



Moral Capitalism at Work

**Business and Public Policy Round Table
October 20, 2011
University Club of St. Paul**

“Baby Boomers: At the Heart of America’s Crisis of Values”

Introductory presenters: Steve Young, Global Executive Director, Caux Round Table; Jerry Reedy, Professor Emeritus of Classics, Macalester College

Chair, facilitator and rapporteur: Steve Young

Participants: Babak Armajani; Roger Conant; John Harrington; Mike Harris; Jeanette Leehr; Bob MacGregor; Todd Otis; Mark Ritchie; Fred Senn

Summary of comments:

Steve Young presented his thesis that American culture has changed from encouraging “inner direction” to “other direction” and that the Baby Boomers have been the force for such a change in fundamental American values, leading to changes in economic, political and social norms and behaviors.

The first attached chart of U.S. capital market debt prepared by the Federal Reserve dramatically shows a fundamental shift of the U.S. towards unprecedented assumption of debt – both public and private – starting in 1980. Such a change in behavior manifests in action prior changes in values and beliefs about debt.

In his book “The Lonely Crowd,” (1950) Harvard sociologist David Riesman asserted that two significant, but different, personality types could be discerned among Americans. One was a traditional mixture of values, beliefs and behaviors which Riesman called “inner directed.” The second was a mixture of new values, beliefs and behaviors which he called “other directed.”

Roughly speaking, “inner directed” personalities had robust core beliefs and willingly assumed responsibilities. Their values were very much in line with the Protestant Work Ethic. Their values system was internal, autonomous and stable over time.

With “other directed” personalities, Riesman argued that no stable core of convictions grounded their values, beliefs and behaviors. Rather, they constantly looked to others for standards of belief and conduct, floating and shifting in their styles and preferences as social trends came and went.

In 1957, Norman Mailer, in a once notorious essay in “Dissent,” titled “The White Negro,” both predicted the cultural triumph of “other directed” personalities and argued for “other direction” as a rebellion against what he found to be the stultifying conformity that came with mass “inner direction” supporting a bourgeois democratic order of politics and economics.

Mailer saw “other direction” as an “uncharted journey into the rebellious imperatives of the self,” a kind of wondrous psychopathology of non-conformity. Such a person would ignore the sophisticated inhibitions of civilization and follow the needs of the body, becoming, as Mailer termed it, a “White Negro.” Such a psychopath, like a child, Mailer argued cannot delay the pleasures of gratification and spoke a language that most adolescents of 1957 could “understand instinctively.” Such persons lose their inner character and become “a collection of possibilities.” “Character,” Mailer concluded, had become “perpetually ambivalent and dynamic” and entered into an absolute relativity, where there are no truths other than the isolated truths of what each observer feels at each instant of his existence.”

Young’s thesis was that confronted with a choice between “inner direction” and responsibility and “other direction” and gratification of self-arising from the Vietnam War in 1965, Baby Boomers chose to reject the “inner direction” of previous generations and embrace “other direction.” In so doing, they formed a personality type which then, more and more, imposed its values, beliefs and behaviors on American society and politics.

The concept of a “personality type” lost favor among anthropologists, sociologists and psychologists as it clashed with norms of Enlightenment understanding of human nature and opened doors to racial and ethnic stereotyping.

Discussion of “national character” and “personality types” had been robust in cultural anthropology until the 1960s. Such investigations were seeking cause explanations of large scale social, economic and political behaviors. Perhaps the most notable use of this approach was when German sociologist Max Weber ascribed the birth and rise of Capitalism in the 1600’s and 1700’s to those who lived by a “Protestant Ethic” in Holland, Scotland, England and the British Colonies in North America.

At the end of World War II, anthropologist Ruth Benedict in her “Chrysanthemum and the Sword,” provided strikingly predictive insights into Japanese decision-making.

The inter-relationship of a personality type or a national culture with social structures and culture is dialectic. Individuals are socialized by society and culture to conform to the dominant personality type congruent with those existing institutions. Then, successfully socialized individuals act to enforce, protect and extend the values, beliefs and behaviors they have come to accept as correct, meaningful and necessary to the psychologically good life.

The second attached chart illustrates the consequences of “other directed” personalities, while the third chart depicts, somewhat crudely, Young’s understanding of the evolution of American politics under the demands of “other directed” voters.

A common core of American values, beliefs and behaviors split with opposition to the Vietnam War, especially in 1968. An anti-war movement arose, rejecting the U.S. Government’s justifications for defending South Vietnam from Communist aggression. Arguing that the government was wrong in its reasoning, even lying to the American people, a moral case was made to reject, on principled grounds, the demand of “inner directed” traditional leaders for assuming personal responsibility in fighting a foreign war. “Inner direction,” was thus, delegitimized as a foundation for American culture, just as Mailer had predicted and desired.

Baby Boomers largely chose to follow an unorthodox interpretation of the war and American tradition and reject authority figures. Baby Boomers were predisposed to take this choice because, Young argued, they had been raised as children indulged and removed from adult-like responsibilities in their socialization. They had been coddled with a sense of entitlement to get their way and not work too hard for anything. Theirs was not to conform to the world, but demand that the world conform to them and meet their needs and one thing young men of the Baby Boomer generation did not need was the risk of dying in South Vietnamese elephant grass or rice paddies.

When President Lyndon Johnson decided not to run for re-election in 1968, he performed a cultural act of abdication and exposed “inner direction” to be cant. Similarly, many other authority figures would not, or could not, defend traditional American beliefs and behaviors.

Richard Nixon ran for President in 1968, mobilizing the “Silent Majority” of Americans against the new “other directed,” entitlement culture promoted by Baby Boomers. But, as President, he accommodated the new culture of indulgence and relativism with termination of the draft and taking the dollar off the Gold Standard to let it float in value as market forces would dictate.

