

## **Building Trust and Integrity in the Global Economy**

Building pathways to a secure world, Caux, Friday 13<sup>th</sup> July 2007

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### **Can the New Global Economy Really Achieve a More Secure World?**

I am going to start off my talk on a not very optimistic note, but I promise to get to a more optimistic one by the end.

I have to begin by saying that I do not have much trust in the global economy. I do not think it is true, as many mainstream economists argue, that the global economy is a force that will cause all boats to rise, or every person's material, spiritual and political situation to improve. Sure, I agree with them that the new global economy has opened up a new kind of cosmopolitanism, has made enormous technological innovations and brought about revolutionary forms of communication and that these have been generally positive developments. But I am not willing to dismiss, as they do, the masses of people who have been dispossessed and exploited in the process as 'casualties of progress.' I think that these instances of dispossession and exploitation are not anomalous exceptions to an otherwise trustworthy economic system, but rather, that dispossession and exploitation are the very essence of our global economy and it is this that makes it untrustworthy.

Having grown up in Canada and the U.S., I've watched the social devastation that has resulted in my communities as jobs have been exported overseas where people can be exploited for cheaper wages. And having traveled throughout the global south since childhood on research trips with my mum, and witnessing the masses of people either extremely exploited by the global economy or almost entirely excluded from it, I've known my whole life that it has not created a truly democratic marketplace as its champions suggest. Since my childhood, I have wondered why and how most people where I live have so much more, materially, than they need to survive while others die from starvation, from overwork, and from war? And it has been this question, and my lifelong intuitive sense that these are not separate phenomena, but that one person or countries' overabundance is causative of and inextricably related to another's great insecurity, that has inspired my graduate studies of economics, political science and political economy for the past eight years. At the simplest level, I think my academic work is and has been an interdisciplinary investigation of how we, the global community, have gotten to where we are now and how we might get ourselves to a better place.

And this is why I really love the theme of this conference, *Trust and Integrity in the Global Economy: Pathways to a Secure World*, because it seems to me to imply that the global economy and global political systems are interrelated — that is, rather than imagining the economy in one realm here, and the political system in another, separate realm there, it sees both systems as mutually constitutive of one another. And it also touches on, what I think, is the most important reason to build a global economy which has integrity and in which we can trust — that reason being that this is an absolutely crucial and fundamental part of promoting sustainable security around the world. It implies that our untrustworthy global economy has contributed to, and I will argue is actually a root cause of, global insecurity — both human insecurity, and insecurity in the traditional military sense — and that today, the global economy is a structural force which poses enormous limitations to our efforts to build peace and

human security around the world. If it is true, and I believe it is, that part and parcel of all of the positive developments of the globalized economy have been related to simultaneous processes of dispossession, exploitation, and increased suffering for most of the people in the world, then as scholars, business leaders, and various other practitioners, we cannot just ignore this reality or hope for wealth to eventually trickle down their way — we need to take an honest look at the global economy and its history, or how it came to be.

I'll begin with the contemporary global economy, and then delve into a very brief exploration of its origins and developments. I cannot help but notice that today, at the same time as we are being promised unprecedented wealth and development on a global scale, we are experiencing enormous destruction, violence and war, on a global scale. We cannot help but notice that attempts to foster capitalist growth and development in any particular country are usually characterized by increased violence. We cannot help but notice that as wealth becomes more concentrated in the hands of the very rich, new forms and strategies of violence emerge from desperation. But why is this true? *Why do supposedly positive forces like industrialization correspond to negative phenomena like violence and war?* I think that this question — and the both empirical and theoretical question of the historic and contemporary relationship between the global economy and global insecurity — is a very important one which needs a lot of investigation, and which I hope we can think about it collectively this week.

But to start us off, I don't think we can overlook the fact that historically and today, *growth* has entailed enormous dispossession of the world's population. And here, by 'dispossession' I mean the situation in which people who were once able to provide for themselves by working the land, or producing goods for sale on the market, are dispossessed of the means to do that. I don't think, for example, that we can see the U.S.'s economic growth during the 1980s and 1990s as having occurred separately from the underdevelopment, increased poverty and violence, and extreme dispossession that occurred in Mexico and central America, for example, in that same period. And if we look even further back, we cannot understand the U.S. or Canada's growth up until the 20<sup>th</sup> century except as having been dependent on the dispossession of Native Americans from their land and ontology, and African American slaves from their land, bodies, families and freedom. To revisit this history is not to point fingers and blame, it is simply to take an honest look at how the global economy has developed the way it has, and how this has propelled the world in various directions, so that we might reorient its direction towards a more secure world.

