

PREFACE to the Savall, Péron, Zardet & Bonnet book by David M. Boje, Ph.D.

Title: “Global Capitalism is Unsustainable, but Perhaps Savall and Zardet’s Socio-Economic Socially Sustainable Responsible Capitalism can Help”

I have been traveling to Lyon, France each year for 17 years to learn their approach to resolving the many problems of global capitalism. I teach sustainability, chair the sustainability council at New Mexico State University, and I teach what Savall and Zardet call the Socio-economic Approach to Management (SEAM). I therefore am in a position to write about their approach, and to tell you why it is not the usual Socially Responsible Capitalism (SRC) idealism, one finds today, taught in the Business School or used to legitimate current global capitalism practices of companies and their governments.

The Savall and Zardet approach is not at all like the typical SRC models because they start from fundamental reforms of socio-economic practices of companies, and propose to curtail run-away speculation markets that have all but drained productive markets of their capacity to build viable companies capable of anything like sustainable business practices. I call their approach Socio-Economic Sustainable Responsible Capitalism (SESRC) in order to differentiate it from the apologetic and insubstantial SCR models so popular in schools of business these days.

In this preface I will divide my remarks into four parts. In Part I, I will first give you some idea of the magnitude of the sustainability problems that ‘global capitalism’ has created in recent decades. These have to do with depletion of natural resources due to population explosion and its growing footprint on the planet, the CO2 climate change crisis from human diet and transportation levels of pollution. In Part II, I will explore why the various approaches to ‘Socially Responsible Capitalism’ sound good, but in the main just are unable to resolve the

magnitude of sustainability problems that ‘global capitalism’ has created. In Part III, I will explore ways that Savall and Zardet’s ‘Socio-Economic Sustainable Responsible Capitalism’ (SESRC) can succeed where Global Capitalism has failed. Finally, I will end with some suggestions for ways SESRC can get global capitalism beyond its fourth epoch of unsustainability, and allow it to move along to the Fifth Epoch of a sustainable global capitalism.

Part I: Major Unsustainability Problems of Global Capitalism

Before I describe the multiplicity of global capitalisms, and their history, let me answer a basic question: *How bad is the worldwide sustainability crisis?* Global capitalism today is in the worst crisis of its 500 year history. It is far worse than the Great Depression of the 1930s, the oil crisis of the 1970s, and still in the chaos of the 2008 banking collapses that tanked nation economies around the globe. There are several important consequences that are unsustainable to all nations.

World population is now 7.4 billion and by 2100 will reach 11.3 billion. Half the 7.4 billion people live on less than \$2.50 a day, and 80% live on less than \$10 a day. 1 billion children live in poverty. With population increasing so dramatically by 2100, famine will be far worse than today, and more people will live on less than \$2.50 a day. It’s not just about population, it’s the problem that the current form of global capitalism is bring about climate change, and is engaged in forms of speculative market gambling and misappropriations of company funds that degrade national socio-economic performance.¹ This is a particularly perverted global capitalism in 2016 that is creating havoc with forms of global capitalism that occurred in three former epochs. Global Capitalism has now entered its fourth epoch, and it’s not able to forestall, much less to reverse these system ability problems.

¹ See for example, Robinson, William I. (2014) **Global Capitalism: Crisis of Humanity and the Specter of 21st Century Fascism**, online at <http://www.worldfinancialreview.com/?p=1799>

1. Mercantile capitalism
2. Classical state capitalism
3. National corporate capitalism
4. Transnational Regulatory Superstructure of WTO, World Bank, IMF, and the UN

