

Quaker Network For Economic Change

QUNEC Number 21

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Thinking about Economics, War and Peace

Dear Friends,

Welcome to QUNEC 21.

Peace and Justice through co-operation at all levels is a theme that shines through many of the contributions to this edition. Our first contributor, Elaine Hopkinson takes a global view, reflecting on discussions at a conference on Economics, war and Peace. Later on James Wells-Bruges invites us to think about the real meaning of 'Security' through the wisdom of indigenous South Indians.

John Courtneige challenges us to make the vision of peace and co-operation a reality, at both the local and global level and gives us some practical suggestions of where to start.

Between these pages you will also find information on the Political and Economic Situation in Nepal as well as reviews of some books that may appeal to you.

If you have any comments on the newsletter, or ideas or contributions for next time, please let me know.

Suzanne Ismail
QPSW

Elaine Hopkinson, a retired English teacher is a member of Pickering and Hull Monthly Meeting.

The QPSW day conference entitled "The Seeds of War?" took place at Friargate Meeting House in York on Saturday, November 30th. On arrival, the first impression was of an ordered bustle. Tradecraft was being sold in the Foyer, there was a stall for Peace News and we were directed to one room, where the reception desk and book exhibition were, and to another, where tea and coffee were being dispensed by members of the home Meeting.

The day opened with Paul Rogers, Professor of Peace Studies at the Bradford Institute of Peace Studies, who gave us the background to our present troubled situation. He briefly described history since 1945 as a period of conflict while the "Cold War" was fought by proxy in many countries whose development has been set back by warfare.

There are now more people undernourished than there were in the 1970s. International aid is about 2% of the money spent on arms. We did not realise at the time the full seriousness and implications of the "Cold War". Professor Rogers went on to discuss the driving forces of conflict. First comes the proliferation of weapons; not only nuclear but a whole new generation, - including la-



cers. When weapons are produced they need to be sold and, if need be, new threats must be found to justify this expenditure.

Secondly he described the worldwide trend for populations to fracture into small elites and huge numbers of the poor 1 billion people are doing very well and 5 billion are no better off than ever. About 20% of the world community gets about 80% of the goods. This is not a division by countries 1 in 6 in the USA is very poor and in Brazil the rich buy helicopters to fly from their estates to the capital, San Paolo. Most tellingly, the poor are now aware that economic justice is not being delivered.

The third cause is environmental. Here there have been actions: the damage to the ozone layer is being dealt with. This was a marker: the first worldwide phenomena. Climate change is a reality. It will affect not only temperate zones but the tropics, where rainfall will be diverted over the oceans and where crops are already subject to failure. Western nations are looking to their own de-

fence, but preparing for a volatile world without looking at causes is not a sustainable position. The severe shock of the disaster suffered by Americans on September 11th 2002 was made worse by being seen by millions on TV as it happened. The World Trade Centre was the symbol of American economic success. The Pentagon, centre for the US military, was shown to be vulnerable. In reflecting on these issues we all need to try to understand the Americans—and many others. From the question and answer session we learnt that the M.A. students at the Bradford Institute come from many countries and therefore many points of view are brought and a global perspective given.



We were reminded of the proposed Tobin Tax, which would fall due on purely monetary transactions worldwide. Gordon Brown got world debt onto the G7 agenda. There had been a great campaign to achieve this and therefore we should not give up on letter writing – it does work! Lastly, and perhaps most disturbing, not many people on the world stage today are looking 20 or 30 years ahead.

The second speaker was Katherine Astill of CAFOD, whose subject was 'Creating Economic Justice'. She told us how the Ethical Trading Initiative was founded in 1998 to work with companies, NGOs and Trade Unions to improve conditions for workers.

She pointed out that the regulation of multinational companies that we have in the UK is not the norm in every country. Some considerations such as health and safety in the workplace can more easily become standard - there are internationally agreed standards to achieve this. Discrimination against women is not so easily attained. She gave as an example the garment trade, once thought of as beneath the dignity of a male worker, but, once seen to bring status and a wage, taken over by men. We should always remember that, however poorly paid, people need jobs. However, voluntary regulation cannot go far enough and regulation by governments is necessary.

