

# **Global Capitalism for a Positive Political Impact**

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## **Global Capitalism for a Positive Political Impact**

Capitalism is profoundly political. It actively shapes its participants' views of equality, entitlement and even enfranchisement. An advance of factories and mass production in many Western nations during the nineteenth century brought up a question of "who votes?" Today we have to answer an even more critical, intensely political question if we are to preserve the general structure known as capitalism. This question asks, "whose vote counts?"

The reason why we are in the middle of a growing tension between the local and global interfaces of capitalism is that we have failed, up until very recently, to recognize the political nature of capitalism and respond to its fault lines accordingly. While some very heated debates have been unfolding around things capitalistic, such as the fairness of the relationship between growers and exporters, or national economic interests vis-à-vis foreign policy, the biggest economic moguls have stood by watching over these debates. They have not engaged into a war of ideas about relevance of capitalism. This is not to say big business does not meddle with politics. One only needs to look at Russia where many wealthy company owners are also members of the executive branch. Nevertheless, I think that capitalism does not often venture into an ideological battle except when confronted with socialism or economic nationalism. I will argue that in order to bridge a divide between the global economy and its local operative units, capitalism should listen to what its opponents have to say about its weaknesses. Then, it should be quick to co-opt these complaints by inviting its critics and supporters to decide collectively how capitalism can improve their lives at the time their country is entering the global economic circuit. This way it will transform itself from a value-neutral, alienating form of production into a more politically sensitive medium.

More often than not, when a new company moves into a community it does not go unnoticed. The local population is going to have numerous contacts with this company, either through employment, consumption of its product or an outright opposition to its activity. It is in the best interest of this company to spend some of its resources to prepare

the community for this interaction, and do so in a slightly different manner than one might expect.

As already mentioned, capitalism today not only describes the connection between the means of production and labor. It actively interferes into the process whereby people define their relationships with each other within a broader polity. It becomes one of the essential factors of governance, and it is best for both a community and a business to ensure that this is good governance. Let us think back to the 1950s when the British Petroleum company in Iran had a very comfortable friendship with the Iranian Shah. The company saw the Shah as its access point to oil fields in the country, overlooking the nationalistic voices which had a somewhat justified grudge against a coterie of foreign businessmen and royal bureaucrats. In the end, the disadvantaged Iranians let their anger out which tipped the scale towards the Revolution, shutting down all of the British Petroleum influence in the country<sup>1</sup>.

While it may seem easier and quicker for a company to establish the government as a focal point of its legitimacy in a country, this can compromise the approval of the local population. When that happens, popular discontent pours out in the form of a destabilizing protest against the company itself, the government, or both. In order to prevent this from happening, a business has to find ways to befriend the local public yet not make it seem like a seduction with fake ideas. In other words, people have to see a greater purpose behind the opening of a new enterprise in their neighborhood, and the company itself should not confuse it with a well-run public relations campaign.

One thing that the modern Westerners who live in post-consumer societies and the fundamentalist Islamists have in common is their dissatisfaction with what a pure free market has to offer them. The conscientious consumers from many industrialized countries find conciliation in fair trade movement which gives them an alternative to the race-to-the-bottom practices. The Islamic fundamentalism is about faith but also about the economy. Many fundamentalists confess that they are frustrated with the consumption-oriented, value-for-money modern capitalist culture, and that they do not want to run their households according to these rules. These voices condemn the free market, but their unhappiness with it is not the same as the Marxist critique of capitalism. Marx made a good

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<sup>1</sup> Daniel, Elton. *The History of Iran*. Westport: Greenwood Press, 2001.

point that the division of labor will eventually alienate the worker from his or her occupation. However, as a materialist who believed that history is moved by a conflict between tangible actors – bourgeoisie and proletariat – he overlooked the importance of ideas. People are looking for meaning in life, something that transcends their daily problems and makes them believe they are persevering for a reason. The progressives in post-industrial societies and terrorists ready to strap bombs on themselves are the most conspicuous examples of this trend, but in fact this search for meaning is happening inside every head all over the world. If global capitalist infrastructure does not see this aspiration in every person whose life it touches, it is going to be met heads on by these disappointed individuals.

I will argue that one of the best ways an international company can integrate into a local community is to forestall the concerns of its members about one of the most pressing issues of today and tomorrow – the rapidly diminishing natural resources. We have already put an immense strain on the natural resources worldwide. This is going to affect more than the market prices for oil, fresh water or grain. It can become a new rationale for conflicts between neighboring countries which can not agree to share a resource. What is an international corporation to do in this highly sensitive situation?

