

The following text is the first chapter of “L’Essai sur l’oeconomie” by Pierre Calame, published at Editions Charles-Léopold Mayer in 2009. Translated from French by Michael C. Behrent.

Chapter 1: The Lessons of History

1. An Outdated Model of Development

Danger is Near

In a famous speech made in 2002 at the Johannesburg World Conference on Sustainable Development, which marked the tenth anniversary of the 1992 Earth Summit, French president Jacques Chirac declared: “The house is on fire and we are looking elsewhere.” But is it really possible to feign ignorance of these problems? We are constantly bombarded with facts about these threats. To me it seems that it is not so much obliviousness that describes our reaction to our burning house, as a combination of fatalism and morbid fascination. When it’s over, we go back to our daily lives—though we sneak a peak, every now and then, to see what the fire has destroyed. Or, to borrow a term from Aristotle, we could be a state of “acratia”: we know what must be done, but lack the will and the energy to do it. Our problem, in short, is not that we lack information. Quite to the contrary: we are saturated by it.

Accumulating problems does not make a strategy

In 1994, the Brussels-based Union of International Associations, an organization consisting of a wide array of public and private institutions concerned with international issues, published a volume edited by Anthony Judge entitled *Encyclopedia of World Problems and Human Potential*.¹ The title alone suggests the scale of its project. By compiling (with a computer's help) a gigantic number of documents from respectable institutions and by selecting from them 20,000 keywords tied together by 100,000 links, the *Encyclopedia* has identified 170 world problems. By its very nature, the list feels like a grab-bag. As the editors note, each institution has its own interests, its own agenda, and its own pet ideas. While someone will deplore a lack of individual freedom, someone else will complain about the dangers of unbridled individualism. But as usually happens when such vast quantities of information are handled, a big picture appears, one that sheds light on several "packages" of problems. These lists of problems do not contain much that is new. Even so, they strike me as an accurate representation of the problems that arise when (depending on one's political ideology) one tries to identify the international community's goals or when one denounces an economic, political, and social system that is leading humanity to almost certain death. The

¹ The Union of International Associations *Encyclopedia of World Problems and Human Potential*, 4th edition, 1994-1995.

nearly 170 global problems that Anthony Judge has identified can, upon consideration, be grouped together into seven sets. Let us consider each.

At the top of the list, with 20% of the problems, are the negative side-effects of development on the society: inequality, outdated social structures, unemployment, and the exploitation of the society's weakest members. Next come three sets of comparable size. The first concerns insecurity and violence, ranging from the interpersonal to the international level. The second relates to the degradation and pollution of the biosphere, the erosion of their earth's environmental heritage, and the misuse of natural resources. The third pertains to the accidents that affect individual lives: death, sickness, and social isolation. Close behind these three sets is a fifth one, consisting of collective catastrophes like famine and poverty. Then come issues of governance, which accounts for 12% of problems. It encompasses challenges ranging from the local to the global level, such as political irresponsibility, the inefficiency of public authorities, corruption, or lack of democracy.

At only a slightly lower level (10%) come problems of an ethical nature: the loss of moral guidelines amidst a rapidly changing world. In final place we find problems that are raised less frequently, such as intercultural conflict or inadequate information. Financial problems are mentioned only once.

Grouped in this way, this assortment of problems, even if it offers no indication of their underlying causes, nonetheless identifies the major questions that face the contemporary world. The big picture revealed in this way is that of a model of development that has proved unable, despite vast accumulations of wealth, to build societies that are just and equitable across the board, and which can guarantee their members minimal protection against life's risks, security, in addition to guidelines for ensuring genuine social cohesion. It suggests a world that is slowly destroying the biosphere upon which its future depends—and a world, finally, that is struggling to come up with legitimate forms of organization and governance that make leaders credible while restraining the use of force. This picture, which is basically a contemporary of the 1992 Earth Summit, amply demonstrates that sustainable development cannot be conceived solely from the perspective of preserving nature, but that it must incorporate economic, political, and social functions.

Searching in Vain for a Scapegoat

Ten years later, Aurore Lalucq, who at the time was an intern at our foundation, undertook the same task, but in a climate marked by the growing influence of the anti-globalization movement. She catalogued nearly 250 “challenges”— while I was writing this book, my fourteen and fifteen year old

friends would invariably ask me how many of these challenges I had confronted in the previous half-day! This question perfectly captures the anxiety we feel when we count off, like so many rosary beads, the massive number of challenges that our world faces. Compared to the previous one, this list adopts a more activist perspective, in the sense that it presents explanations rather than simply identifying effects. It is clearly rooted in the idea that the economic globalization of recent decades is, if not the sole cause, at the very least an entirely new factor. In Aurore Lalucq's list, three sets of problems appear. The first concerns the "financialization" of the world, which is largely disconnected from society's primary activities, yet which nonetheless impacts them in innumerable ways. The second relates to the destabilizing effects of globalization on governance; to the declining autonomy of the state, which can no longer play its traditional regulatory role; to multinational firms that escape all forms of control; to the destabilizing effects of globalization on the relationships between countries with different degrees of development, when global governance can no longer provide a counterweight to relationships based on force; to the dismantling of certain social models, notably the industrial societies built after the Second World War, founded on a balance between capital and labor (which economists call the "Fordist compromise"); and to the trend towards generalized commercialization, from which not even knowledge, art, and culture are spared.

The third set, which is now very well known, concerns the ways in which our development model has degraded the biosphere, biodiversity, water, soil, forests, air, etc. This list could go on forever. With the help of Françoise Feugas' and the Ritimo association, we drew up a list of the keywords used by the thousands of workshops that participated in the World Social Forum in Mumbai in January 2003. Consequently, it is not so much a list of problems as of principles and goals embraced by contemporary grassroots movements. The same themes are present, but stated in a political tone (emphasizing, for instance, that world governance is dominated by the interests of northern countries and multinational firms, as evidenced by structural adjustment policies, WTO negotiations, etc.), or as outright demands (such as for greater gender equality), or as a plea for alternatives (i.e., social economy).

Precisely because they have been generated by a range of different projects and outlooks, these lists provide us with a revealing sampling of human concerns (in wealthy countries, at least) about the state of the world. Nevertheless, they have two limitations, which are compatible though they might at first appear contradictory. First, they formulate problems in sectorial terms. *The Encyclopedia of World Problems and Human Potential* makes this point very effectively in its comments about the list: each institution, because of its mission, its social and political basis, or its preferences, has its favorite problems. To these it devotes all

its energy, working on the implicit assumption that as long as everybody takes care of the problems that concern them directly, everything will be taken care of and the world will be a better place. This kind of thinking explains why over the years world governance has steered off course. Lacking both a comprehensive approach to global regulations and the will, on the part of states, to build a supranational world order, the international community has created hundreds of specialized authorities, each responsible for a specific goal. Regrettably, however, this is not the best way to create transparent, efficient, and legitimate global regulations. In civil society, particularly non-governmental organizations (NGOs), things are not much different. The demand for simplicity (which activists insist upon) and their (at least apparent) financial independence encourage NGOs to have their own little niche, their own priorities, their own field of expertise, and their own political and social network. The tools that are useful for describing the world's problems are not always helpful in formulating a vision and a strategy for change.

