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The UN's' Development Goals, the AACSB, and the Political Economy of Illusion

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Doi: [10.19044/esipreprint.4.2023.p245](https://doi.org/10.19044/esipreprint.4.2023.p245)

Approved: 16 April 2023
Posted: 18 April 2023

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Cite As:

Wagner R.E.. (2023). *The UN's' Development Goals, the AACSB, and the Political Economy of Illusion*. ESI Preprints. <https://doi.org/10.19044/esipreprint.4.2023.p245>

Abstract

In 1903 the Italian economist Amilcare Puviani articulated a theory of fiscal illusion to promote better understanding of the course of political action. Puviani created his theory to explain the failure of political pronouncements to reflect the reality to which those pronouncements claimed to pertain. Several commentators have since amplified Puviani's recognition that political action operates through fomenting illusion within the citizenry. In contemporary times, the United Nations has articulated 17 pleasant sounding goals for global development. Further, the Association to Advance Collegiate Schools of Business (AACSB) amplifies the UN in insisting that business schools incorporate those development goals into their curricula. After describing the theory of fiscal illusion, this essay explains how the AACSB's promotion of the UN's development goals provides a case study of the bureaucratic imperative which both the AACSB and the UN reflect, and with that imperative illustrating the political economy of fiscal illusion.

Keywords: Fiscal illusion; Amilcare Puviani; Vilfredo Pareto; accreditation and AACSB; UN development goals; bureaucratic imperative; entangled political economy

In 2015 the United Nations adopted a set of 17 development goals as comprising what it called its “2030 Agenda for Sustainable Development.” The UN, moreover, has been in the process of generating support for that 2030 Agenda from at least 1992 when it adopted what it called Agenda 21 in a meeting of the UN’s Department of Economic and Social Affairs in Rio de Janeiro, and with that meeting being the culmination of the UN’s efforts to articulate global programs that it has been promoting nearly almost since its establishment in 1945. In its promotion of Sustainable Development Goals (SDG’s), the UN has embraced the image of a new form of collective planning for the world, one that is achieved through discussion among interested parties in contrast to Communist Party efforts to impose collective planning in the Soviet Union after 1917. Those goals are truly comprehensive in that they address topics that are surely of interest and concern to nearly everyone on the globe, as a simple listing makes apparent.

1. No poverty.
2. Zero hunger.
3. Good health and well-being.
4. Quality education.
5. Gender equality.
6. Clean water and sanitation.
7. Affordable and clean energy.
8. Decent work and economic growth.
9. Industry, innovation, and infrastructure.
10. Reduced inequalities.
11. Sustainable cities and communities.
12. Responsible consumption and production.
13. Climate action.
14. Life below water.
15. Life on land.
16. Peace, justice, and strong institutions.
17. Partnerships for the goals.

This list of SDG’s can be read from several angles and dispositions. Where some might read them favorably as providing objectives at which political leaders throughout the globe should aim, others might note their vagueness and wonder what that very vagueness might accomplish. For instance, #2 on zero hunger sounds definite but is highly indefinite in practice, and with that indefiniteness providing a wedge for the insertion of arbitrary political power into ordinary life on earth. People differ in their basic metabolisms and they also differ in their levels of daily activity, both of which create differences in the demand for calories among people. What if hunger is thought to be eliminated on average with 1,800 calories per day,

and yet with individual caloric needs ranging between one and five thousand daily? This SDG will require some administrative apparatus to administer the zero-hunger condition, for that condition will not administer itself. Might not food rationing be in the future with this SDG? Here we see the bureaucratic imperative in action in which bureau executives are always looking for new activities to bring under their purview. With respect to this bureaucratic imperative, we should always remember that the people who rise toward the top in any line of activity are characterized by such features as intelligence, ambition, and creativity, all of which lead into a mentality of always thinking of new worlds of activity to conquer.

Now consider #10 on reduced inequalities, and which also calls to mind #5 on gender equality. To speak of reduced inequality requires some metric against which inequality can be measured. There is a standard measure called a Gini coefficient which is a terribly inadequate and even misleading measure but is often used all the same whenever someone wants to speak about inequality. The Gini coefficient measures inequality among earnings within a set of people. SDG #10 supports reducing inequality while opposing increases in inequality. This goal is incoherent for the simple reason that it fails to recognize that the degree of inequality among a set of people reflects to a large extent the desires of those very people. Consider a set of people who are choosing between two jobs. One allows them to work at home; the other requires them to commute to a place of work and keep scheduled hours. Most people will surely prefer to work at home under those conditions. To attract people to the job that requires commuting will require employers to pay more than to attract people to jobs where no commuting is required. This simple illustration shows how free markets tend to promote equality in the underlying conditions of work by creating wage differences that are necessary to promote real equality instead of promoting the illusion of nominal measures.