Before it starts its activity in any particular location, a company should pledge to give an opportunity to every party present in that area to express its opinion about this company's operations. The company's interaction with the local population should go beyond a mere consultation. It should invite the most and the least financially stable people to sit at the same negotiation table in order to find their common interest in the company's activity. First, this strategy will increase the immediate legitimacy of a new enterprise by including its potential opponents into resource-sharing. Second, it will have a positive, long-term spill-over effect. If community members can talk out problematic issues with each other without breaking into silence or violence, they are making a step towards better governance in general.

People in non-democratic or quasi-democratic countries may actually benefit from a carefully planned partnership with the international business. In places where public interest is not the major factor on the government agenda or where power is unlimited, the local and the global should team up to create venues for building more responsible,

transparent governments from bottom to top. This may sound absurd, but how many American companies have seriously thought of incorporating this into their business strategies as they are planning to win markets abroad? To do this means to go beyond the no-harm requirement of corporate responsibility. Some have voiced skepticism about the international businesses' ability to sow the seeds of democracy in countries under oppressive regimes. Benjamin Barber, for example, says that a corporation will promote human rights or the rule of law only as long as this secures its investments within a country, not for the sake of a democracy<sup>2</sup>. I suggest that it is in the best interest of an international business to establish a wide popular support for itself, which can be done only when a business counts every vote, even if it is from the opposition or the periphery.

For example, children in India or Malaysia who rummage through the electronic waste shipped from the West to find and sell a few precious metals are usually the ones whose votes count less, or not at all in deciding on the future shipment contracts. Their grievance can become a handy rhetoric for the extremists who want to break away from the oppressive global capitalism, and a violent backlash will follow. It will be unlike any peaceful anti-globalization demonstration in the West and more like the deadly bombings in Bali in 2002. This embarrasses the global capitalist system, briefly illuminates the cause of the extremists, but ultimately does no good to either side. It would be different if businesses encouraged the local factions to accept egalitarian approaches to decision-making. Equality of voting rights is exactly that greater purpose which capitalism can serve and which appeals to many, if not all people.

Capitalism is certainly not value-neutral. Otherwise, how can we explain an almost ideological drive for private enterprise in the United States which, at its best, upholds creativity and dignity of an individual who decides to open her own small business? Or let's look at the German and French economics textbooks read in high school courses. While describing the concepts of supply and demand, these books also warn their students about the destructive power of untamed laissez-faire<sup>3</sup>. Many groups have already interpreted the content of capitalism differently, based on their needs. So why should not

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<sup>2</sup> Barber, Benjamin. "Jihad Vs. McWorld". *The Atlantic Monthly*, March 1992.

<sup>3</sup> Theil, Stefan. "Europe's Philosophy of Failure". *Foreign Policy*, Jan-Feb 2008, pp. 54-60.

capitalism turn the tables and present itself as something not ominous or aggressive, but willing to appeal to those who oppose it?

It is going to be very difficult, perhaps impossible to fully integrate the wishes of the most radical Islamic groups who think there should be no variation between running an economy at the times of Prophet Muhammad and today. However, has global capitalism seriously thought about offering these young Muslims equality beyond the equality of access to a product in a market? Has it been supportive of their ideas of good governance other than by cooperating with the unpopular central governments in these youth's home countries? In a thicket of ethnic or religious strife, it makes no sense to pin down guilt with one single party. And yet the international business community has not fully used its resources to satisfy the humanistic impulses of citizens of non-Western countries in which it has established its factories.

One of these impulses, and, according to some, a human right, is a desire for self-determination. If the locals see an international company as helping them achieve this goal, they will be more likely to welcome the spread of globalization in their midst. Therefore, a company should promote values such as informed citizenship and political decision-making. It should not hold back by declaring its neutrality, letting the market establish a new economic hierarchy on top of the old power-sharing quarrels. On the contrary, a company should consider gathering a broader support base made up of people who may or may not agree with its activities at first, but whose approval is critical for peace within a country. After all, a prospect of Iraq staying one united country will largely depend on the ability of Kurds, Shi'i and Sunni to come up with an acceptable way to share oil revenues, says George Packer in his book *The Assassin's Gate*<sup>4</sup>. A very similar tension comes up when global economy lands in a less modern, less (or not at all) democratic region. The best an international company can do for itself and for the people involved is inspire them to seek better solutions to their existing problems through being very inclusive in their answer to a question, "whose vote counts".

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<sup>4</sup> Packer, George. *The Assassin's Gate: America in Iraq*. New York: Farrar, Straus and Giroux, 2005

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