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Accounting -- a social force: a pattern speech

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ACCOUNTING -- A SOCIAL FORCE

A Pattern Speech

/Introductory Note: It is anticipated that there will be two kinds of audiences for this speech: people without significant accounting education or experience, like college professors in other fields or guidance counselors; and people with some or even a good deal of accounting education or experience, like students in accounting clubs or, perhaps, CPAs. For the first group, the speech is intended to show, with evidence selected from disciplines other than accounting, that accounting is a force in our society that deserves and requires the respectful recognition of educators and counselors. For accounting students, who may be at a loss for words in competitive bull sessions about the relative merits of different careers, the speech is intended as a supply of ammunition. For CPAs and other mature accountants, the speech is intended as one contribution toward what John Carey has called a conceptual description of the accounting profession's mission in society.

The purpose of the speech as stated in its first paragraph is so broad that definitive treatment in a single afternoon or evening is probably impossible. As many questions as answers are suggested. Consequently, illustrations of points could be added -- or taken away. Some parts of the speech that could be cut without destroying the basic structure of ideas are indented; this has been done to facilitate editing, so that users of this "pattern" can more easily adapt it to an allotted time, or their listeners' interests. (Most speakers take about two minutes per page.) On the other hand, the validity of the ideas in this kind of speech depends on the significance of the illustrations; the reasoning is basically inductive, and taking away too many illustrations will make the content seem thin. Listeners may not believe bare, unadorned generalizations. The Institute would welcome hearing about additional illustrations, with a second edition in mind./

It is a pleasure to be with you this evening and to be given the opportunity to talk about an aspect of accounting that is considered all too infrequently. This is the social force of accounting. I shall attempt to establish that accounting profoundly influences society, and to describe the nature of this influence.

First, let me give a bit of background.

Growth of accounting in the United States

The rapid growth of accounting -- as a discipline, a profession, and a social force -- is a significant phenomenon of American society in this century. In 1900, almost all of the accounting in the United States was record-keeping or bookkeeping, and the preparation of quite simple financial statements. Today, accounting includes both simple and very complex management information systems; it provides the basic data for many economic statistics; it is used in attesting the validity of economic information for a great variety of users; it has become essential to an equitable tax structure and to many regulatory functions of government; it is a closer approximation to an international language than any spoken language.

> In serving these functions, accounting today makes use of the computer more than any other discipline; it has been estimated (by IBM) that some 85 to 90 percent of all computer time is given over to accounting purposes. If there is to be intelligent direction in the Computer Revolution, accounting will have to play a major role.

The people who do the accounting have multiplied rapidly. The U. S. Department of Labor says that there are now almost half a million accountants in our country, and that accounting is the second largest professional field for men. There are several hundred thousand more who are more accurately termed bookkeepers.

Among the half million accountants are some 85,000 certified public accountants -- the men who are licensed by their states to serve the public as independent professionals. In 1900, there were only about 250 CPAs in the United States. Since that time, public accounting has been America's fastest growing major profession; the number of CPAs has approximately doubled every decade for the past four decades.

> In contrast, the number of doctors and lawyers failed to increase at as fast a rate as the total population during the first half of this century.

Need for accounting

The growth of accounting as a discipline and the increase in the number of accountants, non-certified and certified, shows that accounting and accountants have filled an urgent need in American society. To paraphrase a current beer commercial, we accountants must have been doing something right.

What were these needs? In general, the needs met by accounting and accountants were the measurement and communication of economic data essential to an industrial economy developed by the private enterprise of individuals, aided by public policies that have permitted and sometimes stimulated a spiraling dispersion of this enterprise. We can reasonably say that we have an accounting economy, because manufacturing, retailers, wholesalers, banks, transportation agencies, service enterprises, customers, employees, investors -- including the various institutional investors, and governments are tied together by a web of accounting documents. There are few decisions in our economic life that do not depend for their rationality upon accounting.

Of course, it is a commonplace for economists to say that we live in a money economy, and the expression "accounting economy" sounds strange. By money economy, we usually understand that things are made and services are provided for money, not to barter directly for other things or services. And economists usually define money as a medium of exchange, a store of purchasing power, and a standard of value. But I suggest that these functions are filled mainly by bookkeeping. Over 95 percent of the value of all transactions in the United States each year is realized through checks drawn on banks rather than through transfer of the familiar green stuff.

