1. Introduction

QCEA’s Sustainable Energy Security programme considers that energy security in the European Union must be environmentally and socially sustainable. Environmental sustainability means securing energy that does not damage our global ecosystems or contribute towards climate change. Social sustainability requires an external energy policy that does not put Europe’s energy interests above human rights, democracy and peace, and an internal energy policy that recognises the need to reduce demand for energy, to increase efficiency in how we use it, and to ensure that the least well off do not carry an unfair burden. In our programme we also try to reflect that it is not only energy policy that influences Europe’s successes or failures in achieving sustainable energy security, but also many other policy areas, including economic, financial and trade policy.

In QCEA’s discussion paper “Sustainable Growth or Growth vs. Sustainability” (Briefing Paper 2), we looked at the relationships between resource use, climate emissions and economic growth. The paper explored the idea that Europe is consuming more than its fair share of the world’s resources and emitting more than its fair share of carbon into the atmosphere. A significant factor in these high levels of consumption and high environmental impacts is economic growth. This avenue of work reflects the fact that it is not possible to consider a sustainable energy future without examining the economic systems which have created and perpetuated the overconsumption of energy and other resources in some parts of the world, whilst much of the world remains marginalised, and suffers the negative environmental effects of this overconsumption.

Quakers in Britain have this year recognised that the “environmental crisis is enmeshed with global economic injustice” (Yearly Meeting 2011 Minute 36). The recognition that economics is key to how people and planet flourish, and that the way we structure our economic systems should not be devoid of values - like peace, equity, fairness - goes back further within Quakers:

“What is important is that institutions and their administration be constantly tested against human values, and that those who are concerned about these values be prepared to grapple with the complex realities of modern society as it is.”
Quaker Faith and Practice, 1976

“We live in a part of the world where the dominant motivation is material self-interest, justified by the concept of personal freedom. In these circumstances, the rich get richer and the poor, for the most part, become comparatively poorer. This offends our moral sensibility and, at the practical level, the process of material growth cannot in any event go on indefinitely. We must find some way in which we in the West can change our dominance in setting the style of the world’s living from one motivated by self-interest into one in which material resources are made available according to need.”
Quaker Faith and Practice, 1975

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As recognised in Briefing Paper 2, the challenges which face the world today - climate change, energy supply, growing economic inequality, global poverty, migration, population growth, financial crises, food security, water stress, resource scarcity and the conflicts relating to many of these issues - are interlinked. Quakers are working, in different capacities and in different places, on many of these issues.

This paper moves beyond the examination of the relationships between resource use, greenhouse gas emissions and economic growth, and looks at the relationships between climate change and poverty, between economic growth and inequality, and between economic and environmental injustice. It also makes links with the work being done by other Quaker organisations, to point policy-makers in the direction of these different, but connected, areas of work. This will help to convey a more holistic impression of how different policy areas - from international development and economic recovery, to climate change mitigation and conflict prevention - interact. It will also illustrate why it is so important for policy makers, particularly at European level, to understand these links.

2. Artificial Distinctions in European Policy Making

One concern about how policy-makers are addressing climate change is the way in which it is categorised as a distinct problem, added to a list of existing concerns and then assigned to some specially created policy team. In EU Member States, it is common for the structure of governance to have remained the same, but with the addition of a climate change minister. At EU level, the Commission created an additional Directorate General, DG Climate Action (DG CLIMA)\(^3\). Climate change is supposed to be mainstreamed into the policies of all other directorates in the European Commission – Energy, Enterprise and Industry, Mobility and Transport, Environment, Competition, Health and Consumers, Trade, Justice, Regional Policy, Taxation and Customs Union, Development and Cooperation, etc.\(^4\) However, evidence of this mainstreaming is hard to find, at least in terms of measurable outcomes.

The problem with this approach is that climate change affects and is affected by every single one of these policy areas. It is not merely an additional concern, to be added to a pot of existing and competing interests. It is the overarching challenge facing humanity. As such, it is not appropriate to treat it as a peripheral concern, to be addressed subject to the compatibility with the demands of other areas.

2.1 Policy Coherence for Development

One of the clearest examples of an artificial distinction in policy making can be found in the arena of international development and poverty eradication. The Commission’s DG Development and Cooperation - EuropeAid (DG DEVCO) covers a policy area that is inextricably entwined with our response to, and the effects of, climate change.\(^5\) The EU’s development goals incorporate the commitment to achieving the Millennium Development Goals, which include eradicating extreme poverty and hunger and ensuring environmental sustainability.\(^6\) They also include a

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\(^6\) The MDGs were set for 2015. It is worth noting that the first goal - to eradicate extreme poverty and hunger - actually translates into halving the proportion of people living on less than $1 a day. Halving the proportion of people in extreme poverty is not, in actual fact, eradicating it: it is a goal that still leaves hundreds of millions of people below the poverty line. Furthermore, by committing to halve the proportion (rather than the number) of people living on less than $1 a day in a fast growing global population, and with a baseline set at 1990, the goal is not as ambitious as it first appears. For example, rapid development in China in the 1990s meant extreme poverty in the entire East Asia and Pacific region had already been halved by 1999, before the MDGs were set, and yet counted towards meeting the target. For more information on this, see Pogge, Thomas, *The First UN Millennium Development Goal: A Cause for Celebration?* Thomas Pogge’s 11th September Lectures
commitment to promoting policy coherence for development (PCD). There is a strong legal basis for PCD, which includes the May 2005 Council Conclusions and Article 208 in the Lisbon Treaty. PCD means ensuring that the external impacts of other EU policies - or national policies - do not undermine the aims and objectives of EU development cooperation.