By 1976, sociologist Daniel Bell was picking up on the emergence of new values and behaviors in America. In his book “The Cultural Contradictions of Capitalism,” he worried that successful capitalism – the consumerism promoted by “other directed” Baby Boomers – was undermining the very values (“inner direction”) of thrift and hard work that were necessary for capitalism’s

successful functioning.

Reaction to “other direction” came from conservative Christians in the Moral Majority and from the Scotch/Irish sub-culture of middle class and lower class Whites, largely in the South and the West. The Moral Majority seized upon the issue of abortion to inject religious doctrinal rigidity into politics to counter the permissive nihilism, sexual freedoms and gender flexibility promoted by “other direction.” Working class Whites and the Moral Majority (Archie Bunkers and their families) made up Reagan Democrats who gave Ronald Reagan his majority over Jimmy Carter in 1980.

But, like Nixon, Reagan, too, accommodated “other direction.” He articulated a vision of “small government,” which would not touch personal entitlements to wealth and income. Reagan’s coalition, in a phrase coined by Grover Norquist, was the “leave us alone” coalition – a range of people from gun owners, snowmobilers and others opposed to environmental regulation, to small businesses who all wanted government to stay out of their lives and let them enjoy personal prerogatives.

Reagan’s approach was repeated successfully by George H. W. Bush and his son, George W. Bush. But, when Ross Perot challenged the fiscal permissiveness of the elder Bush in 1992 to win 19% of the presidential vote, Bill Clinton was elected with a plurality of support.

Clinton became a poster-child for Baby Boomer “other direction,” earning the ironic nickname – given Mailer’s 1957 article – of being “America’s first Black president.”

Bit by bit, the traditional “inner directed” center of American politics was eroding. An entitlement culture was taking over on the right as well as the left.

On the left, entitlement was seen to be access to government benefits and privileges and permissiveness in cultural conventions. On the right, entitlement was taken as a right not to pay taxes and to live by private moral codes of evangelical Christianity, some of which promoted a prosperity gospel. Those who had been saved by the grace of Jesus thereby became privileged and deserved indulgence. The Republican Party transformed itself into the party of the White South, while the Democrats became the party of urban sophistication and minorities. America divided into Red and Blue states, while its politics became divisive, short-sighted and nasty.

Leadership across all sectors of American life evaporated. “Other direction,” possessing no core values and providing no basis for the assumption of risk or responsibility, negates leadership.

Leadership coaching in academia and business came to emphasize teams and authenticity, not commitment or standing up for what was right. Listening to others – an “other directed” skill of the first order – replaced decision making.

Undermining the ability of “other directed” personalities to perform as leaders is the power of “other direction” to undermine self-confidence. “Other Directed” personalities have trouble believing in themselves. Their desires they willingly accept. Self-indulgence comes easily. But, with floating values and beliefs, their commitments are usually open to flexible adjustment to new trends and relationships. Getting along with and being guided by peers and other interim role models do not provide a firm moral compass or robust ethical convictions.

The “other directed” personality (Mailer’s psychopath) is subject to constant change and instability of purpose; finding a sustainable equilibrium of emotions, being psycho-socially well-grounded and consistent, come with great difficulty, if at all. This may be why Baby Boomers have had such fascination with self-help gurus and life-style coaches, not to mention spiritual quests into Buddhism looking for “inner peace” and New Age ratifications of the inner self.

A sense of permanent vulnerability, of being life’s victim, comes easily to Baby Boomers. Unfortunately for them, the cosmos was not created to tend to their every need and indulgence. Life is a threat to those who want to impose their needs on space and time.

Those who feel victimized often lack the capacity to lead from emotional strength. Their professional and other well-honed intellectual skills are insufficient to give them inner charisma that inspires confidence in their leadership. They also tend to seek powerful, indulgent patrons – some in government programs and others in evangelical Christianity. Many Baby Boomers have dealt with inner fears of vulnerability by latching on to credentials and professional status. Position or degree (the security provided by the degree varies with the prestige of the institutions that awarded it), rather than personhood, provides self-esteem. It is the opinions others have of oneself, rather than one’s own confident self-reliance, that provide the self with the happiness that comes from feeling a sense of vocation, that one is right and correct in the flow of time.

When a personality type such as “other directed” comes to dominate a culture, other institutions of economic, politics and society shift their shapes to accommodate the values and behaviors of the dominant personality type.

In business, “other direction” brought a fixation on money as the measure of success and personal worth, an analogous fixation on short-term results, fees and bonuses and taking out as much as one could get away with. Immediate gratification gave a new license to leverage equity, as debt was assumed to enhance living standards. Government policies of low interest rates and unregulated financial intermediation responded to this demand for debt.

In bureaucracies and academia, “other direction” exacerbated careerism as the organizational norm, not service of constituencies.

In families, “other direction” sustained a high divorce rate among Baby Boomers and “hands off” styles of parenting. Baby Boomers had few rules and little in the way of core values to pass on to their children. Promoting self-esteem in children and making sure everyone was respected and happy became the goals of socialization. “Inner directed” concepts of maturity and adulthood became less and less relevant.

The social institutions that now embody and perpetuate “inner direction” as the principal cultural norm and personality type are on the internet – Facebook, YouTube and Google. Facebook allows one to mimic, so easily, the likes and dislikes and the ideas and prejudices, of others. YouTube provides clear, visual instruction as to what others are doing and how they dress. Google brings home the opinions of those we want to imitate and align with.

Professor Jerry Reedy responded to Young’s presentation with two lists of values and behaviors, which he had drawn from Allan Bloom’s “The Closing of the American Mind.” On the attached sheet, one column reflects the approach of “inner direction” and the second column of “other direction.”