With respect to #5 on gender equality, moreover, there is the simple observation that women who have never married have higher earnings than men. Gender equality is a fatuous concept that all the same has become part of a political program supported by certain political groups. The evidence shows strongly that women who never marry have significantly higher earnings than men. If there is a gender gap, it favors women over men. The statistics that show that men earn more than women are comparing noncomparable objects. Never married women earn more than men while married women earn less than men. There is something about getting married, which most women do, that lowers their earnings relative to men. That something is having children, in conjunction with the reality that women are generally more nurturing than men. Hence women leave the workforce to raise children far more often than do men. Single men,

moreover, have far lower earnings than married men. Overall then, marriage is good for men and bad for women, with respect to recorded earnings, and with Thomas Sowell's (1981) astute observations being as accurate today as when they were initially published. The UN's SDG's with respect to inequality illustrates the operation of the economics of illusion, as do all the SDG's as I shall now examine.

Politics, bureaucracy, and the political economy of illusion

Amilcare Puviani (1903) was an Italian economist who articulated a theory of fiscal illusion that reflected a unique Italian orientation toward political activity, and with that Italian orientation initiated by Antonio de Viti de Marco (1888). Prior to de Viti, economists treated political activity as standing apart from ordinary market activity, and with economists seeking to advise politicians on how to improve the organization of economic activity. When economists studied market activity they operated as scientists. In contrast, they acted as social philosophers who sought to describe how political power could promote social beneficence when they studied political activity. Public finance was the branch of economics that housed the study of politics by economists. Prior to de Viti (1888), those economists saw themselves engaged in practical statecraft. This pursuit of practical statecraft was illustrated in such ways as setting forth principles regarding the degree of progressivity in an income tax or the extent to which politically directed spending should replace market-directed spending. The Italian scholars after de Viti (1888), as illustrated by Puviani (1903) and Pantaleoni (1911), among others, sought to explain scientifically such observations as the actual degree of progressivity in an income tax or the actual extent to which political spending replaced market spending. As a normative or philosophical matter, it would be possible for an economist to characterize an optimal amount of spending to direct to highway construction and maintenance. But it would also be possible to develop explanations for actual programs of construction and maintenance. These explanatory efforts would be orthogonal to the philosophical characterizations, meaning that they would proceed in terms of different analytical categories without necessarily implying contradiction.

This distinct Italian tradition of public finance (*la scienza delle finanze*) flourished for roughly a half-century (and which Buchanan 1960 describes) before evaporating with the coming of fascism and World War II, along with the persecutions, migrations, and deaths that resulted (Backhaus and Wagner 2005a, 2005b). Puviani and his Italian colleagues recognized that an explanatory approach to fiscal phenomena should be constructed realistically in terms of the desires of politicians to acquire and maintain their positions of power which in turn may have little if anything to do with

pleasant-sounding philosophical exhortations of social beneficence. While uttering a language of beneficence may enable politicians to feel good about themselves, it was retaining power once acquired that surely lay behind their actions. The theory of illusion was a scientific vehicle for understanding the divergence between political language and political action. Puviani, as all those Italian economists at the time, assumed politicians knew how to be politicians and sought to explain the choices they actually made rather than accepting the statements they made in their campaigns.

The theory of fiscal illusion starts from recognition that most people have but limited time they can devote to political questions, whereas politicians and bureaucratic officials devote their full time to those questions (Wagner 1976). Where the social division of labor operates to good effect with regard to market transactions, it does not do so with respect to political interactions due to the distinction between dyadic and triadic relationships (Podemska-Mikluch and Wagner (2013). Market transactions, no matter how large and complex, have dyadic character in that they are constructed through securing agreement among participants (Epstein 1995). In contrast, political interactions are triadic, as illustrated by William Riker's (1962) *Theory of Political Coalitions*. There, Riker explains that historical instances of grand coalitions between two primary political parties have always dissolved quickly due to bickering and dissention within the coalition for the simple reason that a coalition of the whole offers no source of gain to members. For a political coalition to offer gains to members, there must exist people outside the coalition who supply those gains by being losers in the use of political power. Where two is the magic number of market exchange, meaning that even the most complex commercial organizations can be illustrated through the theory of two-person exchange, three is the magic number for democratic polities, with a majority of two dominating the excluded third party.

