

Restructuring the Global Economy: Eradicating Bretton Woods and Creating New Institutions

Economic globalization is the greatest single contributor to the massive ecological crises of our time, yet this is an aspect that is often ignored—by the media, NGOs, policymakers, and citizens. Its inherent emphasis on increased trade requires corresponding expansion of transportation infrastructures—airports, seaports, roads, rail-lines, pipelines, dams, electric grids—many of these are constructed in pristine landscapes, often on Indigenous people’s lands. Increased transport also uses drastically increased fossil fuels, adding to the problems of climate change, ozone depletion, and ocean, air, and soil pollution. Further, under trade liberalization rules, corporations have easier access to already depleted natural resources and environmental standards are harmonized to the lowest common denominator.

—Jerry Mander, International Forum on Globalization

Presented by Randy Hayes

The 2002 Johns Hopkins Symposium on Foreign Affairs series,
Paragon or Paradox? Capitalism in the Contemporary World

March 14, 2002



The theme for the 2002 Johns Hopkins Symposium on Foreign Affairs series is “Paragon or Paradox? Capitalism in the Contemporary World.” A paragon is a model of superior excellence or perfection, as in “a paragon of beauty.” A paradox is an apparently unbelievable or contradictory statement or condition.

Our current market-driven system has seen an increasing number of child labor sweatshops in Asia making high-end athletic shoes for the rest of the world. We see gold mining in Brazil has resulted in poisoning mercury in the ancestral territories of the Yanomami tribe in the Amazon. U.S. transnational corporations manufacturing DDT, a chemical banned for domestic use, but distributed profitably in Central and West Africa. My contention is that the globalization of a capitalistic system, with the resulting disregard for nature’s life support systems, the phenomenal cultural diversity across the planet, and the local community values that are the real stuff of our lives, is clearly not a paragon of beauty, excellence, or perfection.

Capitalism, as the economic system’s number one rising star, has achieved dominance over other systems such as socialism or communism. It has also become more urgently problematic. The current model of capitalism, expanded greatly by the frenzy of “free-trade” economic globalization, is an absurd economic system rapidly destroying nature, cultural diversity, and decent local life. Contrast that to what nature has coevolved, ecologically and socially, over thousands of millions of years. You will find an unimaginable beauty and eloquence—from the blue sky with its protective ozone layer shielding us from the sun’s harmful

radiation, to the ancient-faced orangutans of Asian rainforests, to the feathered Yanomami tribe deep in the Amazon, to the mighty grizzly bears of Yellowstone.

Attractive alternatives to a capitalistic economic system are not popularly available. After talking with friends and colleagues across the progressive spectrum, I know of no coherent alternatives gaining momentum. Capitalism is the ruling system; therefore we must ask the fundamental question: Can capitalism be radically improved, humanized, and ecologized?

This question has been posed in seminal books such as Paul Hawken's *Ecology of Commerce*. Can the current system, which is better described as "financial capitalism," be infused with a concern for nature and turned into "natural capitalism?"

Economists such as Hazel Henderson, Robert Costanza, and Herman Daly (formerly from the World Bank) have also made valuable contributions to the little-known field of ecological economics. We need to ask, if ecological principles were fully incorporated into the rules of the global economy, would it be an acceptable system to most people? I don't know the answer. But, my personal belief is that we have to try. We have to reverse the powerful trends of economic globalization in two fundamentally important ways. We need an ecological economics infusion hand-in-hand with an emphasis on what is now being called "economic localization."

If this were done, capitalism might or might not be an acceptable system in many countries and to many cultures. Sadly, we will never find out if we continue to let the World Trade Organization and transnational corporations fuel the engines of economic globalization. Their "leadership" is akin to the fox guarding the hen house.

We have to wrest control of global economic rule making away from the tiny, powerful clique of WTO

and transnational corporate executive powerbrokers. We have to democratize the global economic rulemaking process, and move in other directions. In this paper, I'll present ideas from the International Forum on Globalization Alternatives Committee task force—as well as a few of my own—on how to accomplish this.

I have three important premises to provide a general context for my perspective. First, nature bats last. The second premise is that the house is on fire. Finally, in times of crisis our plans be commensurate with the scale of the problems. We need something akin to another Marshall Plan—starting with restructuring the rulemaking processes for the global economy—to provide a roadmap

to help reverse dangerous trends and get us to a better world.

First, by "nature bats last," we mean that our lives, cultures, and human species depend on nature's life support systems for survival. Nature can survive without us, but the reverse is not true. Hence, "nature bats last." The March 3, 2002 editorial in *The New York Times*, "The Uses of American Power," called for U.S. attention to the interests of other countries in order to build a more stable world order. This is, of course, necessary. In the editorial, global warming was at the end of a list of important issues including poverty, disease, education, and development.

Environment is often at the end of the list even though we appear be killing the life support systems of our little planet. Nature is a "back of the bus" concern for far too many in the human world. This is generally true for both capitalism and communism. A Hopi elder from near the Grand Canyon once told me that the domination of one culture over another has the same root as Western Civilization's domination of nature. She counseled that we must not forget that it is the

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wholeness of nature that nurtures us all. When tribal people tell us that the earth is our mother, they mean it! Nature is about diverse ecological systems within systems. It is a web of webs mutually supporting all cultures and all life. We should remember that there is no social equity on a dead planet. There are no economic developments or jobs on a dead planet. There is no stable social order on a dead planet.

