

# WORLD GOODWILL

## THE PROBLEMS OF HUMANITY: BUILDING RIGHT HUMAN RELATIONS

### *Study Four*

### CAPITAL, LABOUR AND EMPLOYMENT

The Problems of Humanity Course consists of seven study sets. The course is inspired by the book, *Problems of Humanity*, by Alice Bailey.

General principles are laid out in the Introductory Set, Study One. You may find it helpful to review this set before studying each subsequent set. You may also find it useful to refer to the relevant chapter in *Problems of Humanity*.

These materials are, by their nature, only starting points, and we suggest that each study be combined with wide and diverse reading on the problem.

# CONTENTS

KEY STATEMENTS	ii
SEED THOUGHT FOR MEDITATION	ii
MEDITATION	iii
INTRODUCTION	1
THE PROBLEM	
Aspects of the Problem	3
What Lies at the Heart of the Modern	
Materialistic Difficulty? — Alice Bailey	4
Debt in an Interdependent World	4
Capital Gravitates Towards Richer Countries	6
Transnational Corporations — James Robertson	6
Globalization, Transnational Businesses, and	
the UN Global Compact	7
Child Labour — ILO	8
Facts on Women at Work — ILO	10
TOWARDS SOLUTION	
A New Economic Era — Alice Bailey	11
Money As Energy	12
Are Capitalism and Sustainability Mutually Exclusive? — Jonathon Porritt	13
Understanding Wealth — Paul Ekins	14
How Can We Raise the World's Ethical 'Floor'? — Hazel Henderson	15
How to Create a Real Ownership Society — Jonathon Rowe	16
Big Business and Sustainable Development	17
Emerging New Work Patterns	18
The Universal Living Wage	21
Education for Good Work — E F Schumacher	22
New Management	23
Sociocratic Circle-organisation Method	24
A New Measure for Human Development	25
EXERCISING GOODWILL	
Social Entrepreneurs	26
Purposeful Consumers and Savers	26
Microcredit	27
THE UNITED NATIONS: INTERNATIONAL	
LABOUR ORGANISATION	28
WORK PROPOSALS	31
LIST OF RESOURCES	32

## KEY STATEMENTS

The key to humanity's trouble (focusing as it has in the economic difficulties of the past two hundred years and in the theological impasse of the orthodox churches) has been to take and not give, to accept and not share, to grasp and not to distribute. This has involved the breaking of a law which has placed humanity in a position of positive guilt. War is the dire penalty which mankind has had to pay for this great sin of separateness.

Alice A. Bailey

I would like to suggest three key principles for a new economic order geared to creating wealth and well-being for people and the Earth.

- It must be conserving for the Earth's resources and environment.
- It must be enabling for people. Instead of systematically creating and extending dependency, it must systematically favour self-reliance and the capacity for self development.
- It must be organised and understood as a multi-level one world economic system, with autonomous but interdependent parts at all levels.

James Robertson

### SEED THOUGHT FOR MEDITATION

Human unity, human understanding and human fair play — these are the only concepts upon which to construct the new world and bring to an end the exploitation of one section of humanity by another.

# MEDITATION

“It is suggested that the student experiment with meditation, so as to aid more effectively in the construction of [a bridge between mankind and its spiritual source]. Accompanying each lesson is a ‘seed thought’ for inclusion in the meditation work. Each seed thought has reference to a problem and to our attitude towards it. If the appropriate seed thought is considered in relation to the lesson studied and taken into the daily meditation work, it becomes literally a ‘seed’ which can germinate, grow and blossom with creative ideas.” (From Study Set 1)

## ATTITUDE TO BE ASSUMED

Remember that you are sharing your efforts with a dedicated group of people of goodwill from all over the world.

Realise that essentially you are a soul and as such have rapport with all souls.

Be conscious that this meditation is not a passive, reflective form of devotion but a positive creative use of the mind, actively linking the inner and the outer worlds.

Use the creative imagination to see yourself at one with all humanity and with all that is new, progressive and spiritual.

Adopt a confident attitude which evokes spiritual illumination. This ‘as if’ attitude can have magical results.

## PRACTICAL POINTS

Sit in a comfortable position, erect but not tense or strained. Relax. See that the breathing is even and quiet.

To meditate always in the same place is helpful.

15 to 30 minutes daily is suggested. 5 minutes every day done regularly is of far more value than 30 minutes done irregularly.

If you have not had previous experience of meditation, difficulty in concentration is to be expected. Perseverance is needed. If necessary bring the mind back to the required work every time it wanders. Patient practice brings ever increasing skill.

## Stage I

1. Reflect upon the fact of relationship. You are related to:
  - (a) your family
  - (b) your community
  - (c) your nation
  - (d) the world of nations
  - (e) the One Humanity made up of all races and nations
2. Use this mantram of unification:

**The souls of men are one and I am one with them.**  
**I seek to love, not hate.**  
**I seek to serve and not exact due service.**  
**I seek to heal, not hurt.**

## Stage II

1. Dwell upon the theme of service, your links with service groups and how, with your fellow servers, you can help the divine Plan.
2. Reflect upon the problem of Capital, Labour and Employment, and know that goodwill can bring solution. Include the Seed Thought:  
**Human unity, human understanding and human fair play – these are the only concepts upon which to construct the new world and bring to an end the exploitation of one section of humanity by another.**
3. Invoke the spiritual inspiration in finding solution to the problem by using the final stanza of the mantram of unification:  
**Let vision come and insight.  
Let the future stand revealed.  
Let inner union demonstrate and outer cleavages be gone.  
Let love prevail.  
Let all men love.**

## Stage III

1. Realise that you are contributing to the building of a bridge between the Kingdom of Heaven and earth. Think about this bridge of communication.

## Stage IV

1. Having built the bridge, visualise light, love and blessing descending over the bridge to humanity.
2. Use the Great Invocation. Say it with deliberation and full commitment to its meaning:

**From the point of Light within the Mind of God  
Let light stream forth into the minds of men.  
Let light descend on Earth.**

**From the point of Love within the Heart of God  
Let love stream forth into the hearts of men.  
May Christ return to Earth.**

**From the centre where the Will of God is known  
Let purpose guide the little wills of men—  
The purpose which the Masters know and serve.**

**From the centre which we call the race of men  
Let the Plan of Love and Light work out  
And may it seal the door where evil dwells.**

**Let Light and Love and Power restore the Plan on Earth.**

OM

OM

OM

# INTRODUCTION

THE PROBLEM of capital, labour and employment brings us face to face with some of the most fundamental issues on humanity's path towards right relations.

Capital is defined in one dictionary as the funds or stock "with which a company or person enters into business" and as the "accumulated wealth" which is used to produce more wealth. Purely selfish interests have for aeons controlled the life of humanity by investing wealth in whatever projects or activities would bring the investors a maximum return. Sweat shops, child labour, bonded labour, and appalling working conditions and wages have existed for centuries. They continue to exist in many parts of the world because investors are willing to make a profit out of such exploitation.

Historically the power of capital has been resisted and opposed by organised labour. Largely by withholding their labour in strikes, workers in the industrialised world have struggled for, and attained, their freedom and basic rights. When the modern labour movement came into being it was, as Alice Bailey writes in *Problems of Humanity*, "a great spiritual movement, leading to the uprising anew of the divine spirit" in humanity and to an expression of "spiritual qualities inherent in the race". But, as Alice Bailey warned, the labour movement has, in some instances, now ceased to be a movement that works for the interests of the great masses of the people. There are examples of modern trade unions becoming powerful organisations dedicated to achieving the maximum advantages for their own members, even if this is detrimental to the general good. Where this has happened, the unions have, like capital, become a force of organised selfishness.

Recent decades have brought radical changes to the world in which capital and labour operate. The Cold War has ended. New regional economic blocs are emerging across the globe. At the same time there is a greater recognition of the global, interdependent nature of economic forces than has ever existed before. It is at long last beginning to be acknowledged that economic activity must, in the future, account for the costs of pollution and that ways must be found for it to foster the protection and healing of the earth. The gap between rich and poor is becoming increasingly unacceptable as peoples of the developing world share a rising aspiration towards a better standard of living. There is also a growing belief amongst the peoples of the North, that this gap is unjust and must be bridged. New technologies such as the computer, the fax and satellite communications have transformed the way in which business is done, as they have transformed the labour market.

And, on top of all this, humanity as a whole is responding anew to the vision of a global society which respects human rights and promotes the well-being of all peoples.

The challenge is that of ensuring that capital and labour meet the goals of a more just and equitable global society. Either through imposed regulations or through self-regulation, it is becoming increasingly important that the energies of both are channelled into serving the interests of the one humanity.

Will the ancient power of selfishness which, till now, has driven the circulation of money, ever be tamed? Is it hopelessly idealistic to imagine that the vast wealth held by the network of the world's most powerful capitalists will ever be used both to make a reasonable profit and to support the development of humane and equitable societies? Can we create an economic order to bring together supply and demand in such a way that real needs will be met?

These are the questions you are encouraged to ponder as you study this problem. There are no simple solutions. However, there are numerous signs that attitudes and values are changing and new relations between capital and labour emerging. The principle of goodwill is being expressed in the economic life of humanity through a vast array of experiments in: corporate responsibility; ethical investment; worker co-operatives; 'peoples banks'; sustainable development; fair trade; and new economic thinking.

Those who are working for the spiritual transformation of humanity are not 'on the side' of capital or of labour. They are 'on the side' of the one human family. The economics of right relations is based on the principles of sharing and distribution. At the same time it is important to leave individuals and corporations relatively free in order to stimulate creativity and the capacity to generate (and share) wealth. For sharing to become a keynote of the new civilisation, however, freedom will have to be balanced by responsibility. The freedom of the market must be tempered by regulation and management if poverty is to be eliminated. The healthy global economy of the future will stimulate local economic activity in all areas, facilitate equitable distribution of resources, and ensure that economic activity develops in sustainable ways.

This study set explores some of the dominant issues in the world of capital, labour and employment. It is divided into two sections: The Problem and Towards Solution. The first section looks briefly at international debt, capital, and investment, the power of transnational or multinational corporations, child labour, and facts on women at work. The

second section focuses on new thinking about money, capitalism and sustainable development, new work patterns, the universal living wage, new methods of management and human development, together with some reports on initiatives that express goodwill in relations between capital and labour. There is also a focus on the International Labour Organisation, the UN agency dedicated to establishing and improving standards in the world of work.

The aim of the study is not to provide answers. Rather it offers a range of insights on the problem of capital, labour and employment. Hopefully these will stimulate thought and also, for those who are work-

ing in a group, discussion.

The study concludes with a series of questions which will, we hope, be useful for group discussion, and a resource list. The meditation can be used in conjunction with the study papers by individuals who are working on their own, or by groups. It will help you to deepen your own understanding of the problem and to examine your attitudes and values in the light of universal principles. At the same time it will enable you to draw on the higher realms of mind and heart as you bring the energy of thought to bear on this critical issue facing humanity in a time of transition.

---

The dominating words in our newspapers, over our radios, and in all our discussions are based upon the financial structure of human economy: banking interests, salaries, national debts, reparations, cartels and trusts, finance, taxation — these are the words which control our planning, arouse our jealousies, feed our hatreds or our dislike of other nations, and set us one against the other. The love of money is the root of all evil. There are, however, large numbers of people whose lives are not dominated by the love of money and who can normally think in terms of the higher values. They are the hope of the future but are individually imprisoned in the system which, spiritually, must end.

Alice A. Bailey

Whereas universal and lasting peace can be established only if it is based upon social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required; as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of equal remuneration for work of equal value, recognition of the principle of freedom of association, the organisation of vocational and technical education ...

ILO Constitution

Ninety per cent of development in the past in the industrialized countries was due not to additions to capital, but to improvements in man's capacities: skill, know-how, management, etc. Man's capacities, not capital, are the number one multiplying factor in the process of development. They are the main conditions for a more efficient use of resources.

Simon Kuznets



## —Aspects of the problem

This study invites us to consider humanity's economic and industrial relationships. It therefore involves every one of us. For in some way or other we are all a part of the global economy. All of us are consumers. Some of us will be savers and investors. Some of us will be salaried employees, self employed, employers, unemployed with a basic level of support from the state. Some of us will be unemployed without help from the state, having little more than our wits and whatever meagre resources we can assemble in order to get by. Remember students of this course come from all parts of the world and from all sections of humanity.

The most critical element of the global economic crisis is the massive gap that exists between rich and poor. We live in a divided world, which provides a fundamental challenge to the global community. Whilst advances have been made, and the world's governments have declared their good intentions in the form of the Millennium Declaration, many millions of people around the globe continue to live in conditions of extreme poverty.

International trade policies, financial institutions and marketing arrangements have all served to widen the gap. The problem of third world debt, discussed in greater detail elsewhere in this study, is such that many of the poorer nations of the world use almost all the foreign currency they earn through trade to pay back debts to Western banks and financial institutions. Very little, if anything, is left to finance economic development or to fund essential education, health and housing programmes. This is a problem that will have to be resolved if we are ever to see a future order where global resources are equitably shared in such a way that everyone's most basic needs are met, and where all can be encouraged and supported in their efforts to achieve essential rights and freedoms.

The problem, however, is not one that only exists between rich and poor nations, or between rich and poor within any community. It is more universal than that, and involves every level of economic relations. Within the work-place relations between capital and labour are filled with difficulties. Negotiations are often conducted within an atmosphere of conflict where each party is endeavouring to get the best

possible deal for themselves, regardless of the wider consequences. Right industrial relations imply labour, capital and management working together as a team, not just to improve company profits, but for the development and welfare of all concerned, including the local community and the environment.

For the majority of people in the South, exploitation by their employers is the norm. Bonded labour, sweat shops and various forms of slavery still exist in many parts of Asia, Africa and Latin America. The poor have few rights and often consider themselves fortunate to have any job at all.

It would be difficult for workers in the South to imagine that one of the problems increasingly facing labour in the industrialised world is the problem of leisure. New technologies and new sources of energy mean that employers are able to produce more goods with fewer workers. This, and the global recession of the 1980s and 90s, led to many workers being laid off, frequently to face permanent unemployment on a low income, while others must accept shorter working hours and earlier retirement. More free time may seem like a good thing, but it can be deeply disturbing for those who have identified themselves with a job that occupied them from 9 to 5 for five days a week or more. This is experienced as a disaster by so many of the people involved. However, in the future, if people can be prepared to use leisure time constructively, and, more importantly, if the crippling poverty of the unemployed can be addressed, this problem offers exciting opportunities for the development of human potential and the growth of creativity.

