

Revaluating Capitalism for the Long-Term?

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In the wake of the 2007–08 financial crash, the mainstream debate has not focused on the choice between socialism or barbarism, but rather on [‘reinventing capitalism’](#).

Faced with a populist ‘other’ ranging from ‘Trump and Brexit’ to the popular but as-yet-ill-defined ‘socialism’ of Corbyn and Sanders, the liberal bourgeoisie in the [Atlantic heartland](#) of the global political economy has sought to reassert its waning hegemony by way of a resurgent capitalist internationalism. They fear that [neoliberal globalization’s intensifying legitimation crisis](#) will lead the growing masses ‘left behind’ by economic stagnation, social inequality, and environmental injustice to ‘scapegoat’ the capitalist system by embracing the ‘totalitarianism’ of the radical left or extreme right.

In response, a leading fraction of the capitalist class has cohered around a hegemonic project of economically ‘long-term’, socially ‘inclusive’, and ecologically ‘sustainable’ capitalism as the apparent solution to the system’s multidimensional and overdetermined organic crisis.

Economically ‘long-term’ means empowering ‘non-financial’ corporate executives and their managerial cadres against ‘the capitalist threat to capitalism’ posed by financial short-termism. Socially ‘inclusive’ means responsibility to multiple stakeholders, rather than just to shareholders. And ecologically ‘sustainable’ means something like a Green New Deal for global neoliberalism.

Corporate Social Responsibility and Finance-led Accumulation

The broad contours of this project can be gleaned by examining the relationship between corporate social responsibility (CSR) and finance-led industrial restructuring under neoliberalism.

With a lineage dating to 19th century corporate giants like Carnegie, Rockefeller, and Ford – the so-called [‘Foundations of the American Century’](#) – and Lever, Boots, and Cadbury in the UK, CSR has more recently been associated with the ‘Third Way’ project of neoliberal capitalist globalization with a ‘human face’.

Following the creation of the North American Free Trade Agreement, the World Trade Organization, and the European Union, alongside growing US – emerging markets integration, the period from 1992 until 2007 saw a second wave of institutional restructuring in the [capitalist world system](#) designed to ‘lock in’ the neoliberal economic reforms of the 1980s.

Whereas the finance-led industrial restructuring of the 1980s enabled multinational corporations (MNCs) to restore profitability by defining their ‘core’ competences and

divesting from non-core businesses, this [new wave of restructuring](#) prioritized expanding what remained of the core through new investments, the emulation of US corporate governance practices, and the restructuring of corporate supply chains.

In contrast to traditional CSR and philanthropy, which target areas outside the corporate core, finance-led restructuring has seen the growing integration of CSR and [sustainability initiatives](#) into the core operations of MNCs. Intended to augment the core capabilities of particular firms, integrated CSR remains grounded in the 'practical realities' of big business. The less autonomy CSR initiatives acquire from the core operations, the better.

The Road from Rio

Understanding the evolution of integrated CSR requires examining how capitalist states have sought to incorporate MNCs, nongovernmental organizations (NGOs), and UN agencies into flexible and networked forms of multistakeholder 'global governance' congruent with the reproduction requirements of the post-Fordist global economy, and thus to organize them into social forces capable of assuming greater responsibility for reproducing and legitimizing neoliberal capitalist globalization.

Firstly, as the UN struggled to retain its legitimacy in a 'post-Westphalian' world, it called for '[global partnerships for sustainable development](#)' with all sectors of civil society in the run-up to the 1992 Rio Earth Summit. With the Cold War officially over, this expanded notion of development as entailing an ethical commitment to nature and society provided a renewed Malthusian justification for Western foreign policy interests and a global system of market-based inequality as the only means of forestalling global resource depletion and the '[tragedy of the commons](#)'.

Secondly, faced with a growing 'anti-globalization' backlash, a high-profile [group of MNCs](#) went beyond defensive posturing and 'greenwash' in order to actively shape the CSR reform agenda 'from above'. Among them were industrial giants like BP, Dow Chemical, Dupont, Ford, IKEA, Migros, Rio Tinto, Shell, Tata, Toyota, and Unilever, as well as banks, institutional investors, accountancy and auditing firms, and credit rating agencies engaged in 'socially responsible' investing, reporting, and certification.

Seeking more legitimate ties with governments, NGOs, trade unions, universities, and UN agencies, business organizations such as the [World Economic Forum](#) (WEF), the [International Chamber of Commerce](#) (ICC), and the [World Business Council for Sustainable Development](#) (WBCSD) cultivated notions of 'corporate citizenship', 'stakeholder value', and 'partnership' as the basis for rebranding themselves as major public international organizations and NGOs rather than as private 'merchants'.

