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**Response to Keynote Address  
by Dr. Allen Hammond**  
**“Globalization That Works for Everyone:  
What Would It Look Like?”**  
**Delivered at the Annual Conference of the  
Association for Integrative Studies  
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by  
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IN JANUARY 1999, Dr. Allen Hammond spoke at the World Affairs Council of Northern California. He was on a national tour promoting his new book, *Which World? Scenarios for the 21<sup>st</sup> Century* (1998). I was so impressed with his PowerPoint presentation that I bought the book afterwards, and he was kind enough to autograph it. Thus, when I was offered the opportunity to serve as a respondent to his presentation at this conference, I readily accepted. Not only do I specialize in international political economy, but I also was already familiar with the argument that Allen Hammond was likely to make.

In *Which World?* Hammond warns his readers that scenarios are not predictions. Yet some parts of his scenarios seem unnervingly prescient. For instance, one sets forth the prospect of terrorist acts in the United States. “Terrorism plagues many regions of the world and reaches even the United States, Japan, and other industrial countries, threatening airplane passengers, subway riders, and office workers” (p. 103). Hammond even notes that thanks to scenario exercises, “planners in the State Department and in U.S. intelli-

gence agencies are sharpening their thinking about terrorist threats and planning counterterrorism activities” (p. 15). One can understand why less than one month after the horrific events of September 11<sup>th</sup>, he was reluctant to mention this aspect.

Allan Hammond’s book and his talk this morning grew out of a major project financed and conducted by three well-known think tanks, the World Resources Institute (his own organization), the Brookings Institution, and the Santa Fe Institute. The project’s principals imagined the world over the next 50 years by using trend analysis and scenarios. Though they recognized that the world is a complex system, they decided that it was too complex to analyze in any way other than the “crudest” of single dimension extrapolations and a tripartite set of metaphorical worlds: “market, fortress, and transformed.” Interactions are recognized, of course, but not systematically analyzed. Thus, an inherent weakness in the method is deliberate.

After discussing the scenarios and extrapolations in general, the book applies them to different regions of the world. The regions chosen are Latin America; China and Southeast Asia; India; Sub-Saharan Africa; North Africa and the Middle East; Russia and Eastern Europe; and North America, Europe, and Japan. However, the logic of the three world scenarios is not followed through, for despite insisting that his method does not involve making predictions, Hammond does not provide a market world scenario for North Africa and the Middle East or even for North America, Europe, and Japan. He even refuses to provide a transformed world scenario for Russia and Eastern Europe. As justification for the latter he argues: “I omit a transformed world scenario because even a market world depends on a successful political and economic transition that is, in effect, a profound transformation of Russian society” (p. 218). Hammond seems to be implying that such a transformation is so unlikely in the next 50 years that it is not worth imagining. That sounds like a prediction to me.

The *market world* scenario is the playing out of unfettered capitalism U.S. style. It brings economic growth, but it does not solve equity and environmental problems. In fact, they get worse. Though Hammond did not say so, the market world scenario has an uncanny resemblance to the approach of the current Bush administration. Hammond notes that our lifestyle requires 80 metric tons of raw materials per person per year, or 300 shopping bags full per person per week. If other countries, such as China, follow our model, the global environmental consequences will eventually be catastrophic.

In the *fortress world* scenario, the breakdown of political control comes before the environment gives out. Inequalities, authoritarian oppres-

sion, and environmental distresses such as water scarcity result in political revolts, civil wars, terrorism, crime, and widespread instability. In the book, Hammond gives examples of groups that could instigate breakdowns, including “radical Islamic factions” and a “Pakistani terrorist group” (pp. 40–41). Also in his book, but not in his remarks this morning, Hammond recognizes that the fortress world scenario represents the “dark side of global capitalism” (p. 23).

The third scenario, the *transformed world*, is obviously Hammond’s vision for a world that works for everyone. Its features are so idealistic that it seems more like a utopia than a scenario. He says that this scenario is “an optimistic vision of empowered citizenry, enlightened corporate actions, and radical policy changes” (p. 60). Specifically, he imagines governments and businesses putting preservation of the environment and social equity as their number one priorities. He anticipates the rise of “antimaterialist ethics” (p. 49) among the public. He envisages religious and community groups leading citizens’ groups all over the world in social change programs that greatly reduce crime, eliminate poverty, save the environment, and resolve differences peacefully. The Internet becomes a major means worldwide of democratically organizing for the public good by community organizations. He counts on corporations to voluntarily position environmental and social objectives as their highest concerns; and financial markets, in turn, will reward them for doing so. He calls all this “a viable option for the future” (p. 54).

