

COMMENTS ON DAVID C. KORTEN'S "DO CORPORATIONS RULE THE WORLD? AND DOES IT MATTER?"

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It is a pleasure to comment on David C. Korten's keynote address to the Organizations and the Natural Environment Interest Group (which I chair) of the Academy of Management. The reader should know that I am a long-time friend and great fan of Korten, having assigned his *When Corporations Rule the World* in numerous master's of business administration classes, inviting him in as a guest lecturer, and working with him on a variety of projects and panel presentations. Obviously, I accept much of his thesis on the rapid depletion of the planet's living capital, massive externalization of ecological and social costs driven by global finance capitalism, and pervasive accountability of power to money rather than to life.

For a number of reasons, however, I worry that Korten's message will be too easily dismissed by mainstream business-school academics and corporate/financial executives as variously utopian, politically unrealistic, and economically impractical. Those reasons center on the simplicity of his causal diagnosis, displacement of blame away from individual human beings to "the system," inattention (in this presentation but not in his forthcoming book titled *The Post-Corporate World: Life After Capitalism*) to the profound cognitive transformations and value changes required to implement his vision, excessive faith in localized market economies to deliver justice and sustainability, and general absence (again in this speech but not in his forthcoming book) on the how as compared to the what of radical transformation. The thoughts in this commentary are thus offered in the constructive spirit of making Korten's manifesto more influential and useful, and less threatening and trashable, in the typically reactionary halls of those working in or teaching about for-profit public corporations.

Korten explicitly attributes the depletion of natural, human, social, and institutional capital almost exclusively to the "Midas curse" of global financial capitalism. Similar to Bill Greider's (1997) *One World, Ready or Not: The Manic Logic of Global Capitalism*, this journalistic simplicity may help to sell more copies in airport bookstores but is conceptually and empirically disingenuous. A portion of global environmental and social decline (especially stemming from the energy-intensive, high throughput, linear consumption economies of northern elites) can obviously be traced to the stimulants of finance capitalism. However, biotic and social impoverishment, especially in developing nations, has dozens of possible and competing primary, predisposing, precipitating, and reinforcing causes. Natural decapitalization in the form of overgrazing, groundwater over pumping, or tropical deforestation, for example, are more profoundly attributable to swelling population and persistent poverty. In addition, much social decapitalization, such as human

rights abuse, gender bias, and human health insecurity, is more directly related to factors such as patriarchy, ethnic strife, political fragmentation, rapid urbanization, and so forth. The world *problematique* is characterized by extraordinary detail and dynamic complexity as well as large and irreducible uncertainties. Blaming the operations of global finance capitalism for all of the problems in the world is simply ludicrous. Korten must better specify the direct and indirect, short-term and long-term, linear and nonlinear, additive and synergistic, causal pathways between finance capitalism and global impoverishment. Until then, his arguments will wax only as a siren's call.

Korten's thesis also disengages the roles and responsibilities of individuals from the global *problematique* by pinning all blame on "the system" of "financial planetary rule"—a system, he asserts, is "running on autopilot, delinked from human sensibility and beyond human control" (p. 390). This convenient removal of ourselves from his diagnosis is both disenchanting and disempowering. As Martin Palmer (1992) would alternatively suggest,

What we face in the West today is not an ecological crisis, nor a crisis of economics, nor a crisis of structure. It is a crisis of the mind. A crisis of the stories we tell ourselves, of the position we wish to give ourselves in the creation, and of the purpose that we give to our existence. (p. 178)

Pogo would concur, noting that "we've met the enemy and it is us." Any deconstruction of Korten's Midas curse reveals greed, shortsightedness, indulgence, exploitation, apathy, and narcissism. His "triumph of money over life" represents a diminishment of communion and enlargement of hyperagency, with freedom championing over union, rights over responsibilities, independence over interdependence, and what works over what is worth pursuing.

