

## **Putting on the New Man – *The Underlying Implications***

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### **Background**

1989 and the fall of the Berlin Wall posed a multifaceted challenge to the Western world. The core of this challenge consisted of the requirement to perceive that it was not capitalism - with all its disfigurements - that had won. The true situation was simply that the communist system had, of its own momentum, broken down completely, leaving a vacuum for the capitalist world to fill. The West, dominated by the United States, didn't wish to recognize the distinction. Instead it reached for globalization – the pretended apotheosis of untrammelled capitalism.

The ensuing 12 years saw leaps and bounds in the growth of world trade, of the U.S. economy in particular and of the sovereignty of the U.S. dollar. Various financial crises arose in Asia, namely Thailand and Indonesia, then in Russia and, as a matter almost of course, Mexico (several), Brazil and other countries in South America. These crises, incidentally and not least by virtue of the intervention of the I.M.F., served to enhance the hegemony of the U.S. currency and, by implication, its hold over the fate of developing countries. The seeds of discontent, envy and, whether justified or not, eventual hatred

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were sown at a phenomenal rate. Globalization, world banking and stock market prosperity jointly provided a focus for protests of a kind that jolted governments out of their complacency.

Europe, meanwhile, from 1992 onward, had been taking steps to develop an economic bloc of its own, while maintaining that capitalism in Europe was and would continue to be of a different nature, because, to some extent, its practitioners accepted the need to cater for social cohesion. The process of European integration was, in its own way, a form of globalization. The member states, despite occasional talk about the principle of subsidiarity, were gradually coming under the control of a centralised bureaucracy. Simultaneously, the Councils of Ministers were elaborating a series of treaties with the aim of creating a unified system of rules, which would, by and large, ensure that the smaller member states would conform to the dictates of the larger ones.

In parallel, though compartmentalised as though this would keep the events from affecting the construction and expansion of an integrated union, the countries of Western Europe, specifically France, Germany, the United Kingdom, Italy and Spain, engaged themselves to deal with recurring threats to peace in Europe and the Middle East. First came the Iraqi invasion of Kuwait, then Bosnia, followed by the war between Serbia and Kosovo. Next came the Intifada and the growing hatred of Israel by the

Palestinians. Yet each threat was treated, ostensibly, in isolation from the others.

It seemed as though the western powers were wilfully blinding themselves to the warning signs. The self-appointed preachers of Islamic neo-fundamentalism were determined to challenge the economic primacy of the West by stirring up the religious passions of the poor and the deprived - people who, mainly, happen to have grown up in Moslem societies. This was their (Wahhabi) way to power and, slowly but surely, they would, step by step, oppose the dominant cultures of the Christians, the Jews, the Shiites of Iran and any

others that stood in their path. Nobody can say the signs were not there to be read. It was just that they feared and, consequently, were unwilling to recognize them.

Then world attention was arrested by the September 11<sup>th</sup> attacks on the symbols of globalisation and U.S. power.

### **Within this context**

The world has truly changed – and so radically that most of us cannot yet discern the extent and depth of the transfiguration.

It is not just September 11<sup>th</sup> and the simplistic reactions of the rulers of United States society that make things so different, although the race to strengthen global control – via the War on Terror – is assuredly changing many political equations.

At the same time, the more unpleasant aspects of globalization, such as massive dismissals of workers, often more for the sake of expediency than out of real necessity, are developing at an alarming rate. They also restrict opportunities in an appalling manner, by virtue of the fact that human beings will always make mistakes. This means that the capacity of the mega-sized corporation to inflict damage is inflated out of all reasonable proportion. The mistakes of one or two administrators can seriously affect tens of thousands of people and even whole regional economies. Whereas, if the effect of such human errors were to have remained confined to the affairs of, say, medium sized companies, the damage would be less able to have such far-reaching consequences.

These truths make our lives very uncomfortable and deserve prolonged and serious study.

But it is not those things, however important they are, that are provoking the sea change in the way we look at our world.

Instead, it is a dimly perceived growth of understanding that our attitudes towards the plight of hunger and deprivation of the poorer two thirds of humanity have to change. There is, although we may not fully realize it, an immense development taking place. It represents a new stage in the progress of the human spirit. I would call it the Consciousness of Man.

Perhaps we could interpret this perception to mean that we are seeing the dawn of a Compassionate Society. This will depend very much on our reactions to the perceptions that events are forcing on our attention.

Meanwhile, there is an undeniable spirit of hope pervading many Europeans, perhaps especially so in the countries that threw off the yoke of communism. The flame of this spirit is unquenchable. It is ready to pour the energy to achieve astonishing accomplishments into us, whenever we call on it. It is alive and healthy and eager to be called into play. All that is needed is the sense of a goal to be achieved, which is far beyond any self-aggrandisement.

