



*Living Justly
in Aotearoa*

Inserts

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Rising seas wash away Mabo's victory

ROSS GARNAUT

Sydney Morning Herald, October 8, 2009

Eddie Mabo occupies a large place in the history of relations between indigenous and other Australians. He played that role because he was a man of exceptional capacity and tenacity and also because he was part of the minority of indigenous Australians whose original home was in the islands of the Torres Strait.

The Torres Strait and the adjacent lands of Australia, Indonesia and Papua New Guinea, and the people who live there, share many things, including exceptional vulnerability to climate change.

A few years ago, some of the common king tides - which arise regularly when the moon and sun are aligned in their gravitational pull on the seas - started to have uncommon effects. The water rose above the beaches and flooded the places of human settlement. On the Torres Strait islands, the people of Eddie Mabo's island, Mer, moved to higher ground.

Villagers in the Fly River delta and some of the adjacent coasts found their gardens and watering places inundated and ruined by salt. Thousands sought sustenance in the crowded and impoverished town of Daru, which had long outgrown the demands for a livelihood that people placed on it.

This looks like human-induced - anthropogenic - climate change. Global warming will raise the sea level simply by expansion of the water as it warms. The average rate of sea level rise from 1961 to 2003 was almost 1.8 millimetres plus or minus 0.5mm annually. In the decade to 2003, it was 3.1mm plus or minus 0.7mm annually. This doesn't sound much but the accumulation of increases at a few millimetres a year, accelerating over time, soon becomes hugely disruptive for people who live so close to the water. The Intergovernmental Panel on Climate Change Report of 2007 estimated that for business-as-usual emissions growth similar to that anticipated by the Garnaut Climate Change Review, probable sea-level rise would be 26 to 59 centimetres. Three-quarters of this was expected to come simply from thermal expansion, with a small contribution from the melting of terrestrial ice. Dynamic changes in ice flow could raise the upper limit by 10 to 20 centimetres. A key conclusion of the panel's sea-level rise projections was that larger values above the upper estimate of 79 centimetres could not be excluded.

Fifty centimetres of sea-level rise will make life vulnerable to the king tides and the storm surges in

the places where most of the 8000 or so Torres Strait people now live. A metre of sea-level rise would be much worse.

For most of Mabo's Australian fellow-citizens of the Torres Strait, and the larger numbers of Papua New Guineans and Indonesians in adjacent areas, their only choice would be to seek new livelihoods in new places.

It will be easier for Torres Strait citizens of Australia, with their rights to live and work and get access to social security and services in Australia. Successful development in the Western and Gulf provinces of PNG and the Merauke and Asmat districts of Indonesian Papua would ease the strain. It is in the interests of all to assist such development where we can. But we would be optimists to think that development in these places alone could carry the resettlement load.

The more benign possibilities from a failure of effective global mitigation are likely to require the relocation a long way from their homes of hundreds of thousands living in and adjacent to Torres Strait. And even if these relocations turn out to be possible without huge trauma, there will be a loss of human heritage. The loss would go well beyond the economic losses that I tried to measure in intricate detail in the Garnaut Climate Change Review. These are the immeasurable losses to which I referred in chapter one of the review - the loss of natural and human heritage - that we must try to bring to account outside the economic models.

Humanity is now in the process of a collective decision on whether to take great risks for the economy and the natural and human heritage of the future by failing to break the link that has been present since the Industrial Revolution between economic activity and greenhouse gas emissions. Climate change mitigation is a conservative issue. The central policy issue is whether and how much we are prepared to pay to conserve established patterns of human life and civilisation and to improve our chances for handing on prospects for more enriching lives from generation to generation.

Professor Ross Garnaut is the author of the *Garnaut Climate Change Review*. This is an edited version of his 2009 *Eddie Koiki Mabo Lecture*, delivered in Townsville last night.

The Population Myth

George Monbiot

It's no coincidence that most of those who are obsessed with population growth are post-reproductive wealthy white men: it's about the only environmental issue for which they can't be blamed. The brilliant earth systems scientist James Lovelock, for example, claimed last month that "those who fail to see that population growth and climate change are two sides of the same coin are either ignorant or hiding from the truth. These two huge environmental problems are inseparable and to discuss one while ignoring the other is irrational."(1) But it's Lovelock who is being ignorant and irrational.

A paper published yesterday in the journal *Environment and Urbanization* shows that the places where population has been growing fastest are those in which carbon dioxide has been growing most slowly, and vice versa. Between 1980 and 2005, for example, Sub-Saharan Africa produced 18.5% of the world's population growth and just 2.4% of the growth in CO₂. North America turned out 4% of the extra people, but 14% of the extra emissions. Sixty-three per cent of the world's population growth happened in places with very low emissions(2).

