

Q & A as FAQ about the global economy

Questions posed about the new paradigm of cultural economics
as fielded by Howard Richards in presentations at San Francisco,
Sacramento, Santa Barbara and other California cities

PEACE EDUCATION BOOKS



Q. Does calling the USA —America— exclude the rest of the hemisphere in an ethnocentric manner? Answer: Yes.

Q. How is famine preventable when we live in a culture that is based on living in excess? —People worldwide have become obsessed with material wealth as power as exemplified by the modern US lifestyle. If the US model of excess, waste and resource-depletion becomes the standard, how is there enough for all and the Earth? A. Part 1: A rational person would choose what Buckminster Fuller called: A world that works for 100% of humanity without ecological damage. A rational person would choose that over the world as it is currently structured by its dominant paradigm. Three keys to building such a world are, in my opinion, bicycles, roommates, brown rice and lentils. Stated in abstract terms as 1) resource-efficient transportation 2) resource-efficient housing and 3) eating low on the food chain from local small farms and in avoidance of food that is too industrial, too hazardous.

Part 2: Sadly, people's choices are often irrational or, if they are rational, they follow what Herbert Marcuse recognized as—irrational rationality. People do not rationally choose to be the change they want to see in order to contribute to a world they want to live in. Instead, they choose one commodity at a time, often guided more by impulse and advertising than by reflection and philosophy, ending up with gross carbon emitters such as SUVs, single family or single person houses in the suburbs, fast food and sugar.

Part 3: Thus, a need exists for social movements to promote conscious consumerism, to educate for rational choices that will lead to a sustainable and healthy world. It just so happens that Dagny Tucker, one of the students in a class I taught at the European Peace University, has just finished a masters thesis—How to promote conscious consumerism, which she likely will forward to you.

Part 4: Sadly, conscious consumerism is in conflict with the systemic imperative of the dominant paradigm. That is why the people promoting—Buy Nothing Day—are denied national TV ad time. TV executives realize that rational consumer choices would wreck the system. The programming of the hearts and minds of the world's people to be obsessed with material wealth is not just a philosophical error: it is the imperative of a system that must have the accumulation of profits to keep it going. Thus, a paradigm shift to an ethical paradigm is vital. Without the

shift (really a transformation) in the systemic imperative of the existing global economy, slogans like — live simply so that others may simply live — would, if widely followed, lead to such phenomena as the collapse of share prices on stock markets, more mass unemployment, more militarism to keep the system going, and likely some form of fascism.

Q. Can I obtain a copy of the slide show? A. You may obtain the Power Point presentation via email from Julie Bruns, the Peace Studies secretary at Earlham College. [Another economic world is possible]

Q. What specific work do you think we should focus on? A. On my web site is a list of thirteen [13] specific things each of us can do every day for peace and justice.

Q. Who chooses this paradigm shift and who chooses the regulator of it? We need some regulations to implement this paradigm shift. The majority of the world believes it is the U.S. as the U.S. military kills those that do not agree with the outcome. A. There are many important issues raised in this question. I will respond to the second part first, and then later discuss some of the other issues. The point about the U.S. military reminds me of something Cynthia Kaufman wrote:

What happened in Nicaragua happened in many other nonaligned nations that tried this strategy [creating small pockets of socialism or mixed economies]; pro-capitalist forces crushed their efforts. People in the rest of the world were left with a reaffirmation of the belief that it is impossible to break away from capitalism and have a functioning economy. Moreover, while this is true more because of military threats than because of any inherent impossibility of setting up an economic alternative to capitalism, it is, nevertheless, true. The international capitalist class made sure that there would not be a counterexample to capitalism. —Cynthia Kaufman, *Ideas for Action, Relevant Theory for Radical Change*. Cambridge, MA: South End Press, 2003 p. 112.

My coauthor and I suggest a somewhat different viewpoint. It is not so much the U.S. or the international capitalist class that determines what happens in history as basic cultural structures. I concede that the way we use the phrase: cultural structure is not immediately obvious or self-evident. Although I have no short explanation of it, I do have long explanations in my books. The idea is somewhat similar to Paulo Freire's cultural action, Immanuel Wallerstein's world-system, and Antonio Gramsci's hegemony. The paradigm determines what happens, not the individuals who supposedly benefit from the paradigm who determine what happens.