For the afternoon I chose the International Economics Institutions and Conflict Workshop, organised by Suzanne Ismail of QPSW. Suzanne introduced this subject by explaining how the

Bretton Woods Conference of 1944 arose out of the experiences of the 1929 Depression and the 1939-45 World War. There was no system to control resources and to bring countries into working together. The IMF, and World Bank were set up with the intention of creating the conditions for world peace.

One problem with these agreements was the predominance of Western nations. Many countries, for various reasons, were not represented. We then divided into groups, to consider, if we could, the setting up of an international economic system that would play a part in ensuring peaceful relations between nations. All our groups were sure that the basis must be human needs, environmental constraints, equality and democracy. We suggested building from the bottom up, local, and trying to keep the profit from local resources there, not to allow it to be leached away.

Therefore universal regulation will be needed and some sort of democratic body set up to produce and enforce this. The way to finance it seemed to be by the contribution from all countries of a small percentage of their GNP. We were unable to take this further in any practical way. We suggested people should attempt to sort out their own local problems and that control over all by any single power must be prevented. Again we discussed how meeting and trying to understand people from other parts of the world was another essential. Unfortunately we see that people appear unable to co-operate and one pessimist suggested that only a catastrophe of worldwide significance could convince us all of the need to do so.

The plenary Session was introduced -and minuted by our cheerful Clerk, Caroline Nursey.

First came the reports of representatives from the various workshops. As well as the workshop on institutions we heard about:

Poverty and Occupation in Palestine. This group was taken by a QPSW Observer, John Lewis. The destruction of the environment and the deaths and injuries of the people, their humiliation, fear and poverty, were detailed and case histories of individual families were read. It is important not to demonise either side. John had taken a number of photographs, which were displayed.

How Taxpayers Subsidise the Arms Trade was introduced by Chris Cole from Campaign Against Arms Trade. Ordinary people don't think about armaments very often and don't know what to do about them and the arms trade. Apparently five countries accept arms but don't pay for them. Our taxes subsidise these.

Conflict and Natural Resources was taken by Gavin Hayman from Global Witness. He took his group on a tour of the world, and considered resources such as oil, timber and diamonds. In several countries, such as Democratic Republic of Congo and Angola, the benefit from these resources does not go to the people of the area – they are often sold to fund conflicts. Global Witness has a policy of "naming and sham-

ing". They trace systems and people responsible and in this way ethics begins to creep in.

This section of the day gradually became a Meeting for Worship and someone from Friargate read a passage from a letter by George Fox. She had been thinking of the GM plants, which cannot set seed and fruit and of how wonderful it would be if the Seeds of War could not. She pointed out that thoughts can spread worldwide.

The Peace Action Forum was a brief time for people to mention initiatives they were involved in. We heard about a range of activities - including work with Churches Together, a reactivated Peace Group in Nottingham, Friargate's continuance of the closed York Peace Centre, the Chagos Support Group for islanders from Diego Garcia, the serious situation in Nepal and finally back to the observer from Israel and Palestine, offering talks to groups, large and small.

A pack of papers from the conference is available (free of charge) from QPSW. If you would like one please contact Suzanne Ismail at the address on the back of the newsletter.

“May we look upon our treasures, the furniture of our houses, and our garments, and try whether the seeds of war have nourishment in these our possessions”

John Woolman, A Plea for the Poor



Peace and Equality Through Local and Global Co-operation: An Opportunity for Friends' Work

John Courtneige is a member of Hertford and Hitchin Monthly Meeting. He campaigns for peace and equality, through practical, co-operative socialism.

It has reasonably been said that:

**There can be no security without peace,
No peace without equality,
And no equality without co-operation.**

The vision thus becomes driven by principled, practical co-operation.

It is good to report that The Global Co-operative Commonwealth, a Global Commonwealth of Local Commonwealths - the long desired dream - is now becoming a practical reality. It is a vision of global peace and security, through practical, local and co-active co-operation. Here, I hope to share these recent developments, and give some pointers to some next steps.

These, most recent, developments got under way in 1995, when The International Co-operative Alliance (The ICA) met to refresh the Statement, Principles and Values of The Co-operative Identity (See Box 1).

