

21st Century International Marketplace



This scenario is based on the following macro-trends: 1) decreasing First World birthrates, and increasing Third World birthrates; 2) shifts in global capital flows; and 3) free market forces increasingly take over government duties. The changes described below begin in the late 1990s with the effects fully matured by 2010: the facilitator asked participants to identify how things would begin to change over the next five to seven years based on the assigned macro-trends, and to then elaborate the longer-term impacts of those changes.

All transitions are difficult, whether they be economic, political, revolutionary, or social; you can either speed social change with overt violence, or accept inertia in social systems at the price of some inequities that will, it is true, linger longer than any of us would like. As the millennium approached, events forced a transition to new social and political structures for Hawaii and the world at large.

Over the past fifteen years, Hawai`i has successfully weathered increasing shifts in global capital resources--both human capital and financial capital. Birthrates continued to drop in the U.S. and Europe, and maintained or increased in Africa, South America, Asia and the Pacific. Many large U.S. corporations faced a maturing labor pool with no immediate prospect of skilled, educated candidates for entry-level positions. On top of that, investment capital seemed to be skating all over the world: Mexico seduced investment away from East Asia; Korean and Taiwanese investors increasingly looked across the Pacific for opportunities BUT Japanese investors backed off from the U.S. and even from Hawai`i as their economy slumped. It was clear that the corporate thinking required revision to keep production and services available for consumers. Automation is all very well, and certainly increased productivity per employee by several orders of magnitude, but increasing our technical sophistication also increased our need for technically sophisticated employees. We needed trained workers, and we needed capital.

Hence the aggressive employment searches overseas, and the establishment of the first corporate education programs. As these educational programs grew, corporations found themselves managing a rather sophisticated international educational system, and more and more often it made financial and administrative sense just to design a package community around their branches overseas. This gave many corporations the experience necessary to bid for projects as the overstressed federal government began its load-shedding programs in the mid-90s. The global political trends toward more local autonomy merely reinforced some of these strategic decisions. In opening a new branch or starting up a new project, corporations *had* to pay more attention to community concerns: local governments were increasing in importance while the federal government was fading. Overseas, an increased array of housing, educational, infrastructural, and social services acted as *de facto* foreign aid. In the U.S. and here in Hawai`i, businesses' "good neighbor" community projects were initially social safety valves, but with the increasing privatization of government simply became the most efficient means to continue supplying social services.

The labor shortage in the U.S. caused the employment bidding wars of the late 90s, which transformed what had been stock option plans into our current capital ownership plans. Employees now own their corporations--which makes them much more likely to reinvest their savings in their own firm. With the decrease in national power relative to most transnationals, and the reinforcement of corporate culture by the corporate educational system, it is no wonder employees find their corporate ID more important than their passport. Yes, people buy "corporate citizenships" when they buy stock--businesses still have to hunt for

capital--but then most national governments are now selling both visas and permanent residencies!

Finally, the value shift in corporate culture forced by changing consumer demands beginning in the 90s also contributed towards detente with the communities in which businesses build projects--and in which the employees also live and work alongside everyone else. The millennium shift saw a shift in consumer expectations away from quantity towards quality. This owed much to the environmental movement--but much also to competition from the Japanese and from the revitalized European Community. The new focus on quality meant a new focus on craftsmanship, on teamwork, and on building excellence--product excellence, corporate excellence, and personal excellence.

That focus on personal excellence has led to a healthy support for in-house innovation: "intra-preneurial" activities that have revitalized world production. Furthermore, that support for personal excellence leads corporations to support employee sport programs, artistic endeavors, and traditional cultural activities. Employee excellence by definition includes respect for all the unique qualities and abilities each individual brings to the workforce. It would be exceedingly wasteful for businesses to fund and run educational programs, mass transit systems, housing complexes, health care agencies, and retirement benefits, and neglect other aspects' of employees' lives that contribute to their productivity. Many people say that what we have now is just a return to the bad old days of the company store. But if the customers OWN the store, how is that anything but positive?

In addition, the population of non-governmental, non-profit organizations burgeoned. Those shifts in economic and political power enabled native Hawaiians to take the Hawaiian Entitlement, restructure it as a living trust, and form the current quasi-corporate community of interest, providing their own services and infrastructural support to Hawaiians and the Hawaiian community. Many communities of interest, and interest groups previously disenfranchised, have found a powerful new political--if not economic--voice given the re-focus of government activities down to the state and local level. A lot more voices get a lot more airplay.