Even this does not capture it. The paper points out that around one sixth of the world's population is so poor that it produces no significant emissions at all. This is also the group whose growth rate is likely to be highest. Households in India earning less than 3,000 rupees a month use a fifth of the electricity per head and one seventh of the transport fuel of households earning Rs30,000 or more. Street sleepers use almost nothing. Those who live by processing waste (a large part of the urban underclass) often save more greenhouse gases than they produce.

Many of the emissions for which poorer countries are blamed should in fairness belong to us. Gas flaring by companies exporting oil from Nigeria, for example, has produced more greenhouse gases than all other sources in sub-Saharan Africa put together(3). Even deforestation in poor countries is driven mostly by commercial operations delivering timber, meat and animal feed to rich consumers. The rural poor do far less harm(4).

The paper's author, David Satterthwaite of the International Institute for Environment and

Development, points out that the old formula taught to all students of development - that total impact equals population times affluence times technology (I=PAT) - is wrong. Total impact should be measured as I=CAT: consumers times affluence times technology. Many of the world's people use so little that they wouldn't figure in this equation. They are the ones who have most children.

While there's a weak correlation between global warming and population growth, there's a strong correlation between global warming and wealth. I've been taking a look at a few superyachts, as I'll need somewhere to entertain Labour ministers in the style to which they're accustomed. First I went through the plans for Royal Falcon Fleet's RFF135, but when I discovered that it burns only 750 litres of fuel per hour(5) I realised that it wasn't going to impress Lord Mandelson. I might raise half an eyebrow in Brighton with the Overmarine Mangusta 105, which sucks up 850 l/hr(6). But the raft that's really caught my eye is made by Wally Yachts in Monaco. The WallyPower 118 (which gives total wallies a sensation of power) consumes 3400 l/hr when travelling at 60 knots(7). That's nearly one litre per second. Another way of putting it is 31 litres per kilometre(8).

Of course to make a real splash I'll have to shell out on teak and mahogany fittings, carry a few jet skis and a mini-submarine, ferry my guests to the marina by private plane and helicopter, offer them bluefin tuna sushi and beluga caviar and drive the beast so fast that I mash up half the marine life of the Mediterranean. As the owner of one of these yachts I'll do more damage to the biosphere in ten minutes than most Africans inflict in a lifetime. Now we're burning, baby.

Someone I know who hangs out with the very rich tells me that in the banker belt of the lower Thames valley there are people who heat their outdoor swimming pools to bath temperature, all round the year. They like to lie in the pool on winter nights, looking up at the stars. The fuel costs them £3000 a month. One hundred thousand people living like these bankers would knacker our life support systems faster than 10 billion people living like the African peasantry. But at least the super wealthy have the good manners not to breed very much, so

the rich old men who bang on about human reproduction leave them alone.

In May the Sunday Times carried an article headlined “Billionaire club in bid to curb overpopulation”. It revealed that “some of America’s leading billionaires have met secretly” to decide which good cause they should support. “A consensus emerged that they would back a strategy in which population growth would be tackled as a potentially disastrous environmental, social and industrial threat.”(9) The ultra-rich, in other words, have decided that it’s the very poor who are trashing the planet. You grope for a metaphor, but it’s impossible to satirise. James Lovelock, like Sir David Attenborough and Jonathan Porritt, is a patron of the Optimum Population Trust (OPT). It is one of dozens of campaigns and charities whose sole purpose is to discourage people from breeding in the name of saving the biosphere. But I haven’t been able to find any campaign whose sole purpose is to address the impacts of the very rich.

The obsessives could argue that the people breeding rapidly today might one day become richer. But as the super wealthy grab an ever greater share and resources begin to run dry, this, for most of the very poor, is a diminishing prospect. There are strong social reasons for helping people to manage their reproduction, but weak environmental reasons, except among wealthier populations.

The Optimum Population Trust glosses over the fact that the world is going through demographic transition: population growth rates are slowing down almost everywhere and the number of people is likely, according to a paper in Nature, to peak this century(10), probably at around 10 billion(11). Most of the growth will take place among those who consume almost nothing.

But no one anticipates a consumption transition. People breed less as they become richer, but they don’t consume less; they consume more. As the habits of the super-rich show, there are no limits to human extravagance. Consumption can be expected to rise with economic growth until the biosphere hits the buffers. Anyone who understands this and still considers that population, not consumption, is the big issue is, in Lovelock’s words, “hiding from the truth”. It is the worst kind

of paternalism, blaming the poor for the excesses of the rich.

So where are the movements protesting about the stinking rich destroying our living systems? Where is the direct action against superyachts and private jets? Where’s Class War when you need it? It’s time we had the guts to name the problem. It’s not sex; it’s money. It’s not the poor; it’s the rich.