I would nuance what Kaufman writes to say that although economic alternatives to capitalism are inherently possible, they are made difficult by capitalism's systemic imperatives. A feasible change away from a world where unenlightened capitalism dominates has to be one that accepts the world as it is, run as it is by the pursuit of profit, and simultaneously works to transform the world. Lula and the PT (social democratic Worker's Party) in Brazil have this concept. It remains to be seen whether they will succeed, be thrown out by the right wing like so many others, or give up on social transformation and sellout like so many others.

I am likely too influenced by my decade in Chile before and after the coup, as recounted in the novel *Sweet Country*, by Caroline Richards and in many other cases around the world in the last few decades. However, I do not think it is accurate to state, as a law of history, that the local military, supported by the U.S. will always intervene to put down social change no matter what. A complex interplay of economic, cultural and military forces exists, which make it possible that the military will not always be right wing, intervene or succeed in crushing change.

It is, however, inevitable that whoever tries to bring about progressive change will have to cope with the systemic imperatives inherent in the established dominant commercial paradigm, which include capital flight and capital strikes. Whoever favors change must start from a culture resistant to change, in which individualistic values and legal principles appropriate for a commercially-oriented society are deeply embedded. I will comment more about the questions of —who— later.

Q. What distinguishes the new paradigm that you advocate from the other ones that are discussed? A. The new paradigm, which Joanna Swanger (my coauthor) and I advocate, resumes the ethical development of humanity. Ethics was limited, simplified, and universalized by the founding of commercial society. Its principles were first made formal in Roman Law. Today, the normative framework derived from that tradition and extended worldwide is written into the civil and commercial codes that govern market behavior. In terms of Kohlberg's stages of moral development, public morality is dominated by stage two: justice as established by contracts among economic actors. Ethical progress means bringing back the diversity and the solidarity that was subtracted from normative frameworks when the Roman Empire compiled its law of all nations.

The new paradigm acknowledges that the dominant modern institution is the market, so that if modernity is to be improved at its basic level, markets need to be improved and linked to other types of human relationships.

Please note that this account of a new paradigm does mean more than going back to the past. The new paradigm consciously values diversity, while ancient moral codes tended to be ethnocentric, glorifying themselves, while excluding outsiders. The new paradigm is a conscious effort to rescue the positive in the indigenous societies of American, African, Asian and early European cultures, while discarding the hierarchy and patriarchy, which might have been a factor. Therefore, it really is progress, even though it does not regard Enlightenment in Europe as the epitome of progress, and even though it is in a sense backing into the future by appreciating ancient and non-Western wisdom.

It was my intent, before the evening closed, to clarify this new paradigm. Therefore, I would consider the teach-in worthwhile if you left understanding the idea of the systemic imperative that keeps the accumulation of profits flowing, whatever else happens; it is why most of our efforts to build peace and justice fail. Once that it understood, at least the need to take a broader view, which realizes that humans lived for thousands of years without global capitalism and its systemic imperatives, becomes apparent. Seeing the need is, at least, a step toward visualizing the alternative ways of living in community that would satisfy the need.

Q. Is the dominant paradigm a result of those who have power? Would the paradigm shift if the rich few lost power as the poor many gained it? A. That is not likely, because the systemic imperatives imposed by the current system are a detriment to all, even the rich few. Therefore, without a new intellectual paradigm, the masses of poor will be unable to abolish the poverty they live in even with new-found political and military power.

Q. Do you advocate reform or revolution? A. Reform does work in the sense of reshaping social institutions to make them work better, which is “adjusting culture to physical function” as Antonio Gramsci said to define the role of the organic intellectual. Reform fails in the sense of accepting capitalism as it is, and, thus, merely trying to manage it better. Revolution does work as a consistent pragmatism, which reconsiders even the basic principles of law in a rational search for effective solutions to environmental problems. Revolution is necessary in the sense that the empowerment of the oppressed is essential to their liberation. Revolution fails when it advocates or practices violence and when it expects a better society to emerge all at once by a single transfer of power in which the oppressed take power from the oppressors.

Q. Do you support the Cuban Revolution? A. Yes, as it is an optimal world in which the Cuban people freely modify their system through a government by and for the people. Sadly,

given the record of the US in destroying what Noam Chomsky calls “the threat of a good example”, the optimal path of democratic socialism is still not an option for Cubans.