In *Hidden Connections: Living Systems and Social Change* (forthcoming by Harper Collins in 2002), scientist and educational theorist Fritjof Capra suggests that our human communities would do well to better mimic the natural systems in which we are embedded. Capra's overview of the global economy and the tragic, single-minded trend of economic globalization is concise and clear. He sees a shift in the United States from freedom to "free trade" and "free markets." His explanation of ecological literacy and ecodesign as two key steps to the building of sustainable communities is pragmatic and helpful. Capra's web of wisdom puts yet more flesh on the bones of a systemic approach—thinking in terms of relationships, contexts, patterns, and processes—to the crucial issues of the day.

Nature's networks, with their multiple feedback loops, rule! As we better understand them, we can let them do their glorious work. They serve all life, including us humans. Three billion years of successful coevolution is an impressive streak. Nature displays unlimited development, diversification, innovation, and the emergent creativity of new orders. We, too, can have that if we are ecologically smart. The continued survival of life on earth is one of the greatest challenges of all time. Overwhelming, perhaps, but not impossible!

I'm voting to move concern for nature (environment is a rather flat word) to the top of the list. Many economists, politicians, and corporate executives argue that only through economic growth will we be able to afford to care about or fix nature.

This need not be an either/or situation. One can work from either end, but we would be wise to hold the whole picture of what needs to be done in our hearts and minds.

The fundamentals of how nature works are not broadly known. A starting point is to review the basic principles of ecology. Two versions are in Appendix I (p. 13). Nature or ecology is not a special interest. It is the context of all life. Key to a whole-systems picture is the adage, "nature bats last."

The second premise is the house is on fire! The house, of course, is our mother—Mother Earth! We are here together to figure out how to reverse this tragic trend.

The second premise is the house is on fire! The house, of course, is our mother—Mother Earth!

The house is on fire. We were born into a time of great peril to the earth and our fellow creatures. The laundry list includes the frightening reality of global climate change, soil

depletion, water contamination and loss, overconsumption, overpopulation, and deforestation. We see this in Europe, the 48 states, Central and South America, Southeast Asia, China, Central and West Africa, and Europe. Much of the destruction of tropical rainforest and commensurate extinction of species occurred in just the last 50 years, from WWII to now. This coincides with the primary growth period of our industrial age. The industrial age of economic globalization could also be called the age of extinction. The continuance of life on our fragile planet is in question.

We feel the sadness after the death of a person, a leopard, or a black howler monkey. Death will happen to each one of us at some point, yet life itself goes on. However, when an entire species goes extinct we must realize two things. One is that extinction is forever! This is deeply tragic. But the second realization is more important. After extinction, the vacated niche in the web of life will not go on. The integrity of our web of life has been compromised. If an important pollinator of plants goes extinct, we may also lose the plants it

pollinates. That could lead to loss of food for other animals and other reverberations in the web of life. Extinctions do occur in nature, but our current massive species extinctions are caused by humans. It is a biological meltdown that we must stop. Our house is on fire. One's shoulders sink as we realize that it will get worse before it gets better.

But the "Age of Extinction" calls for the "Age of Implementation." It is time to implement bold solutions. It is indeed time for the "Age of Implementation" and that leads to the third premise.

The third premise is that a Marshall Plan II, starting with restructuring the rule-making processes for the global economy, can provide a roadmap to help reverse dangerous trends and get us to a better, more sustainable world.

What do we mean by "sustainability?" True ecological sustainability doesn't involve shivering in the dark. Rather, it involves a rich and rewarding lifestyle, a way of living within planet's natural systems. Sustainability differs from a typical environmental focus in that it has three fundamental parts to a whole-systems approach. These parts of the whole are *ecology* (or nature's systems), *economy*, and *social equity*. They are referred to as "the three Es." This is a unifying, something-for-everybody approach.

A more precise definition of sustainability would be: diverse and rewarding lifestyles many would want to emulate and, if they did, the planet's natural systems and wildlife populations would increasingly flourish, generation after generation.

A Marshall Plan II must be a whole systems approach incorporating sustainability and the three Es. However, an initial focus on global *economic* rule-making is key to addressing other important issues. Other key needs include the *ecological* needs of the

biosphere's life support systems and the social *equity* needs of the malnourished and starving.

Ecological sustainability will not address all of society's needs. It will not necessarily eradicate longstanding cultural conflicts. However, by breaking the globalization model, we can ride a wave of local responsibility and rejoice in a healthy planet that supports all people and all creatures. Sustainability will not guarantee a world where all of us get along all of the time. But, sustainability is a key component of both a more lasting peace as well as a more just world.

The rules of the global economy are not the only strategic concern. Other root causes of the social and ecological crisis must be addressed simultaneously. Below is an eight-point list-in-progress of root causes. The first six

points draw from the work at the Foundation for Deep Ecology in Sausalito, California:

- Anthropocentrism, the assumption of human superiority over nature. This is related to patriarchy and the "dominator" paradigm.
- Unlimited, linear economic growth in a world dependent on nonrenewable resources and closed loop cycles.
- Technology worship, the prevailing paradigm that technological evolution is invariably good and that problems caused by technology can be solved by more technology.
- Modern chemistry, the invention of substances that cannot be returned productively into the planet's natural cycles. For many modern chemicals, such as DDT or PCBs, there are no organic counterparts capable of biologically degrading these substances.
- Domination of mass media (particularly TV and

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advertising) by viewpoints that serve the interests of the industrial world and suppress alternate views.