It is generally accepted that the actions of the EU and its Member States have implications for the incidence of poverty both within and beyond the EU’s borders. This holds for many policy areas, from trade and transport policy to energy and economic policy. Moreover, it is apparent that many of our individual actions, and more significantly, the sum of these actions, add up to a system - a socio-economic system - that denies one of the tenets of Quaker belief - the fundamental equality of all human beings. Disagreement with this statement places the onus of proof on whoever disagrees to show the compatibility of fundamental equality with a global economic system in which:

- 50 000 people a day die from preventable, poverty related, causes;
- the richest one per cent of the world own approximately 40 per cent of all wealth;
- and,
- people living in developed countries continue to accumulate ‘wealth’ beyond meeting their basic needs and reaching a level of material sufficiency, whilst millions of others die for the lack of it.

The following section will demonstrate why the issues of poverty eradication and economic injustice cannot be considered in isolation from climate change mitigation and adaptation. The reason for this is the current and future effects of climate change on global poverty.

3. The Effects of Climate Change on Poverty

Climate change-related environmental pressures, including increasingly unpredictable rainfall, flooding, drought and desertification, more extreme and violent weather patterns, sea level rise, and climate change-related migration and conflict, all have dire implications for the extent of poverty. A growing number of Southern NGOs are seeking recognition of the fact that despite ‘their minimal, per-person contributions to greenhouse gas emissions, the impacts of climate change will disproportionately affect people living in poverty in developing countries’.

The reasons for this include the following factors.

3.1 Exacerbating Existing Vulnerabilities

The poor have a lower capacity to adapt to the unpredictability and extremes that climate change will bring, being ‘highly vulnerable to even small external shocks that may affect their everyday production activities and living conditions. Lack of savings and limited support from
the state make these people unable to hedge against the risks that disrupt their livelihood security'. Limited access to education combined with the priority of meeting immediate subsistence needs overshadow longer-term threats like climate change. Less developed countries (LDCs) generally lack the capacity, resources and structures to invest in mitigation of and adaptation to climate change, a phenomenon which will amplify existing vulnerability ‘due to the dependence of their economies and livelihoods on climate-sensitive natural resources’.

3.2 Health Implications

There are serious health implications for the ‘poorest billions living in tropical and semi-tropical regions... In warmer conditions, malaria-carrying mosquitoes will spread more easily to areas north and south of the tropics, as well as into higher elevations.’ A 2 °C temperature rise above pre-industrial levels could expose another 40 to 60 million people in Africa to malaria, and an increasing incidence of droughts and floods will both, ‘in different ways, favour the spread of water-borne diarrheal diseases’.

3.3 Agriculture and Food

Agriculture and food sovereignty, especially for the poor, are threatened by climate change. Unpredictable rainfall patterns and extreme weather pose a serious threat when combined with environmental pressures such as deforestation and energy intensive agribusiness. Often deforestation occurs for the benefit of intensive agribusiness. For example, deforestation in the Amazon rainforest provides low-grade pasture land for cattle, to help meet high demand for meat in the global North, and growing demand from burgeoning middle-classes in LDCs. An increasing reliance on chemical fertilizers, pesticides and (often genetically modified) crop monocultures is contributing toward climate change-led biodiversity loss. In areas like Sub-Saharan Africa, where livelihoods rely on small-scale, rain-fed subsistence farming, low agricultural productivity and harsh natural environments mean people ‘depend directly on genetic, species and ecosystem diversity to support their way of life. As a result of this dependency, any impact that climate change has on natural systems will threaten the livelihoods, food intake and health of the population’. The possibility of large-scale agricultural collapse could lead ‘to astronomical food prices, mass starvation and migration’.

3.4 Water Scarcity

Water security is also threatened by climate change, from altered rainfall patterns, lake levels, river flows, and groundwater refill. Industrial agriculture has added to this pressure, as water-intensive farming methods have depleted many groundwater resources and aquifers. The trend toward the extraction of unconventional fossil fuels (e.g. tar sands, oil shale and shale gas) which require large amounts of water (and energy and chemicals), may yet prove to be another addition to climate-led water stress. Moderate projections suggest that, ‘by 2025 the proportion of the world’s population living in countries of significant water stress will increase from

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15 FitzRoy and Papyrakis, ibid., p. 65
16 Simms et al, 2004, ibid. p.10
18 FitzRoy and Papyrakis, ibid., p. 60
approximately 34 per cent (1995) to 63 per cent - some six billion people, the same number of people as are currently living on Earth’.\(^\text{19}\)