Q. Is cultural economics a Marxist concept? A. Yes, in that it agrees with Marx (and Adam Smith) that the whole point of economic activity is production for use, which is use value as opposed to exchange value. For its own sake, exchange is pointless, as is the accumulation of surplus value. *Cultural economics* is Marxist in the sense that it views a world dominated by commodity exchange as contradictory, unjust and unstable. Thus, cultural economics accepts and uses the concepts of accumulation and commodification, understanding them as consequences of the basic cultural framework, which constitutes the commercial (for-profit) paradigm.

- breaks from Marxism by viewing labour as one of a number of producers of value, instead of the only one
- regards rent money, for example, as coming from more just the surplus value extracted from workers
- grants that more factors drive and shape history than just the working class (however defined) or just economic self-interest, and
- has a philosophy of deliberate ethics, which treats ethics as a synonym of culture both being constituted by practices, norms, and rules.

Q. Would the cessation of the commercial [profit as be all, end all] paradigm bring government ownership of industry? A. A strong public sector is good common sense especially in the critical areas of education, energy, transportation, health, and commodities utilities. The important question, however, is not some much who holds the complex bundle of rights and duties known as ownership, as what the owners do with their property. E. F. Schumacher rightly resigned from the British Coal board because it was public sector corporation acting just like a private corporation. Different forms of own should serve different social functions.

The point is to do what works to end poverty and achieve justice and peace. In principle, the Earth and all its goods belong to all people and all life. In the language of religion, God owns all, whilst humans, with their resources and talents, are to steward the Earth and love and serve one another. In practice, diverse forms of ownership work best.

No child should be born under the threat of *suum cuique*, which implies that the baby has no right to be here because some other people own every inch of the Earth. Property should be a functional institution; the function should be to insure that everyone is welcome and given care.

Q. How will the new paradigm stop capital flight? A. Within the current dominate paradigm, or stretching it a little further in the direction we advocate, public laws are sometimes enacted to curb capital flight strikes. For example, for a long time, Japanese law prohibited its nation from making deposits into foreign banks. Likewise, economic scholars and politicians alike have proposed a Tobin tax to slow down speculative international transactions, which have no productive purpose (aside from a legal gambling and fraud). Some nations have laws to forbid factory closures when a factory is making a profit, even when the owners could make a bigger profit by moving the production elsewhere. Some courts have ordered compulsory working of patents even when the owners prefer to hold the patents so to prevent others from using them. Some nations, at times, will redistribute idle land, or land used only for occasional grazing, to people who will farm the land.

Those enacted public laws curtail the freedoms of property and production owners from exploiting the Earth and its people. Such efforts to use public laws to curtail the freedoms of capital and production, which are created by private law, are limited by the fact that private law constitutes the dominate paradigm. Moreover, judicial decisions and legislation as amendments often augment private law. The paradigm defines what society sees as natural, and thus, society perceives people following it as an automatic natural impulse to cooperate in the sense of conformity.

The hydraulic metaphor (of a sort Adam Smith was fond of) shows that: money tends to flow wherever profits are highest whilst in US inner cities and the rural hinterland investment evaporates. Public laws are like dams or channels, which tax one action and decree another action as compulsory; while money, acting like water, tends to flow downhill and evaporate where the need for it cries out most urgently. The new paradigm serves to

- raise consciousness about the old paradigm, and a renewal of venerable diversity and solidarity rather than policy recommendations,
- restore the kinship and community bonding, which the Roman law of all nations banished when it crafted minimal normative principles for use throughout the empire, and

- synthesize what modernity has gained with what it has lost by strengthening the cultural norms, which through history were weakened-in the effort to modernize third-world people as well as in the Roman Empire of antiquity-can be expected to make it possible to prevent the quasi-automatic flow of resources from areas where social democracies threaten profits.

Nevertheless, capital movement can and should occur when there is good reason for it. Here is an example, though it runs the risk that it will be mistaken for the principle: a group invests capital in a citizen-run electric power cooperative, which produces electric power guided by the concept that it produces a necessity for its members. The capital is not likely to flow away attracted by higher profits elsewhere. Nor is it likely to curtail production or let equipment fall into disrepair to force consumers to pay higher rates.