- The concentration of power amongst corporate executives and owners, and the consequent loss of democratic empowerment that has been profoundly detrimental to human beings as well as nature.
- The absence of a geologic or long-term time perspective: actions based on the desire for short-term gratification can degrade the conditions for life and reduce options for subsequent generations.
- Lack of education in industrial cultures in general systems theory or whole-systems thinking leading to eco-illiteracy and lack of ecodesign.

Let me explain why I focus on the economic aspects and, in particular, the rule-making systems of the global economy. At Rainforest Action Network, fighting to save the rainforest has largely involved trying to stop billions of dollars from being used to fund deforestation and disaster. Groups around the world put their shoulder to the task. With the Burger King boycott and 18 months of demonstrating in the streets, we stopped the funding flow from a thirty-five million dollar contract that was turning ancient tropical rainforests into cattle pastures to provide the U.S. market with cheap, greasy hamburgers. On the heels of that success—and with just the threat of a boycott—we stopped hundreds of millions of dollars that would have funded giant U.S. companies, such as Scott Paper, from slaughter-logging Indonesian forests to make toilet paper for the Japanese market. We prevented the World Bank from lending billions of dollars to ill-advised projects. In countries such as Brazil, such projects would have cleared vast areas of the Emerald Forest to build giant hydroelectric projects—shortsighted dams that would soon silt up and become useless legacies. It was influencing the flow of money that saved the most acres, species, and traditional Indigenous economies.

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Home Depot is the largest retailer of old growth wood products in the world. The company claims to account for ten percent of the world's retail wood sales, opening a new big box store an average of every 48 hours. Home Depot's marketing of old growth contributes to the slaughter logging that is rapidly deforesting the planet. When asked to stop selling old growth wood, Home Depot executives did not return our calls. We had to generate pressure. Grassroots pressure resulted in more than 250,000 calls and letters, and hundreds of demonstrations in the United States and Canada. The company's branding faded from a clean Home Depot orange to mud. Now Home Depot answers our calls.

The campaign resulted in Home Depot and several other large retailers agreeing on a "no old growth sales" policy. That means no ancient trees from anywhere on the planet. Getting such an agreement to stop selling old growth can eventually revolutionize the wood products sector of the global economy, and spare old growth forests.

Like a number of my colleagues, I came to realize that the most important environmental policy is, in fact, economic policy. Heroic as the Home Depot victory is, I firmly believe we cannot save the rainforest with the current economic or market trends of economic globalization. Indeed, with a Bretton Woods globalized economic policy, we cannot achieve other noble ecological goals embodied in the Climate Change Convention, the Kyoto Protocol, or the Convention on Biodiversity.

In order to work more effectively in the economic arena, I joined a San Francisco-based think tank called the International Forum on Globalization (IFG). As a result, I'm now working with leading social, ecological, and systems thinkers and activists from around the world, including Vandana Shiva from India, Teddy Goldsmith from Europe, Martin Khor from Malaysia,

John Mohawk from Six Nations Confederacy in upstate New York, Maude Barlow from Canada, Oronto Douglas from Nigeria, Sara Larrain from Chile, Victoria Tauli-Corpus and Walden Bello from the Philippines, as well as David Korten and Jerry Mander from the United States. The web site—www.ifg.org—has more information on what we mean by “economic globalization.”

Globalization can be seen as the unprecedented, worldwide integration of all national economies into a single market for goods, capital, technology, information, and (in many ways) labor. By removing the barriers between countries, globalization encourages the expansion of international trade and investment. The World Trade Organization is the leading institutional force in economic globalization. The WTO was established in 1995 as a binding international agreement that grew out of the General Agreement on Tariffs and Trade (GATT). Its 134 member nations are the source of the vast bulk of the world’s economic activity.

In nearly every sector of today’s economy we can see a worldwide trend toward privatization, deregulation, and what is known as the “liberalization” of trade and investment, i.e., the removal of barriers that impede international commerce. In practice, many of these “barriers” are domestic laws intended to help maintain nature’s systems, public health, labor standards, food quality, and democratic processes. Globalization initiatives undercut the ability of citizens to regulate corporate practices through their governments. An anonymous WTO official recently summed it up in the *Financial Times*, “the WTO is where governments collude in private against their domestic pressure groups.”

Led by corporate executives, this technology-driven process increases the trend toward the monoculturalization of society. It is accompanied by ecological illiteracy and cultural insensitivity. It results

in the destruction of natural life support systems and the resultant extinction of species. There is a loss of local self-reliance as power and control over communities become increasingly remote, as well as less accountable.

A primary concern for economic policy leads one to the key question: who makes the economic rules? Why is this so important? Donella Meadows, a great whole-

systems thinker who died last year, wrote a seven-page essay entitled “Places to Intervene in a System” that provides some insight into the significance of rulemaking. (This important essay can be found at [http://](http://www.wholeearthmag.com/articlebin/109)

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approach shifts thinking from the parts to the whole, from hierarchies to networks, from structure to process, from analysis to context, from objects to relationships and patterns. In systems, issues of scale (global verses local) come in to play. Feedback loops—particularly when production and consumption of goods is more local and on a smaller scale—tend to be more self-correcting.

Systems analysts believe in leverage points through which small changes in one area produce big changes in everything in that system. Once, Donella was at a meeting where the global trade regime of the North American Free Trade Association (NAFTA), Government Agreement on Tariffs and Trade (GATT), and the World Trade Organization (WTO) was being explained. Realizing the incongruities of the growth direction, she was simmering inside. Arrogants were birthing a giant new system; they did not have the slightest idea of how it would behave ecologically. The earth teaches us that all systems need to have self-correcting feedback loops to help them function well over time. She described the feedback loops in this “free trade” system with one word — “PUNY!”