> I read recently an account of an individual who managed to operate quite effectively for an entire month without the use of green stuff. Most of his daily expenditures could be handled through credit cards or with tickets purchased by check. But the problem of tipping taxed his ingenuity. He finally bought, by check, a gross of St. Christopher's medals which he doled out in lieu of the usual tip. He didn't say whether he is still welcome at his favorite restaurant.

In one sense, even the familiar green stuff is simply part of an accounting record: the Federal Reserve Bank's "note" which one collects from society.

> Within recent years, our Treasury Department even stopped printing one dollar silver certificates as the Federal Reserve Bank assumed responsibility for providing one dollar notes.

The universality of accounting in our economic affairs makes the overwhelming need for accounting in our kind of society self-evident. But to show that accounting is ubiquitous is not to establish that it is a social force. Long pants for men, eggs with ham, and flowers in spring are ubiquitous -- but scarcely social forces. In other words, is accounting merely a tool -- a technique? Is it merely a product of social development, even though one may concede it to be a useful product? Or does accounting have its own dynamism, so that it affects social development? And if accounting affects social development, how does the process work?

An example of accounting as a social force (how double-entry bookkeeping has affected social development)

These are rather difficult questions, partly because accounting is a force in so many areas of our lives, and it therefore encourages attitudes that we take for granted. As we consider these questions, our eyes are so close to the page that it's hard for us to read.

We need perspective. We can get perspective by looking at other times -- or at other places. We can use both the hindsight of history and the comparison of cultures that anthropology makes possible.

(a) Another time.

First, let's look at a historical example of accounting as a social force.

As every schoolboy may be said to know but probably doesn't, the Renaissance in Western Europe was a period of great economic expansion, especially in international trade. Men frequently pooled their resources in order to undertake trading ventures. Debtor and creditor relationships became much more complex. Somebody, or several people, discovered double-entry bookkeeping; and an Italian monk named Luca Pacioli compiled and wrote a book about it.

Marquis Eaton, one of the presidents of the American Institute of Certified Public Accountants, once expressed extreme irritation with the term -- "double-entry bookkeeping." "No more inadequate, insignificant, unimaginative, pusillanimous term could have been selected!" he wrote. Then he suggested that confusing bookkeeping with the basic proposition of accounting was like confusing some relatively common exercise in mathematics with Newton's law. Perhaps double-entry should have been called Pacioli's law. Anyway, the name double-entry suggests a mere technique rather than the essence of the discovery, and thus minimizes its historic significance.

The truly significant discovery was that in man's financial affairs there exists a balance of action and reaction. This balance is present by the nature of economic relationships, not because some clever accountant created it. Double-entry bookkeeping was <u>discovered</u>; it was <u>not invented</u>.

Once it was discovered, rational management of large enterprises was much easier. For this equation explained the basic elements of commerce so that men were able to understand and use them for their own good. And without this understanding and use, modern forms of government, the systems of property rights that provide their foundation, and the systems of human rights that flow from them, could not have taken the shapes we know.

Pacioli's law became a written or unwritten premise that underlies all the reasoning of those economists, from Adam Smith on, who explained the workings of free enterprise and the capitalist economy. But even more important, it became axiomatic for the millions of businessmen and others who made the economy function. In short, double-entry bookkeeping, call it what you will, has been a social force.

(b) Other places.

Since we are all creatures of our own time and place, it's hard to imagine the state of mind of men who do business in a pre-Pacioli stage of economic development. But we can obtain some insight from the observations of anthropologists and others who have worked in primitive or underdeveloped countries where people still operate without double-entry.

For example, the anthropologist Ralph Linton reported trying to buy the entire stock of raffia cloth from a trader in a Madagascar market town, and of being refused on the ground that the trader would be bored through the rest of the day if he had nothing to sell. Besides, Linton offered to pay too much in order to close the deal in a hurry. Since exquisitely extended bargaining was the spice of social relationships in that market town, the raffia seller was offended. His revulsion at Linton's crude manners -- that is, crude by Madagascar standards -- may have contributed to his refusal to sell.

