Bearing Witness to Right Relationship

We Quakers, who are so good at stubbornly imagining and standing for the possibility of peace despite a pervasive worldview that war is inevitable, seem singularly lacking in awareness and vision when it comes to economics.

Yet economic systems are built on deeply value-laden assumptions. What is wealth? What has value? What increases well-being? Can there be private ownership of common natural resources, of ideas? Is more better than less? Is greed the core human motivator? Is debt unforgiveable? The answers to these questions in our current economic system are held to as a religious creed—and those answers run counter to many of our own deeply-held spiritual beliefs.

We would do well to be bold about naming our current economic “religion” as idolatry, and to hold out for rightly-ordered values around the economy as fiercely as we hold out for the peace testimony. One approach, suggested by theologian Walter Wink, is to see all our institutions as having an original divine vocation: i.e., the vocation of political systems is to allow people to work together in larger groups; the vocation of economic systems is to distribute the goods necessary for life and increase overall well-being. Our job, then, becomes calling these institutions back to their divine vocation.

Who better than Quakers? What better time than now?
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Quakers and Economics: Values Questions and Policy Implications
Pamela Haines

Economics is not a science. Although it deals in some things that can be measured, economic systems are built on deeply value-laden assumptions. Consider the following questions:

- What is wealth?
- What has value?
- What increases well-being?
- How do we assign ownership to things that have value?
- What is private property?
- Who is responsible for the commons?
- What constitutes public welfare? How is it created/maintained?
- Is there a limit to acceptable income inequality?
- Who decides about finite natural resources?
- Is more better than less?
- Can ideas be rightfully owned?
- Is greed a core human motivator?
- Are there times when debt should be forgiven?
- Do we have a responsibility to future generations?

Each of these questions is a question about economics, and different answers lead both to different personal choices and different public policy implications.

While these questions are not new, they have some urgency in the present. Our current system seems less and less capable of providing for the public welfare. More important, a system based on growth is bumping up against the limits of our planet. It is critical that we engage in thoughtful debate about the kinds of economic policies that allow us a future.

Tax policy

- Tax the wealthy more than the poor?
- Is there an income that is enough? Should there be a limit on the spread between the poorest and the wealthiest? (In the 1950’s, 91% of all income over $250,000 was taxed.)
- Tax capital gains? Corporate profits?
- Tax more heavily on the basis of the limited capacity of earth, i.e., tax at the points of depletion of scarce resources and emission of wastes?

Subsidy policy

- Subsidize economic activity that contributes to public welfare and/or sustainability, such as renewable energy, public transportation, anti-sprawl measures, recycling/re-use/repair?

Regulations

- Require for-profit enterprises to pay for what have been traditionally seen as external costs, like degradation of the commons?
- Assign market values to costs (like pollution), issue limited permits and allow them to be auctioned or traded?
- Regulate the financial sector more rigorously (i.e. limit the financial activities of banks, increase the amount of required reserves, prohibit some types of speculation/gambling)?
• Prohibit corporations from activities outside their original charter? Require an accounting of their contribution to the public welfare before renewing their charters? Eliminate their status as having the rights (i.e., free speech) of a human being?
• Regulate/tax the advertising industry, which is a critical driver of expanding consumption?

Measurement
• Include all economic activity in our Gross Domestic Product, as is the current practice, or subtract the activity that represents costs (like pollution clean-up)?
• Find another tool that also measures well-being, security and happiness?

International policy
• Should nations have the right to protect local industries and agriculture, even though products from other countries may come at a cheaper face value on the world market? Should we abandon “free trade” agreements?
• Should our country press for renegotiation of the role of world economic organizations (World Bank, International Monetary Fund, World Trade Organization) so they are less in the service of the multinational corporations?

What we can do?

Personal
• Consume less
• Produce more
• Move our money (www.moveyourmoneyproject.org)
• Learn the economic implications of what goes on around us
• Build our faith and courage to speak up and act

Community
• Learn about our local economies
• Support them: job production, local buying, coops, local investing, credit unions
• Gather together to learn together about economics
• Act together on local policies that affect the economy, and on building longer term resilience

National/International--support policies that:
• Curb the powers of Wall St. and multinationals
• Increase the space for alternative institutions
• Build potential for regional, local economies
• Protect the environment and move toward a steady state economy
• Move toward greater equity

Ultimately, the big question becomes: can we bring our passion for peace, justice, and equality into the arena of economic policy? This will require grassroots mobilization and taking on the most powerful groups. But if we do it in the context of calling our economic system home to its true vocation, this can be life-giving work.
WHY NOT AN ECONOMY OF REAL WEALTH?