30 September, 2009

www.monbiot.com

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The Injustice of Carbon Offsets

Offset Schemes Require the Poorest to be Twice Burdened

Vandana Shiva

The science of climate change is now clear, but the politics is very muddy. Historically, the major polluters were the rich, industrialised countries, so it made sense that they should pay the highest price. The Kyoto Protocol, adopted in December 1997, set binding targets for these countries to reduce their greenhouse-gas emissions by 5 per cent on average against 1990 levels by 2012. But by 2007, America's greenhouse-gas levels were 16 per cent higher than 1990 levels. The American Clean Energy and Security Act, which was passed in June, commits the US to reduce emissions to 17 per cent below 2005 levels by 2020, yet this is just 4 per cent below 1990 levels.

The Kyoto Protocol also allows industrialised countries to trade their allocation of carbon emissions, and to invest in carbon mitigation projects in developing countries in exchange for Certified Emission Reduction Units, which they can use to meet reduction targets. But emissions trading, or offsetting, is not in fact a mechanism to reduce emissions. As the Breakthrough Institute, an environmental think tank, has pointed out, the emissions offset in the American act would allow "business as usual" growth in US emissions until 2030, "leading one to wonder: where's the 'cap' in 'cap and trade'?"

Such schemes are more about privatising the atmosphere than about preventing climate change; the emissions rights established by the Kyoto Protocol are several times higher than the levels needed to prevent a 2°C rise in global temperatures. Allocations for the UK, for example, added up to 736 million tonnes of carbon dioxide over three years, meaning no reduction commitments. And emissions rights generate super profits for polluters.

The Emissions Trading Scheme granted allowances of 10 per cent more than 2005 emission levels. This translated to 150 million tonnes of surplus carbon credits, which at 2005 prices translates into profits of more than \$1bn.

Carbon trading uses the resources of poorer people and poorer regions as "offsets" for richer countries: it is between 50 and 200 times cheaper to plant trees in poor countries to absorb CO₂ than it is to reduce emissions at source. In other words, the burden of "clean-up" falls on the poor. From a market perspective, this might appear efficient, but in terms of energy justice, it is perverse to burden the poor twice - first with the impact of CO₂

pollution in the form of climate disasters and then with offsetting the pollution of the rich.

In a globalised economy, addressing pollution by setting emissions levels for each country is inappropriate for two reasons. First, not all the citizens of a country contribute to pollution. As a result of China becoming the world's factory, its CO₂ emissions outstrip those of the US, putting it in first place worldwide. In 2006, China produced 6.1 billion tonnes of CO₂; the US produced 5.75 billion tonnes. But in the US, emissions were 19 tonnes of CO₂ per capita, compared with 4.6 tonnes in China. And much of China's CO₂ could be counted as US emissions, because China is producing goods for US companies that America will consume. Wal-Mart, for example, procures most of what it sells from China.

Similarly, while only 2.13 per cent of the world's emissions emanate from the UK's domestic economy, CO₂ is created on the UK's behalf in China, India, Africa and elsewhere. The global carbon footprint of UK companies is not known, but estimates suggest that emissions associated with worldwide consumption of the top 100 UK products accounts for between 12 and 15 per cent of the world total.

Thanks to industrialisation, the rural poor in China and India are losing out on their land and livelihood. To count them as polluters is doubly criminal. When global firms outsource to China or India, they need to be responsible for the pollution they carry overseas.

Regulating by carbon trading is like fiddling as Rome burns. Governments and the UN should impose a carbon tax on corporations, both for production - wherever their facilities are located - and for transport, which the Kyoto Protocol does not account for directly. Incentives for renewable energy are also essential. We face a stark choice: we can destroy the conditions for human life on the planet by clinging to "free-market" fundamentalism, or we can secure our future by bringing commerce within the laws of ecological sustainability and social justice.

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"Blessed Unrest or How the Largest Movement in the World Came into Being and No One Saw It Coming"

by Paul Hawken. New York: Viking press, 2007.

Reviewed by **Matthew Hodgetts** *Pax Christi Auckland*

This compelling book provides a sweeping overview of the critical issues faced by humanity and the attempts to address them. It is about the vast number of people around the world, who are working in civil society organisations in order to face the interconnected crises faced by humanity. It is a manifesto of hope because it shows that, even though we are in grave ecological peril, there is a movement pushing for environmental and social sustainability and justice that works from the bottom up. Hawken pinpoints the growing unrest, frustration and courage of those who have the will to challenge the power of the corporate rule.