Here's another example:

The Food and Agriculture Organization of the United Nations studied the economy in Greece and found, probably to no one's surprise, that Greece would have to be industrialized and have a cash-crop agriculture if it were to raise the standard of living. One proposal in the FAO's program was that village women should be persuaded to stop hand-laundering in rivers or on stone slabs at public fountains; instead, they should send their wash to commercial laundries. This recommended change was related to numerous other possible changes intended to help the rapid growth of cash-crop agriculture. But of course, this was easier said than done. The women enjoyed each other's conversation at the river or fountain. It was a beautiful occasion. For centuries, there had been dances and songs about women getting together to do the washing and chat. Since this activity was reserved exclusively for women, it had come to be associated with the quality of womanhood. A woman felt attractive washing and chatting; a man felt amorous when he looked at a woman washing and chatting. One might almost say that the Food and Agriculture Organization's program to improve the standard of living turned out to be against sex!

The moral of these little stories is this: While money exists in both Madagascar and in Greek villages, there is not yet an accounting economy. The earning of money is far more incidental to living than in our accounting economy, and far less an end. Even in the Greek village, money is not often used to create more money, or to found a fortune, or even to make an individual independent of his family. When the Greek villager has money, he likes to have it in a tangible lump under his pillow; he distrusts figures on a sheet of paper.

It seems clear that wherever people have not yet discovered Pacioli's law, there is a notable disinclination to distinguish between economic events and other kinds of events. Before people can discover the law that there is a balance of action and reaction in economic events, people have to recognize that there is a separable economic component in many events. And they have to feel that their own power to distinguish and analyze this component is important.

When that happens, the raffia merchant names his price, pauses for a measured two and one-half seconds, and then says, "Next customer!" Wives expect their husbands to provide cash for sending the wash to the laundry; husbands take the little leather sacks from under their pillows and invest the contents.

In many parts of the world, as underdeveloped countries develop, this kind of revolution in behavior and attitudes is taking place. The impact of the accounting economy on ancient cultures is visible and dramatic. Even today, whenever men begin to end poverty and make a breakthrough to industrialization and a higher standard of living, Pacioli's old law is a major social force that changes what people do and think.

How accounting has functioned as a social force in the United States

And of course, Pacioli's old law is still prerequisite to the later growth of accounting. Broadly speaking, there have been three historical developments since Pacioli, and almost all of this history has occurred in the United States during this century.

(a) More sophisticated management accounting.

The first of these developments is much more sophisticated management accounting which has made possible the control and direction of billion-dollar corporations. Regardless of the obvious technological foundation of big business, its growth would have been frozen if accounting had not solved problems of control and management.

How this trend in American business began is dramatized in a little story about Andrew Carnegie. A competitor found he couldn't undersell Carnegie, and sent men to Pittsburgh to see if they could discover his formula. Carnegie heard about these men and invited them to inspect his plant. Finally, he offered to show them the secret of his success. He took them into a room lined with clerks at work on documents and figures. Then he remarked, "It costs $80,000 a year to run this room and it is worth all it costs, for it gives me the inside details of my business and I know what I am doing."

As coming from a captain of industry, these words have a rather quaint quality today. Management accounting is no longer classified information; what Carnegie, with obvious pride, called the secret of this success is now available in dozens of textbooks. Our sense that his words seem quaint is a measure of the extent to which we have changed.

Accounting also provided data needed for the mergers and consolidations of the early 1900's. Without the development of better accounting, American history would have been different.

Another way of appraising the social force of management accounting is to relate it, step by step, with overall economic development. Once the sweep of economic history is set forth in general terms, the relationship with the growing social force of accounting becomes almost self-evident.

The formulations of a number of economic historians could serve our purpose. For the moment, however, let's follow the lucid and simple outline set forth by Walt Rostow in his little book, <u>The Stages of Economic Growth</u>. Rostow sees all countries as growing in four stages; in his terms, these are the traditional society, the period of take-off, the drive to maturity, and the period of mass consumption. Rostow sees all countries as following this path, but as taking off at different times and as developing at different tempos.

By Rostow's definition, in a traditional society there is a ceiling on attainable output per head; this results from the fact that the potentialities which flow from modern science and technology are either not available or not regularly and systematically applied. This condition is related to a pre-Newtonian philosophical attitude that the world is essentially unknowable, and that mankind is therefore incapable of directing what happens in it. Britain remained traditional, in this sense, until about 1805; France and the United States, until about 1860; Japan, until about 1900; Russia, until about 1914; China and India, until about 1960.

