

Chapter 20

Beyond Global Corporatism

The Shift from Global Corporatism to Democratic Regional Economies (from the Oppression of Transnational Capital to the Consensus of Local Stake Holders)

Poverty within the United States or any other industrially developed nation is only part of the inequity trauma taking place on this planet. The worst conditions of poverty exist in the least developed nations. The propagandists for the current patterns of global trade and development claim that the lot of the poor is being improved by their efforts, but the truth is that most of the poor are getting poorer. Only a select few are getting richer. What is actually taking place in the least developed nations is the development of economies that are controlled and exploited by a global oligarchy of corporations grounded in the developed nations and aided by willing collaborators in the impoverished places. This is economic imperialism, a new form of colonialism. It is sometimes pictured as rich nations versus poor nations, but that is not an adequate picture. All the people in the richer nations are not served by this arrangement, and a few citizens in the poorer nations share in these wealth assembling arrangements. The truth is that a global oligarchy is prospering greatly from free-trade globalism, but the middle classes in most places are losing wealth and power, and most of the poor are trapped in an ever deteriorating situations. There are exceptions to this pattern but, as the old saying goes, "the exceptions only prove the rule."

The United States has for decades and decades played a huge role in this complex economic oppression. The current government of George W. Bush is almost entirely ruled by an oligarchy of wealthy investors who control some of the largest transnational corporations. Though many US citizens enjoy a monetary trickle down from this top-heavy arrangement, most US citizens are the victims of this system along with the poorest of the poor. And all US citizens bear the shame of what is being done in their name by their government and business institutions. We need to stop hiding from the fact that US government agencies and military forces are used in the service of this exploitation throughout the world. The wealth and power of US citizens could be employed differently. The US could not only enrich its own poverty stricken citizenry and disappearing middle classes, it could be a servant of wholesome development throughout the world. This is not now the case. US citizens do not even control their own government. They are led to believe they live in a vital democracy, but the grim truth is different. The truth of this nations oppressive policies is being hidden behind misleading explanations, much secrecy, and many downright lies. It will be my first task to lay out some of the bitter facts that characterize the established practices of this nation and the tyranny of the much ballyhooed "global economy."

The Objective Facts

So complex and tangled is the story of global economic oppression that it cannot be told briefly. Fortunately, it has been thoroughly documented in a number of courageous books that have recently appeared. Among them are three that I highly recommend for their accessible style and their competence: *Confessions of an Economic Hit Man* by John Perkins, *The Eagle's Shadow* by the Mark Hertsgaard, and *When Corporations Rule the World* by David Korten. Also excellent are the essays of Arundhati Roy (See her collection in *An Ordinary Persons Guide to Empire*) and the many volumes by Noam Chomsky (See especially his recent book *Hegemony or Survival*).

I will attempt to outline the typical pattern that current global economic oppression takes. The planners of the global economy send experts to persuade the leadership of developing nations into taking on large development loans for huge projects like dams, electrical grids,

shipyards, pipelines and so on. These projects are supposed to benefit everyone through the overall modernization of these minimally developed places. But most of the money in these “loans” never actually reaches these governments or their people; it is transferred directly to the large corporations who have been stipulated in the loans to do these huge projects. These corporations and their investors are the big winners. Typically the local aristocracy is handsomely included in the deal, but a very small portion of the money reaches the actual needs of the poorer citizens. Nevertheless, the loans for these efforts have to be repaid by the governments to whom these loans were formally made. Many of these nations are so poor that they cannot even pay the interest on these loans. So they become dependent for additional “help,” and to get that help they must comply with extremely restrictive guidelines that result in shutting down virtually all or most of the programs that might actually benefit the poor. The corporations get paid. The international banks get their interest. The local aristocracy get their cut and retain their power in relation to the poor. The big losers are the local poor, the ones these loans were advertised to benefit. This pattern is called globalization, free trade, development assistance, and other innocent sounding names. But it can also be called “economic imperialism.”