In recent years there has been a growing recognition that the economic development pursued by capital, and needed by workers if they are to find employment, is causing enormous damage to the earth. So today we are aware of a new problem: how to transform industrial and agricultural development so that it does not harm the earth's atmosphere or the soil or water. This means that ways must be found to restrain, and regulate, capital's overriding concern to maximise short-term profits. To a greater or lesser extent governments, industry and organised labour are now beginning to confront this problem.

---

We have arrived at the beginning of full planetary interdependence, without knowing what it means. In our emerging consciousness and values, we are experiencing globalisation, but in our economic and political actions, we still live in a non-global way. This is the core of our crisis today.

## —What lies at the heart of the modern materialistic difficulty? (Alice Bailey)

What really lies at the very heart of the modern materialistic difficulty? This question can be answered in the well known words: "The love of money is the root of all evil." This throws us back on the fundamental weakness of humanity — the quality of desire. Of this, money is the result and the symbol.

From the simple process of barter and exchange to the intricate and formidable financial and economic structure of the modern world, desire is the underlying cause. It demands the satisfaction of sensed need, the desire for goods and possessions, the desire for material comfort, for the acquisition and the accumulation of things, the desire for power and the supremacy which money alone can give. This desire controls and dominates human thinking; it is the keynote of our modern civilization; it is also the octopus which is slowly strangling human life, enterprise, and decency; it is the millstone around the neck of mankind.

To own, to possess, and to compete with others for supremacy has been the keynote of the average human being — person against person, householder against householder, business against business, organisation against organisation, party against party, nation against nation, labour against capital — so that today it is recognised that the problem of peace and happiness is primarily related to the world's resources and to the ownership of those resources.

The dominating words in the media, and in all our discussions are based upon the financial struc-

ture of human economy: banking interests, salaries, national debts, reparations, cartels and trusts, finance, taxation — these are the words which control our planning, arouse our jealousies, feed our hatreds or our dislike of other nations, and set us one against the other. The love of money is the root of all evil.

There are, however, large numbers of people whose lives are not dominated by the love of money and who can normally think in terms of the higher values. They are the hope of the future but are individually imprisoned in the system which, spiritually, must end. Though they do not love money they need it and must have it; the tentacles of the business world surround them; they too must work and earn the wherewithal to live; the work they seek to do to aid humanity cannot be done without the required funds; the churches are materialistic in their mode of work and — after caring for the organisational aspect of their work — there is little left for Christ's work, for simple spiritual living. The task facing the men and women of goodwill in every land today seems too heavy and the problems to be solved seem well nigh insoluble. Men and women of goodwill are now asking the question: Can the conflict between capital and labour be ended and a new world be thereby reborn? Can living conditions be so potently changed that right human relations can be permanently established?

*Adapted from Alice A. Bailey,  
The Problems of Humanity, pp.79-81*

## —Debt in an interdependent world

Much of what we now see on television, view on the Internet and read in our newspapers reminds us of the extraordinary degree to which the world has become one interdependent, interacting system. And yet we seem unable to take this fact into account when we plan and manage our affairs. We have no "ethic of community", as the economist Anila Graham has remarked, and we seem unable to act as if we are part of one world.

International trading relations in money, goods and services highlight this dilemma. All the nations of the world, rich and poor, are linked by mutual needs. The developing nations need capital, technology, services and markets for their products from the industrialised countries if they are to develop their economies. The wealthy nations, in their turn, need the developing countries because the

growth of the industrial economies depends upon the growth of markets in the Third World. It is a highly interdependent system and it is not just a question of trade in goods and produce. Money is also bought and sold around the world. In the modern marketplace money is continually circling around the globe as speculators buy and sell currencies in order to make the greatest profits at any moment of time. "It is estimated, for example, that only about 5 per cent of the foreign exchange transactions that now take place are related to international trading transactions in non-financial goods and services. Ninety-five per cent are to do simply with making money out of money." <sup>1</sup>

The high level of interdependence in the global economy has emerged at a time when the rules and institutions that govern trade relations and which

dictate the ways in which money moves through the system are heavily weighted in favour of the wealthy, industrialised nations at the expense of the developing countries. The IMF, the World Bank and GATT (The General Agreement on Tariffs and Trade, succeeded by the World Trade Organisation) were born out of the immediate post-war years when the United States was the only dominant economic power in the world and when most of what we now call the Third World were still colonies. The effect of running a global economy under a system controlled by a small group of the rich and powerful has been disastrous and, as was pointed out by the World Commission on Environment and Development, has been a significant factor in the destruction of the environment, leading, among other things, to the loss of forests and the spread of deserts.

One of the most serious crises in the present economic system is that of debt. Between 1980 and 1990 total debt owed by developing countries more than doubled and increased again by 1995. Debt relief for heavily indebted and underdeveloped countries came under public scrutiny in the 1990's due to a broad campaign by NGO's, faith organisations, trade unions and others, under the banner of Jubilee 2000. This campaign, which involved demonstrations at the 1998 G8 meeting in Birmingham, England, helped to raise the profile of debt relief and forced it on to the agenda of Western governments, the International Monetary Fund, and World Bank. This led to the Heavily Indebted Poor Countries (HIPC) initiative, which was launched to provide debt relief to the poorest countries. The HIPC programme has conditions such as structural adjustment reforms, sometimes the privatisations of public utilities, and with the goal of reducing inflation some countries have been pressured to reduce spending on health and education.<sup>2</sup> Meanwhile the Jubilee Debt Campaign continues its work.

The Multilateral Debt Relief Initiative (MDRI) is an extension of HIPC and was agreed following the G8's Gleneagles meeting in July 2005. It offers 100% cancellation of multilateral debts owed by HIPC countries to the World bank, IMF and African Development Bank.<sup>2</sup> Indebtedness is a symptom of poverty, and campaigns against poverty continue with The Global Call to Action Against Poverty (GCAP) which is a massive global coalition from more than

100 countries and is made up of a diverse range of community groups, trade unions, organisations, individuals, faith groups and campaigners, who are all committed to the fight against poverty. These groups have formed country-based coalitions, who use the symbol of the white band to promote GCAP's demands and enable concerned citizens to put pressure on world leaders and decision makers.<sup>3</sup>

As Susan George, the Chair of the Planning Board of the Transnational Institute in Amsterdam, points out, the social and environmental consequences of the current debt crisis have a boomerang effect for the creditor nations in the global North. The first effect deals with immigration. The lack of economic opportunities among indebted countries forces many poor people to emigrate to the North, often putting their lives at risk in the process. The second is environmental. In order to survive in the South, many others are forced to destroy the environment by cutting trees for timber or by over-fishing. This also has adverse knock-on effects for the North. Debt forgiveness is the only solution and research shows that where debt is cancelled, poor economies often flourish. Women receive education in many cases, leading to employment opportunities and a reduction in birth rates.<sup>4</sup>

The problem is that we are running an interdependent world on a structure that is based on the perceived national self-interest of a small group of wealthy nations, greed, and unregulated market forces. The free circulation of the resources of the world is interrupted by short-term national and group selfishness. As the global economy becomes more and more interlinked, this force of selfishness inevitably leads to chaos and crisis. As Alice Bailey has written, "our period is simply one in which human selfishness has come to its climax and must either destroy humanity or be brought intelligently to an end".

1. James Robertson, *Future Wealth: A New Economics for the 21st Century*, p.98

2. [http://en.wikipedia.org/wiki/Debt\\_relief](http://en.wikipedia.org/wiki/Debt_relief)

3. <http://www.whiteband.org/> (and for an account of the "Make Poverty History" campaign visit [http://en.wikipedia.org/wiki/Make\\_Poverty\\_History](http://en.wikipedia.org/wiki/Make_Poverty_History) )

4. <http://www.tni.org/george/>

## —Capital gravitates towards richer countries

The UN World Economic and Social Survey 2005 reported that international private capital flows have largely bypassed the poorest countries and special national and international efforts are needed to increase flows to these countries.<sup>1</sup> Whilst investment in developing countries was a central element of 19th century financial globalisation, it plays only a minor role today. The paradox of capital failing to flow from rich to poor countries has grown much stronger.<sup>2</sup> However, even when investment does flow to developing countries there is always the possibility that big global investors may change direction and move elsewhere.

Can international trade help remedy this problem of unequal investment? According to the 2005 Human Development Report, international trade has been a powerful factor in driving globalisation, but even though trade patterns have changed, with developing countries increasing their share of world manufacturing exports, structural inequalities persist and the development potential of international trade is diminished by a combination of unfair rules and structural inequalities within and between countries.<sup>3</sup> Rich countries' trade policies continue to undermine the Millennium Development Goals and these continuing inequalities mean that one fifth of humanity survive on less than \$1 a day and live in countries where children die for the lack of the most basic resources. Furthermore, investment does not flow to countries where there is a risk of conflict.

The world's leaders, meeting at UN Headquarters in 2005, agreed to take action on a range of global challenges as well as reaffirming the UN Millennium Development Goals (MDGs) to be achieved by 2015. A key MDG is — Creating a Global

Partnership for Development, with targets for Aid, Trade and Debt Relief. However, according to the Brandt 21 Forum (a project of the Centre for Global Negotiations), although \$57 billion in aid (sometimes known as Official Development Assistance or ODA) is granted to developing countries each year,<sup>4</sup> the trade barriers of rich nations end up costing poor nations more than twice that in lost business. Protectionism works against the interests of global economic expansion with the result that developing nations have been flooded with subsidised agricultural imports. By allowing lower tariffs in rich nations, the World Trade Organisation has effectively forced developing nations to dismantle the subsidies and tax barriers set up to protect domestic farmers and producers from the destabilising impact of multinational conglomerates. As a result rural farmers in the developing nations have been uprooted and this has helped to create a dependence on foreign food products whilst developed nations keep their markets closed to clothing, textile and agricultural imports — the developing nations' most competitive products.<sup>5</sup>

1. *World Economic & Social Survey 2005 - Preface.* See <http://www.un.org/esa/policy/wess/>

2. *A Tale of Two "Globalisations" by Moritz Schularick.*

3. *Human Development Report 2005 - Overview.* See <http://hdr.undp.org/>

4. *This is still far short of the 0.7% of Gross National Income the UN Secretary General has urged all developed countries to establish fixed timetables for reaching by 2015. Source: World Economic & Social Survey 2005*

5. [www.brandt21forum.info/Report\\_Trade.htm](http://www.brandt21forum.info/Report_Trade.htm)

## —Transnational corporations (James Robertson)

Transnational corporations (TNCs) play a key role in the international economy. The 56 largest TNCs have annual sales ranging from \$10 billion to \$100 billion. TNCs are responsible for a very large proportion of the international trade. For example, trade associated with TNCs represents between 80 per cent and 90 per cent of the exports of both Britain and the USA. TNCs loom large in international capital flows, and are responsible for the bulk of foreign direct investment and international transfer of technologies. By internalising international market transactions within themselves they can by-pass many of the controls exercised by national governments. Their bargaining power allows them to negotiate with many governments from a position of strength and to play one

country off against another, for example over inward investment decisions. In countries which cannot stand up to them, they can sell products and enforce working conditions which are unacceptable elsewhere. Whether we like it or not, they are here to stay — at least for the foreseeable future.

How, then, can TNCs be encouraged to play an enabling and conserving role in the world economy, and how are they to be controlled?

TNCs can be encouraged to play an enabling and conserving role, as all other companies can, by bringing market forces to bear on them within the countries where they operate — for example through people adopting a purposeful approach to work and consumption and investment..., and through...



changes in the tax system....

So far as control is concerned, the shift to new institutions and procedures for a one world economy ... will provide the context needed for more effective international regulation of TNCs. Part of the problem today is that even the biggest TNCs, though they operate worldwide, are still treated as if they belong to a particular “home country” and also happen to operate in other “host countries”. The time has come to internationalise them formally — at least the biggest among them — and to put their obligations

towards shareholders, employees, and other stakeholders on a fully international basis.

The one world economy of the 21st century should, in fact, be equipped with company law at all its various levels — world, as well as continental (cf. the European company) and national — and perhaps even local, for small enterprises which operate in one locality only.

*James Robertson, Future Wealth:  
A New Economics for the 21st Century, pp.77-8*

## —Globalization, transnational businesses, and the UN Global Compact

*Adapted from World Goodwill Newsletter No. 4, 2004*

According to the 58th General Assembly Session of the United Nations [2003], integration of the United Nations with the earth’s population is being revitalized. Among the 55 resolutions adopted outside the Assembly’s Main Committees, there was included the resolution: “Towards global partnerships between the United Nations and all relevant partners; in particular the private sector, to meet the challenges of globalization.”<sup>1</sup> This includes the developing of a non-discriminatory trading and financial system in the world.

As globalization has rapidly increased during the last decade, it was observed that transnational corporate structures have by-passed the world’s shared social values. This has caused disequilibrium in governance structures insofar as “strict rules and enforcement capacities for economic expansion were not matched by strong rules for social justice.”<sup>2</sup> This condition caused great imbalance between rich and poor countries, as poor countries lacked the necessary governance structures to participate adequately in economic globalization. The United Nation’s Secretary-General, Kofi Annan therefore decided to address this issue.

In an address to the World Economic Forum on January 31, 1999, Kofi Annan introduced the Global Compact. His reason for this was the fragility of globalization, which has yet to materialize its full potential. He challenged business leaders to join an international initiative — the Global Compact. Today, companies from all regions of the world together with UN agencies, international labour and civil society organizations are engaged in the Global Compact, working to advance ten universal principles in the areas of human rights, labour, the environment and anti-corruption.

The Global Compact is a network-based initiative. At its core are the Global Compact Office and

six UN agencies: the Office of High Commissioner for Human Rights, the United Nations Environment Programme, the International Labour Organization, the United Nations Development Programme, the United Nations Industrial Development Organization and the United Nations Office on Drugs and Crime. The Global Compact involves all relevant social actors: governments, who define the principles on which the initiative is based; companies, whose actions it seeks to influence; labour, in whose hands the concrete process of global production takes place; civil society organizations, representing the wider community of stakeholders.

The Global Compact is a voluntary corporate citizenship initiative with two objectives: to mainstream the ten principles in business activities around the world; and to catalyse actions in support of UN goals. Its leading aspiration is to grow sustainable business activities in those places of the world that the UN call ‘least developed countries’. To achieve these objectives, the Global Compact offers facilitation and engagement through several mechanisms: policy dialogues; learning (an extensive program); local structures; and projects. The Compact is relevant for chambers of commerce and small businesses.