Rostow observes that a national economy "takes off" from this state of affairs when a shift from agriculture and trade to manufacturing becomes profitable, and when the rate of investment reaches a point at which the related increase in output outstrips the rate of population increase. At this point there is generally a rate of investment of about 10 percent of the national income.

But before a national economy can take off in this sense, new developments in accounting are required. Double-entry by itself is not enough.

Pacioli thought of double-entry essentially as a method of venture accounting: that is, as a means of showing the results of transactions after they have been completed. Every single illustration in his book is drawn from trade; not one is drawn from manufacturing. The fact is that accounting remained dormant after Pacioli for over three hundred years. And dormant accounting often had the unfortunate social effect of closing down the cottage industries of that period, which produced in lots and then waited for customers. Men had to switch from venture accounting to periodic income reporting -- and keep the industries running -- before a national economy could take off.

With periodic income reporting, two other developments followed naturally: an adequate concept of depreciation and cost accounting. A. C. Littleton, in Accounting Evolution to 1900, points out that depreciation made more progress during the Nineteenth Century than in all previous centuries, despite imperfections from a Twentieth Century point of view. The first books on cost accounting appeared in France in 1817 and in

England in 1818; and cost accounting improved throughout the century, mainly through refinement of the analysis of overhead. By the close of the Nineteenth Century in the United States, accounting, fortified by these improvements, had become the basic discipline for control and direction of many corporations committed to expanding output per head, making possible enormous capital expenditure, which resulted in further expansion of output per head, with more capital expenditure, and so on.

Improved ability to make periodic checks on the results of operations affected attitudes as well as practice. Men became less concerned with salting away money or property -- like herring in a barrel, against a hard winter. They became more concerned with keeping a good thing going -- or with growth. In short, business -- and the economy -- took off and began what Rostow calls a drive to maturity.

The present period of high mass consumption is different from previous periods in our economic history mainly because the leading sectors have shifted toward durable consumers' goods and services. At present, very many products go through a cycle of development, sales promotion, maximum profit contribution and decline. A dynamic company continually develops and markets new products; equally important, it continually discards old ones. Direction of such companies has depended on accounting techniques that provide a design of the future. Budgetary control, forecasting and economic analysis, long-range planning, capital budgets, mathematical techniques for determining probable results of alternative courses of action -- these kinds of accounting work became the sine qua non of our economy of high mass consumption.

In sum, through all phases of economic history, management accounting -- and indeed, other functions of accounting that we shall shortly consider -- has had a dynamic effect on what Americans have produced and consumed.

(b) Accountability.

A second development of modern accounting is embodied in the concept of accountability. This concept was developed in Britain during the Nineteenth Century with the growth of the limited companies and the increasing separation of stockholders and management. Management's accountability to stockholders became written into law. But in looking at this history, we should take care not to put the cart before the horse. If meaningful financial reporting by management to stockholders had not become common practice, the first British Companies Act would have been unenforceable and pointless. The development of accounting in line with the concept of accountability fostered the limited company -- in the United States, the corporation; and the law described a standard for organization of what had already proved to be practicable and useful.

This concept of accountability has found a happy home in our American democratic society. Without this concept, we couldn't begin to talk about a "people's capitalism" -- with some 17,000,000 direct owners of stock and some share in the ownership of American business by almost everyone through various kinds of institutional investment.

In general, there has been a trend in this century for the management of American business, especially in the listed companies, to acknowledge accountability to more people and to disclose more fully the results of operations. Historic milestones in this trend include the high taxation that began during World War I, which involved the accountability of business to government, with a shift of emphasis from the balance sheet to the income statement. Another milestone was the 1932 formulation of standards of disclosure by the New York Stock Exchange with the collaboration of the American Institute of Certified Public Accountants. This was followed in 1933 and 1934 by the securities acts, which for the most part put into laws affecting listed companies what the Stock Exchange and AICPA had formulated. During World War II, the accountability of management to government was greatly broadened; accounting provided the data that underlay price fixing, cost inspection, repricing, and renegotiation of contracts. Since World War II, management has been more frequently regarded as accountable to more people -- to labor unions, for example, who generally rely upon a company's financial statements in collective bargaining.