The World Bank and The World Trade Organization are complicit in these oppressive arrangements. These organizations, which are controlled by corporate interests, have even acquired the means to override nations and US state governments who have attempted to do meaningful ecological and social justice alternations. Similar oppressive practices are also supported by NAFTA, the North American Free Trade Agreement, and by the proposed CAFTA, the Central American Free Trade Agreement. These oppressive nature of these agreements is spelled out simply and well in a 91-page book by Greg Spotts entitled *CAFTA and Free Trade: What Every American Should Know* (published by Disinformation [ALL ACCESS] Series: 2005).

If the transnational corporations, the lending agencies, and the global trade organizations are not able to control the leadership of some upstart developing nation, agents of the US CIA or other US government-hired “jackals” arrange for “popular” revolts or “accidents” to happen to those courageous local leaders who resist the above described patterns of global oppression. And if neither economic means nor the “jackals” prevail, the U.S. military is sent in. The Panama story as told by John Perkins in *Confessions of an Economic Hit Man* is a revealing case study.

John Perkins is eloquent in pointing out the difference between the old US republic and the new US global empire.

... The republic offered hope to the world. Its foundation was moral and philosophical rather than materialistic. It was based on concepts of equality and justice for all. But it also could be pragmatic, not merely a utopian dream but also a living, breathing, magnanimous entity. It could open its arms to shelter the downtrodden. It was an inspiration and at the same time a force to reckon with. If needed, it could swing into action, as it had during World War II, to defend the principles for which it stood. ...

The global empire, on the other hand, is the republic’s nemesis. It is self-centered, self-serving, greedy, and materialistic, a system based on mercantilism. Like empires before, its arms open only to accumulate resources, to grab everything in sight and stuff its insatiable maw. It will use whatever means it deems necessary to help its rulers gain more power and riches.¹

The supporters of global corporatism make different interpretations of these facts and the corporate-owned media largely support their view. We have to dig for the most grim facts in books and alternative magazines. Being objective about the global relations of the corporate controlled nations does not mean hearing more and more about “their side” of the story. The view of global corporatism is a lie, propaganda skillfully sold to a sleeping public.

¹ Perkins, John ; *Confessions of an Economic Hit Man* (Berrent-Koehler Publishers: 2004) page 127-128

The Spirit Challenge

The first Spirit challenge is simply taking in the grim truth of this vast economic oppression, feeling the sober horror of it, realizing the power and extent of its ongoing economic momentum, to acknowledge the full dirtiness of a pattern of operation that has been whitewashed and justified for decades. Since too often we don't want to know how bad it is, most of us do not know.

It is shameful that US citizens have supported congressional and presidential candidates from both major parties who support blatantly oppressive policies. The sociological ignorance, or perhaps we should call it "the brainwashing," of the US public is a matter for urgent repentance. And we should not tolerate those who claim that the grim truth of this nation's behavior is just a political opinion and that the defenders of oppressive policies simply have another opinion. No, this so called "political opinion," though it is present in all three branches of government and tolerated in most US news media, it is actually a well-reasoned lie. Our Spirit challenge is to unmask it and defeat it.

The second Spirit challenge is finding and creating that vision of genuine hope that something different could become the practice of existing democratic nations and their citizens. This hope becomes genuine only when the awakening citizens are willing to lead the sleeping majority in becoming outraged over the lies and the oppression. Only when this outrage is widely and fully felt can the US citizenry move vigorously into the happy action of admitting their participation in the problem and in volunteering their minds and bodies and fortunes to be part of the solution. What is blatantly true within the United States is true within other developed nations as well.

The third Spirit challenge is learning patience, the patience it takes to be persistent in a long-range transition that will be an uphill battle to unknown destinations fraught with inevitable mistakes along the way.