Thus the multifaceted challenge posed in 1989, doubled as it has been by the Wahhabi-inspired challenge to the materialistic value system that has infected Western society as a whole, now lies redoubled at the feet of all who feel their beliefs and culture to be under threat. It calls on every Christian, Jewish or Islamic moderate in Europe to pick up the gauntlet. This does not imply violent reaction. Nor does it imply passionate leaps to opposing streams of exposition. What it does imply is a readiness to change the nature of the business environment that has led to the active alienation the almost two thirds of humanity who have been excluded from a life of dignity.<sup>2</sup>

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2. This paper was built around remarks made in an address to the graduates of the VI MBA course of GSE & HSIFM, at the Marriott Hotel, Warsaw, 5 March 2002.

What the redoubled challenge does imply is that we should each play our part in helping to modify the effects of globalization in all those European countries that are affected by the interplay of Foreign Direct Investment.

This is not a challenge to play a high profile role or make dramatic moves to upset established ways of transacting business. Instead it calls on our inner strengths and courage. All of us will require to take quiet decisions, one step at a time, often on a somewhat regular basis. The aim will be to help produce a gradual transformation in the pattern of New Business Development. A transformation that can only occur like ripples from a pebble cast into a pool.

At this point, even though we could easily assume that we already know the difference between Business Growth and New Business Development it may be as well to remind ourselves of the factors involved in each.

Business Growth is relatively easy for us to define. For we see it as resulting from the creation of a greater output of particular goods and services, as and when the demand for them expands. Most corporations, however, are little satisfied by this type of growth. They aim also to achieve new markets through the use of entrepreneurial skills, changes in their corporate structures and the build-up of investment in, or the control of, other businesses. This kind of achievement of new markets is often called Business Development. For it to occur and endure, it must not just induce widespread Business Growth. The widespread growth on a continuing basis must also be sustainable. There is no point in initiating something that will only have a brief flare of profitable activity. The product life has to be long enough to allow for the generation of one or more replacement products.

Put another way, we can say that, if New Business Development is to take place, it should be because one of the prime contributory factors of business expansion is the large introduction of innovative ways to provide what markets require. At the same time, this expansion has to be supported by those changes

in corporate structure that sustain higher productivity and higher average real income per person working.

This is particularly important, because it affects every person who has agreed to play a part in the enterprise and contribute to its productivity. And entrepreneurs depend on each and every individual who generates added values, however high or lowly their position in the operation of the business.

That brings me to highlight a principle that always has to borne in mind by any entrepreneur when making decisions. He or she has to remember that those who help to create extra wealth not only should, but have to, receive a commensurate share in it. The principle also makes good common sense. It is the only way to ensure the continuance of loyal performance and productivity. Most important of all, the principle is the fulfilment of the Christian and Jewish injunction that is also mirrored in the Quran: "Love your neighbour as yourself".

I would make an aside here, in case it is thought that religious precepts should not enter into matters of business.

I contend that, for any believer, the 'second commandment', in that it is like unto the first, which should be followed with all our heart (emotion), with all our soul and with all our might (mind) has, necessarily, to affect all our attitudes, decisions and behaviour.

Conforming to the 'commensurate share' principle means that we have to try to ensure that our decisions are governed by a crucial maxim. It shows us the way out of seeming dilemmas while remaining coherent in the way we live and behave.

This maxim states that every problem can be better understood when we construct a new representation of it. For the succinct reason that, at first, there seem to be few coherent choices among the alternate courses of action being contemplated. Even so, our minds should always, every day, seek the particular

knowledge that is required to define the context within which a choice has to be made.

Defining this context is not as difficult as would often seem to be the case. All we have to do is adhere firmly to our consciousness of the primacy of the value and dignity of human individuals, recognising that these are always more important than the generation of higher profits. If we determine to do this and make our decisions in the light of it, we will maintain humanity in the conduct of our affairs and, step by step, help to transform the environment in which we do business.

Naturally if we always stick to our principles, our own personal advancement will now and then be at risk. But the results, in the end, make us happier to have stood up for our beliefs. Also, along the way, if, as believers, we seek spiritual insight and assistance, it will provide us with the energy that has already infused popular movements in favour of democracy and transformed the political scene in country after country in Central and Eastern Europe.

I reiterate the compound question posed at the end of *Taking the Sting out of Globalization*<sup>3</sup>: What kind of world would you prefer to live in? Is it the one of cut-throat, winner-take-all competition, dominated by global mega-corporations, whose philosophy is, 'To be competitive means to win market share and maximise profits. Let the devil afflict the less efficient.' Or would you rather be engaged in a world where self-development is always accompanied by the sense of social responsibility; a world where the idea of loving your neighbour(s) as yourself leads to the great satisfaction of seeing them achieve similar development along parallel lines?

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3. From the Collections entitled "The European Union in the World System Perspective", The Polish Institute of International Affairs, Warsaw 2002.