The first three global capitalism epochs were led by nation states, but the fourth epoch is transnational corporate power. By transnational corporate power I mean the group of organizations attempting to govern global capitalism: World Trade Organization (WTO), International Monetary Fund (IMF), World Bank, and United Nations. Global capitalism is stuck in this transnational corporate power epoch. Global capitalism is stuck in recurring cycles of recession and attempts at recovery since the 2008 global financial system crisis. And it's stuck in ways does not address the population explosion from 7.4 billion today to an anticipated 11.3 billion by the year 2100. Keep in mind it took all ways of doing capitalism until 1804 to reach the first billion people. After the industrial revolution took root, the second billion happened around 1927. More billions were added in cycles as short as 12 and 13 years between 1987 and 2016. During this time the total greenhouse gases measured in tons of carbon dioxide (CO₂) has created climate change, especially dramatic since the industrial revolution, and past the point of no return in the third epoch of global capitalism. In the U.S. for example, the average citizen's carbon footprint is 20 tons of CO₂ compared to for example India, which has a footprint of 1.1 tons per citizen. U.S. is only 5% of the world's population yet is responsible for 20% of CO₂ emissions, and consuming 30% of the world's natural resources. Clearly the U.S. form of state capitalism is unsustainable. Beyond a certain per capita energy footprint, the global capitalism practiced today its manner of production and consumption and its entire political system of transnational corporate governance is unsustainable. We are witness to the third epoch of global capitalism, which many believe is endless warfare, increasing famine, a rise in temperature from CO₂

producing climate change that will result in human catastrophe, if not the extinction of the human race.

Many believe CO2 production is nearly from transportation based in gas and oil combustion engines (cars, trucks, trains, ships, and planes). However, all these forms of transportation are 13% of annual CO2 production, while an additional 18% is from cattle. And cattle consume more water and more food than the entire human population of 7.4 billion people.

I am a vegan, and I don't anticipate the world population becoming vegan or vegetarian. However, it is true that the footprint from our choice of diet and its CO2 emission from food production methods, supply chain losses, consumer waste, and so, that diet affects the 3,900 kcal of supplied food, just to the U.S.² Worldwide, if people went from meat-lover diets to no beef the CO2 footprint could be dramatically reduced. Going vegetarian would be about half the footprint of the meat lover's diet. My point is that most people are not going to give up cars to go to work or shop by bicycle (except in places like Copenhagen where 45% of the people bike to work), but if they could the CO2 footprint would change. And since most of the planet is not going to trade their gas-consuming car for a bike, the biggest change we can make to our footprint on earth is to change our diet. But riding a bike and changing to a half-meat or meatless diet is still not going to change the other unsustainable practices of Third Epoch global capitalism.

Global capitalism in its first epoch was mercantile capitalism, during the time of Adam Smith's (1776) book, *Wealth of Nations* was not producing carbon footprints that caused billion plus population in 1800s, or the kind of ecological collapse we see today.

Global capitalism in its second epoch was classical state capitalism, after mercantilism, during the industrial revolution, put the world population over the one billion, and multi-billion

² These statistics and assessments come from my April 2016 presentation to my University (NMSU) on the impact of population, CO2 footprints on the world situation of sustainability.

threshold. There are several types of state capitalism. Let's begin with French and American versions that have done their fair share to create unsustainable state capitalisms.

In 1962, when I first started going to France, I was 14 years old. French capitalism was resistant to U.S. capitalism, in demonstrations I saw on the streets of Paris. And until a decade ago, globalization in France translated to American capitalism. Let's jump forward to the end of WWII, when both U.S. and France's capitalism took different turns.

Since WWII France has engaged in a form of State Capitalism (in Colbertist tradition, that supports entrepreneurial spirit to create industrial giants and world-class companies). The problem is France's state capitalism is no longer adapted to Global Capitalism, with result France's state capitalism has a reduced footprint in the global capitalism economy. State capitalism has reached its limits.

Global capitalism in its third epoch is a corporate capitalism still tied to nation states. Since WWII the US national capitalism engaged in creating more international debt: "the net American international debt in the late 1990s stood at approximately \$1 trillion; as a consequence, a sizable portion of the federal budget must be devoted to interest payments on this huge and increasing debt. Furthermore, throughout the 1990s, Americans had emptied their personal savings accounts to fuel "seven years of good times," leaving too little for the "seven years of bad times" that many and perhaps most economists believe loom ahead; the spending spree left 20 percent of American households net debtors. And the "good times" of the 1990s left many behind as the income of the least skilled lagged.¹" Americans appeared to be unaware that one day the nation's huge accumulated debt will have to be repaid and serious adjustments in the American standard of living will be necessary" (Mentan, 2016: 173).³

³ Mentan, T. (2016). *Neoliberalism and Imperialism: Dissecting the Dynamics of Global Oppression*. Langaa RPCIG.