Much of these changes sound good: but they gloss over who was marginalized in the transition. There are a lot of communities of interest, a lot of traditional cultures, that are not well represented in the political or economic scene, despite these inspiring stories of cultural patronage. Both the mainland and Hawai'i are seeing more and more illegal immigration as people come to where they think the jobs are. Most of these immigrants can't afford the price of a U.S. or a corporate passport; most are marginalized and thus ineligible for the community services that are running so efficiently--while many residents ride subscription buses or corporate-subsidized rapid transit to work, the immigrants--who are providing non-skilled labor, and thus are not eligible for schooling, either--are caught in gridlock. And the corporations have externalize these social problems so neatly: it is true that in the U.S. and Europe, stock ownership is practically universal. But overseas, the corporate enclaves are more like armed camps. In the U.S., corporate security almost always means datablockers; however in South America, Africa, Asia, those star athletes on the corporate Olympic team are frequently recruited to form a heavily armed "defensive force." Is this employee excellence? All to protect the haves in those project communities from the steadily growing hordes of have nots.

In this brave new world it seems many of the right things are getting done for the wrong reasons. Eventually those wrong reasons might corrupt the right. Yes, corporations are more protective of the environment this decade than previously--but that's because more than ever a pristine environment is Hawai'i's "comparative advantage." Among employees, drug use is practically nonexistent; sexual harassment has declined; families--whether conventional or free-form--are happier and more stable as a result of counseling available

in-house; people are encouraged to think of their colleagues as their `ohana , their community of interest; and yet all of this, and all the corporate social services, are provided entirely to make employees more productive, less likely to stray to another corporate family, and less likely to look at conditions outside the corporate borders. Yes, for once Hawai`i has sufficient housing units--but not everyone wants to live in high density complexes in West O`ahu. Yes, employees have access to a marvelous, high-quality multi-media information networks and lifelong education--but how much of the educational message is corporate propaganda? In short, for most citizens corporations have replaced an ineffective, debt-ridden, unresponsive national government with an effective, well-capitalized international system of dubious responsiveness. What is corporate freedom of speech and of initiative? Luckily, some vestiges of the U.S. government still exist, to monitor people's rights and safety, if not to implement policies and programs.

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...headlines on the news/net October 2006...

Castle & Cooke College Undergrad Wins Rhodes Scholarship: We're very proud of our academic programs, says Prez...[key ^E for education]

`Robin Hood of Compuserve' Trial Opens: Bank of Hawaii data security chief stresses the need for stronger penalties for datathieves and cybervandals. [key ^B for business]

Lotte Corp. Invests \$2 Million in Intensive Agriculture for Gourmet Markets: New Korean middle class exploring nouvelle cuisine--can you say "miniature papayas"? [key ^A for agriculture]

Communities of Interest vs. Communities Earning Interest: Special focus story on the recent political roundtable featuring the 'Aina Foundation, the Lutheran Church, Ltd., and Alexander & Baldwin [key ^F for "focus"]...

IBM Adds Two More Gold Medals in Track & Field: Local Broken Hill Pty. boosters say their team will take a gold and silver in gymnastics [key ^O for "Olympics"]...

...^F....

Communities of Interest vs. Communities Earning Interest

[Lutheran rep:]true that many more social services are now available in Hawaii than were fifteen years ago, BUT it is also true that a sizable percentage of the population is not eligible for those services, as they are neither corporate citizens nor shareholders in the Hawaii Stock Ownership Plan, the 'Aina Foundation, or any of the smaller Neighbor Island ownership transfer corporations. The Lutheran Church, Ltd. monitors this data -- as do all the church corporations; we have to, as we are the only groups available to fill this gap in social services. We have provide the safety nets over these widening chasms between haves and have-nots caused by the increasing privatization of government services. And we are more than willing to entertain suggestions as to how services, and even basic social resources might be distributed more equitably. Market forces just cannot be relied upon.

[Alexander & Baldwin rep:] Somehow I feel I am being unfairly pushed into representing all of corporate Earth in this forum, which is well beyond the usual jurisdiction of Alexander and Baldwin. Nevertheless, let me address a few of your concerns with an historical overview...

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