I recall an observation of Philippe DeWoot, a management professor at Louvain University in Belgium: "When a company lists its top twenty problems, it has not done much at all; but when it lists its top five problems, it has essentially adopted a strategy." I would transpose this saying onto society as a whole.

In direct contrast to this extreme dispersion of goals and policies, one finds totalizing explanations that bring everything back to a single cause or (one might

say) to a final solution. For a while, my generation, which reached adulthood in 1968, relished explanations that were so totalizing and smug that they became self-referential. They loved to explain, with ersatz erudition, using jargon that mixed together philosophy, economics, sociology, and politics, that everything was a product of capitalism. The economist Michel Beaud (who is hardly a free-market zealot) mused during the eighties that until Chernobyl, he would have no difficulty demonstrating that a nuclear catastrophe could only have occurred in a capitalist country, where the population's health was sacrificed on the altar of short-term gain. The fall of the Berlin Wall, a more lucid analysis of Stalin's crimes (longtime avoided because of the wartime alliance between the Soviet Union and the western powers), and the disastrous results of the Chinese Cultural Revolution silenced, for a while at least, the proponents of such one-size-fits-all explanations. But not for long. Another single cause had been found: economic globalization.

I do not mean to underestimate globalization's importance and relative novelty, even if Philippe Noirel's book, *The Invention of the Market: An Economic History of Globalization*,² serves as a timely reminder that global trade has been around for a long time (the degree of openness to foreign trade in 1990 was not greater than it had been a century earlier, which the protectionist phase of the interwar period tends to make us overlook) and that complex relationships between

2

states and markets have been in the making for a while. Nor do I intend to downplay (I will later return to this point) the historical significance of the consolidation and deregulation of financial markets, which is commonly referred to as the “financialization” of the world. But there is still a far cry from presenting globalization and financialization as the root of all our evils. This is all the more true in that, just as a list of problems is not a strategy, insisting on a single cause implies a strategy that is overly simplistic: get rid of the root cause, and all will be for the best in the best of all possible worlds. Once upon a time, some believed that political revolutions would lead to communism. These days, there are some who would like to roll back globalization and financialization. But for what purpose? I admire ATTAC’s mobilizing abilities, the hope that its rapid development at an international level has inspired, and many of its leaders. However, even from its beginnings, I could not help but conclude that it was wrong to build its activism on a lie—on the idea that financialization and fluctuating exchange rates were the source of all evil, and, consequently, that we could solve these problems by taxing monetary flows. It took ATTAC’s leaders several years to recognize this, and to shift their emphasis from taxing capital flows tied to speculative profits (on which, in my view, the Tobin tax would have had virtually no effect) to the far more just idea of an international tax that would fund economic development. Even so, I have met generous activists outside of France who, because of the seriousness of

ATTAC's founders, are convinced they are following leaders who have straightforward, just, and effective solutions to offer the world.

Thus lists of problems and challenges, as well as all-encompassing solutions, leave unaddressed the question of vision and strategy. Where do we want to go? And how will we get there?

2. Interdependency and Globalization

A new vision, which takes time to create, requires a discerning eye. What is truly irreversible? And what is not? What are laws of nature, and what are human constructions—which, presumably, could be changed by new human constructions?

An important example of what is and is not irreversible can be found in the distinction that must be drawn between interdependence and economic globalization.³

Interdependence Is Irreversible

As I see it, interdependence refers to the mutually supporting relationships between particular societies as well as between humanity as a whole and the biosphere.

Unless the planet's population is brutally reduced by a massive catastrophe, humanity in its entirety interacts henceforth with the biosphere. If only in an ecological (as opposed to a social or political) sense, the planet has in fact become a village. Solidarity now has, if not a moral, at least a physical meaning: that of a whole in which each part is dependent on the other. This is why, in *La Démocratie en Miettes*, I emphasized, while discussing governance, that the world has irrevocably become our domestic space. Continents, countries, and territories are

³ Translator's note: The French text uses two different words—*mondialisation* and *globalisation*—for which English offers only one translation: globalization. I have translated “*mondialisation*” by “interdependence” and “*globalisation*” by “globalization.”

merely subdivisions of this domestic space. Similarly, I believe that the development of technology, especially information and communication technologies, are also irreversible: whatever political obstacles are thrown up to their ability to circulate, information and images can be sent essentially instantaneously from one end of the planet to another, carrying with them ideas as much as numbers.

Economic Globalization: A Child of Circumstance

On the other hand, economic globalization is founded on the premise that the world can only progress, to the benefit of all, if every obstacle to the free circulation of goods and services is abolished, and if as everything—intangible goods, life sciences, genes, culture, and art—is turned into a commodity. This kind of economic globalization is most definitely not irreversible.

On the contrary, it can be situated very precisely in history, and the forces driving it are well known. The idea that preventing the free circulation of goods and services should be forbidden, but that blocking the free circulations of people (to prevent rich societies from being invaded by the wretched of the earth) is permissible, is neither self-evident nor irreversible.

There is nothing new about international trade. It has easily been around for some five thousand years. It has been practiced by every organized society, most

notably by empires. Since the eighteenth century, history has alternated between periods of protectionism and periods of free trade. Societies tend to adopt, without much fuss, the principles that suit their contemporary needs. In Europe, multinational companies were founded in the age of discovery. They were often intimately bound up with the interests of states. Overlapping between public policy and private companies has always been intense, as the case of the eighteenth-century East India Company illustrates. Similarly, Japan's reconstruction and Korea's development in the postwar era depended on a strong partnership between the state and the private sector. Europe and the United States each try to support their continental "champions."

The same observation can be applied to the movement of capital. Though in the nineteenth century it existed in different forms, relations between different financial markets are hardly new. The stages through which the contemporary system, which is typically considered historically unique, was born are quite well known. There are four main ones: the United States' emergence after the First World War as superpower with an interest in liberalizing markets; European protectionism and its contribution, during the interwar period and particularly after 1929, to the growth of nationalism and the outbreak of the Second World War (which, in the postwar era, led trade to often quite plausibly be associated with peace); the fall of the Berlin Wall and the implosion of the Communist bloc,

leaving liberalism with no serious rival, while simultaneously offering an after-the-fact justification of the Reagan-Thatcher conservative revolution against postwar social democracy and Keynesianism; in the wake of this first stage of liberalization, and once again at the United States' initiative, there followed a new wave of liberalization, involving services as well as intangible capital, which was vital to the American economy as its production of manufactured goods continued to recede from its postwar high—clear proof of the economic system's capacity to redistribute technology and capital when needed.

