Rethinking capitals: global capital beyond the financial

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Why rethink capitals?

At the recent ICAEW ‘Rethinking Capitals’ colloquium (ICAEW, 2014), participants were encouraged to reflect on the notion of ‘capital’ in relation to sustainable development practice in a number of ways. The element of our discussion of most interest to me and my research is the consideration of capital in terms of our own practice, our own ‘capitals’ that can be assembled and represented in order to effect change towards sustainable practice in the field of accountancy and associated fields.

Informed by sociologist Pierre Bourdieu’s theory of capital (eg, Bourdieu, 1989), my research has examined how individuals in senior positions across a range of fields, including the corporate, the political and the civil, act to address issues of sustainability. I have examined responses to global issues of sustainability through two global forums. The first is the World Social Forum (WSF), which defines itself as ‘an open meeting place for reflective thinking, democratic debate of ideas, formulation of proposals, free exchange of experiences and interlinking for effective action, by groups and movements of civil society that are opposed to neoliberalism and to domination of the world by capital and any form of imperialism’ (World Social Forum, 2016). Secondly, the World Economic Forum (WEF), ‘committed to improving the state of the world, is the International Organization for Public-Private Cooperation’ (World Economic Forum, 2016).

I have interviewed, and had informal exchanges with, 48 people connected to these forums. Their practice includes responsibility for finding ways to make things better for societies, environments and economies, in line with Brundtland’s three pillars of sustainability: reducing economic inequality; protecting the environment; and increasing social equality (Brundtland and World Commission on Environment and Development, 1987). These people are significant, firstly, because they have substantial amounts of different types of capital, and secondly, these capitals are interrelated in such a way that forms a specific category of overarching capital, termed ‘global capital’. This global capital enables them to act with great influence in a global context.

This think piece discusses global capital in two main ways: 1) as global symbolic capital (GSC), which is the capitals of the people who act at a global level (ie, those practitioners who work across geographic boundaries) and their ability to use their own positions to influence thinking around sustainable practice; and 2) as the value of capitals beyond the financial, including those described as ‘global public goods’ (GPG) by one of my research participants. One only needs to watch or read the news to recognise that, often, GSC is used to promote unsustainable and unequal practices that damage GPG. However, I argue that the effectiveness of sustainable practice can, and indeed should, be increased by practitioners reflecting more deeply on their own GSC and using it towards the protection of GPG.

Global roles, global symbolic capital (GSC)

Global capital is a form of capital that Bourdieu would term symbolic, that is, one that results from being recognised as important by others. GSC gets this value from the interaction and nesting of a range of accumulated capitals of different forms, which also have worth beyond national, social, economic (financial) and cultural boundaries. The components of GSC are described here.

People in global roles have financial capital, which is still an important component of GSC because, at a basic level, without monetary resources individuals are unable to travel or pay the required membership to participate in the global forums and exert influence. They also have social capital, a highly prized component of GSC. People in global roles bring their networks of relationships to their participation, but they also gain capital through their participation in the field, as represented through their participation in WSF and WEF – participation in itself confers capital. Meeting others during participation enables exchange and accumulation of social capital. Knowledge capital is also valuable across fields and geographies. This may include health, communications and political relationships. Embodied cultural capital (presence) is facilitated by economic and social capital, through which further capital is accumulated and effects are enabled. As one of my research participants described, the ‘eyeball to eyeball challenge’ enables people in global roles to define the sustainability agenda, persuading others to pursue more sustainable practices. Time as capital is part of this embodied capital, as people in global roles need time to be able to attend these global forums, in order to participate at the discussions facilitated therein.

The combination of all these forms of capital creates GSC. It is a form of capital accumulated by people who have global roles through a combination of other capitals and, importantly, the social and cultural are privileged alongside the economic (particularly since the global financial crisis). The value of GSC is greater than simply the sum of its parts. These global players have an opportunity to express their points of view, promote personal and professional agendas and (potentially) achieve personal gain through interactions with one another. Of particular
importance is understanding that these people are recognised as experts, that they are legitimate and their actions are noteworthy. As such, they can have effects that ripple across organisations. Practitioners have their own beliefs and value systems, ethical and moral positions that influence their actions when trying to change the current world order towards greater sustainability. The execution of GSC confers upon the individual a status that should enable them to direct their actions towards the global good.

Global public goods (GPG)

There are different positions on what sustainability means and the reconciliation of priorities within it (the social, the economic, the environmental), and this was discussed in some detail at the ‘Rethinking Capitals’ colloquium. As well as different individual and organisational perspectives, it is apparent that there are relational, competing and conflicting political, economic and social positions on global sustainable practice. A commitment towards a more sustainable world drives global forums like WEF and WSF, but also these forums are in a position to set the agenda and definitions of what such a sustainable world could be. Such agendas and definitions are reflected in the principles, priorities and agendas of participants in these forums, which promote a sustainable future but are not necessarily unified. Defined by the United Nations Development Programme (Kaul et al., 1999), the notion of GPG may be a useful way for practitioners to consider capital beyond the financial. Such goods include: the environmental, for example, food, water and land; the social, for example, health, safety and human rights; and the economic, for example, jobs, innovation and technology.

The economic bottom line is always going to be important for international businesses, however, additional and greater value can be generated by considering a contribution towards GPG as part of their responsibility as global citizens. Whilst I would urge consideration of value as being beyond that which can be measured and quantified, I recognise that many businesses are uncomfortable with quality values rather than quantity values. As such, these GPG can be valued in their own right, but elements can also be converted into quantifiable and measurable indicators that can be reported to stakeholders as appropriate. For example, the volume of water saved, the number of employees reporting good health, the number of jobs created.

Global forums like WEF and WSF enable debate on the setting of standards for achievement and protection of GPG in terms of sustainable practice and the reduction of global inequalities. People in global roles are in a position to engage with each other through these forums, as well as in their other international practices, in order to exert a degree of peer pressure or competition that may serve to lift poor practice. This is not without its challenges, as individuals and their firms are subject to different priorities, for example: profit-drivers; economically sustainable environmentalism; environmental protection; support of a labour force; and moral/social imperatives. These types are not mutually exclusive; they exist in relation to one another and stand in tension with one another. However, by enabling and encouraging people in global roles to really think and act globally towards a greater good, it is possible to influence the decision making of businesses to do the same.

Global capital and a more sustainable world

It is clear that ‘capital’ can equate to more than the financial and economic, it can include human, social and natural amongst other categories. This paper seeks to contribute towards the rethinking of capitals as those of practitioners, global symbolic capital, and as global public goods. Practitioners who operate at a global level are legitimate and trusted by those with whom they work, and by recognising their own GSC they may consider capital value in a more holistic manner. This is of particular importance in the context of encouraging business practice to be more environmentally, socially and economically sustainable. There is significant evidence of the adoption of GPG in reporting mechanisms (eg, United Nations, 2016), but GSC can perhaps be used to extend sustainable practice beyond the boundaries of these reporting mechanisms, which often only capture value in numeric, calculative ways.

I wrote this piece in the hope that its content may encourage ICAEW members to reflect on their own practice, to consider their own capitals and how: 1) they could act to encourage more sustainable business practices; and 2) how these actions could become part of future, legitimate and accepted accounting practices. My research suggests that how people use their GSC can affect practices of sustainability, that is, they can use their positions to engage in dialogue and influence others to encourage the adoption of more ethical and sustainable business practice, so protecting GPG. I am optimistic that even more practitioners will step up and do this more frequently and effectively in order to sustain our world.
References


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The research on which this article is based was funded through a studentship from Santander Universities.