In the middle of the meeting Donella stomped up front, grabbed the flip chart, threw back the old pages,

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and wrote, “Places to Intervene in a System.” She proceeded to list nine leverage points, or intervention places. Each one was successively more effective at correcting malfunctioning systems. Out of that moment, the essay was born. For her, the document was not a recipe to fix all of our problems. Instead, it was “an invitation to think more broadly about system change.”

In it, she identifies marvelous self-correcting mechanisms for society:

- antitrust laws
- truth-in-advertising laws
- methods to internalize costs, such as using pollution taxes
- removing perverse incentives, such as subsidies for fossil fuels

She talks about how democracy worked better before the brainwashing power of centralized mass communication, giving us an insight into this process as a key leverage point. In the third intervention point, she states that allowing a species or a human culture to go extinct is a “systems crime.”

The fourth intervention or leverage point is about the rules of the system. The power to make the rules is real power. This is why industry lobbyists are lined up when Congress is in session, and why she was so deeply concerned with corporate-led economic globalization.

Asking “who makes the economic rules” is essentially the same question as “who rules the world?” Increasingly, transnational executives and boards of directors, whose worldview is “corporate economic globalization, control the global rulemaking processes.” That amounts to corporate global governance.

When we look at global governance we find two competing sets of global governing institutions. The first set, of course, includes the United Nations with related institutions such as the World Health

Organization, International Labor Organization, Food and Agriculture Organization, United Nations Development Program, United Nations Environment Program, UNICEF, and others.

At the end of World War II there was a seminal meeting at a New Hampshire hotel called Bretton Woods that spawned the “Bretton Woods” institutions. These include the World Bank, International Monetary Fund (IMF), and the GATT, out of which came the WTO. This is the second set of governing institutions.

Many find the United Nations flawed, but it does have a semblance of democracy and accountability. This is not the time to throw the UN baby out

with the bathwater. The Bretton Woods institutions offer much less democracy and accountability. It is time to throw out those babies. Economist and author David Korten, who wrote *When Corporations Rule the World* and *The Post-Corporate World*, believes it is untenable to have these two competing systems, especially when one is so secretive. If this is so, how do we unify economic governance at the global scale?

The IFG, in a new document entitled “Alternatives to Economic Globalization,” is calling for three-part social change package. First, we argue for the dismantling to the Bretton Woods Institutions: the World Bank, the IMF, and the WTO. Second, we claim this must be done hand-in-hand with reforming and strengthening certain UN agencies. Third, we believe that new institutions within the UN must be created. This is in part to clean up the messes created by the Bretton Woods legacy and to carry on some of the legitimate and useful functions of the Bretton Woods institutions. With this three-part package, we will see global economic governance unified under the UN system.

Achieving this would kick off Marshall Plan II. It

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would help provide the political, economic context for a broader agenda. It will help us more fully address social and ecological needs. It will help communities maintain and rebuild diverse, smaller scale economic systems with functional social and ecological feedback loops.

Why dismantle Bretton Woods? Whatever the original vision, Bretton Woods currently symbolizes a “free-trade,” economic growth, trickle-down worldview that operates as if it is free from ecological limits. We know that it is not! Huey Johnson, founder and president of Resource Renewal Institute, has said that from nature’s perspective, “free-trade economists are illogical extremists who live in a fantasy world.

Neither science nor history justifies their influence today. Their world view is inspired by the state of the world 200 years ago.” A U.S. president’s economic advisors have more power than cabinet members, and “get to make decisions without acknowledging other affected sectors such as environment, labor, and health. Environmental advisors, by comparison, are ignored.” He goes on to say, “free trade is about as logical as free love. While interesting in a fantasy form, it isn’t likely to work in real time. There are stable cultural institutions—like marriage—that have evolved over several thousand years. They work. We must not throw them away because of some economists’ fantasies.” Economists are most useful when they are part of a group of people with expertise in many areas, particularly when the economists are all schooled in whole-systems thinking. As Johnson says, “the nation needs more than a one-drum orchestra.” This is true for the world at large.

Many of us hear that solo drum as sounding the economic-growth-for-the-sake-of-growth, free-trade mantra. We see the Bretton Woods institutions calling the tune. Bretton Woods is failing nature—and us as well. The world’s malnourished and starving people already know this. There is no greater inequity than

cultural or physical extinction. But it is not just the poor that feel the effects of the economy; the materially well-off feel it via cancers, respiration problems, longer work hours, job insecurity, or crimes committed against them out of economic despair.

The Bretton Woods economic system is a sophisticated way of stealing from the unborn generations. Ironically, the Bretton Woods institutions see the Third World economies as sick and the IMF’s structural adjustment programs as the doctor. Yet the Bretton Woods economic model is not only unsustainable for the “doctor,” it infects and affects future generations.

The Bretton Woods institutions that support the “free-market,” global capitalistic system referred to as economic globalization dominate much of our foreign policy. This economic system reduces society’s multiple values. The three Es are reduced to just one: the economy! Local communities around the world are first marginalized, and then drowned in the tidal wave of economic monoculture. The G8 countries—in particular the United States—are the engines of economic and cultural globalization. As citizens of that world, it is our responsibility to get this foot off the throat of the rest of the planet.