Four years' later, The (UK's) Co-operative Party agreed to convert this Statement into a practical tool of co-operation, by:

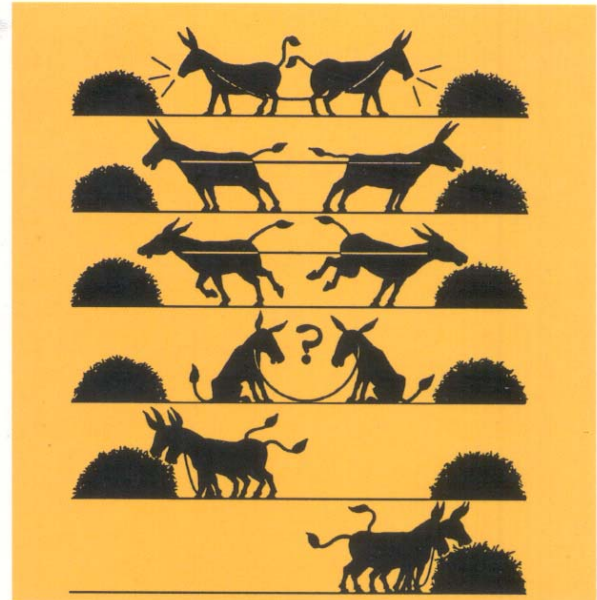
"Inviting all co-operatives to carry out and publish 'Annual Co-operative Audits', to demonstrate their fidelity to the ICA Co-operative Principles and Values" (The Co-operative Party Annual Conference at The Co-operative College, September 1999 Stamford Hall, Leicestershire)

And then, two years later, UK co-operators called for:

"A Co-operatives' Development Fund, to be run according to the ICA Principles and Values, for the financing of new- and existing co-operatives' development so that co-operatives so-financed could take up the 1999 Annual Co-operatives' Audit invitation." (The Co-operative Party Annual Conference, September 2001, Edinburgh, Scotland.)

'THE TWO MULES'

A fable for the Nations



**CO-OPERATION
IS BETTER THAN CONFLICT**

Accordingly, early this year, 'The Co-operative Foundation' was launched to help fulfil this call ('The Co-operative News' 12 January 2002), and, now a new grant and loan fund called 'Co-operative Action' (jo.bird@co-operativeaction.coop) has been launched.

These developments work together to form key steps in helping turn The International Co-operative Commonwealth from dream to reality.

Together they help form a global matrix of local co-operation, where sustainable stewardship and community care replaces the two individualist, selfish mechanisms (of ownership and retention by violence, coupled with exploitation and use for profit) as the core motives of feudalism, capitalism and the 'new' informationalism.

(Continued on page 6)

Box 1**The International Co-operative Alliance: Statement of the Co-operative Identity**

(Latest Revision, Manchester 1995)

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organisations actively controlled by their members. Elected representatives are accountable to the membership.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, on capital subscribed as a condition of membership. Members allocate surpluses for developing their co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter to agreements with other organisations, they do so on terms that ensure democratic control and maintain their co-operative autonomy.

5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, and employees. They also inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

ICA, 15 route des Morillons, 1218 Grand-Saconnex, Geneva, Switzerland

Tel: (+41) 022 929 88 88 Fax: (+41) 022 798 41

22 ica@coop.org

(Continued from page 4)

Thus, looking forward, these developments have led to the vision of 'The Co-operative Way' (Box 2). This identifies an economic system in which:

◆ People, together in a healthy global community, are in full control of their lives.

Box 2

The Fair World Project The Co-operative Way: The Fair World Action List

'Co-operation, not Coercion'

Convert competitive, market-based businesses into workplace co-operatives and reorganises monopoly activities as stakeholder co-operatives.

'Predistribution, not Redistribution'

Distribute created wealth through nationally collected, co-operatives taxation, distributed into local, democratically controlled, Community Banks, so, that money and credit are available for responsible wealth creation, environmental care and community development.

'Global stewardship for needs, not private resources for profits'

Provide for more human needs (health, education, telecommunications, transport etc.) on a free-at-the-point-of-use basis.

