critical of the direction the United States is taking because the wrong kind of capitalism (e.g., crony capitalism) can cause significant damage.

Robinson (2007) asserts that the single-minded pursuit of self-interest has caused much harm to society and that we should stop associating Adam Smith with this doctrine. On the contrary, Adam Smith did not believe that pursuit of profits and self-interest would ensure that society would thrive but stressed the importance of morality; this is not surprising given that he was a moral philosopher. In *The Theory of Moral Sentiments* (1759*)*, Smith emphasizes that economic growth depends on morality. To Smith, benevolence — not the pursuit of self-interest — is one of the highest virtues. For capitalism to work, it has to be regulated, and corporate leaders must care about all stakeholders. Today, many investors use environmental, social, and governance (ESG) standards in evaluating firms. The triple bottom line, or the three Ps, refer to People, Planet, and Profit. Profit alone is not enough to make a company viable; instead, a more comprehensive approach is preferred.

At the Davos 2019 World Economic Forum, Punit Renjen, Global CEO of Deloitte, discussed a major survey by his firm that polled 2,000 C-suite executives across 19 countries. The survey showed that executives are now aware that societal impact is a crucial factor when evaluating performance, not shareholder value.

> Executives expressed a genuine commitment to improving the World. Leaders rated societal impact as the most important factor when evaluating their organizations' annual performance, ahead of financial performance and customer or employee satisfaction. In the past year, nearly three-quarters of respondents said their organizations had taken steps to make or change products or services with societal impact in mind (Renjen, 2019, para. 5).

Some corporate leaders are committed to the idea that business is about more than just making money.

> We believe that business is good because it creates value, it is ethical because it is based on voluntary exchange, it is noble because it can elevate our existence and it is heroic because it lifts people out of poverty and creates prosperity. Free enterprise capitalism is the most powerful system for social cooperation and human progress ever conceived. It is one of the most compelling ideas we humans have ever had. But we can aspire to even more (Conscious Capitalism, 2020, para. 1).

The same is true of a country. The United States may have the largest economy as measured by GDP, but that is not enough to remain a world power. According to Porter:

> The challenge America faces is not simply a matter of equity. The bloated incarceration rates and rock-bottom life expectancy, the unraveling families and the stagnant college graduation rates amount to an existential threat to the nation's future…The silver lining in these dismal, if abstract, statistics is that they portend such a dysfunctional future that our broken political system might finally be forced to come together to prevent it (Porter, 2015, p. B1).

There has been a growing debate between those that believe America is in decline (declinism) and those that feel America is unique (exceptionalism) and nothing needs to be improved. It is hoped that examining the statistics cited in this paper will make people aware of how much needs to be done if the United States wants to remain a world power. The first step, however, is to admit that change is required. The country has to focus on repairing the decaying infrastructure and providing jobs and training for Americans. In addition, the health

care system must be fixed. It is ludicrous that the United States spends more than any country on healthcare and yet performs poorly on almost all health metrics.

In actuality, most Americans want their country to be one with less inequality of wealth and income distribution. There is little difference between Democrats and Republicans when it comes to beliefs regarding ideal wealth distribution: 32% of wealth for the wealthiest quintile (top 20%) and 11% for the poorest quintile (Ariely, 2012; Norton & Ariely, 2011). Unfortunately, we are nowhere near this distribution of wealth. Everyone wins, and America becomes more potent if we work together to help all people prosper, not just the top 1%. As noted above, if we continue to work on eliminating discrimination and corruption, the problem of inequality will lessen.

Those who continue to assert that America is exceptional and changes are not needed guarantee that we will become a second-rate power in the near future.

References

Acemoglu, D. & Robinson, J. A. (2012). *Why nations fail.* New York: Crown Business.