The first part of the IFG plan is to dismantle the Bretton Woods institutions. In terms of the World Bank, the plan would be to appoint an International World Bank Decommissioning Commission. Just as aging nuclear power plants must be decommissioned, so should other failed concepts. Perhaps half of the members would come from outside government, since we’re the ones who informed governments and the world of the Bank’s destructive projects. We would start by cutting the World Bank staff from about 8,000 (including 3,000 consultants) to about 1,000. Bilateral loans and grants, which generally have more accountability, could help fund worthy projects in the

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Global South and former Soviet Union. This commission would develop plans to distribute the assets of the Bank. Perhaps the General Assembly would vote on final distribution.

In terms of the IMF, the plan would be to appoint an International IMF Decommissioning Commission. Again, half of the members would be from outside government. We could start by cutting the IMF staff from about 1,000 to about 200. We would dismantle all structural adjustment programs in the Global South and former Soviet Union. This commission would also develop plans to distribute the assets of the IMF.

With the WTO, we believe the aim is not to reform the institution, but to radically reduce its power and to eventually eliminate it. This can be done. The alternative to the WTO is not chaos, as the corporate powers would have you fear. We achieved a temporary reduction of the WTO power at the ministerial meeting in Seattle when concerned citizens stopped expansion such as the Free Logging Agreement. As described in the IFG report, shrinking and eventually eliminating the WTO will help citizen movements around the world to break apart transnational corporate power. This will help eliminate special corporate rights and privileges, eliminate corporate welfare, and decharter corporations with a pattern of criminal activities.

We need studies on what an orderly phase out would look like. We need studies on how to roll back trade rules and decisions that undercut social and ecological concerns. Decommissioning the World Bank, IMF, and WTO would go hand-in-hand with two additional parts of a new Marshall Plan.

The second part of our package is strengthening and reforming the UN. We need to achieve more clarity on the UN's mandate. It must assume the role of global economic governance. This would be under the jurisdiction of the Economic and Social Council of the

United Nations General Assembly. Regarding that statement, a word of caution is in order. We also believe that international institutions should only have responsibility and authority for functions that cannot be reasonably carried out at the national or local levels. Where possible, the primary responsibility of

international institutions should be to support effective democratic governance at the national and local levels.

Globalized trade increases problems with health, labor, and the environment. Ever-growing trade in primary commodities requires an expansion of transportation infrastructures including airports, seaports,

roads, rail-lines, pipelines, dams, and electric grids. Imposing these developments in pristine landscapes often results in irreversible ecological loss. And when these projects encroach on indigenous people's lands, Western diseases can devastate local populations. The transport of diseases and harmful organisms from one continent to another is also well documented. Increased transport means increased fossil-fuel burning, which in turn means increased green house gases, leading to increased climate change, ozone depletion, and pollution of the ocean, air, and soil. Under trade liberalization rules, labor and environmental standards are harmonized to a low common denominator. Sweatshop conditions are well documented. Therefore, we find strong arguments to upgrade the World Health Organization, International Labor Organization, and UN Environmental Program.

The third part of our package involves creating new organizations within the UN. Here these five examples serve not as blueprints, but as a basis for an ongoing dialog. Consider a UN with:

- The International Insolvency Court to deal with debt relief. For many countries in the Global South, external debt has become a kind of indentured servitude that is paralyzing. Here we endorse the

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recommendations from the UN Conference on Trade and Development (UNCTAD), Jubilee 2000, and the Canadian government. It would arbitrate settlements between debtors and creditors. Where conciliation cannot be reached, an arbitration panel would make legally binding final rulings.

- The International Finance Organization (IFO) would help UN member countries achieve and maintain balance and stability in global financial relationships. The IFO would promote domestic investment and domestic ownership of productive resources. The IFO would effectively replace the IMF, but with full accountability to the UN. Its charter would favor community and ecological concerns over corporate or finance interests.
- The Regional Monetary Funds (RMFs) would help with the legitimate need for short-term emergency foreign exchange loans. The RMFs would be accountable to the member countries in their region.
- As for replacing the WTO, some colleagues argue that no global trade organization is necessary. We should just strengthen regional bodies. Others say we should go back to GATT and make it more transparent and democratic. Still others say that we need an International Trade Organization, changed to bust cartels, foster ecological economics as well as be more transparent and democratic.
- The Organization for Corporate Accountability or (OCA) would be under the UN, but enforcement would be at national or local levels. The OCA would support national initiatives on corporate accountability by providing the public with authoritative information on corporate practices around the world for possible legal action and boycotts.

- I would add a sixth agency, the World Overconsumption Reduction Bank. We need to break the patriarchal approach and underscore the ecological and social harm done by the wasteful lifestyles and systems of the industrial north: Japan, Europe, Canada, and the United States.

This three-part package to restructure the global economy calls for a lot of work. We all have been born into a grand economic drama. With issues like climate change, deforestation, soil depletion, water contamination and loss, overconsumption, and overpopulation, the very survival of life on our fragile planet is in question. According to Sir John Houghton, cochair of a UN Panel of 2,000 scientists studying climate change, "It's too late to prevent global warming. The only question is whether we can slow it down enough to avert the worst effects." We must have an adequate response to our environmental peril. The house is on fire. Something akin to a second Marshall Plan, starting with restructuring the rulemaking processes for the global economy, could be that adequate response and might possibly get us to a better world.

Democratizing the governance of the global economy is only a start. Then what? To that end, in Appendix I (p. 13), I offer a set of "Economic Principles and Timelines for a Better World via Economic Localization." It is hoped that via these principles we can rebuild more diverse, community-based, equitable, democratic, and ecologically-sustainable economies.