'Fair, guaranteed incomes for all'

Introduce guaranteed fair income for all, within upper and lower brackets and, so, do away with personal taxation (income tax, VAT etc.

'Banking as public service - not as global warfare'

Abolish money lending and credit-creation for profit.

'End global exploitation through financial speculation'

Reintroduce international exchange controls as necessary.

'All our sisters are our brothers, and all our brothers are our sisters'

Make capital grants (not loans) to developing countries.

The Fair World Project: for peace, equality and co-operation

And:

◆ Where everyone works for the benefit of all: caring for the long-lived well being of the whole global ecology - and all its inhabitants.

From Activism to Activity

For this vision to be implemented it needs to be backed up by local action. Here are some suggestions:

- Generally, discover the world of co-operation, locally and globally.
- Join your local co-op food shop (that way you'll tap into the world of co-operation).
- Help create a local interest-free credit union (that way you'll be challenging usury, locally).
- Join with others to set up a local branch of the Woodcraft Folk. (that way you'll be encouraging peace and co-operation for kids).
- Discuss starting a local group 'The Friends of The Co-operative Ideal' (or some such name), or of The Guild of Co-operators (it does exist), or of The Co-operative Women's Guild (ditto!)
- Lobby for a local 'community greenhouse/farm/market garden' and a local Community Land Trust (see Dolores Hayden's excellent book 'Redesigning the American Dream' and look on the net for details of 'urban agriculture').
- Consider setting up a local co-housing project (check 'co-housing' on the net).
- Set up a United Nations Association group, join it to the International Co-operative Alliance (getting the 'good groups' to talk with one another).
- Lobby for local free public transport and support your local Libraries.
- Set up a Co-operative Café (as useful meeting/discussion/ bookshop/ leaflet displaying point).
- Publicise a local 'open round table' at an accessible coffee shop, every week at the same time, as an open-to-all point of conversation. (Ours at The Global Cafe in Golden Square, London, W1, every Wednesday 11-1 for the past six years, has been a god-send to us, as a way of, both, keeping on-track and on-going).

□ Create a Fair World brain storming group, to focus on each action point, (and see what emerges?)

(BTW: all these 'Set up' points will probably be best advanced by a decentralised activity: many hands do make the light work!)

So to reiterate.

It seems true that there can be no security without peace, no peace without equality, and no equality without co-operation: both social and global.

Co-operative relationships, based, as they are, on voluntary, equal, and non-hierarchical rela-

tionships, are both inherently peaceful and exist to pose no threat of violence: to humans, to the planet, and to our co-inhabitants.

Thus, if we can use, modify, and adapt these co-operative resources, then inequality can be eradicated and, thus, peace sustainably delivered.

What a prospect!

John Courtneidge courtj@globalnet.co.uk
13 North Road Hertford Herts SG14 1LN

The Adivasi: Indigenous wisdom in south India.

The following story was sent by Marion and James Wells-Bruges of Bristol and Frenchay Monthly Meeting. Last January they visited some Non Governmental Organisations in south India. Of their trip they wrote:

“One of them [the NGOs], ACCORD, works with some Adivasis from five tribes, who own a tea plantation. Their whole culture and economy is based on co-operation rather than competition and ACCORD is trying to devise ways of applying this co-operative approach to trading tea with others. This story is just one example of their attitudes and was related to us by Stan and Mari Thekaekara, activists working with the Adivasi.”

Kariyan, of the Kattunayakan tribe, made a clearing in the jungle and planted ginger. As luck would have it the price for ginger shot up last year from Rs60 to Rs160, and he made a lot of money. He could have bought electronic gadgets or started a ginger farm, or even built a permanent house instead of his thatched mud hut on a mud compound. But he didn't. When people requested money he gave it to them without asking questions. And now it is all gone. Was he naïve and stupid? Alternatively, was he exceptionally altruistic? Does he need lessons in money management? - Or can money be something you share when you have it, like food or water or land?

Our consumerist competitive culture finds it difficult to imagine societies working within other value systems. But Kariyan valued the tribe. If he had gone off on his own, the money would have eventually run out and he would be destitute. As part of the tribe he has security as long as the tribe has security, which means as long as they all act instinctively as he did.