Alston, P. (2018, June 4). Contempt for the poor in US drives cruel policies," says UN expert. *United Nations Human Rights*. Retrieved from https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23172

Ariely, D. (2012, August 2). Americans want to live in a much more equal country (They just don't realize it). *Atlantic*. Retrieved from http://www.theatlantic.com/business/archive/2012/08/americans-want-to-live-in-a-much-more-equal-country-they-just-dont-realize-it/260639/

Aron, L. (2011, June 20). Everything you think you know about the collapse of the Soviet Union is wrong. *ForeignPolicy.com*, Retrieved from https://foreignpolicy.com/2011/06/20/everything-you-think-you-know-about-the-collapse-of-the-soviet-union-is-wrong/

ASCE (2021). ASCE's infrastructure report card gives U.S. 'C-' grade, says investment gap up to $2.59 trillion, bold action needed. *Cision PR Newswire*. Retrieved from https://www.prnewswire.com/news-releases/asces-infrastructure-report-card-gives-us-c--grade-says-investment-gap-up-to-2-59-trillion-bold-action-needed-301239652.html Report available at: https://infrastructurereportcard.org/

Bloom, L. B. (2021, March 19). The 20 happiest countries in the World in 2021 (guess where the U.S. Ranked?). *Forbes.com.* Retrieved from https://www.forbes.com/sites/laurabegleybloom/2021/03/19/the-20-happiest-countries-

Brooks, A. C. (2014, April 18). Capitalism and the Dalai Lama. *New York Times*, A23.

Case, A. & Deaton, A. (2020). *Deaths of despair and the future of capitalism*. Princeton, NJ: Princeton University Press.

Children's Defense Fund (2021). The state of America's children: Child poverty. *Childrensdefense.org*. Retrieved from https://www.childrensdefense.org/state-of-americas-children/soac-2021-child-poverty/

Chua, A. (2007). *Day of Empire.* New York: Doubleday.

Conscious Capitalism (2020). *Consciouscapitalism.org*. Conscious capitalism credo. Retrieved from https://www.consciouscapitalism.org/credo

Economist (2021, February). Global democracy has a very bad year. *Economist.com*. Retrieved from https://www.economist.com/graphic-detail/2021/02/02/global-democracy-has-a-very-bad-year

Evrensel, A. Y. & Minx, T. (2017). An institutional approach to the decline of the Ottoman Empire. *Cogent Economics & Finance*, 5(1). Retrieved from https://www.tandfonline.com/doi/full/10.1080/23322039.2017.1380248

Fund for Peace (2021). Fragile states index. Retrieved from https://fragilestatesindex.org/
Friedman, H. H. and Adler, W. (2011). Moral capitalism: A biblical perspective. *American Journal of Economics and Sociology*, 1014-1028.
Howmuch (2019). Visualizing wealth per capita by country. *Howmuch.net*. Retrieved from https://howmuch.net/articles/wealth-per-adult-world-2019
Hubbard, K. (2021, April 13). Top 25 best countries in the world. Retrieved from https://www.usnews.com/news/best-countries/slideshows/the-25-best-countries-in-the-world
IEP (2020). *Global Peace Index 2020: Measuring Peace in a Complex World*. June, Sydney. Retrieved from https://www.visionofhumanity.org/wpcontent/uploads/2020/10/GPI_2020_web.pdf
Kreml, W. (1994). Decline of empire: The internal investigation. *Administration and Society*, May, 78-98.
Kristof, N. (2020, September 10). We're No. 28! And dropping! *New York Times*, A22.
Lederer, K. (2020, August 30). Equality? That's what's good for growth. *New York Times*, BU1, BU5.
Lu, M. (2020). Is the American dream over? Here's what the data says. *Weforum.org.* Retrieved from https://www.weforum.org/agenda/2020/09/social-mobility-upwards-decline-usa-us-america-economics/
Lubrano, A. (2013, August 6). Reacting to the poor – negatively. *Philadelphia Inquirer*. Retrieved from http://articles.philly.com/2013-08-06/news/41096922_1_west-philadelphia-neuroimaging-psychology.
Mackey, J. & Sisodia, R. (2013). "Conscious Capitalism" is not an oxymoron. *Harvard Business Review*, January. Retrieved from https://hbr.org/2013/01/cultivating-a-higher-conscious.
Middleton, G. D. (2012). Nothing lasts forever: Environmental discourses on the collapse of past societies. *Journal of Archaeological Research*, 20, 257-307.
NCES (2018). Pisa 2018 U.S. results. *NCES.ed.gov*. Retrieved from https://nces.ed.gov/surveys/pisa/pisa2018/pdf/2020166.pdf
Norton, M. I., and Ariely, D. (2011). Building a better America — one wealth quintile at a time. *Perspectives on Psychological Science*, 6(1), January, 9–12.
Porter, E. (2015, April 29). Income inequality is costing the nation on social issues. *New York Times*, B1.
Renjen, P. (2019, January 23). The 4 types of leaders who will thrive in the Fourth Industrial Revolution. *World Economic Forum*. Retrieved from https://www.weforum.org/agenda/2019/01/these-four-leadership-styles-are-key-to-success-in-the-fourth-industrial-revolution/
Resnikoff, N. (2021, July 30). California can solve its homeless crisis. *New York Times*, A23.
Robinson, Joan. (2007). "Morality and Economics." *Economist's View*. Retrieved from http://economistsview.typepad.com/economistsview/2007/07/morality-and-ec.html
Schaeffer, K. (2020, February 7). 6 facts about economic inequality in the U.S. *Pew Research Center*. Retrieved from https://www.pewresearch.org/fact-tank/2020/02/07/6-facts-about-economic-inequality-in-the-u-s/
Schneider, A. & Adali, S. (2014). 'No harvest was reaped': Demographic and climatic factors in the decline of the Neo-Assyrian empire. *Climatic Change*, 127(3), 435-446.
Smith, Adam (2002 [1759]). *The Theory of Moral Sentiments*. (Edited by Knud Haakonssen.) Cambridge: Cambridge University Press.
Statista (2021). Countries with the largest number of prisoners per 100,000 of the national population, as of May 202. Retrieved from