The good news is that thousands of organizations and millions of people from various people's movements are organizing and demanding a better world. The bad news is that we don't have much time. The extinction of large, wild ecosystems, extinction of our fellow creatures from the plant and animal world, and the

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extinction of indigenous cultures are advanced. It is fair to ask, can we achieve such bold changes?

I believe that direct people power (as opposed to a dependence on government action) is critical to achieving an ecologically sustainable society in our lifetime. Lacking tremendous political or financial power, we can utilize another key arena of power. That arena is people power. It worked for Gandhi and Martin Luther King Jr. It worked to get the United States out of Vietnam. It worked to end apartheid in South Africa.

As we all know, an ecologically sustainable society isn't here yet. The trends in global economy are killing the biosphere and undercutting our ability to sustain future generations. Many believe the key problem is the current global economic model: corporate economic globalization. The difficulty we have fixing the problem is that corporations have invaded and control far too much of what we still call public governance.

We refer to the United States as a democracy. And indeed it is, however imperfect. But, think about democracy on a scale from one to ten with ten being the highest. What rating would you give the United States? Are we nine out of ten? Seven? Five? Three? At some point as we slide down the scale, this society is best described as a democracy theme park. As big business controls more and more, what remains of public governance?

At Rainforest Action Network, when we go to the rainforest, we go to the Amazon. We don't go to a forest at Disney World—that's a theme park. Part of the problem in the United States is that we have slipped into a one-party system. We are told the United States has a two-party system, but effectively what we have is the Republican wing of the Big Business Party, and the Democratic wing of the Big Business Party. That's a distinction without a difference. That's two sides of the same coin. That's a formula for the death of society,

culture, diversity and earth itself.

We are told in history classes that the U.S. government is "of the people, by the people, and for the people," right? But it feels a lot like "of the corporation, by the corporation, and for the corporation." What we need for the next century is "of the people, by the people, and for all life on earth." That's the kind of democracy I want. That's the kind of democracy we deserve, and need your help to achieve—a people's democracy cognizant that nature is the source of our life. Governments controlled by big business will not steer us in this fundamentally different direction.

There is no economic development nor are there jobs on a dead planet. There is no stable social order on a dead planet.

To simplify, in society we have three key areas of activity: the people, government, and commerce. They are, of course, interdependent, but some amount of separation is necessary to provide checks and balances. When big business controls government we lose a key check on the affairs of commerce. This loss is unacceptable and why, for instance, campaign finance reform is such an important issue. How can we solve problems of anthropogenic climate change if big business owns and prevents governments worldwide from regulating the carbon emissions of industry?

It is said that the way to stop a stampede is to turn the lead steer. The Bretton Woods global economic rulemaking process currently led by the WTO is the lead steer.

In conclusion, my advice is that we must stand firm in our resistance to the current trends of economic globalization. Resistance is essential! Resist institutions that are antithetical to the welfare of future generations. We *will* dismantle the World Bank, IMF, and WTO. And we *will* set up new systems that are transparent, accountable, and democratic.

This might seem a radical idea to some of you, but we live in radical times. The house is on fire. We

cannot have slow solutions to fast problems. A good way to start is to restructure the global economy rulemaking.

Secondly, educate yourself in ecological literacy and systems thinking.

Thirdly, we must continue to clarify our visions of a better world. Dream the world you want and deserve to live in. Write it down. Communicate your vision.

These ideas are meant simply to foster the dialog. We want to hear your ideas. Find the part of the solution you want to be a part of and go for it!

I can assure you that if we fight the bad and foster the good, we shall have a better world—a world that works for people and the whole of nature.

So charge forth. Charge forth with love in your heart, but the ferocity and determination of a warrior.

- a warrior for family and community
- a warrior for a world of compassion, diversity, and tolerance
- a warrior for future generations—of all life.

Remember that it is the wholeness of nature that nurtures us all. Again, when tribal people tell us that the earth is our mother, they mean it! Nature is about diverse ecological systems within systems. It is a web of webs mutually supporting all cultures and all life. There is no social equity on a dead planet. There is no economic development, nor are there jobs on a dead planet. There is no stable social order on a dead planet.

We must restructure the global economy in our lifetime, if not for ourselves, then for future generations. There is no greater task. It is up to bright, concerned people like you and your counterparts around the planet. The fate of the world is up to you and what you chose to do with your life and careers.

We are at a crucial moment in our planet's history. After more than twenty years of unbridled faith in deregulation and the power of markets, the public is realizing that to have democracy, corporations must be made accountable to the sovereignty of the people. At the global level that means involving the United Nations.

The possibility of a systemic shift in the economic paradigm is upon us. By organizing such a shift, we will leave future generations with more hope for life, liberty, and the pursuit of happiness.

The concern naturally emerges of whether we, the human community, will respond with the necessary urgency and insights—to build diverse and

sustainable societies? The key question to *you* is, what role will *your* life's work play in getting the human community to respond effectively to our current, tragic situation?

We understandably ask a final question, where do we find hope for such a noble mission? For me:

- Hope is found in our communities.
- Hope is in the renewal of our primordial experiences of nature and cosmos.
- Hope is having a clear understanding nature's systems and ways.
- Hope is in having a dynamic, bold plan.
- Hope is in a broad-based people's movement and thousands willing to hit the streets, self-empowered with love in their hearts, determined to revolutionize our economic system.
- And hope is in reinhabiting our Earth as if we were native to it.

Together we can—and will—have a better world.

We must restructure the global economy in our lifetime, if not for ourselves, then for future generations. There is no greater task.

