

The Economic Ground We Stand On

Exploring the post-crash business psyche

by Marjorie Kelly

The fall of the stock market is an apt metaphor, for I vividly remember feeling in my body, the night of Monday, October 19, the sensation of falling. For hours I'd been devouring TV and newspaper reports about the market crash, and I remember making a kind of vacant decision to take a shower, not knowing what else to do. Like the moment I heard Kennedy was shot—a moment I'll always remember (Billy Brady running breathlessly down the corridor, none of us in the fourth grade believing him)—I'll always remember the day the market fell. I'll remember that shower: standing there in the buzz of the water, feeling numb and absent, not fully aware of the grip of fear in my belly, trying to understand that odd sensation I've since identified as *vertigo*, the sensation that the ground was somehow giving way beneath me—ground I *hadn't been aware I was standing on* until it began to shift.

For an eery moment, it seemed the nation had been plunged into the nightmare of 1929, but suddenly we snapped back to 1987. I heard a banker say on TV that he'd had a rush on assets Monday, but on Tuesday found his lobby empty. A friend told me about the calm reaction of her grandmother, who, having lived through one market crash, responded to this one by hunting for bargain-priced stocks.

We weren't falling, after all. That which had held us up—that euphoria of the endless bull market—was suddenly removed, but *we didn't fall*. When the ground disappeared beneath us, we found ourselves suspended—in the embrace of an enormous economic web.

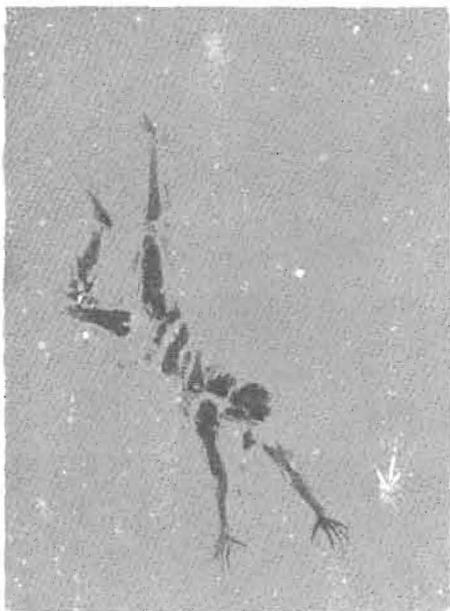
I hadn't realized before that the web was there, wasn't aware of the vast and strong network of economic connections that sustains me. But I see now—and perhaps this is the lesson of the crash—that

the economic ground we stand on is secure. It is supported by the multiple, instantaneous decisions of millions of people—and in the wake of Black Monday, those decisions were in surprising concert. While the program traders were dumping stock, an encouraging number of individual investors were holding on. When Adams & Rinehart researchers asked why, 34 percent said they took a long-term approach to investing; 23 percent said they had confidence in their companies. And beyond those individual decisions, institutions also acted in concert: the Federal Reserve promised to inject liquidity, banks lowered their prime rate, the Stock Exchange temporarily halted program trading, and dozens of companies bought back stock. Clearly, no monolithic authority stepped in to save us. We saved ourselves.

In the fifty years since the Great Depression our culture has grown up, and we do not panic so easily. We are more tightly knit together than in 1929. Our globe is swathed in information, with data crisscrossing the oceans as light, or as waves of sound. We are wrapped in international networks of commerce, supported by national networks of economic aid. There will always be crises, but we have evolved an economic psyche sturdy enough to withstand them.

I'm reminded of the theory of growth outlined by George Ainsworth-Land (*page 6*), who says all living systems follow a three-stage process of growth: from self-oriented accumulation, to endless replication of what works, to a chaotic time when old patterns no longer work, and everything seems to be falling apart. It is at such times that the system *moves to a new and higher level*—disintegrating the old forms and evolving a third-level system, based on a mature concern for others. Competition is replaced by connection.

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June Wayne lithograph from the book, *Songs and Sonets, John Donne, Chez l'Artiste, 1959*

As an economy, as a culture, as a global village, we are being pressed toward this higher level of development, pressed toward a new level of connection and concern.

The business community in particular is passing through what Ainsworth-Land would call a turbulent time, moving to a fundamentally new post-industrial world, moving to new forms of organization based not on hierarchy but on teamwork, to a new concept of business not as predator on the unwary but as a member of a community of stakeholders. Readers of the business press may recall the recent NCR ads in the *Wall Street Journal*, which talk in glowingly *responsible* terms about NCR's stakeholders. In a series of vignettes, the company states its commitment to be "caring and supportive corporate citizens within the worldwide communities in which we operate."

There's something going on here, when an international corporation spends thousands to promote its image as a *responsible corporate citizen*. And NCR is clearly not alone.

Corporate ethics consultant Kirk Hanson (*page 8*) observes that the corporate world is moving past the old view of ethics as a set of negative rules—don't lie, don't cheat, don't bribe—to a new level of concern for *corporate values*: the underlying commitments that drive a corporation. Those commitments are to the larger community—to employees, suppliers,

customers, and so on—and they're often expressed in corporate values statements. Hanson says perhaps one in three of the Fortune 500 now have such statements, variously known as credos, corporate belief statements, or values statements. What's behind this is not only ethical motivation but *business* motivation, because companies recognize that healthy relationships with stakeholders are in their own self interest.

There is indeed something going on here. Business has been a giant upon the earth since the Industrial Revolution, but it is becoming a more humane giant. Indeed, there are many in the executive suites who are becoming attentive to the *spirit* of the workplace, who believe business can become a positive force in the human community. You will find such people building partnerships with the schools (*page 7*), bringing daycare into the corporation, developing depressed inner-city areas, supporting the arts. You'll find them working for ethical investing, organizational transformation, human resource development.

On a mountaintop outside Denver some weeks back, I attended an extraordinary gathering of such people—sponsored by a company called Spirit at Work. I encountered the president of a defense company looking for peacetime uses of his company's technology. I met a man who helps company presidents explore spirituality at work, a lieutenant colonel interested in global conflict resolution, a former priest consulting to Fortune 500 companies. On a Sunday morning, as snow blanketed the lodge where thirty of us sat around a fire, someone spoke it aloud: *It's a movement*. And others chimed in, yes, we feel it.

There was talk of networking together, creating a conference, a national association with other concerned executives. We're still talking, by phone, by letter, and we invite you to talk with us.

We had gathered on the mountain less than a week after the market crash, but there wasn't a single mention of it. There was no talk of falling, but of the web that holds us—of building together a national community of support. I encountered that weekend, in flesh and blood, the new corporate spirit that is evolving in our time. And I realized, the economic ground we stand on is not opening up to swallow us, but to embrace us. ✘

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