The Global Compact is not a regulatory instrument — it does not ‘police’, enforce or measure the behaviour or actions of companies. Rather, it relies upon public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based. The ten principles are:

### *Human Rights*

Businesses should —

1: support and respect the protection of internationally proclaimed human rights within their sphere of

- influence; and  
2: make sure that they are not complicit in human rights abuses.

#### *Labour Standards*

Businesses should —

- 3: uphold the freedom of association and the effective recognition of the right to collective bargaining;  
4: support the elimination of all forms of forced and compulsory labour;  
5: support the effective abolition of child labour; and  
6: eliminate discrimination in respect of employment and occupation.

#### *Environment*

Businesses should —

- 7: support a precautionary approach to environmental challenges;  
8: undertake initiatives to promote greater environmental responsibility; and  
9: encourage the development and diffusion of environmentally friendly technologies.

#### *Anti-Corruption*

Businesses should—

- 10: work against all forms of corruption, including extortion and bribery.

There are numerous benefits to participating in the Global Compact. These include:

- Demonstrating leadership by advancing responsible corporate citizenship.
- Producing practical solutions to contemporary problems related to globalisation, sustainable development and corporate responsibility in a multi-stakeholder context.
- Managing risks by taking a proactive stance on critical issues.
- Leveraging the UN's global reach and convening power with governments, business, civil society and other stakeholders.
- Sharing good practices and learnings.
- Accessing the UN's broad knowledge in development issues.
- Improving corporate/brand management, employee morale and productivity, and operational efficiencies.

There are 65,000 transnational corporations worldwide. To date over 2,300 companies are participating in the Global Compact as of December 2005, and the number is growing. They are in many countries of the world.

1. *UN Chronicle*, March - May 2004, p.15.

2. *UN Chronicle*, March - May 2003, pp.64-67.

Other material draws on the Global Compact web site at [www.unglobalcompact.org](http://www.unglobalcompact.org)

Even Marx, as he predicted the centralization and concentration of productive capital, could not have envisaged the extent to which he would be proved correct. The 100 largest of the mighty companies have a turnover that exceeds the GDP of more than half of the world's nation-states. For example, the 91,000 employees of Korean TNC Daewoo generate as much cash income as Bangladesh's population of 116 million.

Paul Ekins

## —Child labour (International Labour Organisation)

Hundreds of millions of child labourers around the world work to support themselves and their families, often sacrificing their education, their health — and their childhood. Of these children, many work in hazardous situations or conditions. Children work primarily because their families are poor. When survival is at stake everyone has to lend a hand, whether helping on the family farm, or working on a

plantation, or selling chewing gum in the streets, or weaving carpets in sweatshop factories. Children might not be well paid but they can still provide a substantial proportion of family income.

Child labour and school attendance are often interlinked and whilst it is true that in some cases work enables children to afford schooling, it is also known that work often negatively affects both school

attendance and performance. Nonetheless, research suggests that children who are (and remain) in school are to a large extent shielded against the potential negative effects of work that is not hazardous by nature, be it economic activities or domestic chores. Hence, universal primary education and the progressive elimination of child labour are inextricably linked and need to be addressed jointly in order to improve the well-being of children.

Globalisation, which has rapidly increased in recent years can only be fair when those at the source of the production and supply chain are also able to reap the many real and potential benefits of a freer movement of goods, services, capital and labour. But to do this, families must be able to send their children to school rather than have them work long hours stitching goods or harvesting produce to send up the supply chain. They must also be financially secure enough to properly feed, clothe and educate their children. When globalisation is not equitable, it is the poor families and their children who pay the price, often through child labour.

Among the most exploited children are those enslaved in bonded labour, a form of slavery. There are several types of “bonded” children. Debt bondage is a form of modern slavery whereby, in return for a cash advance or credit, a person offers their labour and/or that of their child for an indefinite period until the credit is repaid. Sometimes boys and girls are trapped in debt bondage that they have inherited from their parents. In some cases, poor parents in rural areas send their children to work for better-off families in cities, believing they will be looked after in exchange.

Through early childhood education and relevant training the slide into poverty can be prevented and children can grow up to expect decent jobs. Whilst it is widely recognised that it is primarily poverty that pushes children into child labour it is mainly education and training that pulls them out – a conclusion confirmed by the U N Millennium Development Goals (MDGs).<sup>1</sup>

While the goal of the International Programme on the Elimination of Child Labour (IPEC) remains the prevention and elimination of all forms of child labour, the priority target groups defined in Convention No. 182<sup>2</sup> are:

- (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- (b) the use, procuring or offering of a child for pros-

titution, for the production of pornography or for pornographic performances;

- (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

According to the IPEC, a solid basis has been laid within countries and globally for worldwide concerted action on child labour, improving millions of children’s lives and their chances for decent work and a productive future. The challenge is to keep up the momentum so these efforts can be multiplied and sustained to achieve the goals.

### *Child labour elimination, decent work and the Millennium Development Goals*<sup>3</sup>

Working out of poverty is a key point of the ILO’s Decent Work Agenda and relates directly to the first MDG – to eradicate extreme poverty and hunger. The children and their families who are target beneficiaries of IPEC’s programmes are among the poorest of the poor and the neediest of the needy. They are the ones who often slip through the social safety nets of their societies. From IPEC’s experience worldwide, it is clearly evident that it is through early childhood education and relevant training that the slide into poverty can be prevented and children can grow up to expect a fair chance at decent jobs. In its work on strengthening education-related institutions and delivery processes, IPEC contributes to the ILO’s work on a number of the other MDGs as well, particularly the second MDG on achieving universal primary education and the eighth MDG on global partnership and development.

1. IPEC action against child labour 2004-2005: Progress and Future Priorities - page 8

<http://www.ilo.org/public/english/region/ampro/cinterfor/news/biblio/ipecc.htm>

Also see Chapters One and Three of the February 2007 edition of the 2006 Implementation Report:

<http://www.ilo.org/iloroot/public/english/standards/ipecc/doc-view.cfm?id=3159>

Copyright © International Labour Organization 2006

2. The ILO Worst Forms of Child Labour Convention, 1999 (No. 182) [www.ilo.org](http://www.ilo.org)

3. <http://www.un.org/millenniumgoals/>

## —Facts on women at work (International Labour Organisation)

Today, women represent over 40% of the global labour force. Approximately 70% of women in developed countries and 60% in developing countries are engaged in paid employment. Worldwide, more women than ever before are completing higher levels of education. Better job opportunities have increased many women's independence and resulted in a new status and role in their families and society. Yet progress on three key and inter-related indicators for gender equality is still inadequate: namely the "glass ceiling" (women in top management), the gender pay gap, and the "sticky floor" (women in the lowest paid jobs). The higher the position in an organization or company, the more glaring the gender gap — women hold only around a mere 1% to 3% of top executive jobs in the largest corporations. The critical role of unpaid work, largely done by women, continues to go unrecognised. Macro-economic indicators continue to ignore the "care economy" as fundamental to economic outcomes. Labour markets in all countries, both in the formal and informal economies, remain highly segregated by sex. The ILO's Global Employment Trends (2003) shows that women continue to have lower participation rates in the labour market, higher unemployment rates, and significant pay differences in most regions.

Many millions of women dwell in the so-called informal economy of the developing world: agricultural workers, those who work at home, domestic employees, the self-employed, unpaid family workers, and workers in unregistered enterprises. The expansion of the informal economy provides jobs for many women as well as men, but at the price of being unprotected and poorly-paid. This means that many remain beyond the reach and coverage of ILO Conventions and national labour laws. In India, for example, 93% of all workers are in the informal economy; other examples are 62% in Mexico and 34% in South Africa. Informal employment is generally a larger source of employment for women than for men. Certain categories of women are especially vulnerable to inequalities in the labour market: rural women, those working in the informal economy, migrant women, the young, the older, and the disabled. At both ends of the spectrum, the young and the aged face particular disadvantages in labour markets. Girls are more likely than boys to be victims of the worst forms of child labour, such as slavery and prostitution. Young women tend to have higher unemployment rates than their male counterparts. The HIV/AIDS pandemic has also increased women's vulnerability given their limited access to social protection and economic security. Older women face continued discrimination in the labour market and often have to assume care-giving responsibilities

within their families in addition to their work outside the home.

In recognition of the vital role that working women play in family welfare and survival, many governments are now taking measures to overcome political, economic, legal, cultural and other forms of discrimination. Similarly, in realizing that women's skills and talent can be key for success in business, some private companies in both developed and developing countries are instituting programmes that promote the welfare, advancement and retention of their female workers.

### *Key Statistics*

- Of the 192 countries in the world, only 12 have a female head of state.
- Seventy per cent of the world's 1.3 billion poor — those who are living on the equivalent of less than US \$1 per day — are women.
- Women spend twice as much or more time as men on unpaid work.
- Worldwide, women on average earn two-thirds of what men earn.
- Women make up the majority of the world's part-time workers — between 60% and 90%. In the European Union, 83% of part-time workers are women.
- In countries such as Australia, Canada, Thailand and the United States, over 30% of all businesses are now owned or operated by women, with Thailand topping the list at almost 40%.
- In some countries of sub-Saharan Africa, most of the female labour force is in the informal economy; for example, 97% in Benin, 95% in Chad, 85% in Guinea and 83% in Kenya.
- In Europe, women are the heads-of-household in 9 out of 10 single-parent families.

*For more information, see [www.ilo.org/gender](http://www.ilo.org/gender)*

International Labour Organization  
4 route des Morillons  
CH-1211 Geneva 22  
Switzerland  
Tel. 41 22 799 7912  
Fax 41 22 799 8577



## TOWARDS SOLUTION

—A new economic era (Alice Bailey)

There is only one true way and there are indications that it is a way towards which many millions of people are turning. Unity and right human relations — individual, communal, national and international — can be brought about by the united action of the men and women of goodwill in every country.

*Problems of Humanity, p.178*

The distribution of the world's resources and the settled unity of the peoples of the world are in reality one and the same thing, for behind all modern wars lies a fundamental economic problem. Solve that and wars will very largely cease. In considering, therefore, the preservation of peace, as sought for and emphasised by the United Nations at this time [1940s], it becomes immediately apparent that peace, security and world stability are primarily tied up with the economic problem. When there is freedom from want, one of the major causes of war will disappear. Where there is uneven distribution of the world's riches and where there is a situation in which some nations have or take everything and other nations lack the necessities of life, it is obvious there is a trouble-breeding factor there and that something must be done. Therefore we should deal with world unity and peace primarily from the angle of the economic problem.

*Problems of Humanity, p.167*

Three things will end this condition of great luxury and extreme poverty, of gross over-feeding of the few and the starvation of the many, plus the centralisation of the world's produce under the control of a handful of people in each country. These are: first, the recognition that there is enough food, fuel, oil and minerals in the world to meet the need of the entire population. The problem, therefore is basically one of distribution. Secondly, this premise of adequate supply handled through right distribution must be accepted, and the supplies which are essential to the health, security and happiness of mankind must be made available. Third, that the entire economic problem and the institution of the needed rules and distributing agencies should be handled by an economic league of nations. In this league, all the nations will have their place; they will know their national requirements (based on population and internal resources, etc.) and will know also what they can contribute to the general good — a will-to-good that will probably at first be based on expediency and national need but which will be constructive in its working out.

*The Externalisation of the Hierarchy, p.197*

The world economic council (or whatever body

represents the resources of the world) must ... set the resources of the earth free for the use of humanity. This will be a lengthy task but it will be possible when world need is better appreciated. An enlightened public opinion will make the decisions of the economic council practical and possible. Sharing and co-operation must be taught instead of greed and competition.

*Problems of Humanity, p.177*

The release of the energy of the atom faces both capital and labour with a problem.

Money, the accumulation of financial assets and the cornering of the earth's resources for organisational exploitation will soon prove utterly useless and futile, provided that these resources of energy and the mode of their release remain in the hands of the people's chosen representatives and are not the secret possession of certain groups of powerful individuals or of any one nation. Atomic energy belongs to humanity as a whole. The responsibility for its control must lie in the hands of the men and women of goodwill. They must control its destiny and make it available along constructive lines for the use of all people everywhere. No one nation should own the formula or secret for the release of energy. Until mankind, however, has moved forward in its understanding of right human relations, an international group of men and women of goodwill — trusted and chosen by the people — should safeguard these potencies.

If this energy is released into constructive channels and if it remains safely guarded by the right people, the capitalistic system is doomed. The problem of labour will then be the major problem of unemployment — a dreaded word which will be meaningless in the golden age which lies ahead. The masses will then be faced by the problem of leisure. This is a problem which when faced and solved will release the creative energy of humanity into channels undreamed of today.

*Adapted from Problems of Humanity, p.82*

As money has in the past ministered to personal and family need, so in the future it must minister to group and world need. Each unit has, in the past, attempted to act as a magnet and to attract to itself

that which will meet what it regards as its need — using personal activity and labour, if of no influence or education, and financial manipulation where that was possible. Groups in the future must act as magnets; they must see to it that they are animated by a spirit of love. I give you a thought here which is capable of much expansion. *Need, love and magnetic power are the three things which — consciously or unconsciously — attract money.* But they must all manifest at once. The need in the past has not always

been real, although it has been felt (such is the world glamour and illusion). The love has been selfish or unreal; the demand for things material has been for that which is not necessary to health or happiness. The magnetic force utilised has been, therefore, wrongly motivated, and this process — carried forward over so long a time — has led to the present dire financial situation in the world.

*Discipleship in the New Age Vol.I, p.272*

The basic features of the international economic order that came into being after the Second World War have disappeared or eroded under the impact of the globalisation of the world economy and the demise of central planning. The contours of a new system that can meet and reconcile the interests of the nations of the world and promote international development remain unclear. The process by which it is taking shape is not one of implementation of a grand design under strong leadership but one of adaptive response and crisis management.

*UN Economic & Social Council (ECOSOC)*

## —Money as energy

Money, the ageless wisdom tells us, is crystallised energy or vitality — what the Eastern philosopher calls pranic energy. It is to the life of the planet what the circulatory system is to the life of the body. And just as there is disease (dis ease) in the body when that circulation is congested or blocked, so there is disease on the planet when money is hoarded and imprisoned by attitudes of fear, distrust, selfishness, greed and materialism. Being a manifestation of energy, money is in itself a blind force, equally available for either selfish or for altruistic purposes. It is our choice which determines how money will be used or misused — released into channels of health and well-being or dammed up in the reservoirs of selfish monopoly.