In the U.S. it is no longer fashionable to admit you are a capitalist. “In the richest and most market-oriented country in the world, only 42% of that group said they “supported capitalism.” The numbers were higher among older people; still, only 26% considered themselves capitalists. A little over half supported the system as a whole.”

<http://time.com/4327419/american-capitalisms-great-crisis/> .

Global capitalism in its fourth epoch: Transnational Regulatory Superstructure of WTO, World Bank, IMF, and the UN. Half of the world’s wealth is in hands of 1%, who are mostly billionaires (total \$42.7 trillion). In the last decade of Fourth Epoch global capitalism, it has morphed (especially after 2008 crisis) into a new form for producing billionaires of extreme self-interest, able to stand by while half the world’s population lives on less than \$2.50 a day, and many eat only one meal a day, and some can only eat one meal every other day. This 2008 crisis is more than a recession, it is a cycle of recession and attempts at recovery that have collapsed economy after economy in nation after nation, and continues to do so. The cyclical crises, recurring about every 10 years, are expected to continue into the future. And the really bad news is there is no structural or fundamental change to Fourth Epoch global capitalism on the horizon that is positioned to change the situation, and become its successor or replacement. It is an existential crisis, our ways of Being-in-the-world (Heidegger, 1962) have become alienation for half the 7.4 billion people living on less than \$2.50 a day who can only aspire to cheap labor and cannot afford any global trade goods they might produce. The Fourth Epoch is bigger in scope and deeper in its ontology, it is an entire crisis of the human experience of our world. It is a socio-economic crisis of global capitalism, that was we shall see, Savall and Zardet have proposed a viable alternative, a Fifth Epoch successor that promises solutions to the problems summarized here.

The Rise and fall of American capitalism, took a hit in the 1970s and 2008 crises, and brings back the memory of speculation of the Great Depression. The trade of nations is now linked to transnationalism of production, finance, and capital accumulation, and rise of Transnational State (TNS) a loose network of supranational organizations with some national states that exploits inequality of economic and social class. Changing this network from transnational corporate control to an interest in socio-economic sustainability for more than the wealthy 1%, who are mostly billionaires, is what Savall and Zardet's socio-economic responsible sustainable capitalism (SERSC) must be able to meet the needs of 7.4 billion people attempting to survive on a planetary destruction with endless warfare, drones, bunker-buster cluster bombs, star wars lasers, and kinds of surveillance technologies that would make us believe George Orwell's 1984 prophecies have come true.

Failed U.S. presidential candidate, Bernie Sanders, claims top 0.1% of Americans have almost as much wealth as bottom 90%. In other words, the top.1 % is 160,000 families with average wealth of \$72.8 million, that own 22% of USA wealth, and the bottom 90% (144 million families after \$84,000 and own 22.8% of wealth.⁴ Income inequality and over-population are the moral issues of our time. Michael Moore says 400 Americans have more wealth than half of all Americans combined (1.37 trillion exceed wealth of 69% of U.S. households). The wealth of Sam Walton's heirs is 89.5 billion and equal to the bottom 42% of American families. The world's 1 percent, almost entirely billionaires, own \$42.7 trillion dollars, more than the bottom 3 billion residents of earth. The gap between CEO and average U.S. worker is 325 to 1. This is not a socially responsible capitalism (SRC) and without socio-economic interventions not only in the

⁴ Source of Bernie Sanders remarks at <http://www.politifact.com/wisconsin/statements/2015/jul/29/bernie-s/bernie-sanders-madison-claims-top-01-americans-hav/>, accessed August 5, 2016.

way corporations operate but in curbing the runaway speculative [gambler] markets, none of the SRC approaches to change organizations one at a time, are able to deal with the scale magnitude of the global capitalism crisis.