The Adivasi, indigenous tribal people, may have a culture that is more advanced and more sustainable than ours.

If Bush and Blair could steal the Himalayas.....

Fran Healy is involved in the fair trade movement. She visits Nepal in order to trade directly with community organisations and has witnessed first hand the deterioration of the political situation over the last decade.

Nepal appears to be on the brink of an avalanche into total anarchy. Until 1989, the country was ruled by an autocratic, but liberal, dynasty of kings. After a civil uprising in 1989, the then King granted the right to democratic parliamentary rule. The country, which has enormous variation in altitude and consequently climate, is among the poorest in the world. Even today, statistics give the average income as £200 a year. In rural areas, the major occupation is agriculture or forestry; industry, commerce, and tourism become more predominant with proximity to Kathmandu. There is a huge disparity of income. Landlocked and backed by the Himalayas, the infrastructure in terms of roads, communications, and public utilities is very limited. Health and educational provision is also scant and patchy, much of it provided by aid agencies. The main religion is Hindu, with around 20% Buddhist, but there is blurring between the two, and religious tolerance.

Because of poverty levels, the income from taxes was low, and the hoped-for changes from democracy have been slow in coming. It did not help that the communication revolution of the 90's has infiltrated Kathmandu and is causing rapidly acquired wealth among the educated middle classes, while in the street, women still carry water for their homes. The Maoist movement, was first noticed around 1995, and had high ideals of improving the lot of the poor and quickly gained adherents from the poorer, less educated classes who had most to gain.

However, at some point, the Maoist Party/CPN (Communist Party of Nepal) has been hijacked; its ideals diverted through frustration, into violence, intimidation, and terrorism. It is likely that there is outside influence from India, though to what purpose is uncertain. What is certain is that the Maoists are now stronger in both manpower and firepower than the Nepali security forces. In practice, they control the east and the far west of the country, and are advancing steadily towards Kathmandu.

The Maoists have announced their intention of destroying all Army helicopters, which in heavily wooded mountain terrain, are the only effective means of surveillance against them. They have also blown up hydroelectric dams. They have destroyed the education of a whole generation of village children by beheading lone village teachers who refuse to teach Maoist propaganda. Naturally, this has caused a landslide of teachers deserting their posts; while the young boys, at a loose end, are enticed away to become boy soldiers. They attack the law and order, killing police and army personnel, then announcing that if the sons of the deceased turn up to the funerals, they too will be killed, thus destroying family values in a country that honours elders. They attack democracy -any village that fails to return a Maoist candidate is "punished." These activities are funded by extortion -of food and lodging in villages; of protection money in the city where they announce "strikes" during which they firebomb any open shop; and through "taxes" imposed upon businesses. Even Cabinet ministers, while speaking out against them in Parliament, pay backhanders to Maoists to leave their families alone.

Looking for comparisons, they are unlike the Chinese in Tibet, who attacked religious beliefs and institutions; unlike the guerrillas in Vietnam and Cambodia, who had the support of the villagers because they helped with the rice harvest; unlike Robin Hood -although they rob the rich, they also rob, intimidate and murder the poor. I have yet to see a school or clinic built or funded by Maoists. They are simply bandits and terrorists; whatever ideals they held in the past have gone in the struggle for power and control. In October 2002, the present King deposed the Prime Minister for failing to deal with the crisis; thus returning Nepal from democracy to an autocratic monarchy. This is the only news to have been reported in the West, which is concentrating on Iraq.

Tourism has been, until recently, a major source of income, but tourist numbers have dropped by one third since September 11th, and with this, tourist spending. This has major implications for handicraft workers. However, as there is little natural mineral wealth to be exploited, there is no interest on the part of Western powers in assisting or even reporting the difficulties faced by the people of Nepal.

The conundrum for myself, engaged in fair trade in Nepal, is how to enrich and empower the poor without adding to Maoist coffers through extortion of anyone who is seen to be prospering. I am sure that money, I have paid to NGO's and small cottage industries, has been paid as protection money; and may well have bought guns. Meanwhile, middle class Nepalis beg for help in getting a visa to get out; Nepali refugees are pouring into India; leaving the country without the very people -the small entrepreneurs -it needs to bring in legitimate wealth. If the Maoists succeed in gaining power I fear it could lead to a regime like Mugabe's in Zimbabwe, with the subjugation of a peace-loving people to fear and powerlessness.

