THE DONOUSA MIRACLE



A Scientist Bio-Interview with Prof. Leonidas A. Papakonstantinidis.

https://www.researchgate.net/profile/Leonidas_Papakonstantinidis

https://researchleap.com/wp-content/uploads/2018/02/04_A_Social_Welfare_Economics_Proposal.edited.pdf

Interviewer:



Stephen I. Ternyik, Techno-Logos, Inc. (-1985)

https://www.sociostudies.org/authors/ternyik_stephen_i/

Sudden mind changes seem to happen by a rapid transformation of the heart beat frequency. Such a deep psychological moment happened to you, when you visited Donousa island in 1979. You came as developmental and academic bureaucrat from the capital (Athens) and you were a bit over 30 years. What did strike you, the young careerist, so much, in that geo-meta-physical location?

Yes, I came as a developmental and academic bureaucrat (Agricultural Bank of Greece, Direction of Studies and Planning) from the capital Athens to report on the small Cyclades-Aegean islands, and I started from Donousa.

My turning point in the mind was a scene with the mute coachman driving the mule, as opposed to the limousine, which took us from Brussels airport to the building of the European Commission, called the Berlaymont. This was the period (1976-1979) of Greece's accession to the EEC (now EU). The population of Donousa was fully isolated from what is called 'quality of life' or standard of living. I had no idea on how these people faced their day-to-day problems, especially those related to health. No electricity, no water, no infrastructure, no roads, no official port; it was a boat that brought guests to the island. It then literally clicked in me, and I refused my predetermined career, while all other bank direction members (27) became high profile academics or politicians.

The cognitive and practical metamorphosis of your community bargaining and participation model evolved in the working conjuncture of certain universities, banking offices and local development boards. Could you tell us more about the gradual emergence of the stages, cooperation's and benefactors? You had chosen the bottom-up-view in the beginning of a top-down bureaucratic planning era in Europe. Later in this interview, we will discuss some vital scientific details; for now, we are interested in the special constellation that made your methodical progress possible? Must have been some special ancient Greek oracle or deity, wasn't it?

Like this. One of the last days in 1978, I was sent by the Agricultural Bank of Greece to Crete presenting a bank report. After the presentation, the locally know journalist Kakavelakis invited me to visit the very active Orthodox (Christian Theological) Academy in Kolympari and to meet the sacred Archbishop Eirinaios. At that location, we developed the concept to integrate small and isolated communities into the Mediterranean Program of the EEC, which was sent to the European Commission, with approval in

1985. The Mansholt Plan for European agricultural integration had no positive impact on the Mediterranean member states and its sectoral intervention was in favor of such countries as Germany and the Netherlands (the home country of EEC commissionaire Sicco Mansholt, 1908-1995). This was our conceptual work to correct and balance the implicit bias of the common agricultural policy (CAP) from the bottom; it also signaled the strategical track to a new structural policy by means of economic reform of the community budget (the Delort Packages I and II) and multi-sectoral loans by the EEC. Hence, our community contribution was a vital link and element to improve European economic integration by a constructive response from the very citizen's periphery to the political center of decision-making.

Prof. Papakonstantinidis, we should now gradually introduce your community bargaining model to the reader. How do you evaluate the work and approach of the Schuhmacher Center for New Economics (https://centerforneweconomics.org/), in terms of methodical and scientific distance as related to your direction in cooperative economics? In addition, it would be important to hear your opinion on 'Gerschenkronian backwardness' (https://en.wikipedia.org/wiki/Backwardness), in relation to the European 'periphery', like Donousa!

