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for an Ecologically Sustainable World

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“Putting Dignity & Rights at the Heart of the Global Economy” A Review of “A Quaker Perspective” Keith Helmuth and Judy Lumb

Friends are now reaching deeply into questions of economic policy and behavior with new resolve and discernment. Friends Committee on National Legislation (FCNL) and American Friends Service Committee (AFSC) have both recently issued public documents that explicitly link “structural economic violence” with the prospects for justice, peace and human betterment, and they have done so within the context of Earth’s ecological integrity. FCNL has included this recognition and commitment in its statement of legislative priorities for the 109th Congress. The newly published report of AFSC’s Working Party on Global Economics, *Putting Dignity & Rights at the Heart of the Global Economy: A Quaker Perspective*, makes this recognition central to its analysis and recommendations for action.

For FCNL and AFSC to have independently taken this step is a clear signal that economics is now understood to be of such critical importance to issues of oppression, organized violence, social vulnerability, and ecological disintegration that Friends must set aside their disagreements on economic theory and seek common ground in our testimonies for a new witness on the human future. To a very large extent, this seems to be what the AFSC Working Party has done and Friends are well served by their Report.

No one argues that economics is not a central organizing force in human affairs worldwide. But can human values and human choices govern and direct economics or is the force of economics a kind of omnipotent governor of human affairs that operates as a natural law? After carefully avoiding this classic dispute for some time, Friends now seem poised to consider the options with a new level of critical discernment.

The options of economic concern rose to particular articulation among Friends during the Great Depression. In 1934 the Industrial Relations Section of the Social Service Committee of Friends General Conference issued “A Statement of Economic Objectives” in which they wrote:

It is a paradox that we suffer in the midst of plenty. We have bumper crops; and undernourishment. We have cotton in excess; and millions poorly clad. We have fuel in plenty; and lack sufficient heat in homes. We have a redundancy of lumber, brick, cement; and people are herded into slums. We have doctors, dentists, nurses; and hundreds of thousands too poor to pay for much-needed medical services.

Is it not apparent that we must begin to chart our twisted industrial labyrinth into a clear course yielding good to all? What if there are difficulties? Let us choose a destination on the map of life and plot our course accordingly.

What could be more fitting than that the group which fostered the abolition of negro slavery, sponsored prison reform, gives testimony against war, initiated European Reconstruction, carries on American Friends Service work in the coal fields, should once again advance the outpost of civilization by carrying an easily understood message of economic reform to the world?

The members of this committee, citing their credentials as professionals in the fields of business and engineering, laid out a slate of reforms that were both visionary and prescient, and which, to some degree, found lodging in the New Deal soon to come.

AFSC Working Party

In the direct lineage of this concern, the AFSC Working Party has now produced and presented to Friends a document on global economics of even greater breadth and precision. It is a manual for education and discernment that every Friend concerned with human betterment should obtain, study and share with their Meeting.

The AFSC Working Party was composed of 17 individuals working over a period of two and a half years with a diversity of experience and expertise in economics, business, social services, community work, political science, and education, a diversity that enriched their work:

The Working Party on Global Economics reflected diverse views in the Quaker community and broader society today. Many differences of experience, opinion and analysis arose as we searched for common ground. Our own discussion showed time and again that mutual respect is enriched by diversity and openness. Some of us wanted to emphasize the number of people who have been lifted out of poverty in the last four decades and others wanted to focus on the billions of people impoverished today. ... Some Working Party members wanted to emphasize the role of business as the key to success for job creation and poverty elimination while others focused on the need for a stronger public sector and global New Deal in order to assure economic rights and meet human needs. Some thought voluntary codes of conduct for businesses offered new hope while others saw a disappointing track record and emphasized the necessity of laws and regulations to assure corporate responsibility and accountability.

Working Party members had very different analyses of past and present trends, their causes and consequences. But members shared a commitment to building a world nurturing human dignity and economic rights for all. That is the common ground that provides a foundation for this document, and the “shared Truth” we hope serves the AFSC. (p. 4)

Quaker Eco-Bulletin (QEB) is published bi-monthly as an insert in *Be-Friending Creation* by Quaker Eco-Witness-National Legislation (QNL), a project of Quaker Earthcare Witness (formerly FCUN).

QNL promotes government and corporate policies to help restore and protect Earth's biological integrity. It works within and through the Religious Society of Friends for policies that enable human communities to relate in mutually enhancing ways to the ecosystems of which they are a part. This witness seeks to be guided by the Spirit and grounded in reverence for God's creation.