A fourth Spirit challenge is remaining clear about the necessity of alternative courses of action when we are surrounded with voices that tell us lies to the contrary. We will be constantly told that no progressive alternatives exist, that continuing the present course is inevitable, that the present trajectory is so firmly established that all opposition is fruitless. In the next section I am going to counter some of this unclarity by describing elements of positive vision. But this vision is still unfolding, and it will not be fully unfurled until the overall transition is completed. So the Spirit challenge will continue to include a call to be unusually courageous and persistent in the presence of all sorts of doubt-provoking voices that will continue to cry loudly for decades to come.

The Needed Consensus

Step by step, the much ballyhooed global economy can be and must be reined in. Economic decision-making authority can be and must be transferred to local communities, local regions, local nations. The massive extent of global trade can be reduced. The hugeness of transnational corporations can be broken up. Every massive arrangement that allow huge profits to be channeled to a few people needs to be questioned and replaced with simpler means that spread the economic benefits more widely. Principles such as these can become and need to become standard wisdom in the minds of local citizenries in every nation.

Accomplishing this awakening will require action in two directions: (1) educationally and politically resisting the present pattern and (2) building successful locally controlled alternatives.

We cannot do one without the other. If we overemphasize locally controlled projects without resisting the current forms of “globalization,” we will, sooner or later, have our local projects demolished by the unrestrained power of mighty and unprincipled global forces. If, on the other hand, we emphasize the restraining of global corporatism but do not rapidly replace it with workable locally controlled alternatives, we will find these vacuums of economic need being occupied by the same old global nemesis. This situation is like the story Jesus told of a man who had a demon expelled from his inner house but did not fill his life with good living. The expelled demon gathered a number of its friends and returned to that cleanly swept house. In the end the state of that man was worse than when he began. So it will be if we do not build successful locally controlled economic alternatives to the current oppressive and destructive globalization patterns.

Each community, each region, each nation, will need to build an operational consensus that works for them, empowering them to meet their needs without recourse to global help, especially global help that has huge economic strings attached. Global export trade cannot be counted on to help in the long haul. It is best to use local resources to serve local businesses that are not yoked with global partners. Wealth accumulations need to be retained locally and controlled locally to the extent possible. How this is to be done in each local situation will be different; nevertheless, here are some suggestions that are already working:

A. We are seeing the organization of local food systems that feed local people, that adequately reward the local growers, and that minimize associations with global food distribution companies. Exporting food while the people who grow it starve is not only immoral; it is economically counter productive. It is exporting the wealth that such local labor can accumulate.

B. Many local businesses can also take the place of globalizing forces. Local family-owned restaurants are typically better than the restaurant chains as well as an enrichment of their communities. Old age care, child care, and most healthcare can also be a locally based income source. If money for these services is drained out a community by large corporations, everyone in the community loses.

C. If a community, nation, or region has a huge excess of something like oil or minerals or organic medicines, then export trade can benefit that local place, provided that the exports actually benefit local citizens rather than merely enriching a local few who collude with even greedier global arrangements. A local community, nation, or region needs to distribute the benefits of its export trade widely among its population rather than enriching a local aristocracy who continue to oppress the local population and do so in collusion with the oppressive global systems.

D. Banking and lending can be more locally arranged. Local money systems or barter systems have been used successfully in many places to retain wealth in local economies rather than sending it away to globalizing profit makers.

Nothing can substitute for persistent and creative locally controlled economic development, but it must be accompanied by national-wide, continent-wide, planet-wide forces of resistance to the immense power of the globalizing corporatists. This resistance includes the action of voters in democratic nations. These voters must recapture their governments from the reign of the corporatists and put leadership in place that will conduct domestic and foreign policies that restrain corporatism rather than augment it. This leadership also needs to forge foreign aid programs that actually aid those who need the aid.

Winning such political power will not be immediate in all places, so the resistance to global

corporatism will also need to include rallying attention-getting protests that alert the awakening populations of all nations to the ongoing actualities of the various semi-hidden skullduggeries. Such actions have been taking place for some time, and their effectiveness has not been well reported. For further illumination on these efforts I recommend two books: *Webs of Power* by Starhawk and *Globalization from Below* by Brecher, Costello, and Smith.