The theory of fiscal illusion is illustrated repeatedly in the titling of legislation. Such legislation illustrates the magic number three by creating benefits for supporters financed by tax and regulatory impositions on the rest of society. Recognizing that politics occupies the background of the attention spaces of most people and that the prime concern of political officials is holding their positions against challengers, it is easy to understand how incumbent politicians would use their positions to insulate themselves from challenges to their positions. The titling of legislation is one prominent instrument for doing this. Consider the "Affordable Care Act" as just one among a nearly limitless parade of legislative acts. The very title is a lie parading as a platitude. For an "Affordable Care Act" to conform to a principle of truth in legislation, it would be necessary to explain how that legislation uncovered methods to reduce the cost of medical care for

everyone within the society, perhaps as illustrated by allowing people to import prescription drugs, with that importation now being prohibited. That, of course, is not how the Affordable Care Act operates. To the contrary, it operates by imposing taxes and regulations that impose expenses on many so as to subsidize the remainder of society, only those impositions are subtle and not explicit as befits the template of fiscal illusion.

Straightforward programs of taxing and subsidizing, however, are still unpopular within American society, perhaps due to a residuum of an ethic of individual responsibility for one's position in life. While there are reasoned lines along which the range of that ethic can be challenged, the hold of that ethic over American society has been disintegrating over the past century or so. For instance, Social Security was initiated in 1935 by using a language of contract that referred to individual accounts, to make it appear as though social security resembled the retirement programs and social insurance programs that had seen rapid development over the preceding century (David Beito 2000). By 1938, however, the real operation of Social Security was transformed into a program of transferring tax collections as payments to people who had retired while maintaining the contractual language (Weaver 1982). Within market settings, specialized knowledge works to general benefit. Within political settings, however, specialized knowledge often works to the advantage of those who hold that knowledge, as Roger Koppl's (2018) *Expert Failure* explains, and with the rest of the population being victimized by fiscal illusion.

The difference between the two settings resides in the different properties of the magic numbers two and three as these play out within social settings. With the magic number two, the social world is constituted through myriad agreements among the set of participants in an environment where each participant owns the value consequences of his or her choices and where each participant is free to change trading partners. With the magic number three, only a subset of participants does so willingly. There are also participants who are forced to participate by virtue of their inclusion in a particular political jurisdiction. People in this position have no alternative to their forced participation, which renders useless efforts to look for superior options. Within this environment, the creation of ideological images replaces examination of product properties, with the ideological description of an Affordable Care Act serving in place of any detailed description of the mechanics of that piece of legislation serving as a clear illustration.

Vilfredo Pareto's distinction between logical and non-logical action

Special notice should be taken of Vilfredo Pareto's (1916) distinction between logical and non-logical forms of action. Pareto's distinction did not entail treating human action as irrational, for he regarded all human action as

rational; however, he recognized the presence of two distinct environments inside of which humans interacted. Those different environments channeled reasoned human action into different directions, just as the magic numbers two and three channel human action in different directions. Pareto recognized that reason was a feature of all human action, only the different environments inside of which people acted pushed their actions in different directions. Pareto's distinction between environments has much significance for contemporary times which have seen a substantial expansion of the reach of the political within society. A century ago the social world was predominately organized through the private law principles of property, contract, and liability (Eucken 1952) (Berman 1983). At that time, budgets within the western world accounted for around ten percent of GDP and political regulation was limited to a handful of industrial activities. Now, political budgets generally account for some 40-50 percent of GDP and political regulation is ubiquitous throughout the social world, as befits Wagner's (2016) description of an entangled political economy where prudent commercial conduct entails involvement with political officials and political action elicits participation from commercial entities. In this respect, moreover, Jane Jacobs (1992) described a good society as entailing a tension between carriers of commercial and carriers of guardian moralities, while also explaining that expansion in the guardian mode of operation could create what she described as "monstrous moral hybrids."

