

Paper Title: Spiritual Capital and Globalization

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Abstract:

The paper proposes that the introduction of the notion of spiritual capital involves a call for a paradigm shift involving everything we know about economics, business and governance. It is suggested that spiritual capital must play a vital role in the processes of globalization. The importance of trust and loyalty within the market places is emphasized as another factor involving spiritual capital. Above all it is the role of spirituality and ethics within the individual lives of leaders of business that is of the greatest importance, in that they can be of great influence in their corporations and those around them. The fostering of a network of ethical individuals is suggested. In the final part of the paper the argument is broadened to suggest that a radical re-envisioning of the modern world is required.

Biography:

F. David Peat obtained his PhD from Liverpool University and carried out research in theoretical physics at Queens University, Canada and the National Research Council of Canada. He also acted as a consultant for the Science Council of Canada and taught at Carleton University, Ottawa. Peat is the author of some twenty books and for many years was associated with the late David Bohm. In 2000, he founded the Pari Center for New Learning in the medieval village of Pari in Tuscany. His web site can be found at [www.f davidpeat.com](http://www.f davidpeat.com) and the Pari Center's website at [www.paricenter.com](http://www.paricenter.com).

Paper Text:

### **Introduction**

In this talk I am taking the position that attention to spiritual capital is a vital element in the march towards globalization. Spiritual capital is essential to any discussion of trust, morality and loyalty in the context of global trade and economics. Indeed to bring those two words, *spiritual* and *capital*, together is to invite us to rethink our world in a truly radical way. The spiritual refers to an indefinable reserve within each one of us. It is the province of the numinous and mysterious. It is that which lies beyond deductive reason to fully encompass. The spiritual can manifest itself to us in epiphanies, those moments of illumination when the ordinary business of the world takes on transcendent quality. It is simultaneously within the world yet pointing beyond it. Within the world it is that which the poet and priest, Gerard Manley Hopkins, called *inscape*, that authentic voice which sings within the objects of our world – birds, trees and rocks.

*"The world is charged with the grandeur of God.*

*It will flame out, like shining from shook foil."*

(G.M.Hopkins *God's Grandeur*)

The enfolding of the spiritual within the material has a long history. In the 12<sup>th</sup> century Abbot Suger ordered the abbey church of St Denis in Paris rebuilt so that it would be filled with light. For Suger, the contemplation of colored light, precious stones, fabrics and architectural proportions transported him into a “strange region of the universe”, one that lay between earth and heaven. Light was divine and, for St Bonaventure, to the extent that material things participate in light, they attained their true being. While, for William of Auxerre, the goodness of material things was being one and the same as their beauty.

Pierre Teilhard de Chardin wrote that, “all created things, every one of them, cannot be looked at, in their nature and action, without the same reality being found in their innermost being – like sunlight in the fragments of a broken mirror – one beneath its multiplicity, unattainable beneath its proximity, and spiritual beneath its materiality.”

The spiritual is at one and the same time atemporal yet related to the fullness of time. Capital on the other hand resides in history; it exists within trade, exports and investment. Capital, both in economics and through its supporting political structures, also has a tendency to view each of us as an individual atomistic unit designed to maximize a potential market within the consumer society, while the spiritual binds us together and helps us to see the interconnectedness of the world. To bring the two together is not simply to enlarge the concept of Capital, as was done with the introduction of the notion of Social Capital. Nor is it merely to enquire, for example, about the role of church groups in a local economy. Rather it is to call for a paradigm shift involving everything we know about economics, business and governance. It is to adopt the widest context in which to consider our common global future and sustainable survival.

The issue of spiritual capital must therefore be explored from several angles at the same time and viewed in a variety of contexts. The role of spiritual capital has to be understood as it pertains to individuals, society, economy, markets and governance. This calls for open debate and discussion on the part of each one of us. It is too important to be left to economists or politicians alone but must involve people from the world of business, banking, community leaders, church and religious groups, environmentalists and all those of good faith. It must embrace spirituality within the context of politics, ecology, economics and community. This paper therefore considers the implications of spiritual capital from a number of angles and contexts in order to come to terms with the deep interconnectedness of spiritual capital to cultural and economic change.