The book describes the past of the early conservation and environmental movements, starting with the creation of the earliest environmental organisations. It also looks at social issues and the early resistance of the Luddites, skilled artisans whose aim was to recognise workers' rights against the power of the mill owners. The issues they faced have now been won in much of Western society but there are still many Union and Workers' Rights organisations working for these things in poorer countries.

The environmental movement in the USA is outlined. Included are the movement for National parks, the preservation of the giant redwood trees and Rachel Carson's book "Silent Spring". Hawken traces the methods used by the big chemical corporates to attack Carson; and describes the long struggle between human and commercial rights, the environmental movement and the big business interests of corporate capitalism.

He moves on to examine how humankind is altering the physical, chemical and biological features of the planet and the crises resulting from climate change, toxic pollution, species extinction, marine depletion, deforestation ... a depressing list that can paralyse with hopelessness and despair. On the other hand there is the vast uprising of peoples and organisations working for justice, places, communities, diversity and health. Their care for our collective future and work for the common good should give us great hope. Hawken believes that this movement acts like part of the Earth's immune system, fighting the diseases of environmental and social damage. It is a movement that has no name, leader or location and has largely been ignored by the corporate media.

An aspect of the movement is its anti-globalisation focus, working to ensure that the mostly undemocratic policies established by the modern mill owners, organisations like the World Trade Organisation, do not undermine the ecosystem, or social justice and workers' rights. Hawken thinks that these movements work like healthy organisms. They are diverse, unpredictable and adaptive systems of harmony and autonomy, persistence, flux, diversity and resilience just like any living system.

The book has a large appendix that which lists the approximate numbers of environmental, indigenous rights and social justice organisations and movements. Thus, while Hawken sets out the problems faced by humanity, he shows the positive work done by these organisations and the powerful list of alternatives created by them. His hopefulness of these alternatives is matched by the gravity of the crises we face as humanity. He is convinced that these justice and sustainability movements are critical to our collective survival.

"Listening to Earth, Faith and Action in a Time of Global Climate Crisis."

Patrick Doherty Pax Christi Auckland

As a Christian, the challenge of “what does care for creation have to do with our call to follow Christ?” has been with me since my boyhood rambles through the bush in Zimbabwe. More recently, I have been overwhelmed and challenged both by the state of the environment and the call to understand how global climate change connects with the work for justice and peace.

Christ calls us to love God, our neighbour as ourselves and as the psalmist warns, “You have no Gods except me.” It fascinated me to learn that the Hebrew word for love ‘*ahab*,’ also connotes ‘freedom of choice.’ So, I wondered, is my choosing of a consumer lifestyle unloving and idolatrous and how does it block me from responding to the spirits call to a life of love? So I search for another way, an alternative to my earth destroying consumer life style. I also believe that I cannot overcome my own addictive consumer patterns without the support of others, of a community.

I was, therefore, delighted to read about a parish based programme called "Listening to Earth, Faith and Action in a Time of Global Climate Crisis." A programme was researched and collated by Pax Christi USA.

At Pax Christi Aotearoa NZ, we hope to adapt this programme and make it available, in the near future, to parishes throughout NZ. As a Catholic peace movement, we are committed to promoting the gospel call of peacemaking as a priority in our world. Because we are trying to work toward a more peaceful, just, and sustainable world, a programme like this fits with our desire to promote care and reverence for creation and the restoration of the planet.

Reading through the session descriptions, I was impressed by how Catholic Social Teaching and the tenets of our Catholic faith form the foundation for this program. The aim is to renew our faith community through prayer, study and action.

Each session of "Listening to Earth" includes lots of wide ranging stories of environmental injustice which will encourage the listeners to create plans to address environmental injustices in their communities and to support effective responses to global climate change. There are small and large group discussions, prayer, and suggestions for action. In the small group discussion, the seeds are planted. In large group discussion, these seeds can be nurtured to sprout forth in creative action. As always, prayer is the vital element that will feed this garden of opportunity and change.

The programme's wide variety of well researched resources will also provide opportunities for parishioner's spiritual growth and will enable a deeper understanding of the realities of Climate Change. It is hoped that parishioners will realise that their contributions to their community and to our world will leave a healthy legacy for all God's creation.

A safe community setting provides the environment for participants to identify and work to overcome their barriers and welcome the benefits that come from behaviour changes. Change is hard for us all and a community is an ideal place for participants to make commitments to change and follow through with the changes they have chosen.

This five-session group resource is available to parishes. It enables parishioners to address the global climate crisis and to understand the faith implications of their choices.

Talking Cents

August 2009

Talking Cents is a group charged by the Anglican Diocesan Council to promote an alternative to current economic and political thought, and to encourage debate within the church. Ministry units are encouraged to distribute these articles.

This issue is contributed by Jean Brookes, a member of the Anglican Social Justice Council.