Global capitalism in the Fourth Epoch, is creating ecological downward spiral, due to limits of its reproduction being passed. Mass extinction of species, the earth system environment is in degradation (climate change, nitrogen cycle, biodiversity loss) are past what reputable scientists worldwide call tipping points, that once reach are irreversible. Global capitalism has not only past the tipping points of recovery, the expansion into new geographical territories, and spaces of their commodification has reached a limit point. Now global capitalism must depend on a global state police force, to enact militarism from the right and left, that is unprecedented in the First, Second, and event Third Epochs. This is accompanied by an increase in racism, xenophobia, and homophobia worldwide.

Global capitalism in its Fourth Epoch is disembodied from nation, and new regulatory superstructures of WTO, World Bank, IMF, and UN is not able to control the transnational corporations rape of planetary resources, nor their control of ownership by the super wealthy 1%. The transorganizational network governance solutions that Hardt and Negri (2000) promised would create postmodern rhizomatic control over global capitalism, have not only failed to come to pass, but are an unmitigated disaster.⁵

⁵ Hardt, M., & Negri, A. (2001). Boston, MA: *Empire*. Harvard University Press.

This global interorganizational governance approach cannot even change car consumption, let alone reverse CO2 footprint per person. We have moved along in consumption practices from one to 1.5 cars for every American, and 53 million total cars on world's roads, with forecasts of 2.5 billion cars worldwide by 2050. We are past the threshold to avoid global warming of 2 degrees Centigrade, that will have such dire long-term consequences that no tech-fix miracle is going to reverse. There is no technical solution to bring us into green energy, revise the billions of cars on the road world-wide, or bring back the forests, and reverse the population explosion. Meanwhile the world's 7.4 billion want higher material quality of living. Econ 1-1 textbooks do not include the word 'overconsumption';

The situation is critical for human survival. In the 4th epoch of global capitalism, we human are "sleepwalking to extinction" (George Mongiot, Guardian). Large multinational, transnational corporations are destroying the biodiversity of life on earth. There is now no way to overthrow this global economic social system, because the top 1% of the population have amassed the wealth equal to the bottom 90%. The 1% has won the global game of monopoly, and are not letting go of their board spaces. The bottom 90% can starve, not pass Go, and head straight to monopoly Jail (or into private prison system).

Global capitalism is destroying all other forms of capitalism, despite unleashing one world economic crisis after another (including the 2008 collapse of one nation after another into recession due to the mortgage and bank deregulation that began in the Reagan administration). The 1% of global capitalists are pumping out lakes, clear cutting forests, leveling mountains for minerals, sucking out the planet's oil and natural gas, and responsible for extinction of species. Monsanto, DuPont, Syngenta, and so on are addicting the planet to their pharmaceutical medication. In the U.S. for example, 45% of its citizens are on at least one medication, and 35% are taking two or more medications each day.

The nation states are spiraling downward in their crises of legitimacy, failing to meet social grievances of local working conditions, middle class in downward mobility, unemployment, and insecurity of billions of people. Meanwhile global elites are unable to counter the erosion of system's authority nor create a global moral economy. This is a great collapse of world civilization akin to the Dark Ages.

The 1% wealth-owners have wiped out bees, Monarch butterflies, birds, entire animal species, and crop diversity. In Adam Smith's day, mercantile capitalism did not have much impact on the global environment resources, but in its fourth epoch global capitalism is responsible for climate change, due to patterns of over-production and over-consumption. We are unable to curtail over-consuming natural resources, reverse the desertion of biological diversity. We are locked into a global capitalism that is killing the planet. The situation is catastrophic.