Vilfredo Pareto's most prominent work was translated into English in 1935 as *Mind and Society: A Treatise on General Sociology*. While Pareto started his professional life as an engineer in the 1870s, he became increasingly interested in economics and replaced Leon Walras upon Walras's retirement in 1893 at the University of Lausanne. While improving on Walras's formulation of general equilibrium theory, Pareto also began to wonder why the obvious virtues of a market economy that equilibrium theory described had so little influence over organized life in society. At this point, Pareto shifted his focus from market transactions to the entirety of society in his effort to understand the limited scope that market transactions occupied in his time.

With respect to thinking about economy and society, Pareto recognized that we can observe what people do and the reasons they advance for doing what they do, but we cannot observe what really leads them to do what they do. Pareto deployed a three-part analytical scheme entailing actions-derivations-residues. Actions were the simple observations of human actions; derivations were the reasons people would advance when asked why they did what they did; residues were the real reasons or motives that undergirded those actions. Actions and derivations were observable; derivations were not. It is unlikely that the actors were even fully aware of

those residues. Within this tripartite analytical framework, Pareto constructed a theory of social action where market transactions and political interactions were both reflections of human reason, only those products of reason played out differently within the logical and non-logical environments that both operated within society. Both markets and politics were analytical objects but those objects generated different analytical properties, much as Jane Jacobs (1992) recognized that interaction among carriers of commercial and guardian syndromes could generate monstrous moral hybrids.

Pareto embraced what he described as the logico-experimental method. This method entailed the application of logical reasoning to observable phenomena. The analytical objective was to explain observed actions within social reality. Metaphysical speculation over the “real” reasons that drove people to act was outside the purview of his scientific method. Those metaphysical speculations, moreover, almost always flattered the human agents by explaining their actions as promoting images of public good and social welfare. Such metaphysical speculation could not be incorporated into the ambit of the logico-experimental method. With respect to action in society, Pareto distinguished between two primary environments. Market environments differed from political environments in the application of the logico-experimental method, recognizing that in all human action, only actions and reasons given for those actions were observable; genuine motivations were not observable but were objects of speculation and hence outside the scope of the logico-experimental method.

Market environments resembled the environments with which natural scientists and engineers worked. People took actions aimed at achieving particular outcomes, with those people being able subsequently to judge the success of their actions. Helping in the formation of judgments was recognition that actors bore responsibility for the value consequences of their actions. A producer who combines inputs to produce a product or service is wagering that consumers will value those outputs sufficiently highly to render the production worthwhile. The producer thus advances the hypothesis that this product or service will be worthwhile given the cost, with subsequent buying decisions by market participants answering the producer’s hypothesis. The market thus offers an environment of logical action.

Politics, Pareto held, entailed environments of non-logical action. People are still observed to act and to articulate reasons for their actions if asked, only there is no way the accuracy of those expressed reasons is tested. Within market environments, buyers can compare the offerings of competing vendors which, among other things, induces rectitude among vendors. When buyers can compare your offerings against those of other vendors, it is unlikely vendors will make promises they can’t keep because such promises

will entail more cost than revenue, thus reducing net worth. With respect to political competition, however, there is similarity in form with market competition, but what is most significant is the sharp difference in substance. Yazigi (Shamoun) and Wagner (2014) explain that all forms of competition select for excellence among the competitors as a formal matter; however, the substantive features that are selected for vary with the type of competition. For instance, a coach would not select the members of a water polo team by watching the contestants dive, even though both activities require the contestants to swim.

Politicians invariably claim that their election will provide higher net benefits to voters than the election of other candidates would provide. The political environment, however, has non-logical character. The faculty of reason is a feature of human nature; however, reason plays out differently as between logical and non-logical environments. In logical environments, someone who organizes more informative experiments will capture more desired commercial outcomes. In non-logical environments, results are driven by images and not results. Political action does not conform to the logical-experimental template. In no way are politicians organizing experiments the outcome of which will reveal the net value of their products. Politics turns fundamentally on the articulation of images that resonate with voter beliefs. In no way, however, does the success of political campaigns depend on any notion of conformity of political claims to any underlying reality. It should be noted that non-logical environments are not environments of irrational action. Consider again the articulation surrounding the Affordable Care Act. It is never asked just who the beneficiary of that Act is. Political language is abstract and not particular, in contrast to the language of commerce where products are aimed at potential buyers. Further on this theme is Victor Klemperer's (1957) *Language of the Third Reich*, which is a philological and sociological exploration into the ability of language to influence culture.