The events of the past few years have taught us that once the will of a people is mobilised and stands firm behind a goal, nothing can prevent the accomplishment of that goal. There are signs that a small

but significant number of people are searching for new ways of using money as an enlightened energy and an instrument of their goodwill. These include the growth of philanthropy, emerging new fields of ethical investment, and the consumer movements which favour fair trading practices between countries of the North and South and which express a willingness to pay a higher price for environmentally sound methods of production. The needs of humanity are such that we should expect, over the next few years, to see an abundant array of programmes from government, business, banking as well as from peoples' organisations, that give expression to this new attitude to money. Increasingly money as enlightened energy will become the instrument of our goodwill, ensuring more speedy progress towards the health and well-being of all.

*World Goodwill Newsletter*

## —Are capitalism and sustainability mutually exclusive? (Jonathon Porritt)

This is the question posed, by Jonathon Porritt, in an edited extract from his book, *Capitalism As If The World Matters* — in *Resurgence Magazine* (Issue no. 234 January/February 2006)

If the answer to the above question is yes, then the only “morally consistent response” is the overthrow of capitalism, but if the answer is that capitalism and sustainability are compatible under certain conditions, then it should be possible to transform the present unsustainable model of capitalism so that it becomes sustainable — in a world where more than two billion people live on less than two dollars a day. Critics of capitalism are not necessarily anti-capitalist: rather they take the view that the current form of capitalism is not sustainable for the wellbeing of humankind. As George Soros, has said, the main enemy of an open [democratic] society is “the untrammelled intensification of laissez-faire capitalism and the spread of market values”.

According to the political theorist Marcel Wissenburg, there is “no fundamental incompatibility between the pursuit of sustainability and political liberalism”; however, with the conflict between people’s growing needs and wants and limited natural resources, there are limitations in the liberal position. If, as in Wissenburg’s view, people’s needs are considered as private affairs with control being “impermissible”, then Porritt says, “ [an] ecological abyss... awaits us if nine billion people are ‘permitted’ to acquire trinkets, get obese, travel the world, and own several cars — as so many of us already do today”.

According to Jonathon Porritt, there is a strong case for arguing that a sustainable economy, one that can live side by side with democracy, is a market based economy, although this is not to say that capitalism is the only economic system with the potential to deliver a sustainable society in the future. In reviewing the defining characteristics of a capitalist system he writes that whilst markets existed long before capitalism, capitalism needs the marketplace as the principal mechanism for the exchange of goods and services. There seems to no reason why properly regulated markets, operating within a sustainable macro-economic framework, will not continue to be the most effective mechanism for the allocation of resources. Furthermore, competition within such markets prevents the drift to monopoly.

One of the most important characteristics of a sustainable economy is to produce more output from the lowest possible throughput of energy and raw materials. And prices should reflect the true cost of the use of energy and resources. The exchange of goods and services through a market does not prevent sustainability, indeed new market based solutions

have emerged in the pursuit of sustainability — i.e. proposals for a global market in carbon trading; local farmers markets; LETS (Local Exchange Trading Systems), which combine market principles and the principles of mutuality and co-operation.

Some think that capitalism, with its “profit motive” and its inherent urge to maximise profits, has caused some companies to cut corners and to externalise as high a proportion of their costs [through pollution] as they legally can. Only governments can force companies to bear these costs, through proper regulation and company law. Thus the concept of sustainable profitability should be viable and “even a necessary condition of making the transition to a sustainable economy as efficiently and painlessly as possible”. The balance between profit and sustainability will become an “increasingly important test of real business leadership”.

In the rich countries, governments are working more in partnership with businesses, there being less new regulation of business; more governments may follow the USA and UK in opening up the public sector to privatisation and market forces. However, critics of capitalism point out that generating profits with a view to accumulating capital, as much and as fast as possible, is building up a momentum to unlimited, unsustainable economic growth. In the capitalist system, profit is the “key measure of corporate success” ensuring rapid shifts in the productive base of any economy. And it is upon those profits that millions of people depend for pensions and investments. Yet, at this time it is difficult to dispassionately judge the negative and positive aspects of the pursuit of profit as we have come through a period of extremes with corporate scandals and collapses. “Sustainable capitalism would necessarily need to find ways of limiting the concentration of wealth”.

A further question arises — “is there any fundamental incompatibility between the right to own private property and the pursuit of sustainability?” Surely the principle of private ownership, if managed rightly, could help to underpin a sustainable society.

Free trade between nations and “open markets” is considered an essential aspect of capitalism and is still the focus of the IMF and WTO. However, “free trade” is coming under scrutiny and critics have drawn on the ideas of David Ricardo, who wrote at the start of the 19th century. These critics “remind latter-day free apostles that the principle of comparative advantage was premised on the assumption that capital (as well as labour) stayed at home only the goods were traded internationally”. However, now capital is more mobile than goods and transnational corporations can move from country to

country to find cheap labour, cheap resources as well as lower environmental and social standards. So, now, capital tends to flow to countries with “an absolute advantage in these areas” leading to a lowering of standards as nations compete with one another. “Footloose capital” can “externalise” its costs by shifting to countries with lower standards.

Jonathon Porritt recalls the opinion of John Maynard Keynes, unfashionable today: “...Ideas, knowledge, art, hospitality, travel — these are the things that should of their nature be international. But let goods be home spun wherever it is reasonable and conveniently possible, and above all let finance be primarily national.”

Then there are other factors, such as “Scale”, to be considered with Fritz Schumacher’s catchphrase: “small is beautiful”. This appeals to those who want “to keep relationships personal and direct, to retain the closest possible ties of neighbourhood and community, to keep supply chains short, and...ensure that things are kept as simple and manageable as possible”. The underlying concern is that there is a dynamic in capitalism which distorts a balanced approach with the result that everything must get bigger (and richer) which “crushes human scale, diverse cultures and local differentiation”. Global capitalism now runs on unfettered expansionism because it has no self-correcting mechanisms as to size. The world now produces in less than 2 weeks the equivalent of the entire physical output of the year 1900; total throughput in the global economy doubles every 25 - 30 years.

At the heart of the issue of scale is population growth. Growing populations need growing economies..... although it would be unreasonable to

blame capitalism for this. “The concept of ‘production for human needs’ would seem to have little currency in the debate about sustainability and even less in discussions about contemporary capitalism”. Where basic needs are met it’s seen to be the natural by-product of rising economic prosperity but when these needs are not met (as for more than one half of humanity) faith in the promise of the “trickle down” theory of economics diverts attention away from “the thorny question” as whether basic needs will ever be met in the global economy. Indeed the United Nations Development Programme’s annual Human Development Report offers a sobering assessment “Development that perpetuates today’s inequalities is neither sustainable nor worth sustaining”. And in the UK, the work of the New Economics Foundation has highlighted the chronic “disconnect” between the rates of economic growth and increases in human welfare.

In conclusion, Jonathon Porritt’s view is that “sustainability is a non-negotiable imperative for mankind”. Apart from some rare exceptions such as Cuba and North Korea, capitalism is likely to be with us for the foreseeable future, so sustainability must be delivered within a capitalist framework. He suggests that, “We don’t have time to wait for any big-picture ideological successor”.

*This extract is adapted from Resurgence [www.resurgence.org](http://www.resurgence.org)*

*For more information contact: Forum For The Future:  
[www.forumforthefuture.org.uk](http://www.forumforthefuture.org.uk)*

## —Understanding wealth (Paul Ekins)

Wealth for the Green economist is broadly conceived as anything that makes us individually and collectively better off. While money is wealth, it is clear that wealth has many other sources.

Three types of wealth, two economic and one non-economic, can be imagined. Economic wealth can be monetary or non-monetary. Monetary wealth is anything that can be bought and sold, anything in which there is a market. The market reflects a commodity’s price but not necessarily its worth, as the example of water shows. Non monetary economic wealth refers to things for which there is a demand and that depend on scarce resources. But since they are not provided in the market, they do not have a price. Much government expenditure seeks to provide non-monetary economic wealth. Defence spending is supposed to increase security; spending on schools to increase education, and on hospitals, health. But there is no agreement on what any of these is

“worth”, nor sometimes, as with nuclear weapons, on whether the expenditure on them has even yielded a useful output.

Economists always try to find ways to “price” non-monetary wealth by reference to markets. Thus the value of beautiful scenery (positive) or of living under an airport’s flight path (negative) can be estimated by analysing house prices in these areas compared with others. Attempts have also been made to measure the “option value” of preserving resources for the future, or the “existence value” of an endangered species. As with cost-benefit analysis these are useful techniques to give weight to environmental values, but dangerous if they imply that all environmental values can be measured in this way. As with the ozone layer, many cannot.

Other non-monetary wealth-creating values are those pertaining to community, family, and other social structures that potentially engender well-being.



This concept shades into the non-economic type of wealth, sources of well being that it makes no sense to relate to ideas of “resource scarcity”. The values of love, friendship, religion, and the spirit are obvious examples. Only the most fanatical economists seek to explain such values in terms of scarce resources and

competing uses, indicating again the extent to which the economic dimension has attempted to dominate the other, non-economic aspects of life.

*Paul Ekins, Wealth Beyond Measure: An Atlas of New Economics, p.44*

## —How can we raise the world’s ethical floor? (Hazel Henderson)

The fate of the world’s children, the fate of the Earth and the future of the human family are, of course, inextricably linked.

In the early factories, children and women, still viewed as chattels, became the lowliest workers. Factories themselves were based on the idea of removing production from its cultural roots in the home and community to permit splitting and rationalizing the process into hundreds of mindless tasks. Today, as industrialisation spreads around the world, urban areas grow cancerously, while rural communities are left, together with traditional cultures and peoples, in the backwash of ‘economic growth’ and ‘progress’.

At last, all these side-effects of pursuing an ever-rising gross national product (GNP) have become too visible to be denied. People everywhere are awakening from ‘technological trance’. Media have helped enormously in this awakening — albeit long after the environmental movement of the 1960s. Twenty-year-old environmental horror stories, well-documented in thousands of environmental groups’ newsletters, suddenly became ‘news’ around 1989 and began appearing in the news magazines and on television.

The linkages and interconnections and the overall impact of mass consumption-driven economies on the Earth became unavoidably obvious. The losers in the industrial race also became more visible: the less developed countries could only develop like the Northern industrial countries if the North became more frugal and shared the Earth’s remaining resources more fairly. The ‘marginalisation’ of rural and ethnic peoples, women, children and the weak began to be seen as an integral part of the process of blindly pursuing GNP growth and narrow definitions of efficiency and progress.

Another leap in awareness came in September 1990 when 71 heads of State and Government met at the first World Summit for Children. The leaders signalled an emerging paradigm of accepting the interconnections of life by taking public responsibility for the condition of the world’s children.

At the Summit a new commitment was made:

to try to end child deaths and child malnutrition on today’s scale by the year 2000 — and to provide basic protection for the normal physical and mental development of all the world’s children. The Summit exposed the ‘quiet catastrophe’: not only the 40,000 child deaths each day, but the 150 million children who live on with ill-health and poor growth, the 100 million 6-11 year-olds who are not in school. At last, these shocking statistics were publicly linked at the highest levels to the fact that the means of ending this quiet catastrophe were now both available and affordable.

This linkage also signalled that the rationalistic, narrow ‘left brain’ approaches were expanding to include the more ‘right brain’ moral and intuitive grasp of whole systems needed to address the world’s intractable problems: environmental destruction, poverty and social neglect amid rising populations and shrinking resources, with soaring debt accompanying growth of GNP in more and more countries.

The World Summit for Children took the giant step of linking many of the formerly disparate parts of the story, thus laying the groundwork for the world leaders’ historic promise and their plans of action into the next century.

Another vital linkage was highlighted between population growth and infant mortality which reversed the Malthusian view that mortality rates must balance with birth rates. Rather, the reverse is true regarding child mortality; when children can survive with such cheap, simple remedies as oral rehydration therapy for diarrhoea, parents gain a sense of confidence.

It is not surprising that the grass-roots movements to heal the Earth and to care for the world’s children are more effective in pressing these agendas on politicians than those of specialists and academics. The powerful, reintegrating, passionate concern showed by grass-roots groups — whether the Chipko movement in Asia or the Greenbelt movement in Africa to protect and restore forests — and the worldwide efforts to prod media to write about the plight of children have helped to elevate children

and the environment among global priorities.

Today, the planet is teaching humans at every level in a very direct way. The Earth is like a vast programmed learning environment, giving us all positive and negative nudges towards a more survivable path to further development. The lessons are: cooperation and prevention.

With the globalisation of industrialisation, technology, communications, financial interests, migration, the arms trade and the resulting effects on the biosphere, interdependence has become a fact of life. As the ecologists say: everything is connected to everything else.

The old competitive rules of the global economy cannot work when all the niches in the marketplace are filled. Many former market-places must now operate globally: the world's oceans, atmosphere, electronic spectrum and even outer space must be shared as the common heritage of all the world's children.

This requires a shift from 'win-lose' competitive rules to 'win-win' rules and cooperative treaties and agreements to prevent overuse, which leads to the worst outcome of all: everybody loses.

In today's interdependent world the old economic rules of global market-place competing to maximize GNP are creating a behavioural sink: the 'winner' is the company or country that can exploit

its people and ecosystems the fastest.

The new global playing field needs to be levelled, but not by using economists' formulas which tend only to level forests and ecosystems and cultures. Instead, we need to raise the level of the global playing field by placing an ethical 'floor' under it, i.e. new rules, treaties and agreements for protecting children, workers, consumers and all people as well as the environment.

The new ethical playing field is slowly emerging, via United Nations treaties and protocols and by action plans like that for the world's children. As this lattice-work of agreements is put in place the whole world game will change. The new winners will be the countries and companies that act towards preserving and enhancing the environment and the long-term health of all the world's people.

As 'investments' continue to be redefined by a fuller accounting of all the costs and long-term impacts of our economic activities, we will come to see that investing in people and in maintaining our natural resources is the long-term pay-off.... As we really knew in our hearts all along, investing in children assures that we will have a future.

*from Hazel Henderson, in  
Environment: Children First, a media kit published by UNICEF  
in preparation for the Earth Summit*

## —How to create a real ownership society (Jonathon Rowe)

*Adapted Extract from an essay by Jonathan Rowe in Ode Magazine<sup>1</sup>, issue 31 (March 2006).*

The idea of the commons — of property invested with a dimension of community — was part of economic life for the early settlers of New England who built their settlements around a shared pasture and meeting grounds. Farm plots were on the outskirts, the traditional pattern in England and many other places. The idea was embodied in a common-law principle called "the public trust." The trust doctrine went back to Roman times. It said that waterways, coastlines, the air and wild animals were common by their very nature, and could not be enclosed under a private ownership regime. Private woodlands too were deemed common for hunting, fishing and even timber-cutting unless the owner fenced them. There was no iron curtain between private and common property. Freedom meant not just independence from the community but the right to participate in it.