In this Fourth Epoch of global capitalism, corporations can distribute (disperse) production systems around the world, into a variety of geographic places (Apple, Walmart, Nike, and so on go to China, Africa, and SE Asia for production, human and natural resources). Global capitalism is longer limited to one home nation, nor is it controlled by the collaborative effort of nations states. The financial speculation system is global with financial instruments that subvert nation state direct control. The capitalist in global capitalism have social life on global scale, while half the world's population lives on less than two dollars a day. The transnational governance is by United Nations, WTO, Group of 30, World Economic Forum, IMF, and World Bank. These governing organizations set the agenda for global production within their system of wealth accumulation, that causes inequities of top one percent (or 10th of a percent) and the 99%

In the fourth and current epoch of global capitalism, of IMF, World Bank, GATT, etc. NAFTA, United Nations, and so on, the regulations of banks and finance established by FDR

were town down by Reagan, to return to free-market ideology, and continued into Clinton signing NAFTA. WTO was launched in 1995 to replace GATT. WTO in concert with IMF and World Bank govern the global trade

What is it all for? Why do 1% need the wealth of 90% of world's population? If we have our iPhones and IMacs will that save the environment? Will it solve inequality of wealth, bring back the rain forests, put health fish into the oceans, 300 years of global capitalism development and the gap between rich and poor is wider than ever, with 85% of total global assets in the hands of the 1%. Losing nations for copper and cobalt and coltan (confict minerals) for iPhones, when half the population eats once a day, and 1/4 eat less often than that.

If global capitalism is destroying the world, socially, economically, and environmentally, then what can SRC really accomplish? It's a smokescreen to legitimate the status quo of inequality. SRC cannot put brakes on over-population, the depletion of oil, the war for bottled water, industrial logging, over fishing the oceans, and military-surveillance-police state to give security to the 1% profiting from the exploration, destruction, and inequality. SRC is NOT sustainable, cannot restrain the destruction or over-consumption, pride health care or jobs or food for the bottom half of the population

With the triumph of the fourth epoch of global capitalism, the financial system is out of control of regulation and the standardization mania that tetranormalization (Savall & Zardet, 2005; Boje, 2016) is attempting to counteract. There occurred an elimination of capital controls in the global financial system. Global capitalism has been targeting all welfare state systems for deconstruction, the new imperialism. The sustainability movement is split into two. One faction believes that the ills of global capitalism can be contained. The other faction believes we have passed all the tipping points, and are on a downward spiral into famine, more wars, and

environmental total destruction. With the latest major crisis of global capitalism in 2008, there is a breakdown in social consensus methods for social and economic control. Global capitalism attempts to counter the 2008 crisis and its ecological and social deterioration by investing in propaganda. Meanwhile the transnational capitalist class (TCC) the 1% owning the wealth of global capitalism tries to use global communications media to convince everyone that the situation is under control, and the tipping points are an illusion, and that sustainability is possible to achieve. Meanwhile we have become that Truthout calls a 'planet of slums' alienated from the wealth of globalizing economy, excluded from food, shelter, and quality of life. TCC uses the militarized mechanism to continue accumulation, within the cycles of destruction and reconstruction, in the military-prison-industrial-security-energy-financial complex (Truthout). TCC uses financial speculation power and influence to impose austerity on the working poor and the just poor. Global capitalism is the biggest casino in the world, with speculation in the trillions of dollars, that collapses global financial system into cycles of crisis and recovery, that are escalating out of cyclic into spirals of downward momentum into the abyss. Instead of upward mobility there is for the 99% just downward mobility, social violence, military service, and the global police state. Resistance is futile, in this 21st century fascism by the 1% the TCC riding on the back of everyone alienated in global capitalism. Global capitalism is a system that needs the police state to sustain political elections are controlled by transnational capital and its representatives. Criminalization of drug use so private prisons can stay populated is the new concentration camp of our time under the siege of global capitalism. Global capitalism invests in warfare, social violence, and private prisons, and surveillance technologies to achieve wealth objective, evermore.⁶

⁶ The above section relies on work done by Robinson, William I. (2013) in Truth Out, on line <http://www.truth-out.org/news/item/18280-global-capitalism-and-the-crisis-of-humanity> Crisis of Humanity: Global Capitalism Breeds 21st Century Fascism.