The current economic debate centers on how best to revive our existing economic system through some combination of a Wall Street bailout and a job-creating economic stimulus package. That amounts to trying to revive an economic system that has failed in every dimension: financial, social, and environmental. Rather than prop up a failed system, we should use the current financial crisis as the opportunity to create a system that works. Trying to solve the crisis with the same tools that caused it is the definition of insanity.

As individuals, we humans appear to be an intelligent species. Collectively, however, our behavior ranges from supremely wise to suicidal. Our current collective economic insanity is the product of an illusion—a belief, cultivated by the prevailing economic orthodoxy, that money is wealth and that making money is the equivalent of creating wealth.

Money is merely an accounting chit with no intrinsic value—it is useless until we exchange it for something of real value. Wall Street’s specialty is creating money for rich people without the exertion of producing anything of corresponding real value. They increase their claims against real wealth without increasing the supply of goods, making it harder for the rest of us to meet our needs.

Real wealth, first of all, the tangible things that support life—food, shelter, clothing. Of course, the most valuable forms of real wealth are those that are beyond price: love; a healthy, happy child; a job that provides a sense of self-worth and contribution; membership in a strong, caring community; a healthy, vibrant natural environment; peace. Our Wall-Street-driven economic system makes fantastic amounts of money and actively destroys all these many forms of real wealth.

We have been in thrall to a pervasive cultural story, continuously reinforced by academics, government officials, and corporate media, which led us to believe our economy was functioning splendidly even when it was quite literally killing us. You have heard this story many times:

“Economic growth, as measured by Gross Domestic Product, creates the wealth needed to provide material abundance for all, increase human happiness, end poverty, and heal the environment. The faster we consume, the faster the economy grows and the wealthier we become as the rising tide lifts all boats.”

The logical conclusion from this story is that the faster we convert useful resources to toxic garbage, the richer we are. The only true beneficiaries of this obviously stupid idea are a few very rich people who reap financial gains from every economic transaction—whether the transaction cures a disease or clearcuts a rainforest. It is a system that defies money and dilutes wealth.

In contrast, the Main Street economy is comprised of local businesses and working people who produce real goods and services to meet the real wealth needs of their communities. It has been battered and tattered by the predatory intrusions of Wall Street corporations, but it is the logical foundation on which to build a new, real wealth economy of green jobs and green manufacturing, responsible community-oriented businesses, and sound environmental practices.

Let Wall Street corporations and their phantom wealth machine slip into the abyss of their own making. Devote our public resources to building and strengthening Main Street businesses and financial institutions devoted to creating real wealth in service to their local communities.

David Korten is co-founder and board chair of YES! Magazine. His most recent book is Agenda for a New Economy: From Phantom Wealth to Real Wealth.

www.YesMagazine.org/kortenbook
Read an excerpt from David's new book

www.YesMagazine.org :: YES! Spring 2009
Don't fix the economy - change it

Sticking with the model that is driving us toward ecological catastrophe will eventually kill us

December 26, 2008

PETER G. BROWN
GEOFFREY GARVER

Amid the discordant clash of solutions being served up to address the global financial crisis, a common refrain can be heard: Most global leaders and their economic advisers key their policy prescriptions to "sustained economic growth." The prevailing debate is how to get there most quickly. Unfortunately, it is the wrong debate. The financial crisis has brought into sharp focus the need to fundamentally change, not merely repair or rebuild, our economy. Because, quite simply, sticking with an economic model that is driving toward ecological catastrophe will kill us. So, it is essential to address the financial and ecological crises together.

The ecological budget, on which all life and, consequently, the human economy depends, is already in dramatic deficit, using up the Earth faster than it can regenerate. Here are six steps we can take toward a truly balanced budget that will allow all people on Earth, to live fulfilling, healthy, yet more ecologically compatible, lives.