QUALITY OF LIFE

‘Climate Change and Ethics for Church Leaders’ was the title of an open seminar chaired by Archbishop David Moxon in Hamilton 29-30 May 2009. One speaker was Dr Wayne Cartwright, a Professor in the Department of International Business, Auckland University, and Chairperson of Sustainability Aotearoa New Zealand. In the flyer about the seminar he asked if the standard economic model is the main source of the (climate change) problem, and if there are alternative models that take into account science and ethics.

Dr Cartwright identified nine major drivers of global change, ‘that will take human civilisation outside the range of prior experience in terms of magnitude, speed of arrival and simultaneity’. The drivers included supplies of water and food, atmospheric and water-borne toxins and geo-political shifts. The eighth driver of change was described as ‘wide swings in economic activity including widespread market failures as economic and financial institutions struggle (with declining success) to operate in a world that is shifting and changing beyond their range of competency.’ Dr Cartwright then suggested that the outcomes of decisions in the present (economic) model are ‘apparently perverse’. He summarised the outcomes as ‘destructive to the well-being of humans, as well as Nature (Life) as a whole’.

Dr Cartwright drew attention to the triple bottom line (economic, social and environmental) criteria that are being applied by groups including some church managers to economic and investment decisions. He observed that the decisions often leave the present economic system dominant and unchallenged. He described the mainstream capitalist mixed economy as based on utilitarian ethics, an analysis to be made by Pope Benedict

XVI a month later. Dr Cartwright challenged this model for assuming a close link between happiness and wealth, individual self-interest, its relationship with nature, and the assumption that happiness is minus pain. He pointed out that the perpetual growth of money and the credit system is impossible because the bio-sphere has finite limits.

Dr Cartwright called for a shift towards a sustainable economy by a new definition of quality of life between people, and between people and the bio-sphere. He suggested a new set of societal ethics and values including affirming the deep inter-connectedness of all people by robust mutual respect, fairness, co-operation, gratitude, loyalty, and respectful use of resources.

This set of values is very similar to the challenge posed by Pope Benedict XVI in his Encyclical Letter entitled *Caritas in Veritate* on 29 June 2009. The document is rooted in a stream of papal teaching on economic justice that goes back to 1891 with the encyclical *Rerum Novarum* (Of New Things). In this June 2009 encyclical Pope Benedict said, ‘Love –caritas- is an extraordinary force which leads people to opt for courageous and generous engagement in the field of justice and peace’ (Para 1), and ‘If we love others with charity, then first of all we are just towards them’ (Para 6), and ‘Love in truth – *caritas in veritate* – is a great challenge for the church in a world that is becoming pervasively globalized’ (Para 9). Quoting 2 Corinthians 5:14 he said, ‘It is Christ’s charity that drives us on: “*caritas Christi urget nos.*”’

Chapter Three is entitled ‘Fraternity, economic development and civil society’. The Pope commented, ‘(Then) the conviction that the economy must be autonomous, that it must be

shielded from “influences” of a moral character, has led man to abuse the economic process in a thoroughly destructive way’ (Para 34). Suggested principles for a life-giving economic system include the common good, an economy of gratuitousness, a spirit of reciprocal gift, political policies that re-distribute wealth, renewed solidarity with the poor, and subsidiarity – helpfully explored in the text. For example, ‘It is necessary to correct the malfunctions of globalization, some of them serious, that cause the new divisions, between peoples and within peoples, and also to ensure the re-distribution of wealth does not come about through the re-distribution of poverty: a real danger if the present situation were to be badly managed.....It will be possible to steer the globalization of humanity in relational terms, in terms of communion and the sharing of goods’ (Para 42).

The Pope called for a reform of the United Nations Organisation so that it would produce a ‘true world political authority’, and would give ‘poorer nations an effective voice in shared decision-making’ (Para 67).

Near the end of the encyclical, the Pope underlined his basic premise: ‘While the poor of the world continue knocking on the doors of the rich, the world of affluence runs the risk of no longer hearing these knocks, on account of a conscience that can no longer distinguish what is human’ (Para 75).

On National Radio on Sunday 12 July a panel reflected on the magnitude of the economic changes that began in New Zealand in 1984. It was commented that in 2009 the country is seeing the third generation effect of those policies. The panel noted that the basic planks of that socio-economic ‘revolution’ were still in place.