### 3.5 Climate Change-Related Natural Disasters

The increased incidence and intensity of natural disasters, including hurricanes, flooding, and droughts will affect the poor most, primarily because they already do. ‘All but two of the 40 worst ‘natural’ catastrophes between 1970 and 2001 were in developing countries and almost half were climate-related’.\(^\text{20}\) As well as living in areas most prone to natural disasters, including low-lying land liable to flood and arid areas prone to drought, poor communities tend to be dependent on farming and fishing. These livelihoods are sensitive to changes in weather patterns. Combined with a lack of resources to prepare for disaster or coordinate disaster relief, it is not surprising that ‘ninety-seven of every hundred deaths caused by a natural disaster occur in the developing world’.\(^\text{21}\) More frequent disasters will mean households ‘have shorter periods in which to recover, thus increasing the possibility of being pushed into a poverty-trap’.\(^\text{22}\)

### 3.6 Sea Level Rise

Sea level rise will have serious implications for poverty, potentially displacing billions, flooding arable land, destroying ecosystems, polluting groundwater in coastal regions and placing further strain on food supply. Along with more extreme weather events and degradation of agricultural land and fresh water supplies, sea level rise will displace large numbers of people and further increase pressure on increasingly scarce resources. A 40cm rise in sea level ‘would increase the number of people at risk of annual flooding from 75 million to 206 million - 90 per cent of those at risk will be in Africa and Asia’.\(^\text{23}\) Sea level rise of several meters could create an unprecedented scale of displacement, mass death and conflict over ever-scarcer resources. But conflict is not the only possibility: there is also the possibility of cooperation over shared but scarce resources.

### 3.7 Migration

The potential effects of climate change on migration are significant, and the consequent implications for poverty, fulfillment of human rights and human wellbeing are also serious. As ‘early as 1990, the Intergovernmental Panel on Climate Change (IPCC) found that the greatest single impact of climate change could be on human migration. Estimates of the numbers of people who might have to leave their homes for climate related reasons such as coastal flooding, storms, encroaching deserts or agricultural disruption vary hugely - from 25 million by 2010, to up to a billion by 2050’.\(^\text{24}\)

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\(^{19}\) Simms et al. 2004, ibid., p. 10


\(^{21}\) Practical Action, 2009b, ibid., p. 3

\(^{22}\) Stern, Nicolas, Stern Review: The Economics of Climate Change, HM Treasury, 2006, pp. 101-102

\(^{23}\) Practical Action, 2009b, ibid., p. 3

Responding to the challenges of climate change-related migration

The Quaker United Nations Office (QUNO), Geneva, works on the area of climate change and migration. QUNO notes that “climate change and related environmental phenomena could exacerbate existing vulnerabilities that push people to migrate, as well as heightening underlying points of contention that can lead to conflict. The severity of these impacts will be determined by the affected community’s degree of vulnerability and ability to adapt. Those living in poverty, in unstable or poorly governed states, or in areas where there has been inadequate planning for adaptation to climate change, are likely to be the most vulnerable.”

There are various ideas about how this issue should be treated, but the inadequacy of current legal and operational frameworks for addressing the displacement related to climate change is clear. The prospect of large-scale migration and increased pressure on limited available resources, combined with attitudes that view migration as a security threat, ‘with hordes of “environmentally displaced persons” trying to reach developed nations’, could be a strong driver of violent conflict (see 3.7). Conversely, the need to collaborate in order to preserve and have access to scarce resources could help to prevent conflict and strengthen peace.

QUNO Geneva’s work supports efforts to consider and protect those affected by environmentally or climate change-related movement of people, in particular those who cannot or do not move and the communities who host the displaced. Moreover, QUNO Geneva is exploring the non-material needs of the displaced, in particular issues of cultural continuity, as well as the impact of gradual environmental change such as soil degradation, water scarcity and sea level rise. An adequate response to the challenges brought by climate-related migration must recognize that ‘climate change will affect human beings with human needs and rights, who need and deserve our protection.”

3.8 Conflict

‘Climate change also brings a heightened risk of violence, particularly in developing countries with weak governance structures that cannot cope with increased conflict resulting from changing or reduced access to resources.” For people currently living in poverty in developing countries, which are often ecologically vulnerable and politically, socially or economically fragile, it is foreseeable that ‘as climate change interacts with other features of their social, economic and political landscape, there is a high risk of political instability and violent conflict.” Both migration and conflict can have severe implications for poverty.

28 Robertson, ibid.
Building Sustainability, Building Peace

Quaker Peace and Social Witness (QPSW), part of Britain Yearly Meeting, have embarked on an area of work entitled “Building Sustainability, Building Peace.” As documented by International Alert, 46 countries - home to 2.7 billion people - have been identified ‘in which the effects of climate change interacting with economic, social and political problems, will create a high risk of violent conflict.’ The ‘five areas where climate change may contribute to violent conflict, dependent on other factors such as the state of governance, poverty, history of past conflicts and other grievances:

• **Water** - with increasing water scarcity conflict over water resources is possible, particularly if management is poor or the issue is politicised.