One example to which I am particularly drawn illustrates the human, incidental character of trends that so often are taken as self-evident: the single European market. We are often told that Europe was founded on economic liberalism and that it sacrificed other aspects of European construction on the altar of economics—to the point that one might think Europe was built solely at the behest of major corporate interests. To do so is to conveniently overlook history. Consider the stirring letter that Jean Monnet wrote Charles de Gaulle when he was in Algiers in 1943, in the middle of the war. His reasoning is straightforward: the Allies will win the war because the United States has become, as the expression went, “the arsenal of democracy.” Consequently, Monnet argues, the only question that still needs to be asked is how to win the peace after winning the war. This was actually a burning question, considering that following the Versailles Treaty from

1919 the allies lost the ensuing peace. Monnet considers in turn several possible scenarios relating to the future of a defeated Germany. He concludes that only one is feasible: European construction. It never had any other purpose than peace. And from this perspective, whatever other reservations one may have, Europe has been a total success. The creation, shortly after the war, of the European Coal and Steel Community rested on the same political vision. The goal was not to create a vast European market, but to take advantage of a momentary decline in sovereignty and nationalism to place two commodities needed to wage war under collective management. It was an ingenious master stroke. If one recalls that in every society, from ancient Greece to imperial China, the primary goal of politics has been to preserve peace, it becomes clear that the purpose of European construction is primarily, or even exclusively, political.

When the United States, as the Cold War was brewing, began to push for European integration, even making European cooperation an eligibility requirement for receiving Marshall Plan funds, its intent was neither to create a competitor nor to facilitate the exportation of American goods to Europe. Rather, the goal was to present a united front to what it viewed as the “Soviet threat.” European integration was initially supposed to be driven not by lower tariffs but by the European Defense Community (EDC). In a Cold War context, and at a time when avoiding a new fratricidal war was a major priority, such an idea was

perfectly natural. But because of the importance of Western European communist movements at that time, and the hard-won prestige that the Soviet Union acquired in its struggle against Nazi Germany, as well as because of the Gaullist opposition (though for different reasons), the European Defense Community, which was so clearly directed against the Soviet Union, failed in France. Europe's advocates were driven to despair. It was only then that the great Belgian statesman Paul-Henri Spaak argued that since Europe's political construction had hit a snag, it should pursue a different course: economic unification.

Economic globalization is thus the result of a number of specific historical circumstances, each corresponding to a particular interest. This kind of globalization is, moreover, serenely and cynically created by the most powerful actors: this is evident in the fact that energy trade has, until now, been placed outside of the WTO and in the way that European and American farmers have been vigorously subsidized on the basis of the principle of sovereignty, which other, less powerful actors were forbidden from doing.

This historic move towards globalization has depended heavily on the evolution of technological systems. Debates concerning intellectual property would not be so bitter if intellectual goods had not become, as a result of technological changes, of greater strategic value than material production factors. Financial globalization would not be what it is without computer technology.

Similarly, financial markets and the importance of institutional investors in these markets would not be as powerful as they are without demographic stagnation in the Western countries (which turns the question of retirement into an obsession) and without the demand for Asian capital. They also benefit from the concentration of oil resources in a few countries, which are constantly seeking new investments for their petrodollars.

Nevertheless, these powerful technological and social processes are neither natural forces nor irreversible developments. Moreover, it strikes me as both possible and probable that in upcoming decades trade will be organized into continental blocs rather than in an undifferentiated global space, and that the reckless economic liberalization of recent decades will give way, as at the beginning of the twentieth century, to an era of relative protectionism.

3. A Consideration of History's Long-Term Trends

If we want to develop a vision of the changes that must occur, an understanding of recent trends will not suffice. We must go back very far in time, because our ideas, our concepts, our doctrines, and our institutions were built on foundations that are much, much older. It is these foundations themselves that we must examine. If, as I believe, we must completely rethink our modes of production, consumption, and

exchange, we need to reshuffle the deck. We must deconstruct in order to reconstruct. We must stop viewing history as a royal road leading from the past to the future by way of the present, and consider it rather as a sinuous path, full of thresholds, circles, and zigzags where, at specific moments, the road bifurcated. It is like a hike in the mountains or the forest. When one arrives at a dead-end, one must be wise enough to return to previous forks in the road, in order to explore a different route.

Without being trite, I believe that humanity, participating in the amazing adventure of life on earth as a full-fledged participant in the biosphere's evolution, has gone through several stages, each corresponding to an increasing degree of complexity. This increasing complexity determined the relationship between human beings and nature. First there was the Neolithic revolution: the shift from hunting and gathering to farming. Next was humanity's determined bid to increase its dominion over nature: the industrial revolution. We have now reached a new—and most dangerous—stage: that in which the manipulation of life itself becomes possible.

The increasing complexity of relations between humanity and the biosphere is mirrored in the increasingly complexity of social organization, from dispersed and autarkic bands of hunter-gatherers to cities, empires, states, and, finally, the international community of our own day.

Each of these stages produced its own ideas, doctrines, and institutions. Each has its own life cycle and evolutionary rhythm. To forget the conditions in which they were born is to sacralize them, and to give up on the idea that we can take control of our destiny through our capacity to think. We risk, in short, confusing means with ends. It is for this reason, by a strange historical ruse, that science and technology on the one hand, the market and the economy on the other—eminently human creations, which were created to allow humanity to be the master of its own destiny—have slowly slipped from our hands, like the sorcerer’s apprentice’s broom. They have taken on a life of their own, developing according to their own rationality. We feel powerless to interfere with their development. This is an optical illusion, but a dangerous one, which limits our capacity to react.

The timeframe that interests us, as we attempt to understand the advent of our current doctrines and institutions, is not a decade or even a century, but rather a millennium. We are concerned not with political history, but with the history of philosophy, doctrines, concepts, and technological systems. Two bifurcations occurred during the western Middle Ages; they played determining a role in world history that we need to understand. The first concerns our relationship with nature, and the second the relationship between society and the accumulation of material goods.

The first major bifurcation during the Middle Ages occurred when we ceased seeking simply to master nature, and came rather to scorn it. The multi-millennial history of the relationship between man and nature across different civilizations has been magisterially told by the African historian Joseph Ki-Zerbo, who, with Marie-Josèphe Beaud-Gambier, edited the volume entitled *Compagnons du Soleil*⁴ (“Companions of the Sun”), an anthology of the most important texts in the history of this relationship.

It shows that in all civilizations, visions of humanity’s relationship to nature have always been two-sided. On the one hand, humans are as much a part of the nature as other living beings, and are governed by its laws and harmonies. On the other hand, humans use nature for their own purposes, and distinguish themselves from other animals precisely through their ability to place natural forces, be they plants or animals, under their control.

The distinguishing characteristic of western society, from the thirteenth century on, was not so much its conception of itself as distinct from nature; rather, it was the fact that this conception became the sole basis of its relationship to the natural world. This conception has been called “Roger Bacon’s and René Descartes’ project.” As it has been frequently exposed, I will limit myself to mentioning Dominique Bourg’s remarkable book, *Le nouvel âge de l’écologie*

⁴ Joseph Ki-Zerbo, Marie-Josèphe Beaud-Gambier, *Compagnons du soleil*, La Découverte/Unesco, 1992.