The challenges of Dr Cartwright and Pope Benedict espouse similar values as a basis for a very different economic world order. These values overlap in a major way with those that were identified at the recent Treaty in the 21st Century Conference held in Otago early June by groups with working relationships based on Te Tiriti o Waitangi. An almost identical set of values were

identified by Tangata Tiriti [Tangata Tiriti is the generic term to describe people whose rights to live in Aotearoa/New Zealand derive from Te Tiriti/Treaty of Waitangi and the arrangements that the Crown has established under a common rule of law, and the equity provisions of Article 3 of the Treaty.] Meanwhile, Tangata Whenua identified kaupapa, Mana, Manaakitanga, Rangatiratanga, Tapu, Whakapapa, Whanaungatanga, Tika, pono and aroha as the values of their world views. [Tangata Whenua is the generic term for Maori comprising those with mana Whenua responsibilities (Maori who are tied culturally to an area of whakapapa and whose ancestors lived and died there) together with Taura Here (Maori resident in an area, but who belong to waka and tribes from other parts of Aotearoa/New Zealand).]

Support for the paradigm emerging from the insights of Dr Cartwright and the experiences of Treaty-based relationships in Aotearoa/New Zealand comes from the Commission of the Churches on International Affairs, an advisory body of the World Council of Churches. It has commented that for Christians there is a spiritual perspective to the economic crisis which calls us - with God’s grace – to overcome greed and ‘moneytheism’.

A final challenge comes from Dr Cartwright. He talks about the need for determining the role of the church in the required social change. He asks if the churches are active agents of change. He suggests that they will need to achieve internal consistency (on the issue) when some of them are substantial participants in the current economic model. That model needs to change.

‘Happy are those who get wisdom,
those who gain understanding.
For her income is better than silver,
and her revenue more than gold’
(Wisdom 3:13-14, *New Revised Standard Version of the Bible*)

God of extraordinary abundance, you call us to risk comfort and security for the sake of fullness of life for the whole of creation. Give us courage and humility to discover how to be good stewards. With Jesus we pray, Amen

Talking Cents

September 2009

Talking Cents is a group charged by the Anglican Diocesan Council to promote an alternative to current economic and political thought, and to encourage debate within the church. Ministry Units are encouraged to distribute these articles. This issue is contributed by John Roberts, Mission and Ecumenical Secretary, Methodist Church of New Zealand.

Responding to economic recession

In July the Auckland Sea of Faith community held a one day conference on the theme “Responding to recession: facing hard times”. Contributors were noted local economist Brian Easton; Wellington based Commonsense Organics owner Jim Kebbell; and New Zealand church historian, Allan Davidson.

Brian Easton began his presentation with a quote from St Paul’s first letter to Timothy: “the root of all evil is the love of money”, noting that it isn’t money that is the root of all evil but the love of money. He then stated that most economic theory is built on the premise of an individual’s right to maximise a utility, that is to make a gain from whatever we can possess. The founding father of this view is Jeremy Bentham, a 19th century utilitarian philosopher and social reformer. Utilitarian economics holds that wealth leads to happiness, and the best way to maximise a utility, or increase wealth, is within a market economy. Now for some two hundred years the prevailing utilitarian economic philosophy has been ‘the more we possess the happier we will be’.

Easton went on to share some insights from a local study on incomes and happiness. The conclusion of the study has been that overall any gains in happiness as a result of increased incomes is marginal. He also said that in the latter half of the 20th century in the USA there was no increase in people’s levels of happiness despite a threefold increase in incomes over that time. In terms of GDP per capita there is no evidence that the richer a country is, the happier its citizens are. Although raising the standard of living in the world’s poorest countries does raise happiness levels. On the whole though, increased income doesn’t generate increased happiness. This is a setback to traditional economic thinking that still holds to the view that the more you have the happier you will be.

Easton contends that what a rise in income does is increase a person’s self esteem. More income is reflected in a greater sense of self worth. So the annually published ‘rich list’ is a way for the rich to show off, to make their wealth known. The rich typically acquire ‘positional goods’ such as flasher cars, and grander homes in well heeled localities. This is what sociologists call conspicuous consumption, a modern day version of the love of money. Acquiring positional goods is a way of seeking public esteem: “See how well I’ve done, I’ve got all these possessions to show for it.”

What the pursuit of positional goods does, however, is increase consumption without increasing happiness. For St Paul the answer was to shun riches and “pursue righteousness, godliness, faith, love endurance, gentleness.” Easton suggested that is good advice for these times.

Jim Kebbell spoke of the importance of traditional principles and values such as respect and care for one another. He contrasted this with the present where so often disciplines such as the physical and the social sciences, including economics, pride themselves in being values free. Economics tends to be all about growth. So we’re told we are well off when there is economic growth and badly off when there is economic decline. In this way of looking at things growth has become a great economic virtue. The challenge now is to reassert the traditional virtues or values we once admired that have been pushed aside in the pursuit of economic growth and the desire to be wealthier.