Today, despite the corrosive effects of economic dogma and corporate interest, remnants of the tradi-

tional thinking continues, even in the U.S. Zoning, fire codes, restrictions on the operation of motor vehicles are all based on the principle that private property is not absolute and must yield to the public health and safety to some degree. In recent years, state courts in New Jersey and Michigan have invoked the public trust to guarantee public access to beaches claimed by private owners. Pressing the claims of private property prompts a reaction and when Americans see proposals to relinquish the national parks to real-estate developers, to auction off the oceans to corporate fish producers, and to turn their precious Social Security savings into a Wall-Street giveaway, it does give them pause.

Not only that, the rise of the cyber-economy has strained conventional notions of property to the breaking point; and market economic dogmas along with them. These and other changes have brought the concept of the commons back into the political debate. Cyber-mavens are rising up to protect the new town square called the World Wide Web against corporations that want to wall it off into private

enclaves with admission fees. Municipalities are establishing public WiFi systems to give all their residents entry to this new town square. At the same time people are fighting to preserve their traditional Main Streets and the social commons these embody against Wal-Marts and other big-box stores that aim to decimate them.

The root meaning of the word privatize is “to deprive.” As people across the world take a long look at the unchecked power of multinational corporations and the ruthless programs of privatization, there are fewer and fewer takers for this version of the ownership society. Nature is driving the situation too. The reality of climate change is penetrating the minds of even the ideologically resistant. Then came Hurricane Katrina, which reminded us that we really are in this together. Virtually every penny of property value in the city of New Orleans, it turned out, was dependent upon two things. One was the society as a whole, embodied in the elaborate system of dikes and levees that was supposed to keep the flood waters at bay. The other was nature, in the form of miles of coastal wetlands that would have buffered the shock of the storm had the oil industry not decimated them.

These made the city possible. Neglecting them spelled its doom.

All of us around the world are in New Orleans. Virtually all of what is called our “private” property is a co-production between owners and workers on the one hand and the large invisible hands of society and nature on the other. What would oil be worth without highways on which to burn it? What would an expensive mansion be worth in a city on any continent with no police protection, sewer service or zoning laws?

Honest entrepreneurs are the first to acknowledge this. “I personally think that society is responsible for a very significant percentage of what I’ve earned,” American investor Warren Buffet has said. As one of the world’s richest individuals, he does know something about wealth and where it comes from.

An ownership society that works for the world is one that pays as much attention to that which we own together as to that which we hold apart.

1. [www.odemagazine.com](http://www.odemagazine.com)

## —Big business and sustainable development

One of the most influential groups at the Earth Summit held in Rio de Janeiro in 1992 was an association formed by some of the world’s largest business corporations. At Johannesburg 10 years later, The World Business Council for Sustainable Development (WBCSD) and Greenpeace jointly convened an event to lobby for the creation of an international framework to combat climate change. This shows that groups that would not have dreamt of cooperating in the past are beginning to identify aspects of a shared agenda. And the work of identifying and implementing this agenda can only take place in an atmosphere of goodwill, where all participants are prepared to listen, and to change.<sup>1</sup>

In 2006, WBCSD was a coalition of 180 international companies who share a commitment to sustainable development through economic growth, ecological balance and social progress. Members are drawn from more than 30 countries and 20 major industrial sectors and their mission is to provide business leadership as a catalyst for change toward sustainable development in a world increasingly shaped by sustainable development issues. WBCSD believe that the leading global companies of 2020 will

be those that provide goods and services and reach new customers in ways that address the world’s major challenges — including poverty, climate change, resource depletion, globalization, and demographic shifts. They also believe that sustainability must be linked to profitability so their contribution to society will therefore come through the core business, rather than through philanthropic programs. Interestingly, shareholder value is seen as a measure of successful delivery of value to society, rather than as an end in itself.<sup>2</sup>

Following the World Summit on Sustainable Development, known as Earth Summit II, held in Johannesburg in 2002, NGO’s are being challenged to co-operate with governments and businesses through coalitions between small groups of different actors to tackle specific projects. These projects, known as Type II outcomes, or Partnerships for Sustainable Development, have continued to develop and grow following Johannesburg, and registered partnerships now cover a broad spectrum: protection and management of natural resources, agriculture, biodiversity, climate change, energy, human settlements, rural development and water; with a smaller

number of partnerships in biotechnology, chemicals, drought, mining, mountains and transport.<sup>3</sup> Proposed initiatives submitted to the Commission on Sustainable Development Secretariat include: African Union Initiative on Agenda 21 in Africa; Dialogue on Effective Water Governance; improved access to water and sanitation in African cities and towns; Global Village Project; International Youth Dialogue on Sustainable Development; Sustainable Development Initiative in the Arab Region; Tuberculosis Control Network.<sup>4</sup> These, and other, initiatives are evolving and have been recognised as

one of the most innovative outcomes of the World Summit and the implementation of internationally agreed sustainable development goals and commitments.

1. See *World Goodwill Newsletter* 2003 No 1.
2. For further information visit the WBCSD website at: [www.wbcd.ch](http://www.wbcd.ch)
3. To access the UN Secretary-General's 2006 report on Partnerships for Sustainable Development visit: <http://daccessdds.un.org/doc/UNDOC/GEN/N06/259/15/PDF/N0625915.pdf?OpenElement>
4. [http://www.un.org/esa/sustdev/partnerships/activities\\_initiate.htm](http://www.un.org/esa/sustdev/partnerships/activities_initiate.htm)

## —Emerging new work patterns

In the 1990's much thought was given to a variety of options that would help make the jobs that are available accessible to more people. It was envisaged that people would spend less time working with work being shared out amongst more people, with more time for leisure. Whilst there has been an increase in job sharing and part-time employment, the window for early retirement has now closed due to the pension crisis. Indeed, with longer life expectancy in the developed countries, workers are now having to work longer and according to OECD, "in an era of population ageing, we can no longer afford to waste the valuable resources that older workers offer to business, the economy and society". Whilst sabbatical breaks do occur, workers are often under threat due to work pressures which have resulted, in some cases, in longer work hours, often unpaid. Nevertheless people still seek the "job satisfaction" expressed by Anita Roddick, founder of the Body Shop plc: "This new generation in the workplace is saying "I want a society and a job that values me more than the gross national product. I want work that engages the heart as well as the mind and the body, that fosters friendship and that nourishes the earth. I want to work for a company that contributes to the community".

Whilst work has always been a central activity in most people's lives, it's thought that the future will bring great changes in what people do as work and in how work is organised. James Robertson's book *Future Work*, whilst published over twenty years ago, still contains ideas and arguments relevant to today's society. There will continue to be many jobs and most people will continue to want to work whilst enjoying more leisure than in the past, however the real challenge is to move to new kinds of work and new ways

of organising work. The key to understanding this change is a move to what he calls ownwork — to forms of work paid and unpaid — which people organise and control for themselves for their own purposes, as individuals, in groups, and in the localities in which they live. This transition from traditional employment to ownwork can be seen as an evolutionary development — the next stage in a progression towards freedom, responsibility and fuller participation in the life of society, a progression that was marked in earlier times by the transitions from slavery to serfdom, and from serfdom to employment.

It's interesting that the transition to ownwork is not seen as being achieved by a comprehensive plan rather it will be achieved by people deciding to "do their own thing". The emergence of new work patterns could be viewed as a historic opportunity for a liberation of work, which will take growing numbers of people beyond the factory mentality of the employment age. It will come in growing numbers of people, conscious of sharing the same vision of the future of work, finding new ways of organising work for themselves.<sup>1</sup>

### *Self-employment and the Co-operative Movement*

One of the most interesting new patterns in work reflects a new morality: for example, producing goods that are ecologically sound. There is also evidence of a revival of craftwork and cottage industries, which express the creativity and enthusiasm of the workers.

The co-operative movement reflects the concern that workers should have control over their work, its products, the work environment and management. Co-operative enterprises are distinguished by the fact that they are owned and operated by the people who work in them, and that decisions are made on a democratic basis. It is through the co-



operative movement that large numbers of people are being trained in the skills of group work, group responsibility and group relationships. And it tends to be not just their own immediate working environment that concerns them. It is common for the members to feel a sense of responsibility for the welfare of the wider community.

The co-operative movement is growing and, in a difficult commercial environment, enterprises owned by the workers are proving that they can survive. One of the most famous and successful co-operatives in Europe, where they have been a feature of the working environment for many years, is the Mondragon Co-operative Group in Spain. This movement links together 70,000 people who work in approximately 150 separate but linked co-operatives. It is considered the world's largest worker co-operative and has its own university with some 4,000 students.<sup>2</sup> It also has its own social assistance programme and banking system, the Caja Laboral Popular (CLP), which in 2003 had a client base of over 1 million people with 336 branches. The CLP lies at the heart of the group. Individual workers bank with the CLP knowing that funds will be used for the development of the group and the promotion of new jobs and new co-operatives in the area. All workers are shareholders, investing their own capital and labour in the enterprise. Underlying Mondragon is a spiritually based vision. "Let us make richer communities, rather than richer individuals" is how the Caja advertises itself.

In the UK, the John Lewis Partnership is an employee-owned business with 26 department stores, 179 supermarkets and 64,000 employees with a turnover exceeding £5 billion a year. The Partnership's ultimate purpose is the happiness of all its members, through their worthwhile and satisfying employment in a successful business. Because the Partnership is owned in trust for its members, they share the responsibilities of ownership as well as its rewards — profit, knowledge and power. Parallel to normal management structures is a separate system of democratic partnership bodies, one for each main operating unit. All partners are represented through the group-wide Partnership Council, which appoints five non-executive employee directors to the main board and has the power to dismiss the chairman. Staff can also demand responses by management to anonymous criticisms and comments via the in-house magazine.<sup>3</sup>

#### *Work in the Developing Countries*

In developing countries appalling levels of unemployment and under-employment are a dominant feature. Hundreds of millions of people in the Third World are today without paid work or grossly under-employed. Denied the opportunity to earn sufficient

income through productive work, they are unable to meet basic needs for food, housing, education and health-care. The picture becomes all the more tragic when we realise that it is the young people that suffer most. Without the welfare agencies that are available to the unemployed in the West and the North, communities and families in the Third World unable to support themselves through their own labour are forced into abject poverty. The desperation of their plight also opens them to many forms of ruthless exploitation.

One of the most heartening responses to the problems of unemployment and under-employment in the Third World is the growing number of labour-intensive, small-scale community development projects which are helping to provide work for the poor and a level of income that enables them to meet their basic needs, while at the same time enabling them to regain control of their lives. Community development is about working together. It is about a local neighbourhood community sharing such resources as time, energy, labour and land in order to raise the individual and collective quality of life. It is about the sensitive introduction and use of technology which is appropriate to the resources and needs of the community. Thousands of rural and urban development projects are a true expression of a new pattern of work emerging in the Third World today. Many of the ideas being pioneered through these projects are now being adapted and applied in self-help development projects in deprived communities throughout the Western world.

According to the International Labour Organisation, pressures from an increasingly competitive work environment combined with lack of support for family responsibilities are leading to considerable conflicts and stresses for workers trying to "juggle" work with family responsibilities. It is sometimes assumed that in developing countries family responsibilities are not really a problem since workers can appeal to traditional family solidarity and find some relative who can help look after dependents. However, evidence suggests that family support for the domestic and caring responsibilities of those who work outside the home is less and less available and increasingly problematic, particularly in urban areas.<sup>4</sup>

The ILO website refers to the concept of decent work, which sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives, and equality of opportunity and treatment for all women and men.<sup>5</sup>

### *Outsourcing*

A recent article<sup>6</sup> on the economic impact of Outsourcing offers a good synopsis of this phenomenon, which intensified in the 1990's with the growth of the Internet and as technology led to lower costs of computing. Cost savings could be made if jobs were transferred abroad at significantly lower cost. So, for example, British Airways announced plans to get their accounting done in Mumbai, US hospitals are getting x-rays read by medical technologists in India, cries for help on computers and queries on all kinds of subjects are answered from call centres in India. India's educated, low-cost, English-speaking workforce is an eager participant in the global service economy. Many services are now traded internationally over electronic media such as the Internet, fax and telephone.

There is anxiety in the West about outsourcing. In the past, when low skill manual jobs were transferred to low-wage countries the labour force could retrain and acquire higher skills; however, with more skilled white collar jobs being outsourced workers fear for a secure future. Outsourcing is in the public eye because it is easily noticeable, for example, when a UK or American company or organization shifts its entire call centre operation or accounting operations to India. Whilst many of the jobs being outsourced are low skill and low wage — such as call centre jobs, billing, processing, and credit card services — there is also the outsourcing of highly complex software services. For example, a medium sized Indian company, Mastek, was responsible for the IT infrastructure for London's traffic system; Sasken, a Bangalore-based firm supplies cutting edge telecom software to many of the world's leading communication companies. Unlike software products, software services can be sold at a fraction of the cost of the UK or US counterpart and can be shipped over the Internet. Outsourcing presents a clear break from the historic pattern of low-end jobs going to developing countries; skilled jobs are now being outsourced; thus it is feared that acquiring a higher level of skills will no longer offer a secure future for the worker in the developed world.

As a contributor to employment in the Indian economy, outsourcing employs no more than one million workers in a total labour force of 450 million. However there are indirect impacts: the software sector generates exports which brings in foreign exchange which, in turn, helps to improve productivity through purchases of foreign machinery and technology; also foreign exchange reserves provide a cushion for sudden changes in India's balance of payments. But perhaps the most noteworthy effect on the Indian economy has been a change in the entrepreneurial culture with business leaders no longer coming exclusively from leading

business families.

Whilst outsourcing of services continues to grow rapidly in both "low end" and "high end" services, the impact on India is mainly through indirect means and not through direct employment. Consequently, its contribution to the overall economic picture and poverty alleviation is small.

### *Bonded Labour*

Bonded labour — or debt bondage — is a form of slavery and in 1999, the UN estimated that some 20 million people were held in bonded labour around the world. According to Anti-Slavery International, "a person becomes a bonded labourer when his or her labour is demanded as a means of repayment for a loan. The person is then tricked or trapped into working for very little or no pay, often for seven days a week. The value of their work is invariably greater than the original sum of money borrowed".<sup>7</sup>

Bonded labour has existed for thousands of years. In South Asia it had its roots in the caste system, and continues to flourish in feudal agricultural relationships. It was also used as a method of colonial labour recruitment for plantations in Africa, the Caribbean and South East Asia. Bonded labourers are often subjected to physical and sexual violence and may be kept under surveillance, even armed guard. Despite its illegality in most countries people without land or education are forced to sell their labour to survive in exchange for a sum of money or a loan. War provides another area for exploitation, with children being forced to serve as soldiers or sex-slaves in war zones.