1. Recognize that the economy is part of the biosphere. A comprehensive economic plan must be based on the scientific fact that the global economy is a subsidiary of the natural order. Economic policies should be attuned to the limited capacity of Earth’s biosphere to provide for humans and other life and to assimilate their waste. Photosynthesis and sunlight are as essential to the framework for economic budgets and expenditures as the laws of supply and demand.

2. Acknowledge that we need new institutions. An economic renewal tailored to the 21st century would establish institutions committed to fitting the human economy to Earth’s limited life-support capacity. We need something like the central reserve banks, but which look after shares of the Earth’s ecological capacity, not just interest rates and the money supply. Money should be recognized as a social licence to use part of Earth’s life-support capacity. Some functions of governance would have to operate at a global level, through a federation modelled perhaps on the European Union, with enforceable laws designed to assure that individual nations don’t overrun Earth’s limits. The rules for the developed countries that are responsible for the current ecological crisis should be different from those for developing ones.

3. Acknowledge that unlimited growth on a finite planet makes no sense. Most people wrongly believe that unlimited growth and wealth accumulation are the "natural laws" of the economy – inviolable, even though together they undermine the Earth’s ecological and social systems. We face a moral challenge: bring the global economy into a right relationship with the planet and its human and non-human inhabitants or suffer the increasing destruction of Earth’s finite life-support systems and social structures. Growth in consumption is a nonsensical response to the sharp decline in Earth’s biophysical systems that is caused by overconsumption. Our new ecological and climate reality demands new ways to live within
the means of the Earth.

4. Fairness matters. A "right" human-Earth relationship would recognize humans as part of an interdependent web of life on a finite planet. The economy must recognize the rights of the human poor and of millions of other species to their place in the sun. In a world awash in money, addressing poverty only with growth reflects a tragic lack of moral imagination. Indeed, in pushing for more "free" trade as it is currently understood, Canada would entrench an ongoing addiction to consumption, pursued in a manner that often ravages the bio-productivity of developing countries.

5. Expand the discussion. The new knowledge that will forever mark this period in human history is the overwhelming scientific evidence that we are overconsuming the planet and accelerating toward ecological catastrophe. The short-term approaches of most ministers of finance and professional economists don't account for how the planet works, or even that the economy exists on a finite planet. Scientists morally committed to protecting the global commons and researching ecological limits to the global economy need much more funding and influence in policy-making.

6. Look beyond technological fixes. Bold new leadership is needed that will focus on all four policy "theatres" relevant to human ecological impact and provide the moral footing that will lead people, individually and collectively, to choose lifestyles with radically lower impact. The four policy variables are: technology; population; wealth and consumption; and morals and customs. These factors should together shape Parliament's rethinking of the current economic system. Technology can increase efficiency of energy and resources use, yet it is overemphasized as a solution. Pushing technological solutions like hydrogen cars and genetically modified agriculture is much easier politically than asking people to consume less or have fewer children. Unfortunately, technology alone cannot solve the ecological crisis. For one thing, efficiency gains often lead to greater, not lower, consumption. An example is the squandering of Quebec's underpriced hydroelectric power.

Investments in new "green" technology need to be coupled to a regulatory structure that ensures that efficiency does not result in more impact, along with massive investment in creating or restoring natural systems that build bioprodutivity. Economic policy must promote not more affluence as currently defined, but more sufficiency for all Canadians – so that all may live with self-respect, without overconsumption.

Perhaps most difficult to come to grips with is that Canada is an overpopulated country – if you compare the individual impact of each Canadian with what the Earth can withstand. We should escape from the current treadmill that considers more people necessary for more growth.

Lastly, we must greatly increase investment in educational and civic institutions that teach that we are not "consumers," but citizens of the Earth, and guardians of life's prospect on a small, beautiful and finite planet.

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http://www.thestar.com/printArticle/557976
The Quaker Peace Testimony, Economics, and the Common Good
- by Keith Helmut

Quakerism and Economics of the Common Good
English Quaker John Bellers (1654–1725) was the first social thinker to advance universal healthcare as a public policy. He based his case on the enhanced level of well-being and economic efficiency that would result from an improved level of health across the entire society. Bellers was also the first social thinker to advance a comprehensive plan of vocational training and sustainable employment as a national solution to chronic poverty. This policy and investment proposal was also based on calculations of progressive improvement in the economic well-being of those in poverty, and on the society-wide benefits of ameliorating social degradation and its accompanying violence.