### **Spirituality**

The sheer diversity of modern society is putting traditional notions of spiritual value under great strain. We must discover new ways to articulate what holds us together and of that which is the measure of a common workable spiritual capital. Today we are consciously living through terrible imbalances between societies, and within society. Thanks to modern media, we are individually the direct witnesses to the problems of humanity in real time around the planet. We are placed in a position to diagnose the

problems of our common world, yet feel impotent when we believe we lack the mechanisms to change things in a positive and substantial way. The very instruments that show us the truth about modern life at the same time disable us from feeling we are active agents. This contradiction wreaks terrible havoc on each individual spirit and spiritual capital becomes compromised when people feel helpless.

We are embodied beings so that any authentic sense of the spiritual has to be drawn out of everyday life, that is, within work, play, community and relationships. Out of this a sense of self worth, dignity, and value emerge which nourishes the spiritual dimension of our lives. We must give attention to the sense of 'dignity' that we afford to individuals lives and work. The way we achieve this will require a paradigm shift in how we measure success and how we see ourselves in a relational way to those with whom we interact.

### **Globalization**

Spiritual capital as it operates in society and the lives of individuals and the ways it manifests itself in the areas of trust, morality and loyalty must play an underlying role in the process of globalization. This essay will explore those themes of globalization, trust, loyalty, the importance of the individual conscious and set them in an even wider arena, that of re-envisioning of the modern world.

In the time of Smith and Richardo people believed in the presence of a “the invisible hand” that would automatically regulate the market and ensure good economic order. Later Keynes demonstrated there were certain things that an unregulated market could not achieve, such as full employment. Keynes’s approach was based on ethical principles: that unemployment was not a good thing, that economists should cost in benefits and the public good, and that a world bank should help to assuage poverty in developing countries. It was a time when the British Welfare State was established to ensure that people would be cared for “from the cradle to the grave”. Sound economic principles were supposed to ensure that a combination of a World Bank and the IMF would help to damp out undesirable effect in the market.

But the modern market place has become vastly more complicated. International Corporations trade across national boundaries. Some are wealthier than many small nations. Stock markets are connected electronically so that trading is always beginning and ending somewhere within the 24 time zones. In the 1950s the amount of money traded was three times more than the value of goods. Today this is thousands of times greater with an uncontrolled flow of “hot money” across the globe at electronic speed. Within this environment there is no history of relationship or responsibility between speculators and decisions are made with no regard to social and economic consequences beyond that of making an instant profit.

The modern global economy has all the characteristics of a non-linear system. It presents us with a complex landscape of hills, valleys, mountain ridges and swamps. Its behavior includes oscillations, periods of stability and bifurcation points where a small perturbation can produce unexpected and qualitative new behavior. There is also the possibility that regular behavior could collapse into chaos.

A business must learn to negotiate its way through this landscape in order to discover its own strange attractor, that place where it will best perform its recurring pattern of behavior but in which the moment-to-moment details are unpredictable.

Non-linear systems exhibit periods of repetitive behavior and regions of unpredictability, areas where behavior can be well described and those in which an exhaustive description is never possible; regions where behavior can be steered and navigated and regions where it is beyond control. Clearly on a global scale we must face the fact that the market may be inherently unstable and, in many regions of economic behavior, unpredictable and even verging on the chaotic. What is more its economic oscillations have a magnifying effect on third world economies.

At the same time governments accept the inevitability of globalization and in some cases appear to be renouncing some of their autonomy in the service of a worldwide economic system. Yet there is always the danger that areas of the market will collapse, or be reduced to chaos. Such a state of affairs cannot be allowed to persist indefinitely. Uncontrolled speculation and the vast global flow of digital information must be addressed. There have already been some proposals along this line – the Tobin tax on the flow of hot money and the Bit tax on data - but these have yet to be adopted.

In this debate one should not forget the other important aspect of globalization, that of the notion of world citizenship, of some form of world government and of international systems of justice. One of the dreams of globalization is a world in which people's rights and differences are respected, a world that is economically and environmentally sustainable, one in which true democracy is practiced and in which inequalities are addressed.

In this world global agreements would also be based on internationally agreed principles such as now exist in the field of, for example, whaling. But are these principles so clear cut and universal? One would argue that it is a universal principle that life should survive on this planet, which implies the care of the world's ocean and forests, control of greenhouse gases and so on, and that the First world has a strong moral commitment to the Third. Another moral principle would be that of condemning the exploitation of child labor. Yet principles that may appear universal from within the perspective of rich industrial nations may be compromised in societies where the only form of economic survival is to sell children into prostitution, enlist them in armies or labor sweatshops.