https://www.statista.com/statistics/262962/countries-with-the-most-prisoners-per-100-000-inhabitants/

Statistics Times (2021, June 3). Projected GDP per capita ranking. Retrieved from https://statisticstimes.com/economy/projected-world-gdp-capita-ranking.php

Stiglitz, G. (2014, June 29). Inequality is not inevitable? *New York Times*, SR1, SR7.

Stone, C., Trisi, D., Sherman, A. & Beltran, J. (2020). A guide to statistics on historical trends in income inequality. *Center on Budget and Policy Priorities*. Retrieved from https://www.cbpp.org/research/poverty-and-inequality/a-guide-to-statistics-on-historical-trends-in-income-inequality

Transparency International (2020). Corruption perceptions index. *Transparency International*. Retrieved from https://www.transparency.org/en/cpi/2020/index/nzl

Transparency International (202, July 6). Double harm when corruption meets discrimination. *Transparency International*. Retrieved from https://www.transparency.org/en/news/double-harm-corruption-discrimination-sdgs-leave-no-one-behind

Valet, V. (2019). The World's most reputable countries. *Forbes*. Retrieved from https://www.forbes.com/sites/vickyvalet/2019/10/15/the-worlds-most-reputable-countries-2019

Wagner, P. & Bertram, W. (2020, January 16). What percent of the U.S. is incarcerated? *Prison Policy Initiative.* Retrieved from https://www.prisonpolicy.org/blog/2020/01/16/percent-incarcerated/

Wilkinson, R. and Pickett, K. (2009). *The Spirit Level: Why Greater Equality Makes Societies Stronger.* New York: Bloomsbury Press.

World Economic Forum (2020). Social mobility index. *weforum.org*. Retrieved from http://reports.weforum.org/social-mobility-report-2020/social-mobility-rankings/

World Population Review (2021a). Gini coefficient by country. Retrieved from https://worldpopulationreview.com/country-rankings/gini-coefficient-by-country

World Population Review (2021b). Poverty rate by country. Retrieved from https://worldpopulationreview.com/country-rankings/poverty-rate-by-country

World Population Review (2021c). Life expectancy by country 2021. Retrieved from https://worldpopulationreview.com/countries/life-expectancy

World Population Review (2021d). Best healthcare in the World 2021. Retrieved from https://worldpopulationreview.com/country-rankings/best-healthcare-in-the-world