• **Agriculture** - disruption to agriculture will have a massive impact on food security, especially for the poorest. Where the state cannot or will not intervene this has already led to violent conflict, such as in Northern Nigeria, Sudan and Kenya.

• **Energy** - climate change necessitates changes and reduction in consumption of energy, and could have negative impacts on human security and development if not handled carefully, leading to an exacerbation of conflict.

• **Health** - changes in temperature and rainfall will have an impact on health. If the state cannot provide health services in response this may lead to political instability and violent conflict.

• **Migration and urbanisation** - many people are likely to move as a result of climate change, either internally or by crossing borders to new countries. This will lead to increased urbanisation which may add to increased urban poverty and conflict. As many communities and countries find migration difficult to accept this may lead to violent conflict, particularly if the political response is inflammatory.

Just as climate change is likely to exacerbate existing vulnerabilities, these vulnerabilities are ‘shaped not only by the persistence of poverty, the lack of good infrastructure, the difficulty of getting a foothold in the world market, and thus the intractability of underdevelopment, but also by the fragility of state institutions, the instability of political arrangements, and the effects of recent armed conflict or threat of looming violence.’

There are many economic and social costs of violent conflict, including:

- the diversion of resources from productive activities to destruction;
- infrastructure and agricultural land being destroyed or damaged;
- the cost of repairing damages;
- increased mortality rates (and the effect that fatalities can have on families’ abilities to ensure their own subsistence);
- reduced access to education and health care;
- forced migration and disease risk in refugee camps; and,
- psychological damage.

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31 Taylor, *ibid.*, p. 4  
32 Taylor *ibid.*, summarised from Vivkanada and Smith, *ibid.*, p.8  
33 Vivkanada and Smith, *ibid.*, p.5  
These are just some of the reasons why conflict can seriously exacerbate poverty. Likewise, poverty, and increased demand over diminishing resources in a region - like fertile land, food and water - can be a driver of violent conflict. Both migration and conflict follow from the interactions between the environmental consequences of climate change and other social and political factors. Whilst these interactions cannot be ignored in the way policy is made, QCEA would echo QUNO’s concerns that ‘increased focus on “climate change and...” subjects (including climate change and migration, or climate change and conflict) should not draw attention away from the underlying issues. Top of the list of such issues is the urgent need to reduce carbon emissions - too much focus on adaptation strategies could sideline the importance of emissions reductions.’

3.9 Impacts on the poor in developed countries

The majority of the global poor live in developing countries: the ‘Global South’. However, there are also many people living in poverty in developed and newly industrialised countries, including in Europe. Climate change, and its associated drivers (i.e. burning of finite fossil fuels, which leads to price volatility and increases as they become scarcer), will hit these people harder too, with fuel poverty being one obvious area. In our globalised economy, where much food in Europe is imported, it is also likely to be the poor who cannot afford higher prices in times when climate change and its effects diminish the availability of food.

3.10 Genuine ‘Policy Coherence for Development’ would require radical overhaul of existing policies and paradigms

The point of the above exposition is to illustrate that climate change will very likely entrench and increase poverty. Climate change - and its associated drivers - means that we cannot create the conditions necessary for sustainable poverty eradication without urgent and decisive policy measures targeting unsustainable consumerism and dirty technologies. Furthermore, it is the existence of large-scale poverty in a radically unequal world, a world with a rapidly growing global population, and which is heading in the direction of ecological collapse, which necessitates:

- a move towards sustainable development paths in the poorest countries;
- a move away from unsustainable, materialistic, and consumption-based affluence of the rich and developed countries;
- a thorough examination of the assumptions underlying our economic systems, including economic growth and inequality; and,
- a recognition of the fact that poverty correlates with higher birth rates, and developing countries tend to have faster growing populations. Humanity’s environmental impact is determined by many factors, but the interplay between population, affluence (levels of consumption) and technology (how resource intensive prevailing technology is) has long been understood. The availability of healthcare and contraception, the role of education and women’s empowerment, alongside culturally-relevant sustainable development paths, can play a significant role in slowing population growth. Climate change is likely to impact severely on poverty, poverty is in itself a driver for population growth, and population growth and the consequent increasing demand for resources is likely to exacerbate climate change, especially where population growth equates with increasing material aspirations (beyond the level of sufficiency) following the model of consumption-based growth of the developed country economies.

36 FitzRoy and Papyrakis, ibid., p. 47
37 The IPAT equation, Impact = Population x Affluence x Technology, was one of the earliest ways of expressing this relationship, developed in the early 1970s. See, for example, [online] accessed October 2011, available http://www.eoearth.org/article/IPAT_equation
The fossil-fuel based industrialisation of today’s developed countries, over the last 200 years, is the main contributor to anthropogenic climate change, as well as (one of) the root(s) of their current material economic wealth. Yet if developing countries follow the same carbon-intensive development path, the problem of climate change will be dramatically worsened, which, as we have seen, harms the poor most. Addressing this is not only a moral imperative and a question of justice: it is a practical necessity, because developing countries ‘won’t sacrifice their right to development so that the rich world can continue living in an unsustainable way.’