This moral commitment of the First to the Third world is not only to give help but also to learn how not to do economic harm. This applies in so many areas of economic life. Treaties involving, for example, fishing policies may be decided by a group of First World nations without consideration of how that may affect the lives, work and economies of some Third World nations. The American Revolution was fought on the basis of "no taxation without representation"; maybe a similar principle should be adopted in that trade and other treaties that will have an effect on areas of the third world should not be debated in the absence of those countries. There may well be corruption in

some Third world countries but this so often flourishes through the active collaboration of individuals in the First world who offer bribes and favors in order to obtain contacts. Likewise we should ask who holds the majority of the stock in corporations that enlist child labor in their sweatshops.

International agreements, regulations and controls are required to sustain a truly global market and economy. But ultimately these have to emerge out of a coherent ethical and moral system that is held by people of good will and agreed upon as being the basis for the common good and the survival of all we hold important and sacred. Whether we are agnostic or deeply religious, this basis of thought and action must touch our deepest feelings of awe and respect for life, humanity, our planet and the cosmos. We may not believe in a particular God but we do hold in something larger than ourselves, something will persists after our death and should be preserved for future generations. In taking a significant decision the Iroquois people of North America did not consider the immediate effects on their children but what it would mean for the seventh generation to come after them. This would be an excellent maxim to apply in the face of accelerating globalization.

Ethical principles, which ultimately rest on some spiritual sense, must be applied not only at the top but also at the bottom. For example, by creating a new sensitivity towards ethics, by having the topic discussed at meetings such as this, can help to create what could perhaps be called a “field of active information” involving ethical and moral behavior. Both corporations and individuals would experience the effect of this field of meaning, as field which will produce subtle changes in attitudes and behavior. After all, people like to agree and be in accord with each other and most of us would be happier if we thought those around us also acknowledged the importance of common ethical principles.

Here again I would like to sound a note of caution. In other articles I have written about the dangers inherent in our persistent desire to control the world around us. So often when governments consider poverty, crime, hunger, economic stagnation and so on, they seek to exert control from outside the system – for example, by imposing some economic or farming program on a third world nation. Yet in so many cases the nature of such a program or plan is vastly more simplistic than the inner complexities to be addressed. The result is that that program has unexpected side effects and may end up doing more damage than the original “problem” caused. The alternative is to allow the solution to emerge out of the situation itself in a much more intelligent and subtle way. This is what I have termed “gentle action”, a movement that emerges out of the whole. I have a similar “gentle action” notion in mind when I suggest that subtle behavioral changes, emerging in an economic system that is immersed in what could perhaps be called “a field of ethical meaning” could have major effects on the overall dynamics of the market. (See [www.paricenter.com/library/papers/peat18.php](http://www.paricenter.com/library/papers/peat18.php)). Spiritual Capital can therefore be seen as an agent of Gentle Action

## **Trust**

The above discussion on globalization also relate to the issue of trust. Trust is one of the key factors in commerce, yet trust is under serious threat in our modern world.

Historically the market was built on the three invisible pillars of Trust, Honesty and Respect, ethical principles that were once taken for granted. When, in the late 17th Century, for example, bankers, merchants and shippers met in Edward Lloyd's Coffee House they carried out their transactions based on the principle of "my word is my bond". Indeed in English law a verbal agreement, sealed by a handshake, was legally binding, the written contract being only a memorandum of what had been agreed upon by both parties.

In such an economic environment everyone knew where he or she stood. As a result, uncertainty had been reduced as much as possible. Ricardo argued that markets worked most effectively when everyone did the best they could. A would supply B with the best possible raw materials, B would add value and sell then to C and so on. In those days of strong nation states, the market produced a win-win situation for its players, provided they all adhered to the same strong ethical standards.

But trust in so many areas of contemporary life has become seriously eroded. The rise of the celebrity as a major tool in large-scale fundraising, for example, is based upon the observation that the public places more trust in a pop star than in a politician. The growth of global electronic networks, which enable financial speculation to take place at the click of a mouse, the dot.com bubble, the growing acceptance of the notion that "Greed is Good", the tide of MBA students making easy money in the markets, the tremendous influx of pension money and private investment into equities- all seeking to save in an easy and "assured" way for retirement-, has given rise to a new market environment with a focus on short-term profits and short-term goals. The result is an emphasis on expediency and an erosion of ethical standards. It is within this atmosphere that the accounting scandals of Enron and Arthur Anderson, the collapse of Barings Bank, and the price-fixing scandal at the auction houses of Sothebys and Christie's came to light. In our present climate of uncertainty no one can really trust the balance sheets and company reports of major businesses. Our spiritual capital has become eroded and it is therefore a key issue that trust be restored and ethical action practiced.