Politically, the objectives of this transformational scenario come closest to those of the Green Party, though Hammond’s anticipated means, e.g., relying on voluntary corporate compliance, are similar to those proposed by the so-called “centrists” in both the Republican and Democratic parties. Yet both of these parties, according to Hammond, share market world economic policies along with most of the governments of the world (p. 27). He never tells us how these capitalistic corporations are going to voluntarily transform themselves, and then the world, and yet he has faith that they will. Hammond’s soft-on-corporations approach is reflected in his endorsement of the World Business Council for Sustainable Development and its founder, Stephan Schmidheiny (p. 55). Schmidheiny, in return, endorses Hammond’s book on the back of its dust cover.

At least Hammond recognizes that corporations will need to be part of the solution, though his hopes for the voluntary “greening” of corporate culture and behavior seem incredibly unrealistic. Another author whose book has received wide coverage in this conference does not even recognize transnational corporations as major actors in the globalization process. I’m

referring to Thomas Friedman (1999) and his *Lexus and the Olive Tree*. His major actors are nation states, global markets, and individuals in the same fashion as conventional economics.

This downplaying of the power and interests of corporations in a profit-driven capitalist world is downright ludicrous. It defies reality. For instance, if one makes an ordinal list composed of the dollar amounts represented by national government budgets and gross corporate revenues, the results favor corporations. Of the top 100 on the 1998 list, 66 are corporations and only 34 are national governments. Only seven national governments have larger revenues than any of the top three corporations, Exxon-Mobil, General Motors, and Ford. Of the top 200, 161 are corporations. The total revenue of the *Fortune 500* equals \$11.5 trillion, \$4 trillion more than the budgets of the 191 national governments, or about 35% of the world's total product (Gray 1999, p. 26). Looking at figures like these and the predatory behavior of most transnational corporations, David Korten (2001) argues that we are in the era of "corporate colonialism."

In 2001, the Institute for Policy Studies reported that the combined sales of the world's top 200 corporations amounted to 18 times the income of those living in severe poverty, 1.2 billion people or 24% of the world's population. Yet while these same 200 corporations accounted for 27.5% of the world's economic activity, they only employed .78% of the world's workforce. The 82 U.S. corporations in the top 200 contributed over \$33 million to the 2000 election campaign. It's not surprising, therefore, that 44 of these corporations paid less than the standard 35% federal corporate tax rate during 1996–1998. Seven of them actually paid less than zero: Texaco, Chevron, PepsiCo, Enron, WorldCom, McKesson, and General Motors (Anderson & Cavanagh 2001).

Both Hammond and Friedman believe that the Internet provides a democratic counterpoint to the traditional sources of power. Unfortunately, this is another pipedream. As McChesney pointed out in his *Rich Media, Poor Democracy* (1999), "In the battle between the Internet's ballyhooed decentralizing bias and the market's tendency toward concentration, the market is winning" (p. 165). McChesney notes that AOL (America Online) already accounts for 40% of all online traffic and 60% of home use. Yet 80% of AOL users never venture beyond AOL's sites. McChesney sees the Internet as just another way for corporate capitalism to facilitate its anti-democratic and anti-egalitarian tendencies.

Ironically, both Hammond and Friedman recognize that there are serious social and environmental problems created by our current system.

Hammond even goes so far as to admit in his 1998 book, “Capitalism, after all, is not about fairness; as Wall Street pundits remind us, it is about making a profit” (p. 85). His market world scenario is based on the “reigning world ideology—capitalism” (pp. 26-27). This scenario “risks unattended environmental problems that could darken the future for all” (p. 36). Yet during his 2001 presentation Hammond decided to take the positive road and emphasize the social and environmental responsibilities that some corporations and grassroots organizations around the world are voluntarily accepting. He decided to tilt in favor of optimism for the future even though his own litany of negative environmental trends—increasing carbon emissions, disappearing forests, near destruction of coral reefs, near collapse of fisheries from over-fishing, emergence of new and more virulent diseases—demonstrates the contrary.

The basic problem with Hammond’s presentation is his lack of strategic thinking. His recognition of what’s wrong is admirable. His preferred vision for the future is admirable. However, his belief that the current system of thought and institutional interests will somehow reform itself is incredibly naive and useless. He repeats that flawed approach when he urges the university to be more holistic and interdisciplinary without analyzing what the barriers are to making that possible.

Maybe Hammond was right to call me the “pessimist.” But, in my view, in order to be optimistic, one needs a clear and consistent analysis of the problem and then a feasible strategy for moving along a path toward mitigation. Hammond provides neither.

**Biographical note:** Raymond Miller is Professor of International Relations and Social Science at San Francisco State University where he has taught for over 40 years. He was the first editor of *Issues* (1982–1987) and served as President of AIS 1984–1985.

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