QEB's purpose is to advance Friends' witness on government and corporate policy as it relates to the ecosystems that sustain us. Each issue is an article about timely legislative or corporate policy issues affecting our society's relationship to the earth.

Friends are invited to contact us about writing an article for **QEB**. Submissions are subject to editing and should:

- Provide background information that reflects the complexity of the issue and is respectful toward other points of view.
- Explain why the issue is a Friends' concern.
- Describe the positions of other faith-based and secular environmental groups on the issue.
- Relate the issue to legislation or corporate policy.
- List what Friends can do.
- Provide sources for additional information.

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Global Poverty Gaps Widening

The Report begins with an assessment of the current situation, recent history and trends, and the role of the global economy, using data from the United Nations, World Bank, etc., some of which is presented in the Appendix. While acknowledging and documenting some improvements in life expectancy, child mortality, and literacy rates in some developing countries in the past few decades, the authors show a disturbing backsliding trend since 1990. Forty-six countries are poorer today than they were in 1990. Half the earth's human population lives on less than \$2 per day, which is not enough to sustain basic needs, not to mention education and personal development. The gap between rich and poor is widening dramatically, both within and between countries.

- *In 1979, the richest 1 percent of Americans had 23 times as much after-tax income as the bottom 20 percent. By the year 2000, the top 1 percent had 63 times as much after-tax income as the bottom 20 percent.*¹
- *In 1960-62 the 20 richest countries had 54 times the GDP per capita of the 20 poorest countries. In 2000-02 the richest countries had 121 times as much.*² (p. 13)

One of the most striking aspects of the AFSC Working Party's agreement is the Report's repeated reference to "A Second Bill of Rights" that President Franklin Delano Roosevelt introduced in his 1944 State of the Union Address (sidebar). FDR laid out an economic bill of rights designed to advance the security and dignity of all persons within the American polity. The AFSC Working Party advances this vision to the level of the global economy and links its recommendations solidly to the Universal Declaration of Human Rights. Although the language of the Report is plain, there is nothing timid or tentative about its vision. In the face of the political and economic forces in the U.S. that now speak openly about wanting to "roll back the New Deal", and disinvest many of the nation's international agreements, this is a bold move.

Market Fundamentalism

The Report defines **market fundamentalism** as "*a dogmatic globalization strategy to maximize freedom for private enterprise and private profits; maximize support and protection of the private sector, particularly large corporations; and minimize the role of government in regulating private businesses, providing social services and protecting the environment and other common goods.*" (p. 103)

The market fundamentalist approach "*is intolerant of debate: government is the problem, free markets the solution. While advocates of the market fundamentalist approach assert that it will lead to greater affluence and eventual improvement for all, we observe that this strategy of globalization has led to slower economic growth for many countries and more inequality, deprivation and environmental devastation. This type of globalization undermines dignity and fosters neither socially responsible business nor sustainable development.*" (p. 17)

The history and role of the international financial institutions—World Bank and International Monetary Fund—are explained quite clearly, especially in regard to the impossible burden of debt that most developing countries carry. This "Washington consensus" regards economic activity that does not contribute to capital concentration as "non-viable" and writes off persons, classes and regions that either cannot or do not want to get with this program.

The Report describes the recent history of trade negotiations in some detail and shows how provisions of proposed trade agreements weaken labor and environmental standards and even limit the sovereignty of countries by prohibiting preferences for use of local enterprises and those operated by women and minorities.

¹Congressional Budget Office, August 2003, and Center on Budget and Policy Priorities, "The New Definitive CBO Data on Income and Tax Trends," September 23, 2003.

²World Commission on the Social Dimension of Globalization, established by the ILO. *A Fair Globalization: Creating Opportunities for All*, 2004, p. 37.

A Second Bill of Rights

- The right to a useful and remunerative job in the industries or shops or farms or mines of the nation.
- The right to earn enough to provide adequate food and clothing and recreation.
- The right of every farmer to raise and sell his products at a return that will give him and his family a decent living.
- The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad.
- The right of every family to a decent home.
- The right to adequate medical care and the opportunity to achieve and enjoy good health.
- The right to adequate protection from the economic fears of old age, sickness, accident and unemployment.
- The right to a good education.

President Franklin Delano Roosevelt
State of the Union Address 1944

The Report proposes a new human right: the right to mobility. The wide gap between rich and poor countries has made it necessary for some family members to migrate to other countries to support their family. Remittances from these migrants to their families provide an increasingly important source of funds for developing countries (Appendix G).