If the EU were to take its commitment to policy coherence for development seriously, everything from trade to energy policy would look very different. Earlier this year, at a meeting with a Member State energy attaché, QCEA was told that when it comes to international climate commitments, economic development and the MDGs, it is an “architectural flaw” that these discussions take place in DG DEVCO or DG CLIMA, and not in/with DG ENERGY, because of the huge impact that energy choices have on these issues. The Development Commissioner, in a speech made earlier this year to the European Parliament, recognised that:

“We must act quickly, and act across sectors. Because the whole energy for development argument quickly raises a raft of other issues, not least on climate change, which in itself has the potential to derail development efforts...

Let’s take Africa, for example. This continent has enormous untapped renewable energy resources, while many areas are not yet covered by transmission and distribution infrastructure. The possibility thus exists in many areas to “skip” a technological generation and, by using local renewable production, avoid the significant costs that come with electricity distribution infrastructure, which in the EU accounts for up to 50 per cent of final domestic tariffs. In this way, we will not only be boosting significantly the competitiveness of renewable generated electricity compared to more traditional forms, we will also be creating jobs and growth.”

Unfortunately, because of the artificial distinctions made in European (and Member State) policy making (see section 2 above), energy is not in the Development Commissioner’s remit, just as the MDGs or poverty eradication are not a priority for the Energy Commissioner. This is despite the fact that the way we produce and consume energy is the single biggest contributor to climate change. And that climate change will in turn undermine all efforts to eradicate poverty unless tackled with the urgency and priority it requires. Policy coherence for development is far from being realised precisely because the effects of climate change are likely to entrench and increase poverty.

4. Sustainable Security

Section 3 explored some of the links between climate change, poverty, migration and conflict. Quakers are involved in various strands of work which are making these links. Quaker Peace and Social Witness (QPSW), in collaboration with the Northern Friends Peace Board (NFPB) and the Oxford Research Group, have looked at the effects of humanity’s breaching of its environmental limits – namely, climate change and increased competition over natural resources – as drivers of conflict and insecurity. Their work on Sustainable Security makes the links between these environmental pressures and the issues of global militarisation and the marginalisation of the majority world (the global South) - i.e. radical and increasing global inequality.

The sustainable security approach recognizes that ‘we cannot successfully control all the consequences of insecurity. Instead we must work to tackle the causes: curing the disease, rather than fighting the symptoms. It translates the spirit of local peacebuilding initiatives, which aim to resolve tension before it reaches violence, onto a global scale.’

This work provides a valuable grounding to QCEA’s work on Sustainable Energy Security. It recognises that it is precisely because climate change and increased competition over resources, including energy, have such strong implications for peace, justice and equality, that they cannot be ignored. The political importance of energy (and more broadly, resource) security, at national, European and global levels, makes it likely that traditional, militaristic policy approaches - where ‘our’ security increases the insecurity of others - will be employed. It is this narrow conception of ‘security’ that QCEA urges policy makers to move beyond. QCEA emphasises sustainable energy security - where sustainability recognises both environmental and social sustainability, not just within Europe, but in the wider world. It is this conception of sustainability that has necessitated examination of how our economic systems help or hinder progress towards this goal.

5. Neo-liberal growth-based economics: bad for the climate, great for inequality?

As noted above, QCEA argues for an approach to energy security which has both environmental and social sustainability at its heart. QCEA also promotes the transition to an economy which has environmental and social justice and sustainability at its core. These two goals are interconnected. It is not possible to consider a sustainable energy future without examining the economic systems which have created and perpetuate the overconsumption of energy and resources in some parts of the world, whilst much of the world remains marginalised and suffers

42 Ibid.

There is also an upcoming paper on the Marginalisation of the Majority World, which will soon be available from http://www.oxfordresearchgroup.org.uk/ssp
the negative environmental effects of this overconsumption. Briefing Paper 2 looked at the relationship between economic growth and sustainability, particularly resource use, climate emissions and economic growth. In questioning the assumption of economic growth, it considered, briefly, the intended purpose of economic growth. There is a need to further consider the effects of economic growth not only on the environment, but on inequality.

One of the core assumptions of the neo-liberal free market economic paradigm is that economies must grow and that growth is good. Often, it is implied that global economic growth is necessary in order for poor countries to develop, and more specifically, to enable the eradication of poverty. However, there is strong and compelling evidence that aggregate economic growth is an absurd means to end poverty because of the structural tendencies towards inequality. The same structural tendencies gear us towards environmental degradation. This, in turn, exacerbates poverty and inequality, as demonstrated with respect to climate change in section 3.

As Briefing Paper 2 noted, aggregate economic growth is an extraordinarily inefficient means to poverty eradication. In the 1990s, for $1 to reach those in extreme poverty, ‘it took $166 of extra global production and consumption, generating enormous environmental impacts which counter-productively hurt the poorest most’. Because growth is linked with increased ecological space consumption, the detrimental impacts of climate change on the poor will quickly outweigh the benefits from growth. Thus, in order for global economic growth to raise the income of the poorest to $3 a day, 15 planets would be required. The earth would become ‘uninhabitable long before poverty is eradicated’.