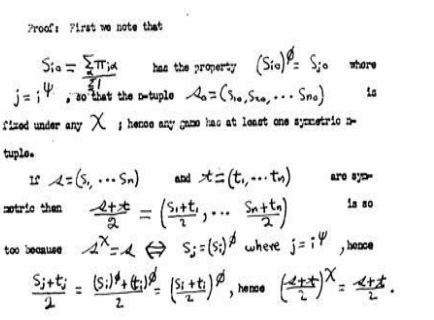
The main intersection with the Schuhmacher approach (small is beautiful) is the local process of experiential learning. A bottom-up approach must sensitize the local population, build the social infrastructures of decision-making and organize the financial tools of participation, e.g. microloans. Local cooperative banks, local tourism boards and incentives for small and medium enterprises do play a decisive role in this sensitization process for small and isolated communities of the economic periphery. My (win-win-win) model tries to tie the micro- and macroeconomic layers together, to

gain an optimal community bargaining solution, under shifting economic conditions. It is, therefore, a scientific and practical contribution to regional stability in the European periphery, i.e. it connects space and society by economic participation. This way, I have become, as many prominent newspaper articles document, the 'father' of rural tourism in Greece. I was able to intensify my practical and methodical research work in 2001, when I was called to fill the chair of local and regional development at the Technological Education Institute (TEI) of the Peloponnese. The Gerschenkron argument makes sense in regional development, where we must find alternative pathways for local economic growth. Before I took the regional development chair at TEI, I had been visiting well over 2000 peripheral settlements, and could learn a lot about 'backwardness', in real world economic terms.

Many times, you are talking about the best Pareto sharing option. You say that your community participation model was abstracted methodically and mathematically from marginal economics. Could you, please, share your conclusions about these theoretical insights for mortal human beings?

In the economic sphere, we are always dealing with the strategic interplay of several decision layers and makers. Nobel laureate (1994, economics) J. Nash has developed valuable methodical tools to model such human chances and choices in complex systems, like the body economic. And, as you know, the first glass of water is very precious in the desert; here, we can adapt the classical formulae of V. Pareto to apply the allocation of resources in the most efficient manner. However, the social fairness of any complex collective bargaining process is bound to the distributive quantity and quality of the marginal economic benefit to the local community as allocator. My win-win-win model balances bargaining complexity, allocation efficiency and community resources by a creative negotiation and output process, it adds to regional economic stability in times of greater crisis and fluctuations. I use the sensitization process of all bargaining

parties to achieve a fair and stable pay-off, in terms of local and cooperative economics. Of course, this an economic approach to participatory democracy and cannot be applied under authoritarian political conditions.

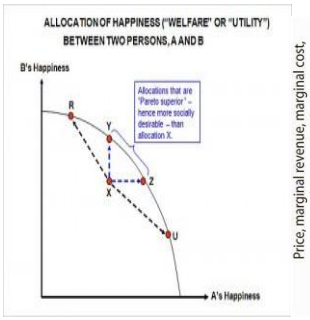


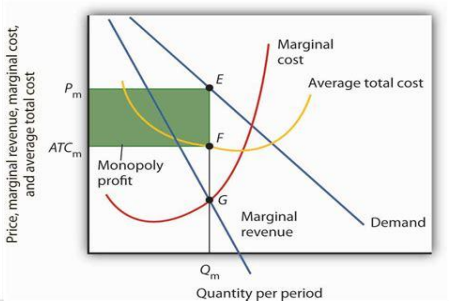
Proof: First we note that

$S_{io} = \frac{\sum \pi_{ja}}{n!}$ has the property $(S_{io})^{\phi} = S_{jo}$ where $j = i^{\psi}$, so that the n-tuple $\mathcal{A}_o = (S_{io}, S_{oo}, \cdots S_{no})$ is fixed under any χ; hence any game has at least one symmetric n-tuple.

If $\mathcal{A} = (S_1, \cdots S_n)$ and $\mathcal{X} = (t_1, \cdots t_n)$ are symmetric then $\frac{\mathcal{A}+\mathcal{X}}{2} = \left(\frac{S_1+t_1}{2}, \cdots \frac{S_n+t_n}{2}\right)$ is so too because $\mathcal{A}^{\chi} = \mathcal{A} \Leftrightarrow S_j = (S_i)^{\phi}$ where $j = i^{\psi}$, hence

$\frac{S_j+t_j}{2} = \frac{(S_i)^{\phi}+(t_i)^{\phi}}{2} = \left(\frac{S_i+t_i}{2}\right)^{\phi}$, hence $\left(\frac{\mathcal{A}+\mathcal{X}}{2}\right)^{\chi} = \frac{\mathcal{A}+\mathcal{X}}{2}$.