The global economy is now seeing further exploitation with the growth in people-trafficking. Those trafficked may be forced to work as domestics, in prostitution, as labourers, and in many other jobs although a distinction should be drawn between economic migrants who work freely and those who are exploited and threatened. Trafficked people are often indebted and when they arrive at their destination, they find that the job they were promised does not exist but they still have to pay a debt, which could be anything up to US\$40,000. This amount can then be inflated through charges for accommodation, food and interest on the loan they borrowed. The trafficked person is not paid what they were promised; often they are not paid at all.

Bonded labour often operates outside of the normal economy and in some cases workers are "managed" by "gangmasters". This can lead to tragedy as was highlighted in 2004 when 20 Chinese cockle-pickers were drowned off the North-West coast of England by the rising tide in the darkness.

Despite UN prohibition and the fact that it is illegal in most countries bonded labour continues to exist because governments are rarely willing to

enforce the law or to ensure that those who profit from it are punished.

1. This is a brief summary of ideas from James Robertson's book *Future Work*. The full text of this book is available free from his website in pdf format  
<http://www.jamesrobertson.com/books.htm#futurework>
2. [http://en.wikipedia.org/wiki/Mondragon\\_cooperative](http://en.wikipedia.org/wiki/Mondragon_cooperative)
3. <http://www.johnlewispartnership.co.uk>
4. <http://www.ilo.org/public/english/protection/condtrav/family/index.htm>
5. <http://www.ilo.org/public/english/decent.htm>
6. "Outsourcing" by Ashok Kotwal & Milind Kandlikar, October 2005 (6 pages), Invited article in *Oxford Companion on Indian Economy*.
7. Visit [www.antislavery.org](http://www.antislavery.org) website for more background information.

## —The universal living wage

First of all, it must be recognised that the cause of all world unrest, of the world wars which have wrecked humanity, and the widespread misery upon our planet can largely be attributed to a selfish group with materialistic purposes who have for centuries exploited the masses and used the labour of mankind for their selfish ends....they provide work for countless thousands but see to it that these thousands receive so small a wage that real comfort, leisure, culture and travel are impossible.

*Problems of Humanity, pp.88-90*

Poverty among the working classes is a global crisis — even developed countries in the Northern Hemisphere are found to include alarmingly large segments of their population living well below the poverty level. According to the most recent World Bank statistics, approximately 2.8 billion people — roughly half the world's population — live on less than \$2 a day and the GDP (Gross Domestic Product) of the poorest 48 countries is less than the wealth of the world's three richest people combined. Despite some improvements in global living standards consistent with the United Nation's document, the Universal Declaration of Human Rights, which defines life-sustaining necessities (food, clothing, shelter, access to health care) as "definitive components of the right to a minimum standard of living and dignity for every (nation) state," these statistics remain virtually unchanged since they were first published in the year 2000.

When taking into account that of the world's 100 largest economic bodies, 51 are now corporations and 49 are countries; and that the top 200 corporations comprise over a quarter of economic activity on the globe while employing less than one percent of its workforce<sup>1</sup>, it is becoming clear to many leading economists that the eradication of poverty amongst the world's working poor will require a comprehensive new framework for achieving long-term economic justice. In the past, the problem of the poor was left mainly to religious and charitable trusts, and in more recent times to philanthropic movements and trade and labour unions.

Because the primary source of income for the

majority of the working class around the world is earned through "self"-employment with minimal monetary gain, It has been proposed by the Center for Popular Economics ([www.populareconomics.com](http://www.populareconomics.com)) that one strategy to deal with the problem of low-level incomes is to raise the returns that people receive for work — both paid and informal. One such strategy is gradual wage equalization and the establishment of a universal formula for determining the living wage that would include every region of the world.

The concept of a living wage is not a new one, having been first articulated in the United States in 1906 by a Catholic Priest, Father John A. Ryan in his book *A Living Wage: Its Ethical and Economic Aspects*. Ryan drew heavily from the writings of Pope Leo XIII, who outlined the doctrine of a fair wage in his May 15, 1891 encyclical letter on the condition of the working classes, *Rerum Novarum* (On Capital and Labour.)

The term living wage refers to the minimum hourly wage necessary for a person to achieve a basic standard of living. In the context of developed countries such as the United States, Great Britain or Switzerland, this standard is generally considered to require that a person working forty hours a week, with no additional income, should be able to afford housing, food, utilities, transport, healthcare and a certain amount of recreation. This concept differs from the minimum wage because the latter is set by law and may fail to meet the requirements of a living wage.

Since the 1990's, the national living wage



movement, which began as a grassroots initiative in Baltimore, Maryland, has been responsible for more than 120 pieces of local and state legislation raising the level of pay and standard of living for thousands of low-wage earners. These laws have been enacted by both small and large municipalities in every region of the country with little or no negative impact — although highly anticipated by the business sector — on the local economy.

The guarantee for living wages is slowly gaining a foothold in the United States, but what about other countries — especially those in which the ratio of wages earned to the actual cost of living is considerably lower than the U.S.? The increased competition brought about by globalisation has forced many multi-national corporations to seek cheap labour in places like India, China, Mexico and the Caribbean where the daily average wage is between \$4.00 and \$5.00 (U. S.) and often the poorest paid of all workers live in appalling conditions. The Clean Clothes Campaign ([www.cleanclothes.org](http://www.cleanclothes.org)), an organisation that advocates the improvement of working conditions in the global garment industry, report that in India, when trade unions press for the minimum wage, employers say they cannot afford it. They close down the workplace, dismiss all the workers, move somewhere else and start again with a new set of workers.

Most women workers are married, a few younger ones live with their parents. Some husbands are earning similar amounts, others are not getting a regular wage. Almost all families have children and many have dependent elderly parents. Whilst minimum wage rates, if they were paid, would be adequate to meet the costs of food, the real costs of education, health care, housing and care of elderly relative would not be taken into account.

Working in close cooperation with over 200 NGOs and other organisations with similar objectives, there are currently nine Clean Clothes Campaigns in Europe — Austria, Belgium, France, Germany, the Netherlands, Spain, Sweden, Switzerland and the United Kingdom — negotiating with retail shoe and clothing companies like Nike and Adidas, to ensure fair labour practices for workers according to the International Labour Organisation codes. In 2002, Nike and Reebok were forced to raise the minimum wage for its factory workers, largely due to pressure from labour unions and intensive coverage by various media outlets around the world.

The interplay that exists between workers and employers and in a larger context, between capital and labour, must be based on the principle of sharing if the establishment of real, lasting economic and social justice is to be achieved. The collaborative effort between various international agencies, both in the political and non-governmental sectors; mobilised by grass-roots public opinion, is proving the long-term benefits of a Global Living Wage for countless of hardworking people. And it is becoming increasingly clear to business itself that a living wage is a human right recognized nearly 60 years ago in Article 23 of the Universal Declaration of Human Rights which states that:

*Everyone has the right to work. Everyone, without discrimination, has the right to equal pay for equal work. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.*

1. See [www.ips-dc.org/reports/top200.htm](http://www.ips-dc.org/reports/top200.htm)

## —Education for good work (E F Schumacher)

Traditional wisdom teaches that the function of work is at heart threefold: (1) to give a person a chance to utilize and develop his faculties; (2) to enable him to overcome his inborn egocentricity by joining with other people in a common task; and (3) to bring forth the goods and services needed by all of us for a decent existence. I think all this needs to be taught ...

The question is raised: How do we prepare young people for the future world of work, and the first answer, I think, must be: We should prepare them to be able to distinguish between good work and bad work and encourage them not to accept the latter. That is to say, they should be encouraged to reject meaningless, boring, stultifying and nerve-racking work in which a man (or woman) is made

the servant of a machine or a system. They should be taught that work is the joy of life and is needed for our development, but that meaningless work is an abomination ...

Education for good work could then begin with a systematic study of traditional wisdom, where answers are to be found to the question: What is man? Where does he come from? What is the purpose of his life? It would then emerge that there is indeed a goal to be reached and that there is also a path to the goal — in fact, that there are many paths to the same summit. The goal can be described as “perfection” — be ye therefore perfect as your father in heaven is perfect — or as “the kingdom”, “salvation”, “nirvana”, “liberation”, “enlightenment”, and so

forth. And the path to the goal? Good work. “Work out your salvation with diligence.” Don’t bury your talents and don’t let anybody else bury them. He who has been given much, of him much will be demanded. In short, life is some sort of school, and in this school nothing counts but good work, work that ennoble the product as it ennoble the producer

... The most urgent need of our time is and remains the need for metaphysical reconstruction, a supreme effort to bring clarity into our deepest convictions with regard to the questions “What is man?”, “Where does he come from?” and “What is the purpose of his life?”

## —New management — from organisations to living organisms

In our current management systems — government, business, or agency — there is an emergent revolution in the way enterprises are organised. No longer is the invariable structure a pyramid-like affair..., with instructions, information, and motivation passing down from the management apex to the workforce beneath. The new system tends to be more horizontal in its workings, with far less emphasis placed on hierarchy; its flatter format is facilitated by the free flow of information available via modern technology. In turn this means that the successful executive needs to display abundant flexibility in both attitude and application, in contrast to the autocratic outlook of the traditional “leader”. Collaboration and sharing between all those involved, rather than command and control by a few, are the new keys to successful enterprises.<sup>1</sup>

The power to organise and manage already existing forms is the preserve of the manager. In essence, it involves establishing the correct relationships between money, materials and people in order to fulfil the purpose of the business. It requires a disciplined, rhythmic approach to both time and space. So it is not surprising that business consultants and writers place considerable emphasis on gaining control of one’s own time and space, so freeing the manager to manage the projects involving other people, raw materials, customer relations etc. for which they are responsible.

Dee Hock, founder and former Chief Executive of VISA, captured the spirit of this change from organisations to living organisms in what he calls Chaordic theory. This theory describes the growth of a “self-organising and self-evolving entity, which ends up looking more like a neural network than a hierarchically organised bureaucracy”. Apart from being innovative and very adaptive, such entities tend to be “inclusive, multi-centric and distributive and, ultimately, strongly cohesive due to their unshakable focus on common purpose and core principles.” ‘Chaordic’ describes a dynamic structure modelled on the fundamental organising principles of evolution and nature — a blend of chaos and order that is above all else a way of thinking. Hock says that the speed of information in the world has now become so great that there is a real need for us to change our mind-

sets in order to change the mindset of businesses. In the last analysis, their reality is based on mental concepts around which people and resources gather in pursuit of a common purpose. Those who commit themselves to this new perception are creative and imaginative, and, in Dee Hock’s view, they require no control or command to be effective. He believes that organisations are a dying species unless they adapt to the natural order of things and regenerate characteristics that bring them into harmony with the human spirit and the biosphere.

This contrasts sharply with organisations based solely on a Newtonian, mechanical view of the universe for they tend to function under the law of economy alone, with its narrow focus on the efficient use of time, people and resources. Now though, a new law is coming into play, the spirit of which the mystic, Kahlil Gibran, encapsulated in the words “Work is love made visible”. This was a tremendous insight into the emerging law of attraction characterised by highly magnetic creative energies that impulse right relationships in all areas of life including the world of business and commerce. Through it, the law of economy is lifted, retaining its positive aspects and reorienting its focus towards meaningful interactions. This is stimulating the revolution that is steadily unfolding with many of the structured working practices of the past being replaced by more imaginative and engaging activities. “The Play Ethic” proposed by Pat Kane, for example, provides “free workers” greater scope for intuitional expression in the workplace by allowing them to maximise control of their time, environment and personal commitments. This “soulitariat” is radically different from the work ethic of the past and answers people’s need to form more spontaneous, empathetic relationships across all areas of their lives including employment. It promotes the fuller realisation of human potential.

The growth of Open Space technology is another example of this revolution. This involves participant leadership where employees create and manage their own agenda in parallel working sessions around a centrally chosen theme of strategic importance. The result is a greater sense of connectedness and a consequent strengthening of what’s already happening in the organisation. ‘World cafés’ are a

similar practice using what is called 'appreciative inquiry'. This involves creating the right ambience for conversational meetings to explore possibilities for the organisation. Each employee represents an aspect of the whole system's diversity and has the chance to connect in conversation with the collective intelligence of the group. Employees effectively influence the goals through their exchange of ideas.<sup>2</sup>

#### *A new level of empowerment*

The growth of labour unions altered the balance of power in business, giving workers the collective ability to negotiate acceptable terms of employment. But just when unions' influence was reaching its peak, traditional business structures began to crumble and new forms of organization emerged in which cooperation would replace confrontation. In the increasingly competitive marketplace since the 1960s, companies found that sharing management responsibilities with lower-echelon employees could enhance performance. A 19th or early 20th-century manager would have rejected out of hand any suggestion that employees might have anything useful to say about running the business. But senior managers now started soliciting ideas from their middle-management subordinates and even from rank-and-file employees. Decision-making became a shared responsibility, first in planning and then in the management of operations. Attributing dignity, and a sense of responsibility to employees suddenly made good business sense. In due course the team concept appeared. The concept of empowered teams originated in Japan and Korea and spread to the U.S. and Europe in the 1980s. Firms ranging from Coca-Cola Westinghouse to K Shoes implemented teams consisting of people with different experience and skills, working together to achieve a set of objectives. Teams' cross-disciplinary flavour and power to make decisions were considered particularly important to success.

It is now widely believed that team-based enterprises can outperform traditional, hierarchical organisations with their rigid lines of management authority and responsibility. Working in teams facilitates communication, raises employee morale, and improves effectiveness. In their most radical form, empowered teams are trusted to supervise themselves and to set their own performance targets within the framework of the organisation's mission, goals and strategies. In return, the teams are held accountable for the resources placed at their disposal and for attaining performance targets. For their part, senior managers are transformed from autocratic rulers into coaches and leaders in the true sense of the term. Teams have assumed responsibility for many functions previously carried out by line managers, such as engineering, manufacturing, marketing, service-delivery, and human-resource management. The success of the team concept expresses in vivid, practical terms the trend from individual to group consciousness, a trend of profound significance in human affairs.