A valuable source book about capital flight is the book *Capital Mobility and the Indonesian State*. The author shows that the most mobile capital extorted the most favors from the government, while the least mobile capital extorted the fewest favors.

Q. What do you mean by the basic structures that constitute the market? A. A cultural structure is basic when getting the necessities for life depends upon it. Thus, commodity exchange is a basic cultural structure because that is how most people acquire food.

Cultural structures, although it is a compound of two words with much poly-synonymy, means about what one would expect it to mean, for our context. The social economic analyst Jurgen Habermas uses the term symbolic structures instead of cultural structures, as do other writers, for a meaning exclusive of other meanings. For an in depth discussion of the meaning of culture - structure - cultural structures, see *A Philosophy of Peace and Justice*, by Howard Richards.

The word constituting has roots in the writing of Kant and Wittgenstein. Charles Taylor and John Searle analyzed the constitutive rules, which, thus, found application to the study of social democracy and the global economy in the book *The Dilemmas of Social Democracy*, by Howard Richards and Joanna Swanger. Read the preliminary version.

The book *Understanding the Global Economy* discusses in depth the cultural framework behind the so-called causes of economic theory. Professor Richards ships copies to those who wish to review it or buy it without reviewing it.

Q. Are you a feminist, a green, anti-racist and anti-homophobic as an advocate of a multicultural society?

A. Advocating for the rights of the oppressed minority will always bear positive fruit for all in the long-term, though it may bring angst or other discomfort for the oppressor in the short-term. Every worthy cause toward diversity on Earth should have support. At times, other progressive groups working in a particular or even a general area of concern have nothing specific to add to the struggle or particular cause of a group of oppressed people. One can never ascribe all issues as based in economic alone, nor that economic justice would solve all issues.

Q. Can you deduce a critique of global capitalism from Kant's ethics?

A. Yes. From the formulation of the categorical imperative, which says: humanity should always be treated as an end in itself, and never as a means alone; thus, you can deduce: the logic of commodity exchange in which buyers and sellers treat each other as means to their own ends, as ethically flawed. Critiques of the worst cases, such as desperate poverty and violence, which would not occur if power would give social democracy the chance to work, follow from Kant's ethics, too; though, even peaceful market behavior falls short of his ideal.

Therefore, the central project of Kant's ethical and political work is to provide a rationale for the liberal commercial society, which emerged at the time in which he lived. The general method of his consciously anti-Aristotelian ethics necessarily leads to a few strict rules, leaving most of human affairs in the realm of the play of self-interests as inclinations, in Kant's terms. In this realm, most of life is free of (not subject to) ethical judgment as without moral significance (*ohne sittliche Gehalt*). This philosophical move parallels the extension of market behavior at the expense of the ubiquitous norms of medieval life and of life in which Max Weber defined as traditional societies governed by custom. Thus, without surprise, the only concrete examples of strict rules of conduct toward others spelled out in Kant's *Foundations of the Metaphysics of Morals* are respect for property, contracts and freedom.

Thus, while Kant and Kantians do condemn the negative effects of the global economy, he and his minions support some of the most underlying causes of the negative effects.

Q. What is the FTAA? A. Corporate globalization is big business's brash new strategy to further concentrate power and wealth into fewer hands. This global economic system depends on exploiting people and the Earth for profit, which results in the miseries of poverty

and ecological destruction. The global expansion of corporations hurts nearly every sector of society, offering the possibility of uniting broad sector into a mass movement capable of making radical change.

The Free Trade Area of Americas (FTAA) is the next phase in the globalization of corporate greed versus human need. The FTAA is an international trade deal that will increase corporate power while it endangers the lives of the millions of people who stand in the way of its money making scheme. Initiated in 1994 by the thirty-four countries of the Americas (except Cuba), the FTAA would create the world's largest free market zone: affecting two thirds of a billion people and nine trillion USD in capital. The business sector in the thirty-four FTAA countries has joined in the governmental FTAA talks every step of the way; their discussions are a covert deal making with tight security.

The FTAA as an expansion of the North America Free Trade Agreement (NAFTA) would deepen the negative effects of NAFTA as we have seen in Canada, Mexico, and the U.S. over the past seven years; the FTAA will expand NAFTA's damage to the other thirty-one countries involved. The dire results of NAFTA prove that the FTAA will provide only disastrous results for the exploited peoples of the American continents.

For peace and justice,
Howard Richards

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