Appendix I: Principles of Ecology and Notes

The Principles of Ecology

The comprehensive and fundamental laws of organization common to all living systems. In 1972, Barry Commoner unveiled an insightful, straightforward rendition of four principles. In 2002, Fritjof Capra refined this to six principles. The two systems are not inconsistent.

Barry Commoner's Four Principles, with Hayes' notes:

1. *Everything is connected to everything else.*

Interconnectedness and coevolution are encompassed in this principle. Nylon or DDT in the ecosphere did not coevolve in the way that fish have. This embodies Capra's networks and partnership principles.

2. *Everything has to go somewhere.*

Cyclic nature of things (i.e. aquatic ecosystems' closed oxygen/carbon cycle).

3. *Nature knows best.*

Components are compatible with each other and the whole. There is a harmony. For every organic compound produced by a living thing, ecosystems contain an enzyme capable of breaking it down. It is self-consistent in its substances, processes and reactions.

4. *There is no such thing as free lunch.*

This is his debt principle. When you break the cycle you incur a debt or harmful effect. What seems like a great thing or free lunch in the technosphere (i.e. local power plant gives our city consistent dependable electricity) is really an ecological debt. A power plant, such as Three Mile Island or Chernobyl or some coal-fired plant, emits dangerous pollutants. These so-called debts, represented by ecological pollution, are created by the society and transferred to nature. They are never canceled, and damage is unavoidable.

Fritjof Capra's Six Principles, with Capra's notes

(from his forthcoming book, *Hidden Connections: Living Systems and Social Change*.)

1. Networks

At all scales of nature, we find living systems nesting within other living systems—networks within networks. Their boundaries are not boundaries of separation but boundaries of identity. All living systems communicate with one another and share resources across their boundaries.

2. Cycles

All living organisms must feed on continual flows of matter and energy from their environment to stay alive, and all living organisms continually produce waste. However, an ecosystem generates no net waste, one species' waste being another species' food. Thus matter cycles continually through the web of life.

3. Solar Energy

Solar energy, transformed into chemical energy by the photosynthesis of green plants, drives ecological cycles.

4. Partnership

The exchanges of energy and resources in an ecosystem are sustained by pervasive cooperation. Life did not take over the planet by combat but by cooperation, partnership, and networking.

5. Diversity

Ecosystems achieve stability and resilience through the richness and complexity of their ecological webs. The greater their biodiversity, the more resilient they will be.

6. Dynamic Balance

An ecosystem is a flexible, ever-fluctuating network. Its flexibility is a consequence of multiple feedback loops that keep the system in a state of dynamic balance. No single variable is maximized; all variables fluctuate around their optimal values.

Appendix II: Economic Principles and Timelines for a Better World via Economic Localization

I sympathize with those who would minimize, rather than those who would maximize economic entanglement between nations. Ideas, knowledge, art, hospitality, travel - these are things which should of their nature be international. But let goods be homespun whenever it is reasonably and conveniently possible; and, above all, let finance be primarily national.

- John Maynard Keynes (Bretton Woods economic architect)

We are not living within the biological limits of our planet. Are we globalizing the collapse of human civilization? If so, what solution scenario might be commensurate with the scale of such a problem? Political will and ecological wisdom are largely subjugated to short-term economic incentives. Yet still, the fate of our species and many others depends on a fundamental redesign of the economic systems of production and consumption. Such a redesign would restructure the model of Western domination that has so oppressed and angered cultures around the world. The modern word for western domination is globalization. More precisely it is corporate-led, economic globalization. This is the very model that must be addressed at a basic level. Localization is one approach to reverse the negative trends of globalization. Colin Hines' book, *Localization – A Global Manifesto*, is a good source on this subject, as is the work of Helena Norberg-Hodge at the International Society for Ecology and Culture.

Life support systems include a stable climate, evolving biological diversity of plants and animals for foods and medicines, fertile soils, and fresh water recycling systems. What threatens them? Modern technology and modern chemistry are used to manufacture products for high-consumption, high-waste lifestyles. These activities take place in an increasingly globalized marketplace. Studies show that a larger number of the “few” get richer, and that far larger

numbers of people find themselves farther from a dignified life. The human population is exploding: from six, to eight, to ten, and perhaps to twelve billion people. A triad of high-tech toxic commerce, wasteful lifestyle and systems, as well as rapidly-expanding human numbers, contribute substantially to the breakdown of the planet's key life support functions. Can the “sustainability movement” be an effective response to this crisis?

One approach defines ecological sustainability as achieving a desirable lifestyle consistent with allowing the planet's natural systems and wildlife populations to flourish. Natural systems would have more space—not less—each decade. Sustainability is not just environmentalism. *Ecology* is linked to social *equity*, and *economy*. This is called “the three Es”. These are three fundamental parts to a whole systems approach. Rigorous sustainability, along with a reversal of economic globalization trends toward economic localization, holds promise.

Economic localization simply means a primarily local focus on the majority of the production and consumption needs of communities. Economic localization holds the potential to reverse the destructive trends we see at the turn of the millennium. Increasingly, basic needs (food, clothing, and shelter) and comfort items could be manufactured and used continentally/regionally/locally.

Amongst other benefits, this allows social and ecological feedback loops to be more easily observed. Sweatshop work conditions in one's neighborhood or the toxification of a local river system are more easily seen. Localization, structurally speaking, better ensures accountability in economic systems.

The following principles and concepts are put forth as a framework for conceptualizing a transition to a system of more localized production and consumption. Target goals and timelines are suggested to help initiate

a discussion. Conditions in differing localities throughout the world would dictate somewhat different goals and timelines.