These are but two of many social and economic reforms that unfolded from the Quaker faith and moral vision of John Bellers. His social and economic analysis and his visionary moral response came to us from the beginning of Quakerism. His lucid and prescient approach to social and economic conditions was focused through the new light that early Quakerism was bringing to the sense of "right relationship." Bellers was just a half generation younger than George Fox.

Bellers repeatedly petitioned the English Parliament to enact legislation that would implement the social policies and economic projects he proposed. He was not successful in convincing the national government of the time, or the holders of capital to whom he also appealed, that implementing his proposals would advance the common good and be beneficial across the entire economy. However, it was only a matter of time until the soundness of his proposals would be recognized and acted on in many progressive jurisdictions. One hundred and fifty years later, Robert Owen, England's greatest social reformer and the originator of the cooperative movement, said he had gotten all his best ideas from John Bellers.

As far as I know, there is no direct evidence that John Woolman was familiar with the work of John Bellers, but there is no doubt that the same holistic vision informed both men's social and economic analyses and moral witnesses for the common good. All of John Woolman's discussions on spiritual life, and in particular on spiritual disorders, crossed over into their social and economic consequences. And all his discussions on social and economic behavior led back to their spiritual foundations. In his continual probing of these relationships, he repeatedly returned to the recognition that minds possessed by the spirit of domination lead to social and economic disorder. Woolman's holistic understanding also went a step further and helped set the stage for ecological thinking. He clearly understood economic geography and ecological adaptation. He understood that unwise use of resources leads to ecosystem breakdown in the same way that unwise use of labor leads to societal breakdown.

Why is it that from the beginning of Quakerism, the life of the spirit and economic affairs converge into a single focus? Why is it that both William Penn and John Woolman amplified this convergence into the larger context of the human-Earth relationship? Why is it that Quaker economist Kenneth Boulding (1910–1993) was one of the first social scientists to recognize Earth's ecological context as the primary reference for all progressive thinking, policy, and action with regard to the human future? The answer, I suggest, is as obvious as the full moon in a cloudless night sky.

The Spiritual Basis of Economics and Ecology
In a deeply profound sense, economics and ecology are domains of relationship. Economics is about access to the means of life. Ecology is about the mutual interdependence of life communities. There is a deep sense of right relationship within a fully rounded understanding of these domains.

For example, in the right relationship of human solidarity, we see economic activity flowing from social relations that enhance the common good. In the right relationship of ecological integrity, we see the human economy as a wholly owned subsidiary of Earth's ecology.

When we bring these two perspectives together, the lens of human solidarity and the lens of ecological science pivot into a single focus. Through this focus we can see right relationship in a more fully rounded and deeply instructive way. Right relationship then becomes the central motif in both the social design of human well-being and in ecologically sound economic adaptation.

Our spiritual traditions teach us that in right relationship, we touch the fullness of human meaning and the presence of the Divine. The Friends Peace Testimony is about elevating all areas of human policy and practice into this zone of right relationship. Because economic behavior is so often excluded by policy from the zone of right relationship, it is a primary area of injustice, conflict, violence, and war. A Peace Testimony that does not address economics in a major and sustained way is not a fully developed or spiritually accountable witness.

A Fully Developed Peace Testimony
Near the end of his short life, Martin Luther King Jr. (1929–1968) saw how certain kinds of economic arrangements were directly connected to oppression, conflict, violence, and war. He began to focus his analysis through a vision of right relationship that challenged inequity and structural violence in U.S. economic behavior and its worldwide extensions. Within this enlarged context he asked the question, "What is the moral assignment?" This question of right relationship in economic policy and behavior is now central to the renewal of the Peace Testimony.