There are other forms of recession besides the economic, says Kebbell. He drew attention to environmental recession brought about by the steady erosion of our environmental capital. The industrial revolution of the late 18th and early 19th

centuries has led to a rapid consumption of the earth's resources on a vast and unsustainable scale.

Kebbell questions an anthropocentric theology that allows people to justify what they do by saying God told them to do it. A responsible Christian ethic, he says, suggests we should affirm that creation is good, to be respected and treated with dignity, and what we earn or acquire is to be shared equitably amongst people. Kebbell calls these transcendental values.

It's as if we know the cost of everything and the value of nothing, said Kebbell. Our values are disappearing. The churches are in decline and with that goes a diminishing of the significance of values. If we are to have a meaningful future we need to change our attitudes and show respect for the earth and its resources and share our wealth more equitably.

Allan Davidson began his address by focusing on the New Zealand churches' response to the Great Depression of the 1930s. At this time a moralistic agenda prevailed in the churches. The churches' response to the collapse of exports, mounting national debt, and considerable social distress was to call for prayer and the alleviation of suffering rather than challenging the prevailing social order. The churches' direct response was to cut church budgets and reduce ministers' stipends.

The government was ill-prepared for the economic hardships brought about by the depression, said Davidson. At the height of the depression 40% of the male workforce was unemployed. Riots occurred in Auckland's Queen Street, a public catharsis on the part of the unemployed. The typical response of parishes was to provide food, clothing and other practical forms of assistance to those in need. In larger centres church agencies turned to practical social work. They responded to social hardship with relief depots and soup kitchens. Colin Scrimgeour (Uncle Scrim), the Auckland Methodist missionary, pushed the boundaries by providing medical and legal aid and calling for an investigation of the economic system. The high public profile of the likes of Scrimgeour helped keep the needs of the poor before the wider public.

In the 1930s the churches did not have a strong prophetic tradition. According to Davidson they tended to baptise the social status quo. However in 1923 the Methodist Church had adopted a wide ranging social creed which represented something of a watershed at the time. Rev Percy Paris had promoted monetary reform and the development of the welfare state. In 1933 the Methodist Church issued a statement on unemployment, calling it a hindrance to God's kingdom on earth. Churches that acted in this way found they were frequently criticised for speaking outside their area of expertise. The pietistic and moralistic was giving way to a more prophetic and challenging response.

In more recent times there have been other attempts at prophetic responses. The church leaders prepared a social justice statement ahead of the 1993 election in response to finance minister Ruth Richardson's benefit cuts. Five social principles were enunciated; however they were rather idealistic, and generating action on them proved difficult, said Davidson. In 1998 the Anglican Church launched the Hikoī of Hope, intended to be a wakeup call to the government about growing poverty in the country. However the reality is that since the 1990s the churches have been in decline, and their right to speak on social issues has been weakened. They now have to earn the right to speak and be heard all over again. But there are signs of hope. The emergence of the discipline of public theology which brings theology out of the ivory tower and into the public space to address important issues of the day is an encouraging sign, according to Davidson. Public theology is an effort to bring Christian insights to bear on how we should be shaping our society now and into the future.

In conclusion: in these hard times Brian Easton says we should shun the acquisition of positional goods and conspicuous consumption, pursue righteousness or justice, and support one another; Jim Kebbell holds that economic theory needs to acquire some transcendental values; while Allan Davidson says the churches need to develop a holistic theological response that embraces both the pastoral and the prophetic.

Talking Cents

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Talking Cents is a group charged by the Anglican Diocesan Council to promote an alternative to current economic and political thought, and to encourage debate within the church. Ministry Units are encouraged to distribute these articles. This issue is contributed by John Salmon, from St Columba Anglican Parish, Grey Lynn, Auckland.

What's "Free" about the Market?

We have been told often how important it is to have a 'free market'. We hear that from people of wide political positions, concerned for economic activities that will serve their particular interests. In each case, it is helpful for us to remember the purpose of a market and the nature of its 'freedom'. There's a Christian responsibility here, with our gospel concern for the welfare of persons and for freedom in the widest sense. Gospel freedom is not only about our individual freedom to be and do what we wish, but is also about the need to ensure that others are free from the constraints of illness, hunger, and social marginalisation.

Often, the significance of a free market is underlined by going back to Adam Smith, theologian and 'Father' of economics. Smith did his work in the 18th century, though, and much has changed since then.

Markets are indeed central to the way economic activity is carried out: they connect persons or groups who want to obtain some commodity or service (bread or a haircut) to persons or groups who are able to supply that commodity or service. We need that interchange.

But markets have been altered by the way money functions within those markets. The 'perfect' market has been modelled on exchanging things I have produced with things you have produced – items that we both want. Money could free up those basic transactions, so we didn't have to simply exchange one commodity for another. Money gave us more options and widened the base for market transactions. The rate of interest for borrowers and lenders reflected that there was also a market in money, with interest rates serving to balance the money market and so enhance the market for other commodities.