Close the Loop Design: Design products to be easily manufactured, repaired, and upgraded locally. Incorporate materials recovered locally into local new products. Develop closed-materials manufacturing, distribution, and utilization cycles. End “disposable” products. *Target: a greater than twenty percent improvement each decade.*

Zero Waste: Set a goal of zero waste of manufactured products going to landfills or waste burning. Again, close the loop. Increasingly manufacture, distribute, retail, utilize, reuse, reprocess, and recycle as close to the local population centers as possible. New Zealand and San Francisco have set goals to reduce waste by seventy-five percent by 2010 and to achieve zero waste by 2020. *Target: a greater than twenty-five percent improvement each decade.*

Polluting Producers Pay: Internalize input costs, manufacturing costs, and “end-of-life” management costs into the price of manufactured products. With this system, the manufacturing of energy, such as electricity, would render fossil fuels much more expensive than many renewables. Adjust our accounting systems, as directed by economists such as Hazel Henderson, Herman Daly, and Robert Costanza, to what is called true cost pricing. *Seventy-five percent internalized by 2015. Ninety percent internalized by 2020.*

Local Infrastructure Development: Develop effective local infrastructures for reuse, recovery, and recycling. Encourage investment in domestic reuse, recovery, and recycling processing systems. *Double the investment every five years for the next two decades and then reassess.*

Design for Continuance of Ecological Systems: Manufacturers must accept ecological and animal health responsibilities proportional to technological innovation goals, and phase out persistent, bioaccumulative toxins from their products. Products must be designed to minimize energy and resource consumption during manufacture and use. When

touting “best practices,” always point out the part of the processes that continue to degrade the earth’s systems. *Seventy-five percent improvement by 2012.*

Technology Type Choice: Local communities should exercise their democratic right to full public disclosure, vibrant debate, and referenda on every technological development beyond a certain scale. Technologies, be they the bicycle, the plow, nuclear energy, e-commerce, or human cloning are not neutral. Technologies shift power dynamics. They have ecological and societal consequences. Many communities have exercised this right (in a limited sense) to stop particular nuclear power plants.

Precautionary Principle: The precautionary principle is a legal tool communities use where there are threats of serious or irreversible damage. In those situations, lack of full scientific certainty shall not be used as a reason for postponing measures to prevent the degradation of natural systems or human health. The four parts of the precautionary principle are:

1. People have a duty to take anticipatory action to prevent harm.
2. The burden of proof of harmlessness of a new technology, process, activity or chemical lies with the proponents not with the general public.
3. Before using a new technology, people have an obligation to examine a full range of alternatives including the alternative of doing nothing.
4. Decisions applying the Precautionary Principle must be open, informed and democratic and must include affected parties.

Given that the PP is about common sense, it is not new. In the 1970s German scientists invoked this principle when looking at forest death due to pollution problems such as acid rain. This principle was agreed to at the 1992 Earth Summit, which was the largest gathering of heads of state to ever take place. The Precautionary Principle has been formalized in a number of international treaties and applied to specific problems such as persistent organic pollutants in the

Great Lakes. Los Angeles schools have used it regarding pesticide use at schools. The Precautionary Principle has guided the policies of a number of European countries and has been adopted by the European Commission and thus has become the law for the 15 member nations, comprising more than 300 million people. A number of companies are starting to use this principle.

Insurance Liability: Where activities clearly violate the principles of ecology and sustainability—such as mining nonrenewable resources or burning fossil fuels—liability insurance must not be issued.

Ban Waste Trade: Prohibit trans-boundary shipping of hazardous materials in violation of the Basel Convention. *Zero waste trade by 2005.*

Implement Improved Ecological, Health and Safety Practices: Develop improved worker health, safety, and ecological protection standards at all stages throughout the entire manufactured product chain in the home country or locality.

Distribute Improved Ecological, Health and Safety Practices: Distribute lessons learned (free or at cost) to similar facilities nationwide & especially to other countries. Let our global competition be about how much we can help each other make the changes that are good for all life.

Cooperation/Synergy Principle: The dead end of short-term economic gain and exclusively confrontational politics are evident at the turn of the millennium. A renewed focus on cooperation is needed. Cooperation and synergy, rooted in our common mother—nature, is a principle that humanity must now embrace if we are to survive.

The above principles, concepts, goals, and timelines coupled with “green procurement” strategies and ecologically preferable purchasing programs would help to reduce humanity’s footprint on the life support systems of the planet. Societies and institutions should take responsibility for implementing them. Institutions include families, clans, tribes, schools, churches, organizations, businesses, and governments. These

strategies and programs would allow us to move quickly to systems that still provide the vast preponderance of our basic needs and comfort desires.

Additional considerations are important. Voluntary codes of conduct for industry are clearly insufficient. Local governments would need to mandate changes and targets. The political feasibility of these changes will be difficult in many areas of the planet. However, several of these changes are already underway in places such as Europe and Japan. If we do not quickly resolve our manufacturing and consumption relationship to nature as well as to each other, history will be justifiably unkind to us.

Ecological sustainability will not necessarily eradicate terrorist attacks. However, by breaking the globalization model we can ride a wave of local responsibility and rejoice in a healthy planet that supports all people and all creatures. Sustainability will not guarantee a world where all get along all of the time. But, sustainability is a key component of a more lasting peace and certainly a more just world.

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Rainforest Action Network is a twenty-five staff member, kick-ass organization. Its mission is to protect the Earth’s rainforests and support the rights of their inhabitants through education, grassroots organizing, and nonviolent direct action.

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