In this context we need to make a distinction between the economics of resource competition and the economics of the common good. The former is leading to resource wars, social disintegration, and ecological degradation. The latter has the potential of creating cultures of peace, social cooperation, and ecological resilience. A fully developed Peace Testimony will offer critical intervention in the former and creative advancement of the latter.
If Friends can now move the Peace Testimony into this arena, we will help advance an already substantial faith witness that has boldly challenged economic violence and injustice. For example, when the U.S. Conference of Catholic Bishops recently issued a document of social teachings strongly critical of the capital-driven economy and its morally unacceptable inequities, some economists, politicians, and corporate leaders told them to butt out. They argued that the bishops had no business making pronouncements on economics and economic policy, and that they should just stick to religion. This naïve reaction failed, of course, to understand that Catholic social teaching has a long history in these matters.

**Heritage as a Resource for Renewal**

Quakerism, likewise, has a long genealogy of concern, thought, and action with regard to economics. The Peace Testimony applied to economics is not breaking new ground. We need only to update our heritage. In addition to the witnesses of Beller and Woolman, the following more recent examples are worth noting.

In 1934, the Industrial Relations Committee of Friends General Conference prepared and published *A Statement of Economic Objectives*, which addressed the disaster of the Great Depression. This document offered a comprehensive strategy for equity-based economic reform. (A significant number of Quakers were deeply involved in creating the New Deal.)

In 1969, Friends Committee on National Legislation issued a well-crafted policy statement on *Goals for a Just Society: Jobs and Assured Income*. This document makes the case for the elimination of poverty through a combination of measures addressing health, education, vocational training, employment, and basic income.

In 2004, American Friends Service Committee published the report of its Working Party on Global Economics—*Putting Dignity and Rights at the Heart of the Global Economy*. With an acute awareness that poverty is a peace issue, this document calls for a Global New Deal, and for the moral leadership of Friends in fostering such a transformation. The authors write, “Just as the charges of ‘idealism’ have never made the AFSC abandon the commitment to the Peace Testimony and the power of love, charges that ‘the market doesn’t work that way’ should not distract us from our goal of a world of economic justice for all.”

The most recent work on this theme comes from the Friends Testimonies and Economics Project, which is now posting its three volume resource guide *Seeds of Violence, Seeds of Hope* on the website of Friends General Conference. (Copies available from Ed Dreby at eddreby@verizon.net)

Our quest to renew the Peace Testimony will be lifted into a more fully rounded and relevant context if we bring this heritage into a position of central focus and if we see the economics of the common good unfolding as the central peace issue.

**Strengthening the Peace Testimony in Its Moral Vision**

The Peace Testimony is strengthened in its address to economics when we remember that economics is primarily a social science. It is further strengthened when we realize that economics, in its origin, was a moral discipline. It still is. And being a moral discipline, economics is precisely the arena where religion enters most fully into the service of the world. It is the arena of analysis and action where Friends can discover a more fully rounded expression of the Peace Testimony as it develops within the economics of the common good. Ongoing study and research will be needed to support and advance this witness. A certain fearlessness may be required. Those who benefit from human exploitation, resource domination, and the economics of war do not want the present financial architecture and economic arrangements altered.

In the time of spiritual crisis when Quakerism began, Friends decided they could not leave religion to the established Church. In our time of mounting social and ecological crisis, Friends should likewise not leave economic relationships to the current political-financial establishment. Economics and finance have become, in effect, the modern world’s established religion, and they now need, for sake of the common good, the same wind of reform that Quakers brought to religion in the 17th century.

**The Ethics of Human Solidarity**

If the ethics of human solidarity and the economics of the common good are our moral assignment, can we pose a straightforward and helpful guide to action? To answer this question we can paraphrase Aldo Leopold (1887–1948), a founding figure in conservation biology and a thinker who formulated a “land ethic”: “A thing is right when it tends to preserve the integrity, stability, and beauty of the biotic community. It is wrong when it tends otherwise.” With this simple admonition, Leopold coined an ethical formula that has entered into the foundation of the ecological worldview and environmental ethics. It is an expression of solidarity at the level of the human-Earth relationship.

In a similar way, and with respect to human solidarity, we can say: “A thing is right when it tends to preserve the integrity, stability, and beauty of the human community. It is wrong when it tends otherwise.” In a time when human solidarity is a preeminent requirement for decent human survival, this is a moral template against which all economic policy and behavior can be gauged and evaluated.