The labour movement has been a process not just of empowerment and cooperation but also of inclusion. Social responsibility, anti-discrimination laws, and the pressure to survive combined to ensure a respect for workplace diversity. Companies found that they could no longer afford to ignore the human resource potential of women, minorities, and the handicapped. By 1995 women occupied 48 percent of management and professional positions in the U.S., up from 35 percent two decades earlier. Women now make up 16 percent of law-enforcement officers and 10 percent of the clergy.<sup>3</sup>

1. Norman Myers, *the Gaia Atlas of Future Worlds*, p.66

2. From *World Goodwill Newsletter* 2004 No 4.

3. Extract from an article by John Nash — *The Labour Movement*, in *The Beacon* September/ October 1998; Published by Lucis Press and Lucis Publishing Co.

## —Sociocratic circle-organization method

Kees Boeke, a Dutch educator and pacifist, originally envisioned Sociocracy in 1945 as a way to adapt Quaker egalitarian principles to secular organizations. Gerard Endenburg, a pupil of Kees Boeke, developed Boeke's vision into a body of well-tested procedures and practical principles. Gerard became manager of Endenburg Electrotechniek with the mandate to run it both as a profitable business and as a real-time laboratory for testing innovative management ideas. Sociocracy is a product of that experience, and is a model of governance and organisation that is based on the principle of consent, as opposed to decision making by command or numeric voting (which may

ignore the voice of the minority). There are four basic rules that allow everyone who is part of an organisation to contribute to policy on an equivalent basis, with their place in the hierarchical structure as a point of departure. People gather in circle meetings to make policy decisions but revert to their normal role once the decisions are made. The Four Basic Rules are:

#### *Decision Making by Consent.*

Consent is different from consensus. Where Consent governs decision-making a decision is reached where there is "no reasoned and paramount objection". It is a different principle to Consensus, which asks for



agreement, a “Yes”. The meeting process in Sociocracy, which is highly disciplined and focussed, is considered to be an efficient and effective method of making decisions.

#### *Circles*

A hierarchical structure may be good for implementing decisions, but is not ideal for making decisions. In contrast, the Sociocratic circle organisation consists of semi-autonomous groups, each of which has its own goals, and the responsibility to direct, operate and measure its own processes. However, circles interconnect, and the needs of lower level and higher level circles must be considered.

#### *Double Linking*

At least two people in one circle participate in the decision-making in the next higher circle - the functional

leader and one or more elected representatives.

#### *Elections*

Individuals are elected to positions by consent after open discussion, which helps to eliminate secrecy, and to cultivate a culture based on open communication. These rules ensure a sense of inclusion, accountability and responsibility and help to foster creativity and innovation in an atmosphere of mutual respect.

In summary, the Sociocratic Circle-organization Method, is a method of decision-making that produces dynamic organization and governance based on equivalence by means of the consent principle. By ensuring the equivalence of all individuals, Sociocracy brings effective leadership while keeping personal relationships intact.

For more information visit: [www.sociocratie.nl](http://www.sociocratie.nl)

## —A new measure for human development

Every year, since 1990, the United Nations Development Programme has published a new issue of its Human Development Report. The most outstanding achievement of the report, which is prepared by an international team of experts, has been to shift attention in the development debate away from gross domestic product and economic growth as the sole measure of development. As special adviser to the team, and former Finance and Planning Minister of Pakistan, Mahbub ul Haq, declared at the launching of the first report in 1990: “High income is not a passport to human development.”<sup>1</sup>

The 1990 Report also designed a new measure for socio-economic progress: the human development index (HDI). The HDI integrated life expectancy, adult literacy and income in an innovative way to produce a yardstick more comprehensive than GNP alone for measuring a country’s progress.

Much has been achieved since the first Human Development Report and on average, people in developing countries are healthier, better educated and less impoverished — and they are more likely to live in a multiparty democracy. Since 1990 life expectancy in developing countries has increased by 2 years and there are 3 million fewer child deaths annually. There are 30 million fewer children out of school. More than 130 million people have escaped extreme poverty. These human development gains should not be underestimated but nor should they be exaggerated. In 2003, 18 countries with a combined population of 460 million people registered lower scores on the human development index (HDI) than in 1990 — an unprecedented reversal. In the midst of an increasingly prosperous global economy, 10.7 million children every year do not live to see their fifth birthday, and more than 1 billion people survive in abject

poverty on less than \$1 a day.

The 2005 HDI report shows that, in general, the HDI for countries around the world is improving, with two major exceptions: Post-Soviet states, and Sub-Saharan Africa, both of which show steady decline. Worsening education, economies, and mortality rates have contributed to HDI declines amongst countries in the first group, while HIV/AIDS and concomitant mortality is the principal cause of decline in the second group.<sup>2</sup>

Global integration is forging deeper interconnections between countries. In economic terms the space between people and countries is shrinking rapidly, as trade, technology and investment link all countries in a web of interdependence. In human development terms the space between countries is marked by deep and, in some cases, widening inequalities in income and life chances.

At the start of the twenty-first century we live in a divided world. The size of the divide poses a fundamental challenge to the global human community. Part of that challenge is ethical and moral. As Nelson Mandela put it in 2005: “Massive poverty and obscene inequality are such terrible scourges of our times — times in which the world boasts breathtaking advances in science, technology, industry and wealth accumulation — that they have to rank alongside slavery and apartheid as social evils.” The twin scourges of poverty and inequality can be defeated — but progress has been faltering and uneven.<sup>3</sup>

1. United Nations Development Programme, *Human Development Report 1992*, p.13

2. Wikipedia:  
[http://en.wikipedia.org/wiki/Human\\_Development\\_Index](http://en.wikipedia.org/wiki/Human_Development_Index)

3. *Human Development Report Overview 2005*.

## EXERCISING GOODWILL

### —Social entrepreneurs

Social Entrepreneurs are both visionaries and realists who bring innovative solutions to the problems of society - they are change-makers who change the face of society for the better. Whilst the business entrepreneur might create new industries and measure success in terms of profit the social entrepreneur comes up with new solutions to social problems and implements them on a large scale. However, many successful social entrepreneurs have bridged across the boundaries of state, commerce and civil society promoting new ideas which have been taken up in the public services. Whilst the term social entrepreneur is relatively recent they have influenced society throughout history, for example, Florence Nightingale, founder of modern nursing practices; Vinoba Bhave, founder and leader of the Land Gift Movement in India; Maria Montessori, with her approach to early childhood education; Jean Monnet, regarded by many as the architect of European Unity. Modern day examples, include Muhammad Yunus, founder of Grameen Bank, Peter Gabriel, musician and humanitarian, Michael Young, founder of the

Young Foundation, who created over 60 organisations including the Open University, and the Consumers' Association; Jeff Skoll, founder and Chairman of the Skoll Foundation - the first employee of internet auction firm eBay; and Ashoka, the global association of the world's leading social entrepreneurs.<sup>1</sup>

The 2007 Skoll World Forum on Social Entrepreneurship which was held at Oxford University attracted nearly 700 people from all over the world concerned with "learning, problem solving and community building on the topic of Social Innovation and Diffusion". The Awards ceremony honours individuals who are "creating positive, systemic change across critical issue areas, including the environment, institutional responsibility, health, peace and security, social and economic equity, and tolerance and human rights".<sup>2</sup>

1. <http://www.ashoka.org/>

2. <http://www.skollfoundation.org/>

School for Social Entrepreneurs: [www.sse.org.uk](http://www.sse.org.uk)

Social Edge: [www.socialedge.org](http://www.socialedge.org)

### —Purposeful consumers and savers

One of the most significant areas in which goodwill is becoming a potent force in the economic life of humanity is that of ethical consumption and investment.

In recent decades, following the development of powerful consumer organisations, growing numbers of people are beginning to exercise responsibility and an ethical perspective when purchasing consumer goods. For some this involves the boycott of goods that are deemed, in some way, to be harmful to human well-being or to the earth. Another example is the use of consumer pressure. It is also widely used in a positive way to support fair trading practices between North and South. In 1989, the Netherlands became the first country to launch the Fairtrade consumer guarantee — with the Max Havelaar label. The Max Havelaar Foundation awards a quality label to products that have been produced according to principles of fair trade and is a member of the Fairtrade Labelling Organizations (FLO). The FLO is an association of 20 Labelling Initiatives that promote and market the Fairtrade label in their countries. FLO members currently operate in 15 European countries as well as Australia and New Zealand, Canada, Japan, Mexico (associate member) and the United States. FLO is the leading Fairtrade standard setting and certification body. It regularly inspects

and certifies about 508 producer organizations in more than 50 countries in Africa, Asia and Latin America.<sup>1</sup>

According to the Fairtrade Foundation, the low price of coffee in the early nineties had a catastrophic effect on the lives of millions of small farmers, forcing many into crippling debt and countless others to lose their land. Development agencies recognised the important role that consumers could play to improve the situation for producers. By buying direct from farmers at better prices, helping to strengthen their organisations and marketing their produce directly through their own "one world" shops and catalogues, charities offered consumers the opportunity to buy products which were bought on the basis of a fair trade. This worked well, and hundreds of small poor farmers were able to get back on their feet and trade their way out of poverty with a renewed sense of pride. The Fairtrade Foundation has a partnership agreement and shares a common definition of fair trade with such alternative trading organisations. But there was a limit to how many producers could benefit with fair trade sales limited to such niche outlets — not normally associated with food goods.<sup>2</sup>

However, in March 2006, Marks & Spencer (M&S), the leading UK based retailer, launched a Fairtrade initiative in which it would replace all 38



lines in its tea and coffee ranges with Fairtrade alternatives. Since then, the retailer says, coffee sales have increased by 27%. Now M&S is testing Fairtrade clothing with cotton for M&S T-shirts coming from a farmers' co-operative in Gujarat, India; since the launch the number of farmers in the co-op has expanded from 100 to 1,000. The cooperative is investing its Fairtrade premium in fresh drinking water supplies for a local school, health insurance for its farmers and a health education programme for children. Cotton for M&S jeans is supplied by Djidgan Cotton Farmers' Co-operative Union, a partnership of 36 village co-ops in Kita, Mali.<sup>3</sup>

Similar concerns have led a sizeable minority of investors and savers in the developed world to

adopt ethical and socially responsible criteria in their investments — commonly referred to as SRI, “socially responsible investing”. The choice may be to refrain from investments in enterprises which, for example, produce armaments, tobacco, or pesticides. Or it may be to invest only in companies which have positive approaches to their workers or which produce socially useful products. Popular interest in ethical investment programmes is reflected in the wide number of funds available and in the large sums of money spent in advertising them.

1. <http://www.fairtrade.net/home.html>

2. [http://www.fairtrade.org.uk/about\\_history.htm](http://www.fairtrade.org.uk/about_history.htm)

3. <http://www.guardian.co.uk/environment/fairtrade>

## —Microcredit

According to Wikipedia, the free on-line encyclopedia, Microcredit is a financial innovation which originated in developing countries where it has successfully enabled extremely impoverished people (mostly women) to engage in self-employment projects that allow them to generate an income and, in many cases, begin to build wealth and exit poverty. Almost everyone in larger development organizations discounted the likelihood of success of microcredit when it was begun in its modern incarnation as pilot projects with ACCION and Muhammad Yunus in the mid-1970s. Due to the success of microcredit, many in the traditional banking industry have begun to realize that these microcredit borrowers should more correctly be categorized as pre-bankable; thus, microcredit is increasingly gaining credibility in the mainstream finance industry and many traditional large finance organizations are contemplating microcredit projects as a source of future growth. And in 2005, the United Nations declared the International Year of Microcredit.

Women have become the central focus of many microcredit institutions and agencies worldwide. The reasoning behind this is the observation that loans to women tend to more often benefit the whole family than loans to men do. It has also been observed that giving women the control and the responsibility of small loans raises their socio-economic status, which is seen as a positive change to many of the current relationships of gender and class. However, there is an ongoing debate about whether microcredit loans have the power to truly change established political and economic relationships.<sup>1</sup>

In the Puna plateau region of Argentina, microcredit schemes run by indigenous women have reactivated the economy. In 1999, the Warmi Sayasjungo (perseverant women in Quechua) who inhabit a high, cold desert area “needed to improve the land, fence it to save the pasture for our own

animals, buy breeding animals to improve our live-stock, buy seeds, learn to grow vegetables and make greenhouses, and build hutches and pens to raise small animals, and ... needed help to get the most out of [their] wool.” Based on this assessment, the Avina Foundation, an international organisation that supports sustainable development projects in Latin America, provided a microcredit fund to be used in the area. Community members can apply for loans from one to 300 pesos not only to boost production, but also to buy antibiotics for a sick child. The Warmi started by calling on communities to elect women delegates, who were provided with training; and unless women were in charge no credit was granted. To date some 2,500 loans have been made to about 3,000 families in the Puna region. The opinion of Raul Llovata, coordinator of the Avina Foundation, “trust is the key factor...the Warmi aims at recreating the spirit of cooperation based on trust between the members of a community.” In contrast, the government institutions that provide subsidies and stipends have lost prestige in the last few years...”<sup>2</sup>

The Grameen Bank, founded by Muhammad Yunus, pioneered a new approach to banking, lending money to the rural poor in Bangladesh, and as at December 2006 has nearly 7 million borrowers, 97% who are women, with over 2,300 branches serving over 74,000 villages in Bangladesh. Grameen has now expanded to many other parts of the world, including South East Asia, Latin America and the Caribbean, the Middle East, North Africa, Sub Saharan Africa and the U.S.A. Muhammad Yunus and the Grameen Bank were jointly awarded the Nobel Peace Prize in 2006.

1. <http://en.wikipedia.org/wiki/Microcredit>

2. <http://www.ipsnews.net/news.asp?idnews=33624>

### *From the* UNIVERSAL DECLARATION OF HUMAN RIGHTS

Article 22. Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international cooperation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Article 23. (1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.  
(2) Everyone, without any discrimination, has the right to equal pay for equal work.  
(3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.  
(4) Everyone has the right to form and to join trade unions for the protection of his interests.

Article 24. Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

## UNITED NATIONS: INTERNATIONAL LABOUR ORGANISATION

*[T]he war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of Governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare.*

*ILO Declaration of Philadelphia, 1944*

The International Labour Organisation is unique among international organisations in so far as workers' and employers' representatives have an equal voice with those of governments in formulating its policies. These three groups (governments, employers and workers) have worked together since 1919, when the organisation was founded, to promote social justice for working people everywhere. In 1946 the organisation became the first specialised agency associated with the United Nations. In 1969 its efforts to foster the well-being of the world's peoples were

acknowledged when it was awarded the Nobel Peace Prize. In 2007, 179 nations were members of the organisation.