Bureaucracy, entangled political economy, and monstrous moral hybrids

Within economic theory, political bureaus and agencies resemble business firms in serving to organize human activity inside their precincts. All the same, those two forms of social organization differ in the principles of conduct they promote. The most succinct comparison of bureaus and firms as economic and social organizations is William Niskanen's (1971) *Bureaucracy and Representative Government*, which in turn elaborated and formalized Gordon Tullock's (1965) *The Politics of Bureaucracy*. While Niskanen's comparison has elicited a number of critical reflections, including Wagner (2004), the gist of Niskanen's formulation has withstood

the test of time and, moreover, is congruent with Jane Jacobs's (1992) treatment of monstrous moral hybrids. The prime analytical point of departure in all these works including the critical reflections is recognition that bureau officials and corporate managers are united in using their positions within their organizations to promote personal goals, and with the degree of congruity between organizational goals and the actions of organizational managers depending on the ability of governing institutions to channel managerial action.

The formulations of Tullock and Niskanen worked with a clear disjunction between political agencies and private firms. Private firms were profit-seeking and were subject to transferable ownership which means that those firms could be sold either in total or in partial shares. This institutional feature meant that business firms had corporate value even if they were closely held because someone could always tender an offer to buy the firm. By making executive compensation vary with changes in corporate value, a significant connection was created between the personal interests of corporate managers and the managerial decisions of those managers. A corporate manager might aspire to obtain a position with a larger corporation. Within the market for executive talent, the best path to that outcome is attracting attention for deft management within one's current position, which is aided by noteworthy corporate performance to which the manager reasonably contributes.

The environment for managerial action is different for the managers of political agencies due to the lack of transferable ownership because no measure of corporate value can be established. In place of any corporate value are various possible idiosyncratic valuations that would map into varying intensities of support for those political agencies by different clienteles. For instance, the leadership of a teacher's union might resist efforts to inject parental choice into education because they recognized that they had *de facto* ownership over a system of public schools even though no explicit ownership value could be assigned to those schools. Managerial action is always rational in that it entails managers who act consistently inside the institutional environment inside of which they operate. Consequently, managers who operate within commercial environments will act differently than managers who operate within political environments.

As one simple illustration of this point, consider the economic analysis of the settlement of commercial disputes where the central decision is whether to settle a dispute or go to trial to force a judicial settlement (Micelli 1998). Private parties to a dispute own their legal expenses. If they can settle a dispute without trial, the saving of the expenses of trial will increase their net worths, which surely goes far in explaining why most disputes between private parties are settled without trial. The situation

changes if one party is a political agency, and with an increasing number of disputes involving political plaintiffs and private defendants. A political plaintiff cannot transform settlement into increased net worth because political agencies operate through legislative appropriations. The managers of political agencies, however, can use their choices over which cases to pursue to promote the other desires of agency managers. A district attorney, for instance, might want to run for governor and recognize that pursuit of some cases will generate more favorable publicity than would other cases. Alternatively, that DA might have a particular affection for abandoned animals but not for owners of pawn shops and skew the selection of cases to reflect that pattern of preference.

In her *Systems of Survival*, Jane Jacobs (1992) recognized that well-working societies required maintenance of an appropriate tension between two moral syndromes, which she labeled as commercial and guardian. The commercial syndrome recognizes that people are seldom so innocently engaged as when they are making money. Commercial activity features endless instances of mutual gain for buyers and sellers, all of which reflect the working out of the magic number two. Political and bureaucratic activity, in contrast, reflect the magic number three, which means that misdirection and even systemic lying are part of the normal operation of political organizations where executives within those organizations are organizing transactions that benefit some members of society while imposing liabilities on the rest of the society—and creating some ideological smokescreen to disguise that imposition (Arendt 1972).

The United Nations as global bureaucracy

As a matter of metaphysical speculation, there is plenty of scope to advance pleasing sentiments in support of the United Nations. Just look at those 17 goals for global development. Without doubt, modern technologies regarding communication and transportation have greatly shrunken the effective size of the globe over the past century. It is easy enough to apply the economic concepts of public goods and externalities on a global scale by noting the myriad ways in which activities at one place on earth redound to the benefit or detriment of other places. All politics might be local, as an astute American politician from the late 20th century once noted, but our modern technologies have created global interests and concerns out of local actions. The UN's Sustainable Development Goals (SDG) reflect recognition that what was once local has become global in significant ways.