5.1 Radical and Growing Inequality

The problem of global poverty is integrally related to inequality. To illustrate, we live in a world in which:

- the 15 per cent of humankind living in high-income countries receive 80 per cent of global income;
- one third of human deaths, 18 million people per year, are due to preventable poverty-related causes;
- and yet, ‘the average shortfall [of income needed to bring them above the poverty line] of all these people in severe poverty amounts to barely $300 billion annually’ - less than one per cent of the aggregate GDP of developed countries.

Inequality is a prerequisite of free-market economics. Inequality of opportunity stems from the structural limitations that arise out of a global division of labour. As production gravitates towards the areas where it is comparatively most efficiently done, different groups in different regions are consigned to different kinds of work. Broadly speaking, people in developed countries are better able to pursue careers in the service and quaternary (or knowledge-based, e.g. Information and Communication Technologies, Research and Design, etc.) industries.

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48 Pogge, 2003, ibid., p. 11
Citizens of developing countries are more limited to agricultural, extractive and manufacturing sectors.

Free trade replicates and intensifies this structure because of the systematic tendency to ensure success to the successful. The use of ‘accumulated wealth, privilege, special access, or inside information [is used] to create more wealth, privilege, access or information’. Monopolies arise because ‘market competition systematically eliminates market competition’. When efficiency gains, technological advances or investment returns produce a temporarily higher income, firms can invest more in advertising, machinery, technology etc., thereby increasing profits and reinvestment. Growing market share means increased economic power, eventually enabling firms (today’s transnational and multinational corporations) to pressurise governments for tax incentives and regulatory frameworks that are conducive to profit, and even influence international economic policy, like the World Trade Organization architecture. This then creates conditions conducive to further gains.

Similarly, poverty is self-perpetuating for a number of reasons. Children in poor communities have fewer educational opportunities, leaving them without marketable skills, unable to get higher paid jobs. Fewer assets and lower incomes limit borrowing ability or trap people in debt. Uneven land ownership means tenant farmers cannot save enough to buy land, whilst their rent payments enable landowners to buy more. Since the poor are ‘often unorganized and inarticulate, a disproportionately small part of government expenditure is allocated to their needs’.

Feedback mechanisms such as these, while not inevitable, contribute to the polarization of wealth in our current global economic order, and without limits on the gains that individuals, corporations and states can make, or redistributive mechanisms to level the playing field, it is hard to see how structural tendencies like success to the successful can be compensated for. Yet, the free trade paradigm is explicitly against this kind of interference.

5.2 Ecologically unequal terms of trade

Asymmetrical terms of trade also contribute to inequality, for if ‘a country concentrates on food and raw materials, whose price relative to manufactured goods is falling over time, it will inevitably fall behind... industrial states in national income’. Much has been written about this phenomenon, but the existence of ecologically unequal terms of trade is less well understood. ‘Goods are exported at prices that do not take into account the social and environmental costs of their extraction or production’. Trade balanced in monetary terms may be unequal in terms of natural resource flows, and ‘some world regions may systematically benefit from the ecological capacity of other world regions by importing resource-intensive products and exporting wastes’. Tools like Material Flow Analysis have helped illustrate the scope of this phenomenon.

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50 Meadows, ibid., 129
51 ibid.
It has been argued that trade represents asymmetric flows of ‘productive potential (gauged in terms such as energy, labor time and hectare yields)’. Raw materials represent “available” or useable energy, whereas finished products, despite their higher market value, represent a decrease in “available” energy. Consequently, ‘industrial centers exporting high-utility commodities will automatically gain access to ever greater amounts of available energy from their hinterlands. The more energy they have dissipated today, the more “new” energy they will be able to buy—and dissipate—tomorrow’. Thus, a net import of energy ‘is the basis of a self-reinforcing accumulation of technological superiority and power vis-à-vis other regions’.

5.3 Costs we cannot pay

The externalisation of the true environmental and social costs of the products consumed and lifestyles pursued in the rich world has hidden from us the fact that we cannot pay the price. Biodiversity, ecosystem services, the greenhouse gas absorption capacity of oceans, vegetation and soils and the carrying capacity of the atmosphere (the carbon cycle), the nitrogen cycle, fertile soils, replenishable fish stocks, fresh groundwater supplies, etc., all play a colossal and irreplaceable part in our economy. If they were priced in the same way we price other things (like minerals, crops or labour), it seems inevitable that they would dwarf all other factors (i.e. costs of extraction, transport, processing, manufacturing, consuming, and disposing of products). It seems inevitable because these environmental services are a precondition for life.

We can only destroy so many habitats, disrupt the balance of so many ecosystems, witness so many extinctions, release so much carbon from billions of years of decomposed fossilised life, deforest so much land, deplete so much groundwater, over-fish so much, before we have irreparably undermined our continued ability to survive and flourish. Yet these limits to our activity, placed on us by the single planet we occupy and all of its beautifully complex and still only marginally understood systems, have been totally ignored by the rampant consumption and growth fuelled by a system that places no value, and no cost, on these things.