Since we are in the midst of rapid change even while we talk about the concept of accountability, I do not pretend to make a definitive appraisal of its role as a social force. I have only a working hypothesis: namely --

We are living in a period in which for a variety of reasons it is increasingly recognized that the enjoyment of freedom in a democratic society must be accompanied by assumption of responsibility. Most people hold in common the conviction that every person and every institution does have responsibilities beyond bald self-interest. I make no predictions where this changing attitude toward social responsibility is likely to lead us. My point is this: whatever society decides regarding the accountability of men in their economic relationships, the science of accounting is sufficiently advanced so that this accountability can be measured and communicated for generally accepted purposes. The concept of accountability has become a factor in democratic society's search for higher standards of social responsibility.

> How important the social force of accountability is can be appreciated by looking at problems of underdeveloped countries where this concept is not generally understood or accepted. Agencies of the United Nations, agencies of governments in developed countries including our own, private foundations, and many individuals have prescriptions for helping underdeveloped countries; I think they all agree that educated managers are needed.

It is not usually pointed out that an acceptance of the concept of accountability is an essential part of the modern, educated manager's outlook. But it's difficult to transplant this concept from developed to underdeveloped countries -- unless a great mass of law, custom, and education are transplanted at the same time. The concept of accountability, like any other social force, gets its steam from the attitudes of many people.

And in almost all underdeveloped countries, the people are divided into two sharply defined classes: the elite and the peasants. Neither class contains many individuals who have the kind of background that encourages initiative in business or technology.

The elite generally want industrialization; but they want it by magic, so to speak -- by some miracle that defies analysis. They shrink from reasoned solutions. High social prestige is attached to reputation of family or clan and ownership of land; there is a low esteem for work, particularly the kind of work required in trade and business. For the elite personality that flourishes in such a setting, the responsibilities of business management as structured by the concept of accountability can be intolerable. Status that depends on values that have nothing to do with managerial performance is threatened.

The peasants may be better prepared to accept change than the elite, since they have less to lose. But there are formidable educational obstacles before a peasant in an underdeveloped country can move into the world of modern business. In most cultures the peasants are so suspicious and individualistic that fulfilling responsibilities for an impersonal business organization make them uncomfortable.

In short, in the social climate of most underdeveloped countries, there are few people who can either be or permit others to be accountable in the sense that is required for the organization and management of successful limited liability companies. This is one of the major reasons why it is a long, hard road for an underdeveloped country to become developed.

The concept of accountability is especially an achievement of Anglo-American culture. Although it owes its origin to the development of the limited company, it was significantly encouraged by democratic political institutions and a social ethic which requires that people be judged by their deeds. The leadership of Britain and the United States in furthering the acceptance of accountability is still reflected in differences in accounting practices even among the industrialized countries. For example, secret reserves are commonplace in Europe but in general are not permitted in the English-speaking countries. In some countries, assets are usually carried on the books at a fraction of their value for tax purposes. On the other hand, foreign companies that do business in the United States often must revise their disclosure attitudes in order to generate the confidence needed for the proper flow of investment and credit. In such differences one may perceive the result of the concept of accountability as a social force -- or the result of its relative weakness.

(c) Independent auditing.

A third development in modern accounting is independent auditing, which includes the expression of an opinion adding credibility to financial statements and the assumption of responsibility apart from that of management. Auditing began with the division between managers and stockholders in the Nineteenth Century, when the latter hired accountants to check the reliability of financial statements drawn up by the former. Then creditors and others began to rely upon auditors' opinions. For the first time in history, the accountant, acting as an independent auditor, was recognized as holding a special responsibility to outsiders, apart from that to the owner or manager of the business.

> It was undoubtedly this new responsibility that led to the organization, first in Scotland and then in England, of the Institutes of Chartered Accountants under authority of royal charter. Examinations were conducted to test the professional competence of those who would become chartered accountants, and ethical principles were developed to strengthen their independence and standards of responsibility.
>
> Late in the Nineteenth Century, many Scottish and English chartered accountants came to the United States on professional business for English capitalists. Some stayed and helped to start professional accounting here. The first American law concerning certified public accountants, enacted in New York in 1896, followed the British pattern. The main function of these men was auditing.

Broadly speaking, auditing serves the social function of an independent attestation of financial statements, so that several parties are served by the same statements. The most common different parties are management, stockholders, credit grantors, consumers, labor, and government. Our concern this evening is, of course, what social force does independent auditing have -- if any?