Renewing the Peace Testimony is, in large part, a matter of how Friends respond to the economic, social, and ecological mandate now placed before us by the converging crises of our time. This is the moral assignment. As a matter of religious responsibility, we can enter fully into reshaping economic policy and economic behavior on behalf of the common good and the integrity of Creation. Thus will the visions of John Bellers, John Woolman, and many Friends since their time be given new opportunities for realization. Thus will the Peace Testimony be renewed, and thus will Quakers be able to more effectively advance a moral vision of the common good.

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A Steady-State Economy
Herman Daly
Sustainable Development Commission, UK, April 24, 2008 (excerpts)

A failed growth economy and a steady-state economy are not the same thing; they are the very different alternatives we face. The Earth as a whole is approximately a steady state. Neither the surface nor the mass of the earth is growing or shrinking; the inflow of radiant energy to the Earth is equal to the outflow; and material imports from space are roughly equal to exports (both negligible). None of this means that the earth is static— a great deal of qualitative change can happen inside a steady state, and certainly has happened on Earth. The most important change in recent times has been the enormous growth of one subsystem of the Earth, namely the economy, relative to the total system, the ecosphere. The closer the economy approaches the scale of the whole Earth the more it will have to conform to the physical behavior mode of the Earth. Clearly the economy must conform to the rules of a steady state—seek qualitative development, but stop aggregate quantitative growth.

Ultimately the quantitative expansion of the economic subsystem increases environmental and social costs faster than production benefits, making us poorer not richer, at least in high consumption countries. Given the laws of diminishing marginal utility and increasing marginal costs this should not have been unexpected. It is hard to know for sure that growth now increases costs faster than benefits since we do not bother to separate costs from benefits in our national accounts. Instead we lump them together as “activity” in the calculation of GDP. Yes, most of our problems (poverty, unemployment, environmental degradation) would be easier to solve if we were richer—that is not the issue. The issue is: Does growth in GDP any longer really make us richer? Or is it now making us poorer?

The classical steady state takes the biophysical dimensions—population and capital stock (all durable producer and consumer goods)—as given and adapts technology and tastes to these objective conditions. The neoclassical “steady state” (proportional growth of capital stock and population) takes tastes and technology as given and adapts by growth in biophysical dimensions, since it considers wants as unlimited, and technology as powerful enough to make the world effectively infinite. At a more profound level the classical view is that man is a creature who must ultimately adapt to the limits (finitude, entropy, ecological interdependence) of the Creation of which he is a part. The neoclassical view is that man, the creator, will surpass all limits and remake Creation to suit his subjective individualistic preferences, which are considered the root of all value. In the end economics is religion.

A steady-state economy is not a failed growth economy. A SSE is not designed to grow. Following classical economist John Stuart Mill, we might define a SSE as an economy with constant population and constant stock of capital, maintained by a low rate of throughput that is within the regenerative and assimilative capacities of the ecosystem. This means low birth equal to low death rates, and low production equal to low depreciation rates. Low throughput means high life expectancy for people and high durability for goods. Alternatively, and more operationally, we might define the SSE in terms of a constant flow of throughput at a sustainable (low) level, with population and capital stock free to adjust to whatever size can be maintained by the constant throughput that begins with depletion of low-entropy resources and ends with pollution by high-entropy wastes.
While the transitional policies below will appear radical to many, it is worth remembering that, in addition to being amenable to gradual application, they are based on the conservative institutions of private property and decentralized market allocation. They simply recognize that private property loses its legitimacy if too unequally distributed, and that markets lose their legitimacy if prices do not tell the whole truth about costs. In addition, the macro-economy becomes an absurdity if its scale is structurally required to grow beyond the biophysical limits of the Earth. And well before that radical physical limit we are encountering the conservative economic limit in which extra costs of growth become greater than the extra benefits.

**Ten Point Policy Summary**

1. **Cap-auction-trade systems for basic resources.** Cap limits to biophysical scale according to source or sink constraint, whichever is more stringent. Auction captures scarcity rents, then available for equitable redistribution. Trade allows efficient allocation to highest uses.

2. **Ecological tax reform**—shift tax base from value added (labor and capital) and on to “that to which value is added”, namely the entropic throughput of resources extracted from nature (depletion), through the economy, and back to nature (pollution). Internalizes external costs as well as raises revenue more equitably. Prices the scarce but previously unpriced contribution of nature.