Other means of protest also exist. The United States, whose current administration almost completely supports the whims of the global corporatists, seems to be an unchallengeable empire of military and economic might. Nevertheless, this nation is quite vulnerable in many ways. The United States is trillions of dollars in debt, mostly to Asian nations. If those nations shifted their investments away from the US Treasury, away from US based investments, away from trust in the US dollar this would have huge effects. These effects would be felt throughout the world including rearrangements within the nations who might initiate these monetary shifts. Nevertheless, the possibility of such action exists. The military and economic might of the US government stands on shaky ground. If US leadership continues to assume toleration for its spendthrift ways and continues to offend world opinion with its bullying behaviors, a time will come when the world community will have had enough. And when that time comes, the US economy may be suddenly shaken to its foundations by these irate debt holders. The very existence of such power can be used as a restraining force by wise strategists throughout the international community.

Also, within the US economy there are many groups who possess more economic power than they are using in support of alternative directions. Labor union pension funds are an example. These vast pools of wealth are typically invested quite conservatively, thus supporting corporations that are anti-labor, anti-environment, anti-justice at home and abroad. If such fund managers withdrew their investments from "rogue" corporations this could make a big impression. Small individual investors are basically powerless to influence the companies they invest in, but large pools of wealth are a different matter. Large groups of individual investors might organize themselves into mutual fund arrangements that competently invest in only those corporations who "behave themselves." This would also make some difference. All such means need to be explored. The vulnerabilities of the global economy need to be carefully analyzed and current economic power cleverly restrained with opposing economic power as well as with moral words well publicized in all forms of media.

Also, a large potential exists in a well informed and organized labor force who are willing to simply refuse to work for rogue corporations. If other more ethical and more satisfying employment could be provided, many workers would gladly change jobs away from companies that are topdown oligarchies doing worldwide skullduggery. The key here is providing secure and economically supportive work that is more democratically organized and more related to making a positive contribution to the course of history.

Another curtailment of the global economy can be achieved through local democratic communities or regional bodies who choose to publicly own the businesses that serve many essential local needs – needs like electrical power, sewage disposal, recycling centers, electronic services, food growing and distribution systems, as well as medical clinics and hospitals. There is actually no need for huge corporations hundreds or thousands of miles away to own such functions. If a local population owns them in some democratic manner, they control them; they are responsible for the quality of the service, for environmental impacts, for the stability of these services, and for the overall enrichments of community life made possible by these services.

If we add to such public ownership, a rich variety of locally owned businesses and nonprofit organizations, we begin to flesh out what an appropriate local or regional economy might look

like. Building these local and regional economic commonwealths is part of phasing out the current global economy. And phasing out the current global economy is essential for completing the establishment of more local economies. Neither of these tasks can be accomplished without doing the other. Gar Alperovitz in his book *America Beyond Capitalism: Reclaiming our Wealth, our Liberty, and our Democracy* (John Wiley and Sons: 2005) describes numerous specific examples of how the proposals mentioned in this chapter are already being done in some measure. The pressures of the times, he claims, are forcing liberals and conservatives alike to begin experimenting with many of these directions. He speaks of moving step-by-step toward "Pluralistic Commonwealths." What he means is quite similar to what I am pointing to with "Democratic Regional Economies."

Finally, envisioning economic localism does not imply that we will no longer need to have economic and political structures at national, continental, and global scopes of geography. But as economic and political power is increased in our more local associations, the larger scopes of governance become more and more accountable to local power. The end toward which this vision strives is to see all cultural, political, and economic decisions made at the most local scope at which they can be made. Only decisions that cannot be made at the more local scope need to be referred to a larger scope. Local economies do not have to be isolated economies. Strong local autonomy can be yoked with mutually enhancing relations among all the various regions and local communities of the planet. So complex and far reaching are these changes that they will have to be lived and discussed for many decades. This chapter contains only a rough picture of this unfoldment. Also, I will examine further this global-to-local polarity in following chapters in which envisioning the future of political fabrics is the emphasis.