The International Labour Organization (ILO) is built on the constitutional principle that universal and lasting peace can be established only if it is based upon social justice. It has generated such hallmarks of industrial society as the eight-hour working day, maternity protection, child-labour laws, and a range of policies which promote workplace safety and peaceful industrial relations.

The ILO is the international institutional framework which makes it possible to address such issues — and to find solutions allowing working conditions to improve everywhere. No country or industry could have afforded to introduce any of these in the absence of similar and simultaneous action by its competitors.

The ILO has four principal strategic objectives:

- To promote and realise standards, and fundamental principles and rights at work.
- To create greater opportunities for women and men to secure decent employment.
- To enhance the coverage and effectiveness of social protection for all.
- To strengthen tripartism and social dialogue.

These objectives are realised by:

- the formulation of international policies and programmes to promote basic human rights, improve working and living conditions and enhance employment opportunities;
- the creation of international labour standards; by a programme of international technical cooperation;
- training, education, research and publishing activities.

In 1998, the International Labour Conference adopted the Declaration on Fundamental Principles and Rights at Work, which reaffirmed the commitment of the international community to “respect, to promote and to realize in good faith” the rights of workers and employers to freedom of association and the effective right to collective bargaining. It also commits member States to work towards the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in employment and occupation. The Declaration emphasizes that all member States have an obligation to respect the fundamental principles involved, whether or not they have ratified the relevant Conventions.

#### *International Labour Standards*

One of the ILO’s original and most important functions is the adoption by the tripartite International Labour Conference (employers, workers and governments) of Conventions and Recommendations which set international standards. Through ratifications by member States, these Conventions create binding obligations to implement their provisions. Recommendations provide guidance on policy, legislation, and practice. Since 1919, Conventions and Recommendations have been adopted covering practically all issues relating to the world of work. These include certain basic human rights (notably freedom of association, the right to organize and bargain collectively, the abolition of forced labour and child labour, and the elimination of discrimination in employment), labour administration, industrial relations, employment policy, working conditions, social security, occupational safety and health, employment of women, and employment of special categories

such as migrant workers and seafarers.

Each member State is required to submit all Conventions and Recommendations adopted by the Conference to the competent national authorities for a decision on action to be taken. The ratifications of these Conventions have continued to increase in number. The ILO has established a supervisory procedure to ensure their application in law and practice, which is the most advanced of all such international procedures. It is based on objective evaluation by independent experts of the manner in which obligations are complied with, and on examination of cases by the ILO tripartite bodies. There is a special procedure to investigate complaints of infringement of freedom of association.

Key ILO Conventions adopted include: the rights of tribal and indigenous peoples (1989), night work and the use of chemicals at work (both 1990), working conditions in hotels, restaurants and similar establishments (1991), the protection of workers’ claims in the event of the insolvency of their employer (1992), and the elimination of the worst forms of child labour, including slavery and similar practices, forced recruitment for use in armed conflict, use in prostitution and pornography, any illicit activity, as well as work which is likely to harm the health and morals of children. (1999).

#### *Focus on child labour*

According to the ILO as many as 250 million children worldwide are thought to be working deprived of adequate education, good health and basic freedoms. The movement against child labour is now a global cause which transcends political boundaries, languages, cultures and spiritual traditions. Governments, employers, trade unions, NGOs and religious organisations have joined together to declare that exploitative child labour must end. The International Programme on the Elimination of Child Labour (IPEC) currently manages over 1,000 programmes worldwide promoting alternatives to child labour.

#### *Decent employment and income*

The ILO’s mission is to help people around the world find decent work — in conditions of freedom, equity, security, and human dignity. It does this through permanent contact with workers, employers, and governments — the ILO’s constituents — helping forge new and innovative employment, labour market, and training policies. Concern for the social costs of globalization increases the need for better international coordination of macroeconomics policies which can diminish its harmful consequences. The ILO is committed to providing research, analysis, and advice to its constituents, as well as to such stakeholders as banking, investment, trade and

enterprise development specialists, and business managers, on how to create decent work. This includes promoting small enterprises, microfinance, and effective training systems.

#### *Gender and jobs*

Gender equality is a key element of the decent work agenda and the ILO responses include: the International Programme on More and Better Jobs for Women, which promotes more jobs for women through employment creation, training, entrepreneurship development, improvement in access to the labour market, and equality of opportunity; and it promotes better jobs through equal pay, occupational desegregation, health and safety, improved working conditions for non-standard employment, social security, family-friendly workplaces, and protection for vulnerable workers. The Capacity-building Programme on Gender, Poverty and Employment focuses on enhancing women's access to quality jobs, strengthening their bargaining and negotiating power, and providing innovative ways of increasing social protection, especially in the informal sector.

#### *Technical cooperation*

The ILO has an active programme of co-operation and assistance to help governments put international labour standards into practice. In the last decade, an average of some US\$130 million was spent annually on technical cooperation projects. The projects are implemented through close cooperation between recipient countries, donors, and the ILO, which maintains a network of area and regional offices worldwide. The overall purpose of ILO technical cooperation is the implementation of the Decent Work agenda at a national level, assisting constituents to make this concept a reality for all men and women. An extensive network of offices throughout Africa, Asia, Latin America, Central and Eastern Europe and the Middle East provides technical guidance on policy issues, and

assistance in the design and implementation of development programmes.

#### *International Training Centre*

To date, over 90,000 women and men from 170 nations have benefited from its services since it opened in 1965. The annual number of activities exceeds 300 standard courses, customized learning events, comprehensive training projects, advisory services, and training material design and production. Around half the activities take place on-campus and the rest in the field.

#### *International Institute for Labour Studies*

The Institute based in Geneva promotes policy research and public discussion on emerging issues of concern to the ILO and its constituents – labour, business and government. The organizing theme of the Institute's programmes is the notion of "decent work" and provides: a global forum on social policy; international research programmes and networks exploring relevant policy issues; and educational programmes.

#### *International Labour Conference*

Every year the International Labour Conference meets in Geneva. Member states are each entitled to send four delegates: two from the government and one each representing workers and employers. Each of the representatives may speak and vote independently. The Conference provides an international forum on world labour and social problems as well as setting minimum international labour standards and broad ILO policies.

*Much of the above is available from an ILO Information leaflet via the ILO website:  
<http://www.ilo.org/public/english/about/index.htm>*

The New Group of World Servers are the people who are beginning to form a new social order in the world. They belong to no party or government, in the partisan sense. They recognise all parties, all creeds, and all social and economic organisations; they recognise all governments. They are found in all nations and all religious organisations, and are occupied with the formulation of the new social order. . . They take their stand upon the essential divinity of humanity; their programme is founded upon good will, because it is a basic human characteristic. They are therefore organising the people of good will throughout the world at this time, outlining to them a definite programme, and laying down a platform upon which all people of good will can meet.

*Alice A. Bailey. Adapted*

work is the joy of life  
E F Schumacher



# WORK PROPOSALS

- Continue with the daily meditation work.
- Read from the suggested list of resources.
- Create your own list based on your particular interests, and for further in-depth study of the issues presented within this study set. Newspapers, magazines, books, and the internet convey a wealth of information and details about current affairs. The UN publications are a particularly rich source of information.
- Begin a study group wherein group meditation, discussion and action can be brought to bear on this particular problem. If meeting up with others physically is difficult, you could consider forming a group online. World Goodwill also hosts discussion forums on the problems that can be found online at: [www.lucistrust.org/forums](http://www.lucistrust.org/forums)

## Questions for consideration and/or discussion

Having studied this Set on the problem of Capital, Labour and Employment, read the relevant chapter in the book *Problems of Humanity*, and any other material bearing on this subject which you find interesting and creative. Then answer for yourself the following questions:—

1. Do you see any evidence that the belief in human unity is growing? What effect would a widespread belief in human unity have on the relations between capital and labour in your community, your nation and the world?
2. What are the most positive signs — in your own community, in your own nation, in humanity as a whole — of goodwill being applied in relations between labour and capital?
3. What role can an individual play in supporting the principles of sharing and co-operation?
4. It has been said (a) that the love of money is the root of all evil and (b) that money is a great spiritual asset. Reflect on your own attitude to money. Why do you think attitudes to money are of such central importance in the transition to the New Age?
5. In what way can the law of Supply and Demand be implemented so that there is justice for all and plenty for all?
6. What do you think are the outstanding characteristics of our present civilisation? What standard of living will seem essential to humanity in the New Age?
7. Can Labour, Capital and Management form a workable agreement or synthesis of some kind? In particular, how do you consider the human factor in industry should be handled?

The World Goodwill course on the Problems of Humanity is not intended to be didactic. Some statements may be new or unfamiliar. We suggest that these be neither accepted on authority nor lightly cast aside, but instead that they be deeply explored. The questions above are starting points to help stimulate this deeper exploration, whether individually, or in a group setting.

# LIST OF RESOURCES

Please note that this brief list is only intended as a stimulus to further investigation and is in no way comprehensive. World Goodwill would very much appreciate it if students of this set who discover other good sources of material could let us know for possible future inclusion in this list.

## BOOKS

Bailey, Alice A.. *Problems of Humanity*. Lucis Publishing Companies, London & New York, 1967.

De Bono, Edward. *Conflicts: A Better Way to Resolve Them*. Harrap, London, 1985.

Ekins, Paul, Hillman, Mayer, & Hutchison, Robert. *Wealth Beyond Measure: An Atlas of New Economics*. Gaia Books, London, 2000.

Ekins, Paul and Max-Neef, Manfred, (eds). *Real Life Economics: The Emergence of a Living Economy School of Thought*. Routledge, London, 1992.

George, Susan. *Another World is Possible If*. Verso, 2004.

Gore, Al. *An Inconvenient Truth*. Bloomsbury, 2006.

Handy, Charles & Elisabeth. *The New Philanthropists*. Heinemann, 2006.

Harman, Willis and Hormann, John. *Creative Work: The Constructive Role of Business in a Transforming Society*. Knowledge Systems, Indianapolis, 1990.

Henderson, Hazel. *Environment: Children First*, a media kit published by UNICEF in preparation for the Earth Summit.

Henderson, Hazel. *Ethical Markets: Growing the Green Economy*. Chelsea Green, 2007.

King, Alexander and Schneider, Bertrand. *The First Global Revolution: A Report by the Council of the Club Rome*. Simon & Schuster, London & New York, 1991.

Laszlo, Ervin. *You Can Change the World*. Select, 2003.

Myers, Norman. *The Gaia Atlas of Future Worlds: Challenge and Opportunity in an Age of Change*. Robertson McCarta, 1990.

Myers, Norman (ed). *The Gaia Atlas of Planet Management*. Gaia, London, 1994.

Robertson, James and Bunzl, John. *Monetary Reform – Making it Happen*. International Simultaneous Policy Organisation, 2004.

Rothman, Howard and Scott, Mary. *Companies With a Conscience: Intimate Portraits of Twelve Firms That Make a Difference*. Carol, New York, 1994.

Sampson, Anthony. *The Money Lenders: Bankers in a Dangerous World*. Hodder & Stoughton, London, 1981.

Sampson, Anthony. *The Midas Touch: Money, People and Power from West to East*. Hodder & Stoughton, London, 1989.

Schmidheiny, Stephan. *Changing Course: A Global Business Perspective on Development and the Environment*. Cambridge, Mass., 1992.

Semler, Ricardo. *The Seven-Day Weekend: Changing the Way Work Works*. Portfolio, 2004.

Schumacher, E F. *Good Work*. Sphere Books, London, 1980.

United Nations Development Programme, Human Development Report 2006. Palgrave Macmillan, 2006.

## PERIODICALS

New Internationalist, Tower House, Lathkill Street, Market Harborough, LE16 9EF. Web: [www.newint.org](http://www.newint.org)

New Economics Foundation, 3 Jonathan Street, London, SE11 5NH, UK. Web: [www.neweconomics.org](http://www.neweconomics.org)

Ode Magazine, 35 Miller Ave, Suite 330, Mill Valley, CA 94941, USA. Web: [www.odemagazine.com](http://www.odemagazine.com)

Resurgence magazine, Jeanette Gill, Rocksea Farmhouse, St. Mabyn, Bodmin, Cornwall PL30 3BR, UK. Web: [www.resurgence.org](http://www.resurgence.org)

## OCCASIONAL PAPERS (*available from World Goodwill*)

Annan, Kofi. : *Address to the World Economic Forum 2002*.

Brown, Lester: *Crossing the Threshold: early signs of an environmental awakening*.

*The Millennium Summit* (text of final Declaration plus excerpts from a few of the leaders' speeches).

Wolfensohn, James D.: *A Partnership for Development*.

## WEB SITES

Anti Slavery: [www.antislavery.org](http://www.antislavery.org)

Centre for Global Negotiations: [www.global-negotiations.org](http://www.global-negotiations.org)

Debt Relief and Poverty: [http://en.wikipedia.org/wiki/Debt\\_relief](http://en.wikipedia.org/wiki/Debt_relief)

The Global Call to Action against Poverty (GCAP): [www.whiteband.org](http://www.whiteband.org) (and for an account of the "Make Poverty History" campaign visit [http://en.wikipedia.org/wiki/Make\\_Poverty\\_History](http://en.wikipedia.org/wiki/Make_Poverty_History))

Fairtrade: [www.fairtrade.net](http://www.fairtrade.net)

International Labour Organisation : [www.ilo.org](http://www.ilo.org)

Microcredit: <http://en.wikipedia.org/wiki/Microcredit>

James Robertson: [www.jamesrobertson.com](http://www.jamesrobertson.com)

Transnational Institute: [www.tni.org](http://www.tni.org)

UN Dept of Economic and Social Affairs: Partnerships for Sustainable Development:  
[www.un.org/esa/sustdev/partnerships/](http://www.un.org/esa/sustdev/partnerships/)

UN Global Compact: [www.unglobalcompact.org](http://www.unglobalcompact.org)

UNDP Human Development Reports: <http://hdr.undp.org/>

UN Millennium Development Goals: [www.un.org/millenniumgoals](http://www.un.org/millenniumgoals)

World Business Council for Sustainable Development: [www.wbcsd.ch](http://www.wbcsd.ch)

World Economic and Social Survey: [www.un.org/esa/policy/wess](http://www.un.org/esa/policy/wess)





WORLD GOODWILL

Suite 54  
3 Whitehall Court  
London SW1A 2EF  
England

WORLD GOODWILL

120 Wall Street  
24th Floor  
New York NY 10005  
USA

BONNE VOLONTE MONDIALE

1 Rue de Varembé, (3e)  
Case Postale 31  
1211 Geneva 20  
Switzerland

[www.worldgoodwill.org](http://www.worldgoodwill.org)