(“Ecology’s New Age”), particularly the chapter entitled “De la nature maîtrisée à la nature méprisée” (“From the Mastery of Nature to the Scorn of Nature.”)⁵ The story begins in the twelfth century, with Europe’s growing passion for methodical development and technology. It continues into the thirteenth century, with Roger Bacon’s affirmation of the “possibility of inventing an infinity of new machines and with the modern dream of technical mastery of nature based on knowledge of the laws governing it.” It reaches its apogee at the beginning of the seventeenth century with Francis Bacon’s idea of a New Atlantis—his astonishingly modern vision of the wonders that mastering the laws of nature can offer humankind, and the “belief that the near-omnipotence of science and technology would bring universal happiness.” Descartes’ *Principles of Philosophy* brought the philosophical subjection of nature to humanity to completion with by affirming that there is “no difference between machines made by artisans and the various bodies that nature alone creates”, and by concluding that humans aspire to universal mastery. “We are destined,” he famously said in the *Discourses on Method*, “to become the masters and protectors of nature.” This vision, which is at once immoderately pretentious for humanity and hopelessly reductive in its understanding of the biosphere, has served as a background to the rise of scientific knowledge and technological advancement, with mechanics and chemistry

⁵ Dominique Bourg, *Le nouvel âge de l’écologie*, Éd. Charles Léopold Mayer/Éd. Descartes & Cie, 2003.

becoming the very symbols of human mastery. Even today we can see the consequences, for instance in the domain of agriculture, which still finds it difficult to reconcile human activity and the biosphere.

The second major bifurcation concerns the role given to the accumulation of wealth in the organization of our society.

To understand the market economy, one must look back more or less to the same period and intellectual climate—that of the Middle Ages—that we discussed previously. Jacques le Goff, in his remarkable work *Héros du Moyen Âge, le Saint et le Roi*⁶ (“Heroes of the Middle Ages: the Saint and the King”) shows how a new interest in earthly life emerged in the thirteenth century Christendom. The life was no longer seen simply as a purgatory where one awaited “true life” in the beyond. The economic and technological revolution of the twelfth century contributed to the development of a monetary economy. Now that it was newly appreciated, this earthly society needed to be administered.

Albert O. Hirschman has skillfully shown, in *The Passions and the Interests*,⁷ how moralists of the Middle Ages and the Renaissance came up with arguments justifying and eventually glorifying the accumulation of material wealth. These arguments, which Hirschman calls pragmatic or realistic, are simple. Human passions are a threat to the social order. Following St. Augustine, these

⁶ Jacques Le Goff, *Héros du Moyen Âge, le Saint et le Roi*, Gallimard, 2004.

⁷ Albert Hirschman, *The Passions and the Interests*, Princeton University Press, 1997.

moralists identified three passions that were potentially destructive to society: the passion for power and domination; the passion of carnal desire; and the passion to possess. The pragmatic moralists believed that society could not be founded on the simultaneous repression of all three passions. What is possible in the city of god is not necessarily so in the city of man. Under these circumstances, the least destructive passion should be allowed to flourish—namely, the passion of possession. Thus it was a moral program that gradually paved the way to our society’s obsession with “having the most.” The emancipation of the possessive passion would later be theorized by the Protestant Reformation. Success in business would be seen as a reward for virtue. The link between virtue and accumulation is constitutive of what François Ost, in his magnificent book *Raconter la loi*,⁸ calls the “puritan dilemma”: “A dilemma that the pastor John Wesley, the founder of Methodism (which advocates a return to Calvinism’s roots) expressed with perfect clarity: ‘Wherever riches have increased, the essence of religion has decreased in the same proportion. (...) For religion must necessarily produce both industry and frugality, and these cannot but produce riches. But as riches increase, so will pride, anger, and love of the world in all its branches.’”

At the historical stage at which we have arrived, where, as a result of our interdependence, humanity is no longer a philosophical nor even a juridical

⁸ François Ost, *Raconter la loi, aux sources de l’imaginaire juridique*, Odile Jacob, 2004.

concept but a concrete social reality, we must return to the medieval bifurcation, and ask ourselves whether the possessive passion is not the most destructive of the three. We must return to the genuinely anthropological question of how to master the passions and violence within us. This is the question that Patrick Viveret address, in a different context, in his *Démocratie, passions et frontières*⁹ (“Democracy: Passions and Frontiers”) and that he recently revisited in *Reconsidérer la richesse*¹⁰ (“Reconsidering Wealth”). He writes: “Violence between humans is the source of every invention that has sought to create pacified spaces, even when humans do not get along (...). The effects of globalization, in addition to those of computer technology and the biological revolution, mean that we must radically reexamine the status of these pacifying schemes. For pacification produced by religion, the economy, and politics remains an internal pacification that is made possible by redirecting aggression externally: the infidel or the heretic (for religion); the foreigner or the barbarian (for politics); and the competitor, i.e., the adversary who must be eliminated or beaten (for economic relations). But from the moment that humanity is considered as whole, we must admit the obvious: this cheaply-purchased pacification, this approach to achieving internal peace by redirecting the violence towards external ‘barbarians,’ can work no longer. Humanity is in reality threatened by nothing other than itself. Its

⁹ Patrick Viveret, *Démocratie, passions et frontières*, Éd. Charles Léopold Mayer, 1999.

¹⁰ Patrick Viveret, *Reconsidérer la richesse*, Éd. de l’Aube, 2008.

primary question is that of its own inner barbarianism, its degraded relationship to its natural environment being to a large degree the consequence of its own foolishness.”

Insights like these beg a question that we will soon address: at the stage of accumulation, interdependence, and relations with the biosphere that we have attained, we can no longer separate our understanding of economics from governance, and, more generally, from our conception of society as a whole. In light of the transformations that have occurred in recent decades, the economy, strictly speaking, no longer exists. What remains is political economy.

This approach—revisiting history, reconsidering truths that we consider to be self-evident—will guide my thinking in the forthcoming pages and will be applied to all of the economy’s dimensions. There are quite a lot of us who believe that the “means” must be brought back into sync with the “ends.” For instance, the Belgian economist Bernard Lietaer,¹¹ an advocate of regional currencies, observes: “Money is our creation, but now, throughout the world, it is leading us (...). The time has come to decide in which direction we want to go; if we want more sustainability and community, the monetary system must without fail be changed accordingly.” The Brazilian economist and promoter of auxiliary currencies

¹¹ See Bernard Lietaer’s contributions to the workgroup on “currency” for the Alliance for a Responsible, Plural, and United World. (www.alliance21.org).

Heloisa Primavera¹² adds: “If the path seems full of obstacles, it is because the current paradigm prevents us from glimpsing alternatives.” This impossibility of imagining alternatives and of deconstructing apparently self-evident truths is the very reason that our current crisis perpetuates itself.