The structural tendencies towards inequality discussed above have ‘meant that production has been disproportionately geared towards meeting the changing lifestyle requirements of the rich everywhere, rather than ensuring basic needs for all’. The failure to recognise that our economy is a subsystem of our global ecosystem makes the prevailing economic paradigm ill-equipped to resolve either global inequality and poverty, or climate change. The status-quo, simply put, appears to be antithetical to creating a fair and sustainable future.

5.4 Towards a New Economics

There is a growing movement, in response to many of the issues discussed above and in Briefing Paper 2, which is exploring and demanding new ways of arranging our economic system, to the benefit of all people, today and tomorrow. And this entails creating an economy that respects the restraints of the biosphere and the needs of other species. People all over the world, North and South, are making these links between economy, environment, inequality, poverty and injustice. Initiatives looking at new economic ideas are cropping up everywhere, be they academic, practical or policy-oriented. Within Quaker communities, and organisations which work to represent them, we have already noted some of the work being done on climate change, migration and conflict, including by QUNO and QPSW, but there is also a lot going on relating to the economic dimension of sustainability and climate justice.

57 Hornborg, ibid., p. 6
58 Hornborg, ibid., p. 8
59 Simms et al, 2009, ibid., p. 18
Britain Yearly Meeting August 2011: Economic Justice and Sustainability

This year, Quakers in the UK made a commitment to become a low-carbon, sustainable community; reducing their carbon footprint and re-examining the economic systems and relationships in which they participate. The following extracts from the Minutes of the Yearly Meeting Gathering in August, in which 1500 Quakers from across Britain took part, represent a community of around 25,000 in the UK.

Minute 23: Economic Justice

“The global economic system is posited on continued expansion and growth, and in its pursuit of growth it is often unjust, violent and destructive.”

“We need to ask the question whether this system is so broken that we must urgently work with others of faith and good will to put in its place a different system in which our testimonies [to peace, truth, simplicity and equality] can flourish.”60

Minute 36: As led (Gathering up the threads)

“Our long-standing commitment to peace and justice arises in part from our understanding of the detrimental effect of war and conflicts, in damaging communities and squandering the world’s resources.”

“The environmental crisis is enmeshed with global economic injustice and we must face our responsibility as one of the nations which has unfairly benefited at others’ expense, to redress the inequalities which, in William Penn’s words, are ‘wretched and blasphemous’ (Quaker faith & practice 25.13).”61

Quakernomics

The Quakernomics blog has been set up by QPSW, for Friends and others, to discuss and debate issues around the creation of a fair economy for people and planet. See www.quaker.org.uk/quakernomics-blog. All are welcome to the debate, and to continue the discussion around the relationships between the economy, our lives, and the planet: What would a sustainable economy look like? How can we build a more just economic system?

Better World Economics

Ideas about how to promote a more equitable and environmentally responsible economy are also being explored in QPSW’s newsletter “Better World Economics”. See www.quaker.org.uk/better-world-economics. Better World Economics has explored the ideas behind steady state economics; ethical investment and financial choices with minimal negative environmental and social effects; the financial transaction tax (or ‘Robin Hood Tax’); and, trade and climate justice. One recent issue summed up the impetus for new economics, as follows:

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Living Witness

The Living Witness project is a UK-based initiative which supports the development of the Quaker commitment to sustainable living, and explores ways of taking it to the wider community, in Britain and elsewhere. It reflects the fact that although climate change has gained a high level of public awareness, there is much progress needed for people to be ready for the deep changes needed in society and our way of life, if the worst impacts are to be avoided. The project helps people to learn and work together, with regular groups and actions to green their lives, and practical projects in their local communities. Living Witness supports members with information and how-to-do-it guides, e.g. for working out carbon footprints, leading study groups and organising environmental audits. It also communicates to government and others in key decision-making positions what they have found to work well in supporting people to develop sustainable ways of living. With respect to energy consumption, and in response to a government consultation, one Policy Briefing noted that:

“IT IS BECOMING HARDER THAN EVER TO ARGUE THAT PROGRESS REQUIRES INCREASED CONSUMPTION, INTERNATIONAL TRADE AND ECONOMIC LIBERALISATION. RATHER, PROGRESS - OUR VERY SURVIVAL EVEN - DEPENDS ON ENSURING DIVERSITY, MAINTAINING LIFE SYSTEMS, REDUCING EXCESSIVE CONSUMPTION, SHARING THE WORLD’S RESOURCES MORE EQUITABLY AND FINDING WAYS OF RESPONDING TO THE NEEDS OF THOSE WHOSE LIVELIHOODS ARE ENDANGERED BY OUR CONSUMPTION-BASED ECONOMIC SYSTEM.”

These are concerns that QCEA believes should reach the ears of policy makers, not only at Member State level, but at EU level too. For more information on the Living Witness project, see www.livingwitness.org.uk.