In his keynote address (but again not in his books), Korten implicitly attributes the seductive call of money to pathogenic contemporary mental programming. But he knows that the biases against community, nature, and a sustainable future are both more broad and further back in the origin. At least among northern elites, these biases can be traced variously and interactively to (a) cognitively bounded biological minds, inherited from our ancient ancestors, which are maladapted to the modern challenges of systemic complexity; (b) obsolete worldview (i.e., tacit assumptions) minds biased to atomism, mechanism, and anthropocentrism based on early religious, philosophic, and scientific traditions; and (c) delusional psychodynamic minds that employ subconscious ego-defense mechanisms to ward off any realistic and moral anxieties posed by awareness of ecological or social deterioration (for a review, see Gladwin, Newburry, & Reiskin, 1997). The bottom line is that it is senseless to believe that we can somehow tear down or transform the exterior system without first profoundly altering our interior minds and hearts. Achieving Korten's vision of "life after capitalism" will require massively extended mental and moral embrace. Human thinking will need to shift from linear to cyclical, analytic to synthetic, and reductive to integrative. Spirit, nature, and community will also need to be reconnected, with radical value transformation toward stewardship, equity, humility, permanence, precaution, and sufficiency. The world will change only when we accept that the ultimate sources of our problems and solutions lie within each of us. Placing all the blame on the system is a cop-out.

Korten's proposed solution entails mixing small and local market economies with genuine democracy. A careful reading of his address reveals calls for ending literally dozens of things, including trickle-up economics, want creation via adver-

tising, locational mobility, short-term maximization logic, externalization of costs, monopoly power, corporate contributions to politicians, consumerism, corporate subsidies and tax breaks, deregulation, economic globalization, corporate concentration, absentee ownership, financial speculation, central planning, GDP indices, NAFTA, GATT, WTO, MAI, sweatshops, free trade, and on and on. His summary call is for a radical, thorough recreation of a new kinder, gentler, caring economy and society. His ends are revolutionary, yet his implicit means are that of bottom-up adaptation. Is it not rather naive to believe that economic globalization, financial capitalism, and for-profit public corporations could be brought down through processes of gradual accommodation rather than large-scale revolution? Korten places his hopes on emergent public opinion data that reveal a shift of values of millions of people toward integral culture in which life is valued more than money. On a global scale, however, this reader sees things moving against his case. Anyone traveling in emerging markets such as China, India, or Russia sees many millions more rushing fast and furious toward westernized and homogenized consumerist lifestyles. Meanwhile, the elites of the world are seemingly retreating ever more deeply into psychodynamic denial, narcissistic materialism, and their guarded urban towers and suburban compounds. And the anxious lower and middle classes, so caught up in making it from day to day, also appear indifferent or apathetic to the fate of the planet. I detect a large ideological void between Korten's vision and the current desires of the world's masses and elites. I fail to yet see the assembled fervor and galvanized troops needed to "make power accountable to life." Korten must do more to convince us that life after capitalism is attainable, however desirable.

Korten may also wish to revisit his extraordinary faith in self-organizing market economies "to respond in a highly democratic manner to human needs and values" (p. 396). Market economies, however healthy, possess no automatic sensory apparatus for assuring intra- and intergenerational justice on one hand and optimal scale of resource throughput relative to natural carrying capacity on the other (see Daly & Cobb, 1994). As Von Weizsacker, Lovins, and Lovins (1997) recently emphasized, markets "are meant to be efficient, not sufficient; greedy, not fair. Markets were never meant to achieve community or integrity, beauty or justice, sustainability or sacredness—and they don't" (p. 299). In addition, democracy, however genuine, may also be defective in assuring distributive justice and sustainable scale because the interests of minorities, future generations, and other species may only be very imperfectly advocated or upheld. Korten's prescriptions will certainly deliver allocative efficiency according to the will of those with money to spend and voting powers to exercise; to expect them to automatically also deliver social justice and sustainability is simply quixotic.

Finally, a bit of advice to Korten on his approach to business-school academics and corporate executives. His assertions such as appeals to conscience will be ineffectual, superior social and ecological responsibility can never be more profitable, and there is "no place [for for-profit public corporations] in a just, sustainable, and democratic society" (p. 398) are obviously massive downers, even for his most devoted fans. Reading between the lines of his speech, I sense that Korten sees business schools trapped in a dark fate of servicing the "life-destroying capitalist economy," from which there is no escape. I am therefore afraid that most business educators and practitioners will interpret his prescription of "major surgery" to cure "capitalist cancer" as also demanding the cutting out of their careers. Threatening anyone with excision is certainly not a way to attract converts to your cause. If Korten wants his message to take hold in hearts and minds, rather than gathering dust on shelves, he should probably provide more in the way of transformational

counseling—attract rather than threaten people into new ways of ordering their lives; help ease the anxieties associated with radical change; do not prematurely shut down any hope of institutional reforms; and by all means, be widely inclusionary rather than exclusionary in creating your beloved positive futures.

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