The flurry of wars (Vietnam, Afghanistan, Irak, Gaza, and Lebanon) by military-industrial-global complex to expand geographical reach for markets for cheap products made from cheap raw materials, and wage-slave labor, and spending on weapons to keep nation's economies making weapon for global capitalism while the elite 1% concentrate their wealth at the expense of everyone else, who lives in the crisis after crisis, and war after war, to sustain the 1% standing on the shoulders of the 99%. In the globalization of ownership the spatial nature of ownership, capital has broke out of national boundaries and with deregulation of speculation, the global pattern of owning places outside one's own country, is accelerating. The 1% did not need or want a welfare state, and use their ownership of the media to resocialize the masses to hate health care, fair wages, and protection of shirking environmental resources. America is now a two party system where most American's would rather not vote for either candidate (Clinton or Trump). Transnational oil companies have made Middle East the site of war and global conflict, after Vietnam. Global capitalism is relaxing one social-welfare capitalism territory after another, in the new form of global imperialism. Social-welfare capitalism cannot sustain military production activities and military service recruitment without scuttling higher education, public schools, and health care.

The fourth epoch of global capitalism is no longer the logic for Fredrick Jameson or David Harveys, cultural logic of spatial identities. Rather the spaces of localities, cities, national, and all communities is not subsumed by the logic of warfare, and "multiple forms of state and transnational violence" and surveillance, in what Hardt and Negri call the "technologization of death" that WTO, World Bank, and so on was supposed to use Deleuzian rhizomatics to counteract. Now global war accompanies global capitalism, that Hardt and Negri were supposed to use transnational organizational and corporate governance mechanism to counteract. Despite locality, global war is the parent, in the new global marketplace. Hobbes prediction have come to pass "continual fear and danger of violent death, and [where] the life of man [is] solitary, poor,

nasty, brutish, and short” as global capitalism marries to global war, in the new fulfillment of Hobbe’s Leviathan what happened to post-modernity? It was displaced the permanent state of global war and economic cycles of crisis and recovery.

Part II: Various Socially Responsible Capitalism (SRC) approaches will not come close to Resolving the Sustainability Gap Created by Global Capitalism

Various Socially Reasonable Capitalism (SRC) approaches have been suggested. I would like to briefly review them, to show why they will not close the sustainability gap mega-problems of overpopulation, earth’s resource depletion, and CO2 climate change crisis created human diet and transportation in the fourth epoch of global capitalism.

Is Socially Responsible Capitalism (SRC) possible? Given the downsides of global capitalism, is SRC possible?

My short answer is ‘No’. The SRC movement has been unable to combine their social focus with an economic approach that achieves sustainability potential that can get global capitalism unstuck from its fourth epoch of recurring recessionary crises.

Part III: How a Socio-Economic Sustainable Responsible Capitalism (SESRC) can succeed where Global Capitalism has failed

Socio-Economic Sustainable Responsible Capitalism (SESRC) is an approach developed by Henri Savall in collaboration with Véronique Zardet, Michel Péron and Marc Bonnet. It began with Savall’s education in accounting and economics. He did not study just any kind of economics, but the work of Spanish economist Germán Bernácer. Bernácer reforms of Spain’s economic system focused on regulating ‘speculative financial systems’ particularly in banking, and stimulating productive economics. Savall assumes that the reason for the 2008 world

financial crisis is run away, unregulated speculations markets that have drained productive markets of resources to invest in building entrepreneurial and intra-preneurially activity in companies. As we explored in Part I of this preface, global capitalism is stuck in its fourth epoch, the endless cycles of recession and attempts at recovery. It is stuck in the sense that there is not a successor to global capitalism that can actually resolve the sustainability problems created by explosions in world population leading to 11.3 people on this planet by 2011, the CO2 climate changes brought on from human diet and transportation choices.

How do Savall, Zardet, Péron and Bonnet plan to implement their approach to Socio-Economic Sustainable Responsible Capitalism (SESRC), as the Fifth Epoch successor to Global Capitalism?