Thank you, Leonidas. Could you describe the preferred macro-economic setting or framework for your Papakonstantinidis (win-win-win) model of communitarian bargaining processes? Under which macro-economic 'systems' condition can we attain the best collective bargaining processes for the local community? What are the decisive probability factors in the game behavior?

All kinds of economic long-term planning are not favorable settings for our community bargaining model; we want to cooperate and participate in the economic market 'now' and emphasize short-term economic planning and inter-action to maximize our collective bargain, which is the sum of individual straight-forward 'gaming' decisions. We follow the Keynesian dictum that in the long-term planning run, we will be already dead. I like to mention the leading economic thought of Nobel laureate (economics, 1970) Paul A. Samuelson (1915-2009) as a methodical role model, concerning the maximization of the market 'now', minimization of the temporal 'gaps' and human decision-making under existential uncertainty; his foundational works clearly teach an important lecture on how to organize the dynamic market economy in a chaotic world, characterized by the rapid change of dominating patterns.

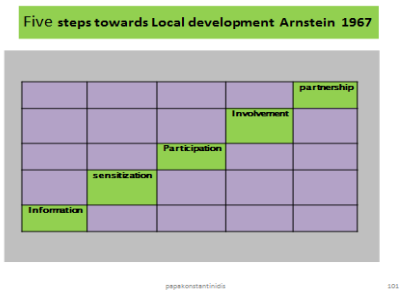
We have now touched a sensitive and hot issue of the current orientation debates in economic science, namely the legitimation of scientific methodology. The internal validation of economic data by the mathematical method can deliver post mortems of the status quo but cannot predict real economic life issues. An external validation by field work is always required to reach solid ground, concerning human economic action. How do you address these two economic perspectives in your win-win-win model of community bargaining?

The developed community bargaining model is by no means a prediction tool or the like, nor had we the intention to create such a methodical instrument. From the very beginning at TEI, we were collecting and teaching real empirical data from 'peripheral' Greece (and a bit from Cyprus), connected to the EU Leader Program Initiative. Besides the 'normal' academic study of economic subjects, the students were involved deeply in local action groups, to build the rural development policy and to construct the necessary social welfare actions in real time. By the way of practical work (sensitization), we slowly assembled the raw material for the teaching of local tourist development and the local economy in general. The Papakonstantinidis win-win-win model of community bargaining is an empirical tool to grow the local economy and social welfare in real time; it is a tool for planning social welfare and cohesion policies, with a complete mathematical justification. Since 1995, I had already developed the 'mother model' (SHIELD, Sensitized Harmonic Integrated Endogenous Local Development), which I presented at the Tourismo Verdi World Conference in Rome (1997).



John von Neumann (with Oscar Morgenstern) is the author (1944) of a groundbreaking work on games theory and economic behavior; he coined the famous quote:'If people do not believe that mathematics is simple, it is only because they do not realize how complicated life is'. What is your take of this statement as political economist and bargaining practicioner, with respect to your experiences in field work, academia and institutional policy-making?

The mathematical method enables us to research exactly into the order and harmony of the living universe; it can connect numbers, behavior, knowledge and living systems in a metric view of observed phenomena. This view of the metron (measurement unit) as tool of understanding implies a rational mystics, like the schools of Pythagoras and Plato opined, i.e. a direct relation between a creator and creatures via harmonic thinking and natural law. I applied this sensitization process (sympathtetic, systemic, conceptual) in all my life works, and especially in my community bargaining model. A bargain is not a jungle of frozen feelings, but even much more an economic mode of social conduct, where each of the participating players leaves free breathing space to the other. The community sensitization process has to focus on the economic importance to revert to the working philosophy ot the metron and not simply on statistical output. A. Cournot (1838) and J. Nash (1950) worked out the mathematical principles for this economic approach that bargaining and sharing can be integrated.