I recall an incident that occurred while I worked at the Ministry of Equipment, when I was an engineer for the Valenciennes district in northern France. I was responsible for navigable waterways, and, confronted with the daunting industrial crisis that the region was facing, I was seeking new incentives to spur economic development. I remember submitting an idea (of which I do not recall the specifics) to the Valenciennes chamber of commerce and industry. It replied as follows: “If it were feasible and profitable, then someone else would have already done it.” The belief that either things must be as they are because they always have been (one thinks of the nineteenth-century French belief in the “immutable order of the rural world,” which, needless to say, no longer exists), or that everything that is possible has already been tried is perhaps the greatest challenge to the emergence of genuine alternatives.

In our book *L'Etat au Coeur*,¹³ André Talmant and I explain the importance, in public administration, of recalling the inevitably specific and incidental conditions in which rules are being made. Only by contextualizing them are we

¹² See Heloisa Primavera’s contributions to the workgroup on “currency” for the Alliance for a Responsible, Plural, and United World. (www.alliance21.org).

¹³ André Talmant and Pierre Calame, *L'État au cœur*, Desclée de Brouwer, 1997.

reminded of their relativity. When we forget how a rule was born, it becomes absolute. Breaking rules is no longer seen as just part of life, but becomes instead the violation of a taboo. Heidegger said: “The most difficult thing in life is to see one’s glasses, as it is through these glasses that we see the world.” Contemporary scientific and economic ideas are part of these glasses, which we must learn how to see.

Why has our understanding of the economy’s basis changed so little over the past two centuries? In this period, the sciences have undergone several revolutions. But economics has not. The reason, as I see it (and I will elaborate on this later) is that the economy is less a science than an ideology, a doctrine, and an institution. Like the state, it has given rise not only to academic disciplines, which by their nature are resistant to change, but also to institutions, to companies, and to banks, which have vested interests in the current state of affairs and which, by their very nature, rigidify these doctrines, working them into the foundations of constructions that are built to last. This ossification of what I propose to call “institutional arrangements” captures rather well the reasons that thinking evolves so slowly when it concerns society itself. Our current conception of the economy must probably be placed on the shelf of “ideology” rather than that of “science” in our historical library, as the subordination in of empirical studies to formal (and even formalist) approaches in recent decades testifies. Therefore, a reexamination of the

doctrinal foundations is most often what is missing. Institutional arrangements, like doctrines, are resistant—well beyond the time period in which they made sense. This explains the lag between facts, concepts, and institutions.

In contemporary China, for instance, which now finds itself on the cutting edge of what used to be called “modernity,” “technological totalitarianism has replaced political totalitarianism,” in the words of a Chinese historian who participated in a forum on governance held in April 2004. It is the offspring of the marriage between traditional imperial power, retooled by the communist regime, and the enlightenment tradition that prefers science and technology to laws. My friend Chen Yue Guang, the secretary general of the Foundation for the Progress of the Chinese Youth, told me in 2004 about his conversations with an octogenarian onetime vice-prime minister, who told him that he was constantly haunted by three questions:

- What does it mean to be human?
- What should the role of intellectuals be at present?
- What system should China adopt?

If one replaces “China” by “the world,” then these obsessions become also my own. What does it mean to be human when humanity has yet to emerge, and when we need to invent new processes—other than those founded on external violence and the use of the passion for accumulation—to quench our passions, as well as

our own violent impulses? What does it mean to be human, if it is not the right to refuse that such eminently human endeavors as science and the market become a new form of fate? What does it mean to be human, if not the possibility of working together to confront these challenges?

What should be the role of intellectuals, if not to mobilize everything we have learned from life, thought, books, and the daunting reservoir of knowledge and experience that humanity harbors with itself in order to leave the beaten path, yet without renouncing the ascetic rigor needed to interpret the inherent ambivalence of objective reality, which is often contradictory and which precludes deceptive simplifications?

What system should the world adopt, if not a reformulation of our outlook based on the dead end that we have currently reached? This building of a new vision, must speak both to the mind and to the soul. This is part of what makes it difficult. Symbols are as important as facts, as it is the former that give the latter meaning. Jacques Le Goff, for instance, describes the role played in the thirteenth century by *exempla*, which were popularized by priests. *Exempla* were little stories, most of which were probably fictitious, which attributed words to contemporary heroes (like Saint Louis) and built them into scenes. They would make it possible to convey a vision of the world and a message. In France, during the Third Republic (1870-1940), and to a lesser extent during the Fourth Republic

(1946-1958) of my childhood, edifying stories of this kind continued to play a role in the construction of national identity. In upcoming decades, we will without question have to define new *exempla* related to the building of a world community and to duties that stem from the interdependence between humans and nature.

To reconstruct over time a system that is compatible with the current state of the world requires a simultaneous deconstruction and reconstruction of the various components of our present system. I will briefly consider four examples, which I will later consider in greater depth.

The first example is the company. How this concept has evolved over the past fifty years is plain to see. We have gradually shifted from large, integrated systems, in which companies extracted added value by integrating their input with their output, to a network-like system, in which, on the one hand, companies depend on consultants, maintenance work, information technology, research laboratories, headhunters, and placement agencies (which facilitate lay-offs), while, on the other, most of their material production is farmed out to a host of subcontractors. Some even speak of “shell companies,” that are in fact little more than organizational networks. Do companies even exist any more, in the traditional sense of the word, or are there only networks of production-related units? Is the company still an entity, a social body with a clearly-defined identity, or is this identity simply a reputation, a brand name, and a commercial and financial

structure? Should work-related solidarity be organized around the company or professional affiliations?

The second example is currency. Traditionally, currencies have fulfilled three functions: they are means of payment, counting units, and reserve of value. The transformation of technological systems has led to a separation of these functions, with each called upon to operate according to its own particular modalities, at the very moment when the boundaries between currency, a traditional prerogative of the state, and finance, which has characteristically been in the purview of the private sector, have disappeared.

A third example can be found in goods and services. We have the habit of distinguishing between public services, which fall under the state's tutelage, and goods or services directed towards persons and personal needs, which have traditionally been offered by the sector private. But today we need a different typology: "categories of goods and services." We can distinguish between four such categories: goods and services which are destroyed when divided; those that are divisible when shared yet which owe little to human creativity; those that are divisible when shared but which are essentially the fruit of human creativity; and finally those that multiply when shared. Each of these categories belongs, as I see it, to a very different production and distribution rationality.

My last example is capital. If, as I believe, we are headed, in order to reduce the flow of material goods, to what some have called a “functional economy”—that is, to an institutional arrangement that is very different from our present one—the distinction between public capital, linked to infrastructure, and private capital, linked to production, corresponds less and less to the real world.

Take nothing as given. Pay attention to everything that moves, emerges, and is invented. These are our rallying cries.