Part IV: Ways Socio-Economic Sustainable Responsible Capitalism (SESRC) can move global capitalism into the fifth epoch

If we are to have a Fifth Epoch of global capitalism, we must get it unstuck from its fourth epoch, the recurring cycles of recession and attempts at recovery, that have the world economies unable to address the major problems of global capitalism's rampant unsustainability. Savall, Zardet, Péron and Bonnet propose in this book, ways their SESRC can address the problems of unsustainability that escape the grasp of typical SRC models. I believe that SESRC can succeed where the SRC models fall short because the authors start with fundamental socio-economic reform of companies, government agencies, and non-profit organizations. They assume that a new form of organization is possible that builds the human potential of workers, incentivizes workers to achieve innovation and efficiency, while developing sustainable strategies.

Savall and Zardet, propose both a bottom up (corporate reform) strategy, and a top-down transnational reform of company financing that moves away from speculative market (gambling

of JP Morgan, Lehman Brothers, Enron, World Com, and so), and can take worldwide governance control back and away from WTO, IMF, World Bank hegemony over nation state sovereignty. If people listen to Adam Smith's maxim, 'look out for No. 1', then the global public good is to take back the wealth the 1% have amassed at the expense of the 99% and all other life on earth. Wealth redistribution must in my opinion, be part of the socio-economic strategy.

Savall, Zardet, Péron and Bonnet's SESRC cannot be just another ideological approach, but rather must develop a socio-economic approach that is global in scale that is sustainable in ways that address problems identified in Part I of this preface. And this means it must develop an ethical action on part of the citizens of the world, to bring close the gap between the 1% and the 90% living on what is left over. In the authors' SESRC, corporate decisions are made in a democratic governance and in negotiation with labor and community stakeholders, investments are made for building sustainability and entrepreneurial (and intra-preneurial) production rather than for speculators gambling addictions in speculation markets, and the greed to have it all, no matter if people do not have enough money for food, shelter, health, or dignity worldwide. People are going hungry and transnational governance network is rigging the game for the speculators, while getting nothing but junk goods and services to the populace. Regulation of banks is constantly under attack by the speculators and gamblers of self-interest 1\$ who own and run global capitalism. Global capitalism is responsible for ocean-acidification, global warming, deforestation, biodiversity destruction, and world famine and war.

What is socially sustainable responsible capitalism (SESRC)? It is not the same as *Socially Responsible Capitalism (SRC)*, because such capitalisms are without sustainability, and are destructive of environments and human potential, or it's a philanthropic capitalism of the good hearted 'super capitalism' billionaires (Gates Buffet, Sores, Koch brothers, Jack Ma, and Guangbiao) make sociopolitical legitimacy

investments. Savall, Zardet, Péron and Bonnet by contrast are focused on socially and economically sustainable, responsible capital, as both a theoretical and practical framework of socio-economic development of a democratic project, a way to contain destructive technology, excessive regulation, in a framework of socio-environmental value.

We must now ask the big question: *what kind of global capitalism are Henri Savall, Véronique Zardet, Michel Péron and Marc Bonnet professing?* It cannot be a repeat of SRC models or we might as well stop reading. Typical SRC cannot reverse the perverted global capitalism of speculation markets or unchecked corporate and government corruption, nor the widening of the gap between the 1% and the 90%.

The reason I think their Eco-socio-economic alternative to the crisis of global capitalism is possible is that it is rooted in the works of Spanish economist, Germán Bernácer's work (see Boje, 2016 for a review). It will take a mass uprising against today's kind of global capitalism.⁷Capitalism and the destruction of life on Earth: Six theses on saving the humans Richard Smith [Institute for Policy Research & Development, London] Copyright Richard Smith, 2013.

SESRC is not the same as social capitalism, a means to get social management under state control and supervision to protect market functioning, while instituting programs to help the poor or building quality of life perks into organizations. Social capitalism is an ally of close State collaboration with regulation, while optimizing economic growth. SESRC, on the other hand, takes a socio-economic approach to management (SEAM) well-being improvement interventions and programs that accomplish both human potential and sustainable overall performance of the company,

⁷ See more on this point <http://www.paecon.net/PAERReview/issue64/Smith64.pdf> accessed August 5, 2016.

while transforming dysfunction that result in hidden costs and untapped revenue potential. The SSRC investment in human potential is a negotiation of hidden cost reduction by taking care of the collaborators in bringing about human and social performances. The expectation of SEAM is that there is a negotiation of shared rewards for negotiated commitment to creating economic value. Therefore to create social and economic performance, the company must sustain cooperation of all its members.