These days, money itself has become a commodity. It does not necessarily relate to anything else we might wish to buy or sell. And money operates in a *series* of markets, such as foreign exchange and futures markets. This means that the purchasing power of money itself is affected by buying and selling in areas often unrelated to general goods or services or any other 'real' assets. It is in this aspect of markets that expansion and imbalances created the trigger for the financial instability that led to the current global recession.

So today we need to think carefully about markets and how they function, despite their necessity in the economic life of persons and communities and nations. We need also to consider what is involved in a *free* market, looking at both the role of government and the notion of freedom *from* as well as freedom *to*.

The role of government. Many supporters of free markets want as little government intervention in economic management as possible, in order that markets can operate freely, unrestrained. Yet, Adam Smith himself recognised that government had an important place in economic activity, especially in relation to major infrastructure creation and management. Roads, railways, and other similar large projects, are not appropriately part of the market. They require large investment and provide an essential service to the whole community.

Such projects are thus necessarily a responsibility of government, and suggestions of privatisation (or even public-private partnerships) in these areas need to be treated with caution. Almost always problems arise – as with railways, the provision of electric power, and water and wastewater management.

Further, government has a regulatory role to ensure the 'common good'. This means the open and free operation of the market is constrained by regulations that aim to ensure particular outcomes for the benefit of the society. We are seeing that now in the government's efforts to find ways of reducing carbon emissions as part of our response to climate change data. Either an emissions trading scheme or some form of carbon tax represent a necessary intervention into the free and independent functioning of the market.

Voices from various aspects of business, and from the farming community, are objecting to such moves on the grounds that they affect their ability to trade in the markets. Without such intervention, however, it is unlikely that businesses will do anything significant to reduce their emissions. In fact, some businesses will be able to shape their market activities to take advantage of the schemes, and so will benefit from the intervention.

In the long run, the economy as a whole will benefit from any government intervention that results in a protected and stable environment. Arguments against such government activity represent short-term self-interested concerns.

At any point where the freedom of the market is restricted by government action – often for the benefit of the community as a whole – the self-interest of some players comes to the fore. Traditional market economics argues that self-interest (hopefully 'enlightened self-interest') is what ensures the market runs smoothly. The argument is, that if all the players work to their own self-interests, these will balance out (we all get our bread or our haircuts) and so ensure efficient market activity.

However, the 'selves' in the marketplace are now predominantly corporates, rather than individual members of a market town or village as in Adam Smith's original model. In that original setting, personal relationships meant that self-interest mostly had also an element of community interest. They had to work together. Now, the wider community's interests seem to get lost. In this setting, we do well to re-think aspects of the traditional free market economy, and especially to recognize how important the role of government is in keeping an eye on wider community interests.

This is the value of intervening in the freedom of the market in order to restrict sales of high-fat food to children and to limit advertising on

cigarettes. Or to set boundaries on the action of developers in relation to cutting down trees or re-shaping the land. My freedom is appropriately curtailed by government decree – national or local – to take account of the interests of others. I, or the company I own or work for, cannot be totally free to act in the market: government regulation is essential for the health of us all.

Freedom to and freedom from. Theological discussion of freedom speaks of freedom *from* as well as freedom *to*. Andrew Bradstock, recently appointed Professor of Theology and Public Policy at Otago University, reminds us that these two directions of freedom are significant also in thinking about economics.

The emphasis is normally only on the direction of *to*, aiming to ensure that players in the market are free to act as they wish. The other direction also has a place. It is possible for the freedom of some market players, especially corporations and others with economic power, to prevent the freedom of other people and groups within the society. Freedoms need to be balanced. And, further, issues of freedom *from* those things that diminish the lives of members of our society are important for a fair and well-functioning market – as well as for a safe, caring, and productive community.

Economic activity, to fulfil its overall function in society, requires policies and mechanisms that work to free people from hunger, poor housing, unemployment, inadequate health care, and so on. Such mechanisms create a wider freedom in the market – not just freedom to act as we wish. A truly free market narrows the freedoms of some to ensure the freedom of others from such life-constraints.

Again, this is why some government participation or regulation is important. In health, for example, private providers will always have profit as a goal, and so are potentially liable to emphasise cost savings over health delivery. In fact, the same thing can happen in government-run services, as we are seeing in areas like laboratory testing in Auckland. However, much government cost-cutting is actually part of the process of reducing the role of government to make room for more private 'free' activity.

In all this, we Christians have a role in continuing to emphasise the place of *community*, seeking to ensure the freedom of a few does not reduce the life-choices of the whole.