4. Each Era Has Its Pivotal Actors

At every stage of its history, a society can be described as a bio-socio-technological system, or as the more or less harmonious (or more or less dissonant) combination of three subsystems. The first, the bio-ecological system, refers to relationships between society and the rest of the biosphere, the size and nature of what is withdrawn from the biosphere, the size and nature of waste—in short, to the ways in which human activities are integrated into ecosystems. The long-term survival of a civilization is contingent on the quality of this integration.

Secondly, the socio-economic system refers to social organization: culture, values, worldviews, institutions, social and political structures, collective actors, and what I have called “institutional arrangements”—modes of life, production,

consumption, and exchange. In a socio-economic system, governance refers to the totality of regulations that a society institutes to maintain peace and social cohesion, to channel human passions, to organize collective life, and to grow.

The technological system, which is the third subsystem, refers to the totality of technology that a society implements. I have chosen both to define and to distinguish this subsystem. I define it as a system, following Bertrand Gille,¹⁴ Thierry Gaudin, and many others, as a reminder that different technologies are not independent from each other, but that they form a system through the various ways in which they are combined. I distinguish it from the socio-economic system to emphasize its importance and its relative autonomy, for it has, I believe, its own dynamic.

The interrelations between these three subsystems take many forms. In particular, the economic system influences the technological system and is in turn influenced by it, at the same time that the technological system is influenced by the bio-ecological system while being reciprocally affected by it.

Based on this historical overview, my thesis is that at each historical stage, society, in keeping with its degree of technological development, has a particular set of institutional arrangements, which give rise to a “pivotal actor.” This actor is

¹⁴ Bertrand Gille, *Histoire des techniques*, “La Pléiade,” Gallimard, 1975.

not necessarily the most powerful or the most visible player. But it is around this actor that the system is organized.

Why this interest in institutional arrangements and pivotal actors? It is because I do not see the economy as a series of abstract rules that apply to interchangeable and anonymous “economic agents”—producers, consumers, savers—but as a totality of procedures and rules that coalesce into particular institutional arrangements and into types of relationships within these arrangements. It follows that an understanding of the historical evolution of these arrangements is essential.

In studies of technological systems, each period is characterized by four elements: time (the minimum and maximum units of time that one can reasonably control); distance (the degree of detail with which one can understand and act on matter) energy (energy sources); and information (one’s capacity to transmit and process information). We live in a period in which time is set to the frequency of atomic vibrations; distances extend from the subatomic of nanotechnologies to interstellar space; energy can draw on nuclear fusion; and in which the information revolution allows for the transmission and processing in real time of gigantic quantities of information.

I do not believe that each stage corresponds to a single kind of institutional arrangement. Each society and each civilization has its own itinerary. To give an

example: Robert Boyer, in *Politics in the Age of Globalization and Finance (Le politique à l'ère de la mondialisation et de la finance)*,¹⁵ when discussing industrial countries during the period of mass growth referred to as the “Fordist Compromise,” during which the central question was the distribution of the fruits of this growth between labor and capital, distinguishes between four major institutional arrangements, which he refers to as regulatory modes.

The first, commercial regulation, is characteristic of the United States. Commercial rationality is the organizing principle of most institutions.

The second, corporatist regulation, is characteristic of Japanese capitalism. It is dominated by large companies that organize, within their own domains, capital movements, the distribution of responsibilities, and salaries.

The third, public regulation, is characteristic of France. The economic circuit relies heavily on public intervention.

The fourth, finally, is social-democratic regulation, which is characteristic of the Scandinavian countries, and, to a lesser degree, Germany. The system is founded on negotiation between “social partners” (employers and trade unions) of rules that regulate a large sector of the society and the economy.

These distinctions are essential if we are to avoid succumbing to a kind of ahistorical and culturally insensitive determinism of technological, economic,

¹⁵ Robert Boyer, *La politique à l'ère de la mondialisation et de la finance : le point sur quelques recherches régulationnistes*, Cepremap-Germe, paper no. 9820, 1998.

ecological, social, and political systems. Yet the fact remains that during the twentieth century, in all four of these regulatory systems, the pivotal actor was the company. It is around the company, whether public or private, that institutional arrangements were structured. It was responsible for organizing, within the context of the technical system of the age, the simultaneous mobilization of various material factors of production (typically mechanical and chemical) and of the massive quantities of manpower that were necessary in order to produce economies of scale. This system also required market integration in order to guarantee sufficient outlets, which in turn necessitated the state's regulatory role and the social and political compromises needed to ensure that so great a concentration of manpower not result in social revolution.

Over the course of the past fifty years, the transnational corporations (TNC) fully deserves to be called the pivotal actors since, even though they represent only a tiny fraction of total economic activity, their ability to shape the behavior of other actors is considerable—which explains why, for better or for worse, everyone pays attention to them.

Based on this belief, I will very generally follow the data compiled by Martin Wolf, economic globalization's high priest and the *Financial Times*' chief

economic editor, in addition to being the author of an “anti-anti-globalization” tract entitled *Why Globalization Works*.¹⁶

Companies that are designed primarily to do business beyond a single nation’s territory are not new. The East India Company, in the eighteenth century, had private armies at its disposal, administered entire territories, and enjoyed privileges and monopolistic rights that today’s transnational corporations could only dream of. With the possible (and probably temporary) exception of Microsoft, no transnational corporation has a monopolistic position comparable to those held, several decades ago, by large companies within their own national economic space. Even if collusion between a small number of global companies which dominate a market is possible, they are still in competition with one another.

Take the fifteen companies with the greatest added value in 2000, according to the calculations of the United Nations Conference on Environment and Development (UNCED): Exxon Mobil, General Motors, Ford, Daimler Chrysler, General Electric, Toyota, Royal Dutch Shell, Siemens, WalMart, Volkswagen, Hitachi, TotalFinaElf, and Verizon Communication (which deals in cell phones). In the domains of oil, construction, automobiles, retail, electronics, and telecommunication, none completely dominates the market. But are they not at least dominant enough to ensure lasting supremacy, to grow at a faster rate than

¹⁶ Martin Wolf, *Why Globalization Works* (Yale University Press, 2004).

their competitors, or to count on extravagant profits? Again, the numbers appear to suggest otherwise. I remember the position of IBM forty years ago. It was, in our eyes, the very example of a future world monopoly, which had raised a barrier at the market's entry such that the failure of any future competitor would seem a foregone conclusion. We know what happened instead. IBM did not anticipate the increasing importance of operating systems and the income they guaranteed, nor did it put stock in the rising importance of the personal computer. IBM fell from its pedestal. Each year the magazine *Fortune* ranks the top ten, twenty and fifty companies. Over the last six years, three of the top ten and twenty-nine of the top fifty lost (one might say) their Michelin Guide "stars" (see M. Wolf, p. 226).

Did these major companies at least manage to consolidate their position in the world since the 1980s, and particularly during the 1990s, when economic liberalism reigned unchallenged and a wave of market openings occurred? Not really. According to *Forbes* (M. Wolf, p. 225), the share of the fifty largest companies in the OECD, whether measured either in terms of employees, salary mass, or profits, has declined slightly since 1994.