A key milestone in this process of forging 'win-win' solutions through public - private and business - NGO partnerships was the creation of the [UN Global Compact](#) with big business. Announced at the 1999 World Economic Forum meeting by Kofi Annan - whom Perry Anderson [once described](#) as the 'academically dim son of a manager for Unilever in colonial Ghana' - the Compact remains the world's largest voluntary CSR initiative, having been pitched as a 'coalition to make globalization work for all'.

Thirdly, disillusioned with the inability of capitalist states to curb environmental destruction after Rio, NGOs seized the apparent 'opportunities' afforded by neoliberal globalization and the 'retreat of the state' by embracing market-based, voluntary strategies for [regulating](#)

[corporate behaviour](#).

The neocolonialist [World Wildlife Fund](#) led the way constructing multistakeholder global partnerships for sustainable development, including the [Forest Stewardship Council](#) launched with B&Q in 1993, the [Marine Stewardship Council](#) co-founded as a joint venture with Unilever in 1996, and the [Roundtable on Sustainable Palm Oil](#) established with Swiss retailer Migros in 2003.

Surpassing mere co-optation by big business, this strategic shift reflected the growing [corporatization of NGO activism](#), blurring the boundary between NGOs and MNCs in a similar way to the emergence of ‘activist companies’ such as The Body Shop.

More fundamentally, it presupposed the broad shift from ‘producer’ to ‘consumer’ politics inaugurated by the Reagan-Thatcher [counter-revolution](#)’s smashing of the labour movement. Whereas producer politics expressed the collective power and organization of the working class, the advent of consumer politics marked its effective decomposition, disorganization, and atomization.

These three sets of examples serve to illustrate how the ongoing dialectical interactions among corporations, NGOs, and public agencies have transformed the interests and identity of each while leaving capitalist social relations fundamentally unaltered.

From Rio to Paris

Faced with new social, political, and market pressures after the financial crisis, in our post-Occupy world even the CEOs of the largest corporations admit that capitalism has lost legitimacy and needs to be ‘saved from itself’.

Perhaps the most articulate spokesperson for this fraction of capital is Paul Polman, who championed a supposedly long-term, multistakeholder, and inclusive form of capitalism while [CEO of Unilever](#) from 2009–2019, representative of big business on the [UN High Level Panel](#) which devised the Sustainable Development Goals in 2012, [Chair of the WBCSD](#) from 2012–2017, and, since 2018, as [Chair of the ICC](#) and Vice-Chair of the [Global Compact](#).

Arguing that capitalism requires a ‘[new \[socially embedded\] corporation](#)’ in order to ‘evolve’ and ‘focus on the long-term’, Polman abolished [quarterly earnings guidance](#) for shareholders and implemented the ten-year [Unilever Sustainable Living Plan](#), currently the most ambitious example of integrated CSR yet undertaken by a large firm. In 2014, [he stated](#), without irony, that Unilever is ‘the world’s biggest NGO... The only difference is, we’re making money so we are sustainable’.

Polman is also a leading member of two groups promoting ‘long-term capitalism’.

The [Coalition for Inclusive Capitalism](#) began as an initiative of the neoconservative [Henry Jackson Society](#) co-chaired by [Dominic Barton](#) – the UK-based Global Managing Director of McKinsey and key long-term economic strategist to the Trudeau government – and [Lady Lynn Forester de Rothschild](#) – a New Jersey-born Democratic Party insider who married into the Rothschild banking dynasty after being introduced to Sir Evelyn de Rothschild by Henry Kissinger at the 1998 Bilderberg conference and spent her honeymoon being hosted by the Clintons at the White House. Motivated by a ‘progressive’ anti-communism, the Coalition aims to empower corporations to better articulate the ‘long-term value’ they create for shareholders and stakeholders. Its first conference, [co-hosted](#) by the City of London in 2014,

included companies accounting for over \$30-trillion in investable assets – one third of the global total – [and speeches](#) by Bill Clinton, Christine Lagarde, Mark Carney, Larry Summers, Arianna Huffington, and HRH The Prince of Wales.

A week after Kraft Heinz's aborted [hostile takeover of Unilever](#) in February 2017, ten CEOs representing the Coalition gathered at Unilever House on London's Victoria Embankment to launch the [Embankment Project for Inclusive Capitalism](#), which seeks to formulate new metrics for measuring and reporting long-term value creation related to non-financial performance, 'intangible' assets, and social and environmental impacts.

[Focusing Capital on the Long-Term](#) was formed in 2013 as an outgrowth of collaboration between Barton and Mark Wiseman – the President and CEO of the Canada Pension Plan Investment Board created in 1997 to reorient the Canadian Pension Plan [toward financial markets](#). FCLT Global decries the problems of [quarterly capitalism](#) and seeks to 'change the investment strategies and approaches of the players who form the cornerstone of our capitalist system: the big asset owners'. In 2018, Wiseman left CPPIB to join his wife at BlackRock – Unilever's largest shareholder – which, like the CPP, is [heavily invested](#) in the military and fossil fuels.