What can be done about the collapse of global capitalism? How can we reduce the damages of global capitalism? When the state is the servant of the global corporation and the global owners of wealth, the 1%, then it is obligatory for states to intervene, to regulate speculator's gambling habits. But how can a bottom-up movement of sustainable socio-economic intrapreneurship counter the collapsing global capitalism, and its governance structure: World Bank, WTO, United Nations, and so on?

SESRC is not a Marxist historical materialism, of opposition of capital and labor, rather in SSRC, the only genuine wealth is the development of human potential, which cannot be accomplished by speculative market. It is rather accomplished by socio-economic intervention to bring about new corporate practice, and by a move away from global speculative markets by the financial gamblers. Savall is a fan of the Spanish economist Germán Bernácer. (1883-1965).

Bernácer confronted speculative capitalism, in order to develop the 'real' economy. Speculators on Wall Street brought down the economies of nation, in 2008, resulting in bail-outs for banks, the destruction of pensions. Perhaps we need a World without Wall Street's financial values of speculators, gambling on stock prices and financial instruments of the money lords of short-term speculation (hedge funds,

subprimes, mortgage bundling, and so on). Savall and Zardet, follow Bernácer in focusing on socio-economic performance, and markets that make investments in production, the ‘real’ economy. At the heart of SESRC is the entrepreneur doing start-ups, building industry after industry, even when immediate profit is not guaranteed in the short run, but rather long run success and value from developing human potential of the entire enterprise. Human potential investment is a prime move of economic value creation. This is not the Schumpeterian entrepreneur of creative destruction, but rather continuous improvement of human potential that adds value to materials.

SESRC is specific intervention in a place, and each territory-place is a socio-economic space of an organization, trans-organization, and a meta-organization. Speculative capitalism, by contrast, is without place, and without accepting the risks of activities that realize profit from real activities of the Schumpeterian entrepreneur. SSRC is also in a time (or temporality of a socio-economic history & future). SSRC is a mattering of production, economic activities, exchanges, and social practices. As we know in quantum physics, you cannot separate space (s), time (t), and (m) mattering, so we can follow Karen Barad (2007) in using the construct of *spacetime mattering (STM)* of actual activities work, not just speculation (Boje & Henderson, 2014; Henderson & Boje, 2015). Savall contends that Bernácer eliminates (deletes) the ‘time preference, and that interest is not treated as the price of time. The downward spiral from excessive speculator construction of speculative markets, created worldwide economic crisis, again and again. This means the organization interfaces with other organizations within its environment (transorganization), and with meta-organizations (industry, market, profession) within a socio-economic *spacetime mattering* of globalization where

community needs companies to preserve jobs, create wealth, and do so in supportive environment. History gives warning signs that capitalism is not sustainable or responsible. Domestic economies shifted to become market economies, and created strange and dangerous financial instruments for hyper-speculation markets, which in turned trained productive markets. Then, to make matters were an *ultra liberalism* promulgates a maze of standards to control company activities. These historical practices have undermined Socially Responsible Capitalism (SRC).

A socio-economic and sustainably responsible capitalism (SESRC) is not entangled in perverted practices of speculative financial markets, which only keeps short-term focus on quarterly returns, disconnected from the ‘real’ economy

SESRC in its *spacetimemattering* is a forerunner to Michael Porter’s ‘creating shared value’ by promoting human happiness and well-being, but SRC is more than intention. On the other hand it is directly opposed to Milton Friedman’s self-sufficient enterprise in autonomy of markets with lots of financial speculation, and is opposed to Jeremy Rifkin’s internet of things in collaborative commons that does not address ways to develop human potential within organizations.

--- Preface, August 10, 2016, David M. Boje, Ph.d.