For several years, AFSC staff have provided leadership in an Interfaith Working Group that has produced an Interfaith Statement on International Trade and Investment. The Statement's Five Principles focus on 1) the dignity of the person, 2) advancing the common good, 3) transparency and public participation, 4) the legitimate role of government and civil society, and 5) safeguarding the global commons.

The AFSC Report does a masterful job of addressing the first three principles with specific recommendations. The Report has a clear focus on the fourth principle, but without acknowledging how far and how quickly international finance has evolved to undermine the ability of government and civil society to influence the global economy. It acknowledges serious problems but makes no recommendations to address the fifth principle of safeguarding the global commons.

Developing Sustainability

While this Report sees justice, peace and the integrity of Creation as a single issue with various aspects of emphasis, it can be fairly observed that its handling of the ecological context is less fully and less rigorously developed than is its economic analysis. The section on "Environment" starts with the statement that "today's global economy is not a sustainable economy." It focuses primarily on climate change and on the technologies and practices that can reduce greenhouse gas production. The section concludes by stating that "developing countries need economic growth with equity if poverty is to be eliminated," but then adds that "economic growth cannot continue to have lasting destructive effects on the environment."

To resolve this dilemma, the Report then quotes the UN's Rio Declaration and the Earth Summit Agenda 21 on the need to "achieve sustainable development" and "environmental protec-

tion." There is a fundamental problem with this language and with the concepts it expresses. The dynamic on which the quality of the human future depends is not "sustainable development," but "developing sustainability."

This is not word play. This is a fundamentally different orientation and strategy of adaptation. Under the economic growth scenario, "environmental protection" generally means reducing the rate of growth of ecosystem destruction. But reducing the rate of growth of destruction is still destruction. The quality of the human future, including the end of poverty, depends on ending ecosystem destruction.

Ending poverty for the numbers concerned within Earth's ecological context is not so much a matter of growing the economy in order to raise income levels, as it is a matter of redesigning the provisioning of goods and services (including monetary services) within the context of a viable social ecology.

Ending poverty is about adequate access to the means of life. The design of this access can take a variety of forms, depending on ecosystem adaptation, social networks and public policy. The economic growth scenario rides on the assumption that the environment is part of the economy, that it exists to supply and fuel human enterprise. But when we hold still and think clearly, we know that the human economy is a subsidiary of Earth's economy. Economic security, dignity and human well being depend, first and last, on the full functioning biotic integrity and resilience of Earth's ecosystems.

Any political economy derived by humans must ultimately function within constraints imposed by nature—constraints that define the conditions required to sustain life as we know it on earth. The ecological principles that underlie these conditions are a given, they are universal and morally neutral. If we want to sustain life on earth we have to create economic and governing systems that, in the long run, do not contravene these principles. This is a basic minimum requirement for any political economy anywhere, regardless of what other values or moral frameworks are reflected in the economic system.

A sustainable political economy must be based on a deep understanding of the healthy functioning of complex, interdependent, self-governing, re-generating natural systems. Policy-makers, business and financial leaders, and citizens alike must understand these ecological principles and the necessity of living within the limits they impose. The political and economic institutions we create must function within these limits. Jared Diamond's new book, *Collapse: How Societies Choose to Fail or Succeed*, describes the fate of several different societies that chose to ignore this truth.

The Report takes this ecological understanding into account, and makes a significant contribution to the cultural task of bringing economics and ecology into a single focus. The Report, however, holds back from making full analytic use of the ecological perspective. For example, Appendix A systematically specifies recommendations from each section of the Report but passes over the "Environment" section without a word, as if there were no significant actions to be taken in this area that were central to dignity and rights. Yet we know from the discussion in the body of the text that this is not the case. Perhaps the desire to focus as

sharply as possible on “dignity and rights,” and to keep the Report within a length that would invite wide readership, argued against a fuller inclusion of ecological analysis.

The Working Group placed the Universal Declaration of Human Rights at the center of its deliberations and Report. If the Earth Charter were now brought into the picture in the same way, and its framework of understanding and commitment applied to economic behavior, our witness would be better founded within the reality of the human-earth relationship. The overarching issue of ecologically sound economic adaptation would be brought more fully into view.

In this context, we can see the achievement of the Working Group as a stage in a process, and the Report as a tool to be employed in the ongoing task of understanding and addressing both the policy and implementation of equitable and ecologically sound economic behavior.