So-called 'sustainable finance' is also central to the Green New Deal, which, for big business at least, promises to reboot and relegitimise a stagnant world economy through the roll out of new green technology and infrastructure. Just as MNCs sought to hegemonize the Rio process, so too have they sought to shape the post-crisis reform agenda before, during, and after the 2015 [Paris Agreement](#).

Unilever's [Sustainable Living Plan Advisory Council](#) includes the former Executive Secretary of the UN Framework Convention on Climate Change, Christiana Figueres, as well as Avaaz founder Ricken Patel, Forum for the Future co-founder Jonathan Porritt, Kavita Prakash-Mani from WWF Markets, and Harvard's John Ruggie – another Democratic Party insider and the intellectual architect of the UN Global Compact.

Chaired by Polman and including Figueres among its 27 'visionary' leaders and CEOs, Richard Branson's [B Team](#) is united under the slogan of 'People, Planet, Profit'. The Team is managed by Avaaz co-founder and former McKinsey consultant [Jeremy Heimans](#) – a purveyor of 'hollowed out' activism in the guise of his 'New Power' methodology for 'flexible', 'networked', and 'leadership' mass-movement building.

Under Polman's chairmanship, the WBCSD elaborated principles for carbon pricing and trading, announced its support for carbon capture and storage, and led the Natural Capital Coalition's international consortium for the creation of a [Natural Capital Protocol](#), which aims to conserve and enhance the world's 'natural capital'.

The WBCSD is also a driving force behind the [We Mean Business](#) coalition. Launched one week before the New York People's Climate March in 2014, We Mean Business is a united front made up of Business for Social Responsibility, Carbon Disclosure Project, CERES, The B Team, The Climate Group, The Prince of Wales's Corporate Leaders' Group, and the WBCSD. The coalition calls for world leaders to agree a market-based plan for fighting climate change and claims the Paris Agreement will unlock over [\\$13-trillion in new investment](#).

And there's more to come. Next year's [WEF Annual Meeting](#) will focus on stakeholder capitalism and the Paris agreement. Complementing the Business Roundtable's recent

statement redefining the [purpose of a corporation](#) as promoting ‘an economy that serves all Americans’ rather than just shareholders, the WEF’s [governing bodies](#) – which include the likes of B Team member Marc Benioff, Mark Carney, Chrystia Freeland, Al Gore, Christine Lagarde, and Ursula von der Leyen, as well as BlackRock CEO Larry Fink and Royal DSM Chairman and Unilever Advisory Director Feike Sybesma – will also publish a universal ‘ESG scorecard’ to update its 1973 ‘Davos Manifesto’.

Conclusion

In an era of renewed class conflict marked by growing support for as-yet-ambiguous socialist alternatives, this new ‘progressive capitalism’ is seen by the ruling class as the last, best hope for restoring confidence in the system. Appealing to societal fairness and responsibility rather than economic acquisitiveness and aspiration, it aims to redefine neoliberalism as a progressive, dynamic force for reform in response to its own crisis – a nostalgic ‘technocratic populism’ that mobilizes the masses behind the CEOs, managers, and ‘experts’ who apparently know best.

Although typically presented in [crypto-Polanyian fashion](#) as an effort to impose limits on the capitalist market by ‘re-embedding’ unsustainable finance in nature and society, those preaching the CSR gospel are in fact the fiercest advocates of abolishing all such limits. Their goal is to cement a renewed class alliance within the power bloc – a new form of finance capital – in which asset owners, asset managers, and industrial corporations collectively reshape capital markets in the name of subordinating labour, nature, and society to the financialized logic of global capital accumulation.

Moreover, big business’ strategy of colonizing the ‘public’ world of governments, NGOs, and international organizations has blurred the boundary between the public and private spheres. By seeking to ‘stakeholderise’ every conflict, MNCs embrace their critics in what *Guardian* journalist [George Monbiot describes](#) as ‘a dialogue that is open in the sense a lobster pot is open, breaking down critical distance and identity until no one knows who they are any more’. In this way, the new inclusive capitalism functions first and foremost to preempt, co-opt, and [neutralize demands](#) for more radical transformation advocated by labour and social movements – a strategy consciously designed to [split the left](#) by giving ‘progressives’ the ideological ammunition they need to embrace the system.

If the left today is to advance beyond ‘Third Way’ social democracy’s embrace of financialized global capitalism, it therefore cannot settle for a more or less progressive capitalism that merely compensates those ‘left behind’ by neoliberalism at the margins, but must pose genuine worker-centred socialist alternatives – a dual social and ecological revolution that fundamentally transforms the exploitative capitalist system which generates these inequalities, degradations, and oppressions in the first place.

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Featured image: Christiana Figueres, former Executive Secretary of the UN Framework Convention on Climate Change, at the launch of ‘We Mean Business’ at the NYC Climate Week in 2014. Source: The

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