3. **Limit the range of inequality in income distribution**—a minimum income and a maximum income. Without aggregate growth poverty reduction requires redistribution. Complete equality is unfair; unlimited inequality is unfair. Seek fair limits to inequality.

4. **Free up the length of the working day, week, and year**—allow greater option for leisure or personal work. Full-time external employment for all is hard to provide without growth.

5. **Re-regulate international commerce**—move away from free trade, free capital mobility and globalization, adopt compensating tariffs to protect efficient national policies of cost internalization from standards-lowering competition from other countries.

6. **Downgrade the IMF-WB-WTO** to something like Keynes’ plan for a multilateral payments clearing union, charging penalty rates on surplus as well as deficit balances—seek balance on current account, avoid large capital transfers and foreign debts.

7. **Move to 100% reserve requirements** instead of fractional reserve banking. Put control of money supply and profit (seigniorage) in hands of the government rather than private banks.

8. **Enclose the remaining commons of rival natural capital in public trusts,** and price it, while freeing from private enclosure and prices the non-rival commonwealth of knowledge and information. Stop treating the scarce as if it were non-scarce, and the non-scarce as if it were scarce.

9. **Stabilize population.** Work toward a balance in which births plus immigrants equals deaths plus out-migrants.

10. **Reform national accounts**—separate GDP into a cost account and a benefits account. Compare them at the margin, stop growing when marginal costs equal marginal benefits. Never add the two accounts.

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For the full text, see [http://www.theoldrum.com/node/3941](http://www.theoldrum.com/node/3941)
THE GROWTH DILEMMA PROJECT of Philadelphia Yearly Meeting

CORE PRINCIPLES FOR A QUAKER WITNESS ON ECOLOGY AND THE ECONOMY

As Quakers, we recognize our interconnectedness with the earth. Yet, we see that humans are exceeding the earth’s carrying capacity; ecosystems are collapsing; and species are disappearing at an accelerated rate.

- **We value equality.** Yet, we see economic inequality increasing dramatically, both nationally and internationally, poverty begetting deeper poverty, and the environs of the poor being degraded while consumption by the affluent keeps rising.

- **We value integrity.** Yet the growth of Gross Domestic Product (GDP), which drives our policies, is a false measure of prosperity because it includes spending on waste and destruction we ourselves create. To be truthful, our measures must reflect all social and environmental costs, including costs to future generations of our uses and abuses of the earth’s resources.

- **We value simplicity, living within one’s means, and leaving places better than we find them, as important for mental and spiritual health.** Yet, our “growth economy” requires ever-increasing spending, consumer debt, and intrusion on the natural world to sustain itself.

- **We value community and look toward the Kingdom of God on Earth.** Yet, the number of people without secure employment, without health insurance, and confined to prisons is increasing, while the community of life, created by God and to which we belong, is steadily diminished.

- **We value peace.** Yet, the world-wide strife and devastation caused by our dependence on fossil fuels is alarming. The seeds of deadly conflict have nourishment in our energy-intensive life-styles.

Something is deeply awry. What, after all, is the economy for?

- Surely it should not be just to give the wealthiest among us more wealth and more power.
- Surely it should not be just to maximize profits by eliminating jobs that people need.
- Surely it should not be to convince us we need things that we are better off without.
- Surely it should not be to strip the earth of its resources, pollute it with our wastes, and make life untenable for the most vulnerable.

We believe that by any religious, moral, or ethical standard, our economy should serve all our people, the children who come after us, and the commonwealth of life on which our existence depends. Let us seek and speak truth about the failures of our current system more openly and boldly. Let us come together, to learn what is needed, and to use what we learn, to bring our economy into right relationship with the ideals of our history, the welfare of our posterity, and the well-being of our only earth.

Accepted by Philadelphia Yearly Meeting in Session, March, 2010
The purpose of the Growth Dilemma Project is to plant and nurture seeds of understanding about the failures of our current economic system, and to promote new thinking about the design of our economic institutions. The project has two components:

- We will ask Friends in our Yearly Meeting to become familiar with a) the societal problems that our growth economy is worsening rather than solving, b) explanations for why this is happening, and c) proposed alternatives. We hope this will unleash new energy among Friends at many levels.