The AFSC Working Party has taken an important step. If we can now take further steps that help bring economics and ecology into a single analytic focus, Friends witness and action may hit a stride that contributes with increasing effectiveness to a more hopeful future.

In thinking ahead to the next stages of this inquiry and analysis, a question must be raised about whether the reforms recommended in the Report are commensurate with the scale and velocity of change that transnational capital now commands. Put in the starkest terms, it is no exaggeration to say that a “pirate economy” is emerging on a global scale, an economy that can advance and protect its operations by the strategic allocation of funds in various jurisdictions—both political and social. This is the business model of organized crime.

A third of the world’s wealth is held offshore. Eighty percent of international banking transactions take place in this shadow world. Half the capital in the world’s stock exchanges is “parked”

offshore at some point (Brittain-Catlin, 2005). The logic of this drift does not offer a good foothold for reform.

Most of the reforms proposed depend on political jurisdictions that can act decisively in support of the common good and on a community-minded corporate ethos—the very characteristics that the emerging pirate economy is shutting down and turning off. The lines of demarcation between criminal and non-criminal business activity are increasingly difficult to discern. If we are brutally honest, our analysis must take into account the blended fortunes of business, crime, and government, and recognize the outlaw mentality that increasingly governs nomadic, transnational capital. This pirate economy is only interested in capital concentration and its unfettered deployment. Appealing for reform to this transnational amalgam of blended fortunes is like asking an organized crime operation to start looking after the common good of all those it has traditionally exploited.

This is a dark shadow across the potential of economic reform. The logic of our situation argues that the chances of such reform—reform that “places dignity and rights at the heart of the global economy,” reform that advances ecosystem integrity and stewardship economics—depends on a significant level of political change, both as a resurgence of jurisdictional responsibility at local, regional and national levels, and as the emergence of transnational jurisdictional institutions dedicated to the common good from a global perspective.

Nelson Mandela’s current effort to, essentially, shame world leaders into action on world poverty, and the respectful audiences he is commanding, is a hopeful sign. The Report of the AFSC Working Party in the hands of Friends should now be inserted into this struggle at every opportunity. In an age when economics has replaced religion as the gatekeeper to the common good, Quakers should be no more inclined to leave economics to the economists than they were in the previous age to leave religion to the priests.

What Friends Can Do

1. Obtain a copy of *Putting Dignity & Rights at the Heart of the Global Economy: A Quaker Perspective*, which can be downloaded or ordered on line at <www.afsc.org>. Call 215-241-7048 or write to AFSC, 1501 Cherry Street, Philadelphia, PA 19102-1403 (\$7.00 plus shipping)
2. Study the Report and become thoroughly familiar with its analysis and recommendations.
3. Introduce the Report into the dialogue of your Meeting. Organize a study group aimed at amplifying the knowledge and effect of the Report within your Meeting.
4. Become familiar with the work AFSC and FCNL are doing around issues of structural economic violence.
5. Facilitate your Meeting’s response to FCNL’s regular priority setting process with support for action on policy that promotes economic equity, environmental justice, energy decoupled from violent conflict, and ecological integrity.

For Further Information

- William Brittain-Catlin. *Offshore: The Dark Side of the Global Economy*, to be published in June, 2005.
- Ha-Joon Chang, 2002. *Kicking Away the Ladder: Development Strategy in Historical Perspective*.
- Amy Chua, 2003, 2004. *World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability*.
- Jared Diamond, 2005. *Collapse: How Societies Choose to Fail or Succeed*.
- Susan George, 2004. *The Lugano Report: On Preserving Capitalism in the Twenty-first Century*, 2nd edition.
- R. T. Naylor, 2004. *The Wages of Crime: Black Markets, Illegal Finance and the Underground Economy*, Revised edition.
- Robert H. Nelson, 2001. *Economics as Religion: From Samuelson to Chicago and Beyond*.
- Ronnen Palan, 2003. *The Offshore World: Sovereign Markets, Virtual Places, and Nomad Millionaires*.
- John Perkins, 2004. *Confessions of an Economic Hit Man*.
- Oswaldo de Rivero, 2001. *The Myth of Development: The Non-Viable Economies of the 21st Century*.
- Holly Sklar, 1995. *Chaos or Community: Seeking Solutions, Not Scapegoats for Bad Economics*. (Holly Sklar, who is one of the best analysts and writers now dealing with economics at a popular level, was a member of the AFSC Working Party.)