I think the question can be answered only if we begin by observing that we live in a society characterized by division of function, responsibility and power among many kinds of institutions. The most important relationships among these institutions are economic. Rationality in these relationships requires measurement and communication of economic data, in terms of principles -- or a yardstick -- that are generally accepted or at least recognizable. Auditors take responsibility that this job is done properly. This, then, is the social function of auditing: it facilitates workable relationships among institutions.

Is there force in this function? I suggest that there is great force, which we may appreciate if we observe that the relationship among institutions, just mentioned, is recent enough so that it was not and could not be described either by such Nineteenth Century figures as Herbert Spencer or Karl Marx. In place of a society controlled by an elite using brute force, as described by Spencer, and in place of a society whose inner contradictions could be resolved only through class struggle and revolution, as described by Marx, we have a society in which, characteristically, private and governmental institutions reach accommodations based on law and a great body of highly significant custom. The objective of the accommodations is most commonly economic progress and/or social welfare.

Auditing and attesting to the validity of financial statements by independent certified public accountants is a necessary element in the functioning of this kind of society. Institutions must have it in order to deal with each other with confidence. It is a practice embedded both in the law and custom of our time.

Accounting as a social force in the future -- what some social scientists expect

At this point I would like to submit the assumption that we can better appraise any kind of social force if we try to see the future as well as the past and present. Seeing the future is a favorite occupation for certified public accountants, not only because we frequently prepare budgets and other forecasts for our clients; also, the profession has been changing so rapidly that every CPA can observe the professional prestige and other rewards that flow to the forward-looking firm.

Because of this situation, it is not surprising that the American Institute of Certified Public Accountants recently completed an eight-year study of the future, to which both social scientists and CPAs contributed. The CPAs responded to an exhaustive survey about trends in their practices. Accountants from other countries made contributions during the Eighth International Congress of Accountants, held in New York in 1963. Two books came out of the study.

For our purpose, however, I would like to draw upon some unpublished papers that a few of the participating social scientists made available to the Institute. Their remarks, reflecting their backgrounds in several specializations, indicate some interesting lines of thought about accounting as a social force.

A behavioral scientist at Stanford, noted that the development and application of information technology had advanced to the point at which a restructuring of managerial functions in business was in order. He noted that the person who became, in effect, the director of information in a business would also become, logically, the overall director.

It is in fact a visible pattern for controllers with computers to correlate information about all aspects of operations, and therefore have at their command all the data required for overall management.

He also suggested the possible broadening of the independent accountant's attest function, which now has to do almost entirely with the fairness of financial representations. But the attestor, in his role of liaison among institutions, might also attest whether or not the proper level of employment has been maintained, the behavioral scientist suggested. Or proper compensation. Indeed, we might have an attest society in which a very high-level international elite, capable of crossing any discipline, could furnish an opinion on almost anything.

A political scientist from the University of Chicago foresaw the likelihood of a much more refined methodology for examining the rationality of public expenditures -- particularly those for research and development.

A sociologist from Columbia University expected great growth in the technology of measurement. In this connection, he listed a number of points at which developments in social research touch or come close to accounting. He too saw the possibility of great expansion in the attest function. For example, how about auditing not only in terms of money but also in terms of approved social objectives -- such as worker happiness or consumer satisfaction?

The director of the International Center for the Advancement of Management Education at Stanford saw great expansion of the attest function as more companies "went public," offering their stock for sale to the general public on the exchanges. He also saw greater use of such management aids as linear programming and queueing theory; and he related this development to an extension of the attest function in another direction: CPAs might be expected to give an opinion regarding management performance, he suggested. (Incidentally, this is already done in Sweden.)

In all fairness to the four scholars whom I have just paraphrased, I wish to make it clear that they were asked to speculate, and they all made it clear that this was what they were doing. But perhaps it is significant that some speculations of men who had little personal experience in the accounting or managerial environment simply described what was already happening.

In all fairness to you, I would like to point out that predictions about the future of accounting that have been made in the past -- even the most etherial blue-sky ones -- have often come true faster than almost everyone expected.

As you have no doubt realized long before now, this is not the sort of talk that leads to a pat conclusion. In summary, I merely leave the thoughts that accounting is now a far greater social force than is generally recognized, and that current trends in social and economic affairs strongly suggest this force is growing.

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