

Self-Reliance

By Robert H. Rock



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Every year I deliver a Thanksgiving address. This year, my theme was self-reliance, a principle advanced by Ralph Waldo Emerson, who instructed us to rely on our own capabilities, resources and efforts and to follow our own instincts, intuitions and ideas. Self-reliance enables our success both as individuals and as a nation.

In his landmark work, *Democracy in America*, Alexis de Tocqueville saw self-reliance as an organizing principle of American life, culture and politics. He admired how Americans relied on themselves and their community associations rather than on inherited wealth and government support for their welfare and well-being. For two centuries, America's meritocratic, capitalist system has extolled self-sufficiency and rewarded self-interest.



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The principle of self-reliance is increasingly being evoked to promote national self-sufficiency and economic independence. In a recent cover story titled [“Goodbye Globalisation: The Dangerous Lure of Self-Sufficiency,”](#) *The Economist* details the growing political interest in the ideology of national self-reliance. Even the most avid supporters of globalization have been forced to recognize the growing widespread support for controls on cross-border economic flows. *The Economist* concludes: “Don’t expect a quick return to a carefree world of unfettered movement and free trade. The pandemic has entrenched a bias towards self-reliance.”

Though “self” is typically considered an attribute of an individual, political leaders have been calling for their nation’s self-reliance in terms of food, fuel, firepower, pharmaceuticals and finance. Notable examples are Indian Prime Minister Narendra Modi’s “Make in India” doctrine and Chinese President Xi Jinping’s invocation of “self-reliance” at China’s recent Party Congress. These leaders are calling for substantial investments in domestic talent and technology to effect economic self-sufficiency.

Since World War II, there has been a broad consensus that global free and frictionless trade helps to advance national growth and welfare. But the pandemic exposed economic vulnerabilities, bared fragile dependencies and revealed trade limitations. Many countries, in particular the United States, responded to the emergency by imposing trade barriers, border closings and protectionist policies.

Both the Trump and Biden administrations promoted self-sufficiency, sometimes referred to as “economic nationalism” or trumpeted as “economic patriotism.” During the COVID-19 crisis, they cajoled U.S. companies to step up to their civic duty via ramping up PPE production, retooling to make ventilators and forging public/private partnerships to speed up vaccine development. Our government is now encouraging companies to bring home their manufacturing operations, diversify their supply chains away from China and emphasize products made in America. A notable example is the recently passed CHIPS and Science Act, which is intended to reduce U.S. reliance on overseas microchip supply. The \$280 billion act funds domestic production of advanced semiconductors essential for 21st-century industries, such as self-driving electric vehicles.

U.S. boards of directors are embracing their duty and responsibility to advance our nation’s self-reliance. They are focusing on creating U.S. jobs, training and reskilling U.S. workers, promoting domestic manufacturing, and decoupling and reshoring supply chains. These decisions, such as alleviating supply chain disruptions, are being made to mitigate the company’s risks as well as to advance the nation’s economic independence.

I want to underscore that directors should individually embrace self-reliance to foster robust discussions in the boardroom. Directors need to have the confidence, conviction and courage to express their thoughts freely and candidly. In the boardroom, there are many forces trying to impose conformity; however, directors should feel comfortable and confident enough to question and challenge both management and each other. They should not be worried about the disapproval their opinions may incite or the reproach they may provoke. Boards

should avoid becoming so collegial that directors “go along to get along.” Embracing the principle of self-reliance, directors should trust their instincts, intuitions and ideas, and offer their own independent thinking to board deliberations.

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