- We intend to develop a wider network of Friends, based on our Core Principles to help promote a national dialogue about the failures of our current economic system, and about ways to move toward an economy based on justice and reverence for life.

From now until mid-September, we hope to hear from more Friends like you, who would be the initial participants in this wider Friends network. We envision a group of 6 to 8 network coordinators from various yearly meetings who would function primarily through internet and conference phone calls. Essential to the success of this effort is that a member of the coordinating group be able to provide leadership and oversight for internet communications.

During this same period of time we plan to draft short summaries of key points about five main themes: concentration of wealth, employment with dignity, consumption and debt, vulnerable populations, and vital ecosystems. We intend these to be useful within our Yearly Meeting and for the wider Friends network.

If establishing this kind of network proves feasible, we suggest the following initial steps be considered:

- Consulting with the Administration’s Office of Faith-based and Neighborhood Initiatives about the role that a grassroots faith-based movement for a just and sustainable economy might best play;
- Asking Friends in other yearly meetings to examine the failures of our growth economy and to communicate with the FCNL Policy Committee about the need to address the growth dilemma;
- Engaging with other progressive faith-based policy organizations, to help build up an interfaith movement;
- Visiting young policy professionals, especially in DC, to talk about the problems our current system is worsening rather than solving, and to plant new ideas in the minds of those who will help shape future policy.

Our Project’s main purpose is to initiate conversations about fundamental problems with our economic system that are not now taking place among our policy-makers. While the key points about our main themes may be applicable to particular legislative opportunity, what we think is most needed is to sow and nurture seeds of understanding, doubt, and new ideas within the Society of Friends, with prospective faith-based allies, and in the minds of those with access to policy-makers.

Steve Laughin
Ed Dreby
Pamela Haines
Hollister Knowlton
Robert Green
Jonathan Snipes
Growth dilemmas

It's hard not to have a love-hate relationship with growth. On the one hand, everybody wants things to grow. We nurture little children, coax seedlings into healthy plants, incubate new businesses, invest in emerging talents with the hopes that they will make it big time.

Yet growth can be a problem. It's not always true that if something is good, more of it must be better. My six-foot five son is relieved that he has finally stopped getting taller. Enormous impersonal consolidated high schools are now being broken up into smaller units more conducive to human interaction and learning. And we would do anything to stop those cancer cells from growing.

How do we balance these two truths about growth? It's easiest with children and other living things, where we don't have a whole lot of control. They will grow, for the most part, until they are at their mature size, and then they'll stop. Some mysterious internal mechanism knows when they are big enough, when more growth would actually hinder their long-term ability to survive.

But with our human-made institutions, we have no such internal regulator, and our deeply culturally-embedded belief that bigger must be better is getting us into more and more trouble. Nowhere is this more true than in the economy, where growth has become enshrined as a central, unquestionable, quasi-religious, belief. Our well-being, we are told, is dependent on an ever-growing economy: more markets, more consumption, more loans, more debt, more hedge funds on Wall Street.

Yet this economic system is looking less and less like a little child that needs to grow, and more and more like a seven foot person who's having trouble fitting into ordinary spaces and showing no signs of slowing down—more and more like a cancer growing out of control.

The idea of continuous growth inevitably runs into the limits of the system that contains it. Our growth economy is running through the stored wealth of a finite planet, paying dividends in the present by running up debts against the future, while becoming ever less effective in meeting people's real needs. We find ourselves in the surreal situation of being strong-armed into spending ever more money on things we don't really need in order to keep a system afloat that has become unmoored from reality and common sense.

Luckily there are other ways to think about growth. It doesn't just have to be about being bigger. After all, we have confidence that our children can continue to grow after they reach their full height. We look forward to them becoming smarter, more able, more mature, even wiser. It's harder with the economy. We've accepted growth in this area as a good thing for so long that it seems like a law of nature. But nature is crying out against it, and what we have made, we can change. (Though our economic high priests could use some help from ordinary folks here—like the child who pointed out that the emperor had no clothes). We can trade in this outmoded model centered on bigger for one centered on smarter, cut out the cancerous growth, and start learning all the joys as well as the challenges of finding our place within the constraints of a finite planet.

Pamela Haines