## **Loyalty**

In the past, companies associated with strong ethical and spiritual values relied upon the social capital of loyalty. A chain of retail stores, for example, would set up strong and long term links with their suppliers and become know for the high quality of their products. They behaved ethically in the workplace and relied upon the loyalty of their staff who knew that the company would treat them decently and that they were supplying the customer with good quality items. In turn, the customer remained loyal to the store and to the brand.

However those in business people I have spoken to believe that while loyalty remains, it is today only one in a number of factors that persuade a customer to enter a shop, select a brand name or deal with a particular bank. Where once a customer had a feeling of

personal relationship to a store, or the “look” of a favorite brand today things have become more impersonal and loyalty may be sacrificed in favor of price or an image fostered by an advertising campaign. And, as corporations become increasingly global, what is the meaning of customer loyalty when a head office could be thousands of miles away in a different part of the globe. And who are customers and employees to have any sense of the ethical and moral stance of their board of directors?

How strong is the attraction of a bargain to an individual today when measured against such factors as community responsibility, child labor, third world sweat houses, companies with poor reputation of environmental respect? The weakening of loyalty as a guide is related to the lowering of standards of honest practice. It is not uncommon for a person to enter a specialist retail store, enquiring about a VCR for example, and take up the salesperson’s time with the full intention of later making their purchase from the Internet or a cut-price warehouse. This slight erosion of loyalty and honesty that affects people’s behavior in small decisions and actions is comparable to a little cheating on the income tax return – the excuse of “because everyone does it” has a debasing effect upon the general fabric of society and undermines our social and spiritual capital.

### **Individuals**

The role of trust, loyalty and Spiritual Capital in the context of global trade and economics raises many issues. Traditionally ethical action emerged out of particular religious or philosophical systems, for example, the Christian “love your neighbor” or the Utilitarians maxim of “the greatest happiness for the greatest number”. But no universal ethical system exists today that would be embraced by all cultures, just as there is no global belief system. Here spirituality, with its emphasis upon respect, obligation and the inherent meaning of each life, may help to build bridges between different ethical, religious and social systems.

The organized religions can play their role by setting standards of practice, using their influence in the political arena, by being more visible, by making strong statement regarding ethical economic behavior, by speaking out against inequalities and so on. However it is my feeling that Spiritual Capital has its most powerful influence at the level of the individual. A person with strong moral behavior has a considerable influence on those around him or her: on colleagues, friends and employees. So often it is individuals, rather than governments and legislation, who bring about important social changes.

The changes in social consciousness that occurred in Britain during the 18<sup>th</sup> and 19<sup>th</sup> centuries were the result of individuals with a strong spiritual or religious sense, so often Quakers. Life and society had a personal coherence and unity for them and they used their wealth to build for the common good. In their early experiments they were using capitalist produced resources for pre-capitalist social values. Abraham Darby’s experiments on smelting iron using coke laid the groundwork for the Industrial Revolution. But Darby was not content to make money alone. He had houses specially designed for his employees, laid out pleasant pathways for their walk to work and established a college for worker education. Similarly the Cadburys developed a social security program for workers in their chocolate factory and housed them in specially

designed houses with large gardens. Other individuals made important contributions, such as Elizabeth Fry with prison reform and John Barnardo in the case of homeless children. At the age of 17 Florence Nightingale believed that she had heard the voice of God telling her that she had a mission in life but it was not until she volunteered to nurse in the Crimean war that she discovered that her life's work was to create nursing as a trained profession.

Closer to our own time have been the examples of Schweitzer, Gandhi and Martin Luther King. Rachel Carson was inspired by her sense of our unity with the natural world. Her book *Silent Spring* sparked off the environmental movement and Ernst Friedrich Schumacher's *Small is Beautiful* introduced his notion of "Buddhist economics" and produced significant changes in attitude.