.....the United Nations would have been in Nepal months ago.

Book Review

Development matters: Christian perspectives on globalization

C. Reed (ed.), (Church House Pub., 2001) 162 pages.

There is a plethora of material on the phenomenon shaping today's world, but little from a faith perspective; Reed's compilation is thus welcome. He brings together people with a range of experience and expertise, each of whom provides useful information. Topics include government, interfaith and mission agency responses to globalization, the role of business, trade and global institutions, corruption, HIV / Aids, the environment, Scripture and urban exclusion. Each chapter is short enough to be read in one sitting, and with subdivisions and an index one can target particular areas of interest. Chapter notes provide additional material, and there is a useful list of contacts.

Ian Linden's, 'globalization and the church: an overview', is excellent. He describes how we got to where we are (via the communications and IT revolution that enabled the hyper-mobility of money and 'compressed space and time'), identifies problems (such as the growth in inequality), suggests solutions ('reform of...the World Trade Organization (WTO), International Monetary Fund (IMF) and World Bank (WB)'), and challenges the Church 'to set targets for the eradication of poverty reflecting the centrality of the poor in the life of the Church demanded by the gospel'.

Charles Reed charts the Church of England's responses to international development, which, he claims, 'reveals a radical agenda for global witness and action'. In support he cites the Jubilee 2000 Coalition, and calls for reform of the EU's Common Agricultural Policy (CAP). Reed refers to 'the *perceived* failure of trickledown economics to combat global poverty' (my italics). While trickledown economics has been in the ascendancy even the WB admits that global poverty has increased: the IMF recognizes, 'in recent decades nearly one-fifth of the world population has regressed -arguably one of the greatest economic failures of the 20th century'. I would conclude that this represents *actual* not *perceived* failure.

John Montagu assesses 'the UK's aid programme', and describes policies and strategies.

A point he highlights is that many of the world's most impoverished people 'do not belong to a unified state and are, as a result, out of reach of any government aid'. He refers to the 'aid vacuum' in southern Sudan, the Democratic Republic of Congo, Iraqi Kurdistan, Armenia, Tibet and Afghanistan - whose situation has of course been transformed since the time Montagu wrote: Iraq's may also be by the time this goes to print.

Gillian Patterson contributes a harrowing chapter on HIV/Aids. She notes that 'the huge majority of [sufferers]...are in the poorest countries in some... half a generation is being swept away'. Her statistics are now dated. The latest are even more harrowing. By 2001 40 million had contracted HIV / Aids. In 2001 3.5 million died, and 5 million were newly infected. A glimmer of hope emerged from the WTO meeting at Doha in November 2001 where it was agreed in principle, in the face of strong opposition from the US, UK, Germany and Switzerland (the locations of the major drugs multinationals), that poor countries could override patent rights protected by TRIPS (one of the key trade 'agreements') and copy patented drugs for use in public health emergencies. Unfortunately, when it came to formal voting, in December 2002, although 143 countries supported the measure one, the US (whose governing party is bankrolled by drug companies), dissented. Since unanimity was required to progress the action of the US effectively vetoed the proposal.

Peter Malcolm endorses capitalist corporate globalization. He argues that world poverty can be tackled '*only*' (my italics) by more wealth creation and that globalization is '*the* proven wealth-creating process' (my italics). Accordingly '*only*' (my italics) more liberalization of trade and investment will produce the necessary resources: there is no concept that there is already enough wealth in the world and that what is needed is not a bigger cake but different slicing. He writes, 'the greatest tragedy remains that the advantages of globalization...are not reaching enough of the world's poor', but fails to identify the reasons. (see QF&P 24.03)

Jennifer Potter introduces the General Agreement on Tariffs & Trade (GATT) and its 1995 successor the WTO. She stresses how the world has changed since 1947 when the first 23 nations signed up - particularly with decolonisation and the expansion and complexity of trade. In Doha the WTO admitted



Book Review

Enter Economism, Exit Politics: Experts, Economic Policy and the Damage to Democracy.