Do these fifty companies at least represent a significant portion of world employment? 0.2% of world salaried employment and 1.6% of salaried employment in the OECD: it is quite unlikely the transnational corporation will become Big Brother any time soon.

Does this mean transnational corporations are simply a myth, a scarecrow invented by the anti-globalization movement to scare little children? Of course not. The first reason concerns the size of these companies. Sarah Anderson and John Cavanagh of the Institute for Policy Studies in Washington published in December 2000 a figure that was quoted throughout the world: “Fifty-one of the worlds’ largest economies are companies, and only forty-nine of them are states.” In these calculations, a company’s size was determined by its sales figures. Martin Wolf criticizes this approach, arguing that value added is a more fair measurement and more comparable to gross national product, the criteria used to measure national economies. Let us accept his reasoning. He concludes, on the basis of calculations made by two Belgian economists, Paul De Grauwe and Filip Camerman,¹⁷ that “only” two of the world’s fifty largest economies, and thirty-two of the hundred largest, were transnational corporations. The rest were states. Even so, this is hardly insignificant.

To this observation two considerations must be added. The first is that territories are immobile, while companies are partially mobile, which gives them, in their relationship with states, more room for maneuver. The second is that states (with the exception of China, where investment is guaranteed, since domestic savings make up 40% of the gross national product) have recourse only to their

¹⁷ Paul De Grauwe and Filip Camerman, *How big are the big multinational companies?* De Grauwe, 2003.

budgets, and not to the totality of a country's economy. Budgets, particularly in developing countries, which have a difficult time raising taxes, rarely amount to more than 20% of the gross national product and are almost totally consumed by recurring operating costs, such that the margin for maneuver is really only a couple percentage points—maybe 1% or 2% of the gross national product. In companies, on the contrary, gross operating income (GOI) represents on average, according to Thomas Piketty's calculations,¹⁸ a third of value added. Moreover, this figure has been remarkably stable over the past seventy-five years. Needless to say, a CEO can obviously not use his gross operating incomes to satisfy his or her every whim. It is needed to pay taxes and interest on loans, to give dividends to shareholders, and to finance material that must be replaced. Still, this suggests the amount of maneuvering room that is available to companies, which is ten times greater than states of comparable size. Martin Wolf observes that—as we no doubt already suspected—that the American economy is 156 times greater than the largest economy in the world, while the United Kingdom's is twenty-three times greater. But if my estimate of the difference in maneuvering room between states and companies is correct, then the United States is only 15.6 times greater than the largest company, and the UK 2.3. This is not enough to make transnational corporations “territorial powers” in the traditional sense of the term, but it does

¹⁸ Thomas Piketty, *L'économie des inégalités*, La Découverte, 2001.

mean that they are without questions decisive actors with the ability to call the shots. This is what we mean by “pivotal actor.”

This ability to act is reinforced by the fact that large companies, in an economy based on knowledge and know-how, are central to strategies of research and development. By affirming ever more clearly that the purpose of publicly-financed research is to strengthen a nation’s ability to compete, states have taken further steps towards delegating certain powers to national or continental “champions” (the word has become fashionable and illustrates the idea of pivotal actor rather well).

Two other characteristics of the pivotal actor should be mentioned. The first concerns the organization of subcontracting; the second relates to the role of transnational companies in international trade.

Large companies often “command.” They control entire production process—the assembling of their products, commercial networks, links between branches, research and development—but they delegate a rising number of production tasks to a host of subcontractors. With the exception of small companies that dominate a specialized niche, the power relations between “commanding” companies and their subcontractors are very unequal. The Finance Observatory¹⁹ even managed to show a few years ago that large companies drew

¹⁹ See www.obsfin.ch.

an increasing share of their profits from financial management, generally to the detriment of subcontractors.

The sales figures of General Motors in 2000 were \$185 billion, while its added value was only \$42 million. Sales figures were 4.5 times greater than added value. This means, very generally, that for every salaried GM worker, nearly five workers are employed by GM's subcontractors. And if one remembers that the 5+1 employees who produce for the international market also consume products as well as public and private services, then each GM employee has considerable leverage.

But the pivotal role of multinational corporations is even more obvious in the way that international trade is organized. Let us once again draw on Martin Wolf's excellent work.

Between 1982 and 2001 (i.e., 19 years), total direct foreign investment in the United States rose from \$734 billion to \$6.846 trillion—in other words, it grew by a factor of nine—while world gross national product grew only by a factor of three. The sale of branches of foreign companies has gone from \$2,500 billion to \$18,500 billion—in other words, by eight times. As for exports from foreign-based branches outside the host country, they represent 35% (a third) of the totality of international trade (see Wolf, pp. 231,232).

These statistics help us understand the pivotal role of transnational corporations in development policies and international relations. On this basis, I

am not inclined to subscribe, as does the anti-globalization movement, to a diabolical view of these companies. One only has to visit China to realize that such companies play an essential role in massively redistributing wealth and know-how between continents, which is an essential task of the twenty-first century. But the consequences of this redistribution for rich countries, and of the sacrifices that it entails in terms of access to resources and lifestyle (as well as purchasing power, if they continue their current lifestyle) is not equally distributed among their populations. They target their least qualified and least mobile members. Hence the rise of right-wing and left-wing populism, which manifested itself the French and Dutch referenda on the European constitution in May-June 2005.

These various observations offer a precise picture of what we mean by pivotal actor.

Are multinational corporations that produce goods and services destined to remain for centuries to come the world's pivotal actors? Personally, I doubt it. During a conference organized by the newspaper *Le Monde* in March 2002 entitled "Can Citizens Change the Economy?,"²⁰ which assembled various "alter-economy" activists, the economist Christian Jacquiau, an accountant and vice-president of "Consumer Action," offered a good definition of what I mean by pivotal actors when describing what he, in a recent book, calls *The Dark Side of*

²⁰ *Les citoyens peuvent-ils changer l'économie ?*, Éd. Charles Léopold Mayer, 2003.

Big Retail (“Les coulisses de la grande distribution”).²¹ He demonstrates that in France there are only five major group purchasing organizations, which control the consumption market.

Because of their oligopolistic position, these organizations can decide on what prices consumers should pay, and thus on how to distribute added value between “input” producers and transformation companies (who are able to pass some costs onto the state), be they Common Agricultural Policy subsidies or social welfare resulting indirectly from the outsourcing of production and resulting unemployment. I cannot speak to the accuracy of Christian Jacquiau’s claims, though they strike me as very well informed. Rather, I want to emphasize that some actors are able to reorganize the whole game according to their own particular rationality. Already, retail and financial companies have begun to take the place of manufacturers as pivotal actors. But other actors will come. To fully understand this, we must again turn to history.

One approach is to follow Jacques Le Goff, by considering changing representations of the hero at different historical periods. The hero is more likely than not to be the pivotal actor.

In Western Europe during Middle Ages, following the period when the Church was all-powerful, the first heroic figure was the king. Beginning with Saint

²¹ Christian Jacquiau, *Les coulisses de la grande distribution*, Albin Michel, 2000.