Air pollution, for instance, has always traveled across national borders; however, awareness of the patterns of those air flows has increased sharply with the modern technologies of communication and transportation. A century ago, relatively few people traipsed great distances throughout the

globe. Now such travel is common. Concomitantly, awareness of variation in living conditions throughout the globe has moved from being experiences of the few to becoming widely shared throughout the globe. It is surely easy enough to understand the appeal of SDG given the well-recognized human aversion to the first-hand experiencing of misery and suffering. In many respects, the SDG is an easily understandable reaction to the continual shrinking of the globe over the past century.

While the UN's SDGs have common intuition on their side, it is worth noting that common intuition can be dramatically wrong. Perhaps there is no better historical case of such wrong-headedness as that captured by the long-standing aphorism, "the sun rises in the east and sets in the west." This still-heard observation was a self-evident remark throughout the world until Nicolaus Copernicus (1473-1543), the Polish mathematician and astronomer who recognized that the sun was stationary relative to earth which circled the sun. Human thought often starts with intuition, but that intuition can be subjected to reason, and with the simple intuition sometimes being rendered incomplete or even wrong. The UN's SDGs seem by some intuitive hunches to be a reasonable response to our ever-shrinking globe where local modes of living diffuse their products throughout the globe.

The common intuition, however, is surely as wrong-headed as treating the sun as rising in the east and setting in the west. The existence of public goods and externalities on a global scale in no way requires embrace of the UN's SDGs. The SDGs reflect the bureaucratic imperative run amok on a global scale, reflecting the continual expansion in the environment of non-local action that has been underway since early in the 20th century. It is surely worth noting, however, that the promotion of logical environments might offer a superior forum for wrestling with the underlying concerns summarized by the SDGs. For a century, we have become accustomed to living with inflation, with restrictions on travel across borders, and with the necessity of receiving political permission from some agency before undertaking nearly any kind of commercial activity. This is our modern age and the SDGs would intensify political control over personal lives.

Worth at least a modicum of consideration is an expansion in free and open markets as the central institutional arrangement for promoting free and prosperous forms of societal organization. Central to this alternative approach is recognition that environments of non-logical action channel human activity differently from environments of logical action. In her *Systems of Survival*, Jane Jacobs (1992) recognized that a well-working society required both commercial and guardian moral syndromes, but further recognized that monstrous moral hybrids would result from expansion in the guardian syndrome where the two syndromes became increasingly entangled, bringing to mind Maffeo Pantaleoni's (1911) contrast between

systems of market pricing and systems of political pricing. Global development does not require some global political organization, for it can also emerge through the auspices of the private ordering of market activity.

The UN is a bureaucratic organization that is financed by contributions from member nations, of which the United States is the prime contributor by providing about 22 percent of the UN's budget. Japan is the second largest contributor at nearly ten percent and China third at nearly eight percent. Support for the UN is highly skewed, with the top 10 contributors supplying nearly 70 percent of the UN budget, leaving the remaining 30 percent distributed among the remaining 183 members. The standard metaphysical scheme of thought would describe the UN's global bureaucracy as reflecting a focus on global problems, in contrast to the individual national bureaucracies that focus on relatively local problems.

A realistic in contrast to a metaphysical political economy would recognize that the effective ownership of bureaus and other political agencies rests with those who are the predominant suppliers of funds. This recognition leads in a two-fold analytical direction. First of all, it would recognize that the UN responds primary to the interests of the major donor nations. But nations themselves are not truly acting entities, as Robert Michaels (1911) explained in his study of democratic oligarchy. Actions within democratic polities are undertaken metaphysically speaking in the name of some sponsoring entity, whether a nation or the UN. Realistically speaking, however, actions are controlled and directed by small cliques inside the political entity. The UN's SDGs may well be approved by the UN's 183 members that together supply but 30 percent of the UN's budget, but we can be assured that the ten nations that supply 70 percent will have significant supporters within their precincts. SDG #6 regarding clean water and sanitation, for instance, will find support among the major donors because the technology required for that program will require the supply of personnel and equipment from the major donor nations, particularly the United States.