As we go back to the historically specific origin of our capitalist global economy — which emerged in agrarian England in the late 17<sup>th</sup> century along with a market in labour — it becomes more and more clear that capitalism itself originated through one massive dispossession—often referred to as primitive accumulation. It was through this dispossession that emerging aristocracies and the British states forced peasants from their land and into cities where they had to earn their subsistence by selling their labour and life energies for a wage. The Enclosure Acts and Poor Laws of the early 18<sup>th</sup> century made it lawful and necessary to honour the emerging aristocracy's exchange rights over land for the purpose of producing profit instead of peasant's use-rights to land to produce their own subsistence. And so, from the beginning, we see that capital does not just emerge from thin air, or from the diligent savings and hard

work of the rich, though both of these factors sometimes play a role, but that from the beginning of our global economy, capital has come into the world ‘soaked in blood and dirt.’ And this has been ongoing — we cannot understand England’s growth in the 19<sup>th</sup> century, for example, as being separate from their dispossession of Indians of their freedom, land and subsistence — like many industrialized countries, England’s historical fortune and contemporary position of economic and political power rests on processes of colonialism and all of the violence that these entailed. Whether it was via colonialism, state policies, or corporate exploitation, I cannot think of a single instance of capitalist growth which has not relied on a simultaneous process of dispossession, since this is in fact the very mechanism through which wealth is created.

I think that for many years, this dispossession was less visible — it was harder to see how a series of actions or policies on one side of the globe caused or contributed to dispossession across the world. But one function of the globalized economy has been to make these connections more and more obvious — we see quite clearly that world bank policies which have restructured developing countries’ economies and forced them to produce cash crops and luxury goods to exports to industrialized nations have resulted in people in those same countries no longer being able to grow their own subsistence goods, but now having to import them, and then more and more people starving because they cannot afford the food they need to survive. And we see how business practices on one side of the globe cause environmental degradation on the other side of the globe that exacerbates poverty.

And I think here, we gain an important insight into why our world is so fraught with insecurity — isn’t it logical that, if some force or actor dispossesses you of the land and resources that you and your family need to survive, that you will fight to get those back in any way you can using any means available to you? I mean, it simply has not been the case, historically, that if people have asked nicely and nonviolently for greedy nations to return to them the means they need to survive, that those means have been given back to them. And this isn’t to excuse violent strategies of resistance, it is simply to notice that these have not come from nowhere, or originated in a barbarism inherent in certain cultures, but that there is usually a history to this kind of violence and it is a history of characterized by economic, political and spiritual dispossession.

I think that here, we cannot overlook a controversial but very crucial example — the situation of Palestine and Israel — where, in spite of over forty years of peace-building efforts from states, international organizations, NGOs, grassroots organizations, religious communities, etc., there has been, and is currently, enormous human insecurity and violence. And the contemporary violence is often portrayed exclusively in light of religious and ethnic conflict with Israel, which is certainly an aspect, but what is at the root of this conflict? Is it really because, as Samuel Huntington and many others argue, the people of those two nations are from two irreconcilable civilizations? Or is it because, though the conflict is rarely portrayed or discussed this way, the history of the past forty years of violence has also been a history fraught by economic and political dispossession? The past forty years have been characterized by the dispossession of Palestinians and Israelis — they no longer have electricity or water in their homes, they no longer receive salaries, they no longer can receive aid or trade goods with the world community. And a lot of this has

not resulted from the actions of persons in either Israel or Palestine, but from governmental and U.N. sanctions, from global political pressures and processes which have had economic results. When the conflict is featured on the news where I live, in Canada, the media portrays it as being about land but generally attributes the importance of land to political stubbornness or cultural values and tradition. Yes, these are crucial, but are these the only reasons that land is important? It seems to me an obvious but often overlooked reason that land is so important is because it is the means through which Palestinians and Israelis often gain their subsistence — they grow their food, they find water to drink and wash themselves, they travel on land to their jobs where they earn the money to feed their families. So arguments over land are not political arguments so much as they are attempts to hold on to the resources that are necessary and vital just to survive. And survive not just materially, but spiritually as well — a Palestinian friend of mine who I met at Caux told me that the conflict it is not just an occupation of land, but it is an occupation of the soul — and that may be just as true for Israelis as it is for Palestinians.

I think that if we look at other ongoing conflicts and really ask ourselves what the roots are, we see a lot of similar situations. What, for example, are the roots of the ‘War on Terror’ and why has *terror* become so prominent in the first place? Are ‘terrorists’ just innately evil and full of hate? Or are they people who have been driven to such a severe level of desperation and anger that they feel they have nothing to lose, that their own life is sacrificable if it means that their friends and family might have a better chance to survive? The most recent U.S. invasion of Iraq and the violent resistance in that country brings the global economy down to a very personal level. People’s homes are being destroyed, their fields are being bombed, water and electric supplies and hospitals are being sabotaged. And people are resisting with any means available to them. The economy, therefore, is not this abstract, intangible network of agreements, but is corporeal — it is embodied — and it comes to life through our actions and work.