Louis, and continuing with Philippe Le Bel, the person of the king became increasingly separated from the institution of the state. Foreign trade and domestic production were seen as promoting the nation's strength. Whereas the saint, the knight, and the king were the heroes of the preceding age (with all three being symbolically combined in the person of Saint Louis), by the sixteenth and seventeenth centuries, with the onset of the Westphalian system, the state had become the pivotal actor. Once absolutism became established in France, the hero, paradoxically, was not the king himself, but rather powerful state administrators, such as Sully, Richelieu, and Colbert.

But it was not long before a new and influential actor, characteristic of the industrial revolution, emerged and asserted its autonomy from the state: the entrepreneur, followed by the modern company.

Sixto Roxas, a Filipino economist who was minister of planning after teaching at Harvard, makes the excellent point that the industrial revolution's greatest innovation was not the market economy—markets are as old and as vast as the world—but the company. As often happens, a new actor was before it had been theorized. The French Revolution's leaders had, thanks to the Enlightenment and thinkers like Montesquieu, a well defined theory of the nation, the state, and politics. However, they overlooked and failed to conceptualize the most influential and pivotal actor of the new era: the industrial company. Since the eighteenth

century, a new idea of the hero was emerging. Robinson Crusoe is, strictly speaking, a myth. His story, according to François Ost,²² is typical of mythical narratives, as Claude Lévi-Strauss understood the term: “A tale of origins that offers a narrative solution to an ideological contradiction afflicting the society in which it is born.”

The story of Robinson Crusoe tells “how one man managed gradually to reconstruct his identity, to reappropriate his environment, to take control of events (...). [It tells of a] a rebirth of the world, carried out by a single individual (...). Alone on a desert island’s shore, he is like a new Adam or Prometheus. (...). It lays out an imaginary survival plan, which begins with practical lessons to guarantee immediate survival and which culminates, years later, in feats of colonization. The plan entails the appropriation and gradual mastery of the island and its resources.” Ost goes on to quote Daniel Defoe, who has Robinson say: “I was king and lord of this country indefeasibly and had a right of possession; and if I could convey it, I might have it in inheritance, as completely as any lord of a manor in England.” Ost argues that this is the characteristics of property as it is defined by the Civil Code to the scale of an entire territory: the right “to use and to enjoy the use of one’s possessions to the most absolute extent.” Later, Robinson says: “we love, we hate, we covet, we enjoy, all in privacy and solitude. All that we communicate of those

²² François Ost, *Raconter la loi*.

things to any other is but for their assistance in the pursuit of our desires; the end is at home [i.e., oneself].” Ost makes the following observation: “Unlike the heroes of chivalry and legends from antiquity, Robinson does not seek a glorious or beautiful death. Like the bourgeois that he is, he pursues the dream of a profitable life.”

The conqueror of a territory and the maker of a world of which he is the absolute sovereign, Robinson Crusoe yields, a century and a half later, to another type: the triumphant entrepreneur or financier. By chance, while browsing Charles Léopold Mayer’s library, I stumbled on particularly interest work, of which there were many examples in the interwar period. It is written by a German, Richard Lewinsohn, and is entitled *The Conquest of Wealth*²³. It consists of nine biographies: John Rockefeller, the Rothschilds, Alfred Nobel, John Pierpont Morgan, the Krupps, Thomas Edison, Henry Ford, Lord Leverhulme (the founder of Unilever) and Aristide Boucicaut (who launched the Bon Marché). It offers nine individual or familial stories of the conquest of the world by the new pivotal actor that is the large company or privately owned bank. They are reverential tales, with an intent that is both hagiographic and pedagogic. The titles of two books by Henry Ford that are given near the end of the volume, *Today and Tomorrow* and *My Life*

²³ Richard Lewinsohn, *À la conquête de la richesse*, Payot, 1928.

and Work, exemplify this pedagogic purpose. They contain all the elements of the “exempla” of the thirteenth century as described by Jacques Le Goff.

The stories all consist of the same basic ingredients: a modest birth (a way of reminding us, as did Napoleon, that every soldier has a field marshal’s baton in his haversack), precocious talent (as in the lives of medieval saints, who manifest their holiness at a tender age), formidable tenacity in the face of adversity, and a relentless drive to surpass, and even to crush their rivals.

From this perspective, John Rockefeller’s mixture of piety and scrupulousness is fascinating, as his refusal to rely on anyone but himself. From the outset, his destiny was played out on the international stage, and the achievement of his mission came before any national interest. The Rothschilds, once they had acquired their power, were the bankers of the German Empire, but also of England, France, and Italy. As for Krupp, often seen by the French as a symbol of German militarism, he is described by the author as an industrialist whose primary concern was that his steel cannons be the best in the world, and who presented them first at the Universal Exhibition (a wonderful symbol), then to Napoleon III, and only finally to Prussia—who bought them.

In recent decades, one can still find heroic stories of this kind in the economic world. However, I do not think they involve founders of industrial empires. Similarly, the image of the heroic scientist—Louis Pasteur, Albert

Einstein, or Marie Curie—seems to have fallen out of fashion. One must instead consider the examples of Bill Gates and the Microsoft saga (in other words, intangible capital). Or, in the realm of finance, one could cite the case of George Soros, whose “exemplum” is the devaluation of the pound sterling: the story of a Hungarian Jew who immigrates to the United States and brings the proud City of London to its knees. Then there are characters like Édouard Leclerc, the little shopkeeper from Landerneau who became a prince of big retail. Yet one cannot help feeling that we are witnessing the tail-end of a comet. The twenty-first century’s heroes are to be found in other contexts than the corporate world. Even so, George Soros, as I see it, belongs to a category unto himself. In addition to being a self-made man—the basic requirement of a modern hero—he is also a philosopher, an economist, and a philanthropist. That he created a foundation is not in itself astonishing. Most modern heroes have, and it is even a common trait of these heroes that they prefer conquest to the materialistic enjoyment of the fruits of their triumphs. As the title of the book by Henry Ford mentioned earlier suggests, “works” matter more than the pleasures they bring. What is even more original about George Soros is that, in the nineties, he wrote a remarkable book named *The Crisis of Global Capitalism*.²⁴ He shows, in terms that might make anti-globalization activists jealous, the downsides of financial globalization, which was

²⁴ George Soros, *The Crisis of Global Capitalism*, Public Affairs, 1998.

growing without any form of world governance as a counterweight. I observed that these critical reflections exasperated most financiers, who considered it to be in poor taste, and even a kind of betrayal—as if he were spitting in the soup of the very system that had made him so successful.

Can one imagine Henry Ford demonstrating how the automobile will lead the world down the path of destruction, or Rockefeller attacking the squandering of non-renewable fossil fuels, or the dramatic geostrategic consequences of the concentration of gas and petroleum resources in just a few regions of the world?

I take George Soros' approach seriously. The fundamentals of our world have changed. It is a call to restructure its factors and actors.