Our next question brings us to the evaluation of scientific genealogy (https://www.genealogy.math.ndsu.nodak.edu/). Who are your scientific descendants, whom do you count into that circle? Feel free to mix both, relating to persons or stats. Or just start with the most actual one, to mention a special case!

At first, I must mention all graduates and post-graduates of the Local Government Department of the TEI, where I completed three presidential tenures (over one decade); this totals a cohort of over 30 people, who became all highly positioned academics and applied field workers, dominantly in Greece and Cyprus, but also a few abroad. From this fertile kernel speaded a scientific diffusion process into the spaces of India, Indonesia and Vietnam, namely the Indian Institute of Technology (Bhagalpur, Prof. Unal, Dean), the Lampung University (Bandar, Prof. Barusman, Dean) and pioneering researcher Ho Le Phi Khanh (Hue University). There seems to be a great receptivity for the win-win-win community bargaining model in Asia, where over ¼ of the world population is concentrated. Finally, and most currently, I must mention Christina Barbarousi, a PhD researcher at Thessaly University, who signifies a preeminent talent in the collective bargaining methodology. There emerged also a greater circle of prominent international professionals, who actively support the community bargaining model of my tripolar design (win-win-win).

Please tell us a bit about your Erdös number (https://oakland.edu/enp/)! I mean here something like your personal ranking of collaborative distance with researchers about your life-time. You must not limit yourself to written papers but can include all other work projects related to your model; the set should only focus on a few people.

The triple pole approach of bargaining evolved in well over 50 participations and presentations at world level science conferences.

Concerning the historical evolution of economic thought, the work of 8 Nobel laureates has been diligently integrated into the thought and action model, with respect to collective bargaining and game theory. We can consider it as the newest branch and outgrow of the economic tree of knowledge, being characterized by real life applications. The Erdös number 1, concerning closest collaborative distance to my works, can be given to a set of 12 people (e.g. George Spais/Hellenic Open University; Prof. Barusman/Indonesia; Prof. Unal/India; Prof. Tsobanoglou/Agean Sea University; Prof. Lagos/The Agean University), and we have an Erdös number 2 set of 23 people (e.g. Christina Barbarousi/my best Ph.D. candidate; President Kapolos/TEI; Mayor Kalofolias/of Gargaliani; Prof.Kronberger/Comenius University/SK; Sarantos Malapanis/ excellent Ph.D. candidate). So, we have an Erdös circle of 35 active collaborators. Our community bargaining model (from voting to bargaining) restores the sense of cohesion, if you want the bottom-up survivor function, and switches from a win/lose to a win/win economy. Political economics and economic sociology do merge in our participative model of collective bargaining and real-life game behavior.

Prof. Leonidas, we have come a long way to share your decisive life contribution to economic science and to understand the practical depth of your research and action program (the Papakonstaninidis win-win-win-model). Let us round up our interview with a classical philosophical question: The logos and the silence make the mentality of the completed person, the one who has a circumcised (elaborated) brain and an uncircumcised (non-disguised) heart. What is your take of this time-tested wisdom, considering your real-life experiences in academia, banking, consulting and social policy-making?

I have always been and will be close to the weak side. I have not been able to overcome this feeling and 'stigma'. Everyone of us, in all these bazars of life, sometimes wins and sometimes loses, which creates the dynamics of human societies. Everybody wants to be a winner, but it is obvious that they cannot be that. 50% of the human wealth on this globe is owned by about 8 families, such economic conditions cannot be good for the progress of humankind as whole organism. As a political economist, I scientifically studied and practiced bargaining models and processes, in the last 50 years, and I always remained in deep mutual contact with the places and people, I have worked and lived with, which has immensely enriched my life quality! The win-win-win Papakonstantinidis bargaining model evolved as an autobiographic product from the bottom of my heart, but was elaborated and methodically justified by a 'plowed' brain to serve the 'hands' of a new generation of collective bargainers on different levels of decision-making, mainly starting at the community level, i.e. we will switch from voting to bargaining to end the win/lose economy.