Teivo Teivainen, (Zed Books, 2002) 227 pp

About ten years ago it dawned on me that, "Economics is where it's all at: "Who benefits", in fact. It was partly from realising that wars were being fought over resources and partly through getting involved with Traidcraft, fair not free-trade. Therefore I was interested when this book was recommended to me. The author is a Finnish social scientist with a formidable list of research projects and extensive experience to draw on. His book gives a book list, references and a key to the initials with which our information is peppered.

The main theme of the book is that economic policies cannot be neutral. "Economism " is his word for "the attempt to carry out state policies on the basis exclusively of economic analyses". Economism is often trans-national and "removed from the reaches of democratic control". Foreign debt and human rights are examples of matters which it does not take into account.

Domestic and foreign spheres are merging and the domestic sphere is now of less importance. "New ways of conceptualizing and acting in the contemporary world, where assumptions about the fixedness of established boundaries still prevail" are now needed. "Structures of power are increasingly transnationalized and globalized while the processes of participation, representation, accountability and legitimization remain rooted in the institutional apparatuses of state".

That last quotation epitomises this book and explains in one sentence the vague misgivings people have felt for some time. There is need for "common rules" to govern activities that may cause harm to others. Adam Smith's "invisible hand" that "people work for the common good while pursuing their private interests" has been used to make a case for "not regulating activities defined as private and economic". Rights may be guaranteed by the state but these are likely to be property rights. There are moral codes in existence but central banks and the IMF are not open to public scrutiny or democratically accountable.

Teivainen uses his knowledge of Latin America, especially Peru, to illustrate his themes. The relationship of the US to its "backyard" was based on dollar diplomacy, lending money and, later, advis-

ers. Loans became conditional on accepting advice in order to safeguard against debt problems. The type of government did not matter and was in some cases a dictatorship. (It is possible to see similar processes at work elsewhere).

The Bretton Woods Meeting of 1944 led to the foundation of the IMF and World Bank, intended to help with the world's money problems. IMF loans were to be conditional on "adjustment programmes", which led to "devaluation, reduction of tariffs and import controls, encouragement of foreign investment and limits on public borrowing". Power began to move to international bodies.

States have been pressured into policies that "suit investors interests" Changes in the debtor country's legal system may happen because of economic restraints. As the power of monarchies has been limited by constitutional means, so Economism is restricting the power of democratic institutions. Privatisation and the growth of transnational investment alters relationships between politics and economics.

The question of "transnational harms" is especially relevant. Some are brought about by one society's behaviour to another, some we are all exposed to by "global actors and processes", such as those which cause ecological damage. The "Tobin Tax" on money transactions is one proposal to help matters, another is "one country, one vote", rather than basing voting power on a country's wealth.

The 'nation state' is the basis of ideas of politics, economics and democracy. There is no such framework for worldwide political institutions. Protestors, all over the world, point out the problems with the capitalist system, which we all recognise. It is not easy to construct a different system for the present world. Teivainen explains the situation and gives the evidence on which his analysis is based. It shows that there is a foundation on which change could be built but also how difficult this is going to be.

I am conscious that I have not done this close-packed and scholarly work justice. As an interested general reader I have benefited from the attempt and my understanding of the world I live in is greatly increased.

Elaine Hopkinson

Newsletter of the Quaker Network for Economic Change

Edited by:

Suzanne Ismail

Economic Issues Programme

Quaker Peace & Social Witness

Friends House

173 Euston Road

London, NW1 2BJ

Tel: 020 7663 1055

e-mail: suzannei@quaker.org.uk

What is QUNEC?

The Quaker Network for Economic Change is an informal network of Friends and others who are concerned about issues of Economic Justice. The QUNEC newsletter is an opportunity for members of the network to debate and to share thoughts or work in this area. If you would like to contribute to future QUNEC newsletters please contact the Editor at the above address.

Quaker Peace & Social Witness supports the work of members of the Quaker Network for Economic Change through the publication of the QUNEC newsletter. The views expressed in this publication are those of the individual contributors and not necessarily those of the Religious Society of Friends or Quaker Peace & Social Witness.