The metaphysical image of the UN portrays it as a consortium of relatively undeveloped nations that in one way or another have convinced the relatively advanced donor nations to support the SDGs through the formation of a global partnership. Hence, relatively wealthy nations promote development within the less wealthy nations, using the SDGs to guide the formation of specific programs. This metaphysical image treats nations as homogeneous collections of people, which means that everyone in a nation gains equally from promotion of SDGs. This metaphysical image represents the substitution of fond wishes for hard analysis. The reality of the situation is one where ideological smokescreens obscure recognition that the beneficiaries of the UN's SDGs are corporate sponsors and well-placed

professionals, for whom the SDGs enable those wealthy beneficiaries to feel good about themselves.

The bulk of the members of the United Nations are incapable of financing the UN at anything approaching current levels of support. The UN receives its current level of support not because the 183 minor contributors force that support from the ten major contributors. If you ask why those big donor nations support the UN at current levels, the answer must reside in voluntarism within supporting political coalitions and not compulsion imposed on donor nations by minor contributors. The United States provides 22 percent of the UN's funding because there are significant corporate interests within the United States that recognize that they can secure corporate advantage by promoting that type and level of support. For instance, SDG #6 on clean water and sanitation will promote a demand for American expertise in the form of professional expertise and equipment.

The AACSB's promotion of the UN's SDGs

The UN has its social development goals (SDGs) and the Association to Advance Collegiate Schools of Business (AACSB). This might seem to entail two distinct organizations promoting activities valued especially highly by their members. To the contrary, the UN and the AACSB engage in a form of cooperative teamwork where the AACSB requires its member schools to incorporate teaching of the UN's SDGs into the curricula of its member schools. One might be inclined to think that the AACSB would select accreditation standards based on the ability of those standards to improve the preparation of students for moving into managerial positions after completing their educations. Such preparation of future managers is advanced by officers of the AACSB as the purpose of accreditation.

The evidence as to what AACSB accomplishes, however, points in a different direction. In particular, Robert McGee and Walter Block (2022: 396) explain that AACSB's standards often teaches bad economics. For instance, good economics would support free and open competition, and yet the AACSB promotes the interest of the four largest American banks, Bank of America, J.P. Morgan Chase, Citigroup, and Wells Fargo, as against promoting the social advantage of free and open competition. McGee and Block are surely correct to explain that the AACSB's requirement that accredited business schools must teach the UN's SDGs is to promote the teaching of illusion over reality. Why the officers of an accrediting agency might choose to do this calls for some reflection in light of the universal quality of the recognition that people try to succeed and not to fail at what they choose to do. In 1983, Bruce Yandle reflected on his time spent engaged with the regulatory activities of the Federal Trade Commission by publishing "Bootleggers and Baptists: The Education of a Regulatory

Economist. In 2014, his grandson Adam Smith along with Yandle expanded the original idea into a book, Smith and Yandle (2014). The bootlegger and Baptist motif reflects a type of unholy alliance where cooperation between the two parties brings mutual benefits that could not be achieved by independent action by the individual parties.

With respect to the SDG's promotion of bad economics as reflecting a coalition between bootleggers and Baptists, we must remember that the major corporations rarely support free and open competition within a society. McGee and Block (2022) illustrate this feature of large corporations with respect to the four largest banking firms: Bank of America, J.P. Morgan Chase, Citigroup, and Wells Fargo. These firms support regulation that impair the competitive ability of smaller banks, but the very size of these banks gives them significant voice in the formation of regulatory policies. Particularly relevant in this regard is Roger Koppl's (2002) *Big Players and the Economic Theory of Expectations*. While Big Players are more than just large players because they are also free from the residual claimancy that comes with private property, large corporations have features of bureaucratic organization that ordinary corporations lack due to their ability to command attention from national governments (Wagner 2016, 2020).

It is easy enough to understand the economic logic behind American support for the UN's SDGs. Most significantly, there is no universal American interest that is reflected in political actions. To the contrary, there are contending interests, as illustrated by contrasting the participants in the annual World Economic Forum meetings in Davos and the situations confronted by ordinary businesses on the Main Streets throughout the land. To refer to Main Street is, of course, to capture all the relatively small business throughout the nation, and with those businesses far removed from the global corporations that are represented in Davos each year. With the ASCSB's (Association to Advance Collegiate Schools of Business) requirement that member business schools must incorporate the SDG's into their teaching, a form of unholy alliance between the AACSB and the UN is promoted.

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