EcoQuakers

The EcoQuakers Ireland initiative aims to provide a Quaker input into environmental and related social and economic challenges in Ireland. It also seeks to encourage people to become better informed about these issues, and to address them with greater confidence and conviction, as well as to connect with similar initiatives in other Quaker Yearly Meetings and like-minded organisations. In particular, members of the EcoQuakers Ireland committee have been campaigning on the issue of access to, and awareness of, ecologically sensitive financial services. This is in recognition of the fact that urgent action is required globally and locally to finance the transition towards a lower carbon economy, based on renewable principles, to


alleviate poverty and to enable socially useful work. The savings and financial reserves of faith-based and civil society organisations can make a contribution to these needs. There is also a need for well-regulated financial institutions, run with integrity and a concern to ensure that finance is directed to where it can make a real difference, and EcoQuakers have provided opportunities to learn about these issues and some of the financial services providers who meet these needs. For more information on EcoQuakers Ireland, and the work of its members, see www.quakers-in-ireland.ie/about-us/concerns/ecoquakers-subsite

Outside Europe

Work is also going on outside Europe, including the North American Moral Economy Project, run by the Quaker Institute for the Future. This work has looked at ways of bringing our economy, our ethics, and our environment into alignment. For more information, see www.moraleconomy.org. Another initiative is Quaker Earthcare Witness, ‘a network of Friends in North America and other like-minded people who are taking spirit-led action to address the ecological and social crises of the world from a spiritual perspective, emphasizing Quaker process and testimonies.’ See www.quakerearthcare.org. Also from the US, the Earth Quaker Action Team aims to build a just and sustainable economy through nonviolent direct action. See eqat.wordpress.com.

5.5 Message to Policy Makers

The purpose of this exposition of some of the work that Quakers are doing, individually and collectively, across Europe (and in the wider world) is to underline our message to policy makers, at all levels:

We do care. We are engaged. We are changing.
It is time for policy-making to reflect this.

As noted by QPSW, “many Friends are called to speak out and let their lives speak, becoming public signposts to a different way of being and acting.” But, of course, it is not just Quakers; there are people from all walks of life, all faiths, all nations, who are working towards creating a fair and sustainable world, and recognising that this world will look very different from the world today. Policy discourse and policy choices need to reflect this much more. In the words of a statement endorsed by Europe and Middle East Section of Friends World Committee for Consultation, in the run up the Copenhagen Climate Change Summit:

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64 For example, EcoQuakers have alerted people to Triodos Bank, the Ecology Building Society and Oikocredit, the Charity Bank and the GAEIA Partnership.
This paper has illustrated that real policy coherence for development would require a radical overhaul of many policy areas, and even economic paradigms. This is because of:

- the effects of climate change on poverty, including through migration and conflict; and,
- the structural tendencies towards inequality and environmental degradation in the prevailing free-market economic paradigm.

Policies relating to climate change, energy, external action (including conflict prevention), trade, economic policy, and international development cannot be considered in isolation. ‘Neither development, [climate change mitigation and] adaptation or peacebuilding can be regarded as a bolt-on to either one of the other two. The problems are interlinked and the policy responses must be integrated. Development policy-making and strategic planning henceforth, at both international and national levels, need to integrate with peaceful climate [mitigation and] adaptation planning. Compartmentalisation between these areas is no longer viable’.  

“We gladly take up our responsibility and call for unprecedented international cooperation to enable the large cuts in global emissions which are required. This will be a difficult road to travel but we are prepared to support decision-makers in taking the radical steps necessary. We appreciate progress made and uphold decision-makers as they navigate conflicting priorities, yet we challenge them to hold faith with the goal and not bend to short-term expediency.”  

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This statement has been endorsed by the Europe and Middle East Section of Friends World Committee for Consultation. See their statement [online], accessed October 2011, available at http://www.fwccemes.org/news/emes-executive-endorses-quaker-statement-on-climate-change

68 Vivkanada and Smith, ibid., p.4
Additional Resources

For further information and reading material, there is a list of ‘Additional resources’ relating to economic justice and sustainability, which can be downloaded from the information page of the recent ‘Economic Justice and the Sustainable Global Society’ conference, organised by NFPB and Woodbrooke Quaker Study Centre, on 24th September 2011, available at www.quaker.org.uk/economic-justice-and-sustainable-global-society-conference-papers

For more information on issues relating to growth and sustainability, see QCEA’s discussion paper “Sustainable Growth or Growth vs. Sustainability: Examining the relationships between resource use, climate emissions and economic growth?” available at www.qcea.org/work/energy/briefing-papers


Another useful briefing, produced by Quaker Peace & Social Witness as part of joint programme of work with Woodbrooke Quaker Study Centre, June 2009, can be found at www.quaker.org.uk/zero-growth-economy-dilemma-growth

Quaker United Nations Office: www.quno.org
Quaker Peace and Social Witness: www.quaker.org.uk/faith-action
Northern Friends Peace Board: nfpb.gn.apc.org/
The Oxford Research Group: www.oxfordresearchgroup.org.uk
Living Witness: www.livingwitness.org.uk
EcoQuakers: www.quakers-in-ireland.ie/about-us/concerns/ecoquakers-subsite
Quakernomics blog: www.quakerweb.org.uk/blog

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