These few examples out of many show that when deep spiritual meaning pervades a life it can have a transforming effect on society and other individuals. Until recently, the role of spiritual capital in the field of economics was not generally acknowledged. In the light of potential economic crises at national and global scales it is important that spiritual capital at the level of the individual be recognized and fostered. Public recognition should be given to such individuals who operate in this way at all levels of economic, business and political life.

There are many good people in the world, people with a strong ethical sense, spiritual people in all cultures and in all religious groups. How can they be helped to recognize each other, to meet, connect and create positive bonds across state boundaries, clans and religious divides? Can we imagine a spiritual *polis* as a life-affirming web across the planet? This *polis* would be more like a complex, fractal network rather than a single institution. Such a distributed network of like-minded people would be enhanced by electronic communication. It could, for example, be a world 'club' of business people with a spiritual approach to life and to their work. In this way each would become familiar with realities in other parts of the world. It would be a club embracing various kinds of spirituality and traditions and with diverse opinions about preferable economic models. The spirit of the 'club' would be open to these differences, rooted in the idea is that what they have in common is more important than their differences. Faced with 'a planet of slums', global warming, poisoning of the environment they would stand as an articulated voice that would transcend their particular differences.

These networks and webs of connection would move out across horizontal and vertical divides. Spiritual capital and spiritual wealth would then relate to the degree of spiritual connectedness and the density of spiritual webs in a community.

### **Environment**

Finally I would like to suggest that any discussion of spiritual capital and economic stability must be place in a wide context, nothing less that the radical re-envisioning the modern world, or to put it another way, that of re-envisioning civilization itself. Economics and the role of spiritual values must play a predominant role in this global envisioning.



Global warming is now accepted as an inevitability. In the past there has been some degree of debate as to how much of this warming is caused by natural means and how much is due to human intervention. However quite recently the phenomenon of global warming has been shown to be strongly influenced by human actions and is occurring much faster than we had anticipated. What is more, the recently discovered phenomenon of global dimming is masking the true effects of global warming.

What is global dimming? Over the last fifty years the amount of sunlight falling on the United States has diminished by 10%, nearly 30% in parts of the former Soviet Union, and by 16% in parts of the British Isles. This is caused by an increase in the amount of water droplets suspended in the atmosphere, which act to filter out sunlight from reaching the earth. Tiny dust particles produced by industrial emissions act as nuclei around which these droplets form. It is also thought that the reduction of sunlight falling on the oceans caused by this mechanism is changing the world's weather and may have been responsible for the droughts in sub-Saharan Africa, which claimed hundreds of thousands of lives in the 1970s and 1980s. There is now concern that this may also affect the Asian monsoon, the natural form of irrigation for half the world's population. The result could be catastrophic and beyond anything we have seen up to date.

New and existing technologies are clean up emissions and this will help to reduce global dimming, paradoxically at the same time it will speed up global warming. The consequences of accelerating global warming could be dramatic. Melting of the Greenland ice cap would raise the world's sea levels, wiping out coastal cities such as New York. The release of a large amount of fresh water into the North Atlantic could cause a shift in the Gulf Stream, plunging northern Europe into an ice age.

These are no mere scare stories but distinct threats. According to atmosphere expert, James Lovelock, the world has a short space of time in which civilization can be saved. It requires a radical rethinking, on a global scale, of all our values and assumptions. It brings into focus our common human bond, our respect for the earth and our aspiration for future generations. We are all united in the belief that civilization should survive in a sustainable way and all we have achieved should not be swept away.

The earth is asking us to pause in our constant race to produce and consume. It is asking humanity us to consider its place as a complex living system embedded within and dependent upon a wide ecological network of connections. The will for change can only come from commonly held deep spiritual values.

### **Practical Proposal**

- a) A study of how a spiritual sense has influenced the lives of business people, their professional relationships, the company their work for or manage, and how this spreads out into the wider market place. This study would end in the production of a television documentary.
- b) The fostering of international networks of such individuals. Public recognition of the important role played by such individuals

- c) A study of the role of trust and loyalty in the context of corporations, brands and customers
- d) A study of those factors that work for and against spiritual capital
- e) A study what happens to organizational behavior and organizational performance when spiritual capital becomes eroded.
- f) Discover the levels of agreement and the areas of dispute on ethical standards of behavior in business and economics.
- g) Discover what can be learned from the comparative study of business and economic practices of different religions, cultures and traditions.
- h) Contributions of successful entrepreneurs to the concept of spiritual capital through their business activity.