And here, we start to have insights as to why, in spite of the diligent work of so many people all over the world who have dedicated their lives to resolving conflict and building peace, there is still so much conflict and insecurity. Not just between individuals or cultural groups, but also between nation states. Why do nations go to war? When we look back through history, the fundamental, if sometimes concealed, root of most wars have been economic. Colonial occupations and imperial interventions have been economic phenomena — and these things are ongoing. They have to do with greed. But by greed I don’t just mean greed as a quality of individuals, but rather, I’m referring to greed as a compelling force of the global economy as a whole. Take the recent U.S. invasion of Iraq, which I think is hugely symptomatic of many structural tendencies in the global economy. It is not enough to argue, as many have, that this was motivated by the Bush administration’s personal greed or oil interests. It is not enough to point fingers. This greed, and these interests, are completely enmeshed in and originate from the structural dynamics of the global economy and the nation-states which have authored it. The global economy isn’t compelled on the basis of need, but on the basis of greed. And, as founder of Initiatives of Change, Frank Buchman said, ‘There is enough in the world for everyone’s need, but not for everyone’s greed.’ To meet everyone’s needs, however, we need a trustworthy global economy.

What would a trustworthy economic system look like? Daunting question. But, in short, it would be one that, instead of being compelled by dispossession, greed, competition and crisis, would be governed by honesty, purity, unselfishness, and love. Maybe this sounds utopian, but I think that the actions and convictions in this direction by many people in this room assure us that it isn't. Last night I was sitting on my balcony staring down at the city lights and the cars traveling on the highways beneath us and thinking of how different that world is from the world we create up here at Caux. And I asked myself, why is it that down there, people kill and hurt each other, steal from each other, and can be so cruel while up here we treat each other with respect and dignity? Why is it that at home, in Toronto, I do not feel safe to walk down the street at night even though there are police and streetlights everywhere, while here, where it is dark and remote, I feel safe, in every sense of the word? Why is it that here in Caux there are different cultures and 'civilizations' living together peacefully, while down there, people from those same cultures are at war? In short, why is Caux a 'secure' world in ways that the rest of the world is insecure?

Well, I think a lot of the success in creating a secure world at Caux has to do with the fact that here, none of us deprive or dispossess each other, none of us are so greedy that we make it necessary for others to have to worry about meeting their daily needs. Collectively, we are able to provide everyone who arrives here with everything they need: we help in the kitchen so that we are all fed three meals and a tea everyday, we help with housekeeping so that everyone has a quiet, clean room, and by virtue of generosity, conviction, and hard work, this house contains all of the resources we need to flourish. We wake each morning knowing we will be materially, emotionally and spiritually nourished. The Caux economy is an economy of purity, unselfishness, honesty and love.

And so how do we promote this economy, and build pathways towards the kind of security we find up here at Caux in the world down there? Well, first, here is how it won't be accomplished: If we continue to try to promote a more secure world without realizing how our own work and initiatives are being undermined by the productive and distributive mechanisms of the global economy, then our work will never be sustainable. Ngo's, religious and charitable groups, etc., help to change the *distributional* dynamics of society — they collect wealth and resources and distribute them to people who need them. But these are only countervailing tendencies which have not aggregated to challenge the structural tendencies of the global economy. It seems to me that if we are going to truly change the economy, and therefore create a genuinely secure world, we have to look at *productive* dynamics as well as *distribution*. Where, as businesses, do we locate our factories? Are our company growth strategies, like those of our nations, succeeding on the basis of other's dispossession from the means of production?

I think that these are the first steps — making sure that our own economic behaviour is governed by honesty, unselfishness, purity and love. As Frank Buchman reminded us in his writing: 'Never forget: You can plan a new world on paper but you have got to build it out of people.' And so here in this conference, I think we have a very unique opportunity to build a more trustworthy economy out of people—out of those assembled here-- and to strengthen pathways for a secure world. Both of these will rely on transformations in our own hearts. We cannot focus solely on either individual or structural change, but have to realize how both are mutually constitutive and

dialectically related: changing ourselves is changing the system, the system is changed when we change ourselves. A prominent political philosopher argued that ‘The meaning of peace is the absence of opposition to socialism.’ And by socialism he meant that everyone has an equal opportunity to meet their basic needs and survival: I think he is right, in this sense, since he is arguing that genuine security will require equality. And when we realize that security will not be achieved without that equality — without economic justice — and we work to create that justice in our hearts, workplaces, companies, communities, and nation-states, then we are genuinely laying a pathway for a more secure world. Thank you.