

# Economics for the Earth

by [David A. Krueger](#) in the [June 16, 1999](#) issue

## **The Earthist Challenge to Economism: A Theological Critique of the World Bank.**

*By John B. Cobb Jr. St. Martin's, 192 pp.*

Since the World Bank affects poor people around the globe more directly than any other social institution, John Cobb's exploration is important for anyone concerned about how Christians can creatively engage economic issues and trends. Cobb thinks the pursuit of continued economic growth within an integrated, liberalizing, market-based global economy will lead to increased social injustice and ecological destruction. Only through a fundamental shift to an environmental theology of "earthism" and a rejection of global economic integration in favor of more self-sufficient local economies can we avert this doom. The World Bank could be an important agent in that conversion.

Cobb views history as a series of epochs, each ordered by a dominant social institution. Each epoch moves through a dialectical period of development and demise, of fruitful construction and self-aggrandizing destruction. In each period the dominant institution—church, government or the economy—develops an ideology that functions as that society's "shared religion." The excesses of this ideology lead to the demise of the dominant institution and the rise of another.

During the medieval period, the church's dominance developed into the inordinately self-serving ideology of "Christianism." Christianists devoted themselves to "the advancement of Christianity as the one, most perfect way of serving God." At its extreme, this ideology deprived believers of ordinary human enjoyments and freedoms and resulted in the persecution of unbelievers.

As social power and authority shifted from the church to the state, nationalism developed its own self-aggrandizing tendencies and even assumed the ideological role of religion. When the evils of rampant nationalism threatened civilization, most markedly in the excesses of fascism, power shifted to economic institutions. The creation of the United Nations marked this shift, as did the emergence of institutions

for economic integration, most notably the European Economic Community (now the European Union). Most important of all was the establishment of the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (the World Bank) and the General Agreement on Tariffs and Trade (now the World Trade Organization) at the 1944 Bretton Woods Conference in New Hampshire.

According to Cobb, these multilateral economic institutions were created "to further trade throughout the world and, thereby, economic prosperity. This involves reducing the ability of national governments to regulate their own economies. The assumption is that all people will be better off if market forces replace national policies as the primary determinants of international trade." A primary consequence of this paradigm shift is that private sector corporations, especially global ones, have become the dominant social institution.

"Economism," the "belief that primary devotion should be directed to the expansion of the economy," has become the ideology ordering our thought and action. This theory holds that "large markets allow for greater specialization and economies of scale along with adequate competition to establish optimum prices. The ideal is a global market." Government's role is to encourage competition, reduce the barriers to economic activity between nation-states, and provide the appropriate infrastructure to enable business to prosper. The creed of economism is that "economic growth improves the general economic well-being of people."

According to Cobb's dialectical view of history, "economism" will bring about its own ideological and institutional demise because of its inherent inability to meet the needs of society. Its gradual destruction not only of human communities but also of the environment will cause it to fail. This ideological and institutional failure will then generate the movement toward a new epoch, which Cobb characterizes as "earthist."

Earthists "see the health of the Earth, including its human inhabitants, as of supreme importance." Thus, "instead of dominating the Earth, the economy should serve the well-being of the system as a whole. Doing so certainly includes meeting human needs. But the goal is to meet those needs in ways that disrupt and degrade the overall system as little as possible." Cobb argues that an earthist position will move us toward smaller-scale, decentralized, localized and self-reliant economic activities. We will move from ecologically damaging practices toward a "sustainable development" that minimizes, if not halts, ecological harm and reduces levels of

material consumption.

Cobb's deep interest in the work and prospects of the World Bank is shaped in large part by his hope that it will "lead the world beyond economism to earthism." He argues that the bank's "economist" mission and practices have made it both a problematic participant in and a hopeful transformer of our epoch's dangerous and misguided ideology. He is evenhanded in acknowledging the positive and negative consequences of World Bank lending on its loan recipients.

Initially, the bank's program for alleviating global poverty was dominated by a strategy of economic growth, measured primarily in terms of GDP and channeled largely through big projects aimed at infrastructure development that benefited the rich more than the poor. But as early as the '70s, when Robert McNamara was its president, the bank began to depart from this approach. It began to focus on "moral considerations" that included, for instance, an emphasis on rural development and programs aimed directly at the poor. During the global debt crisis of the '70s, Cobb claims, the World Bank's lending prevented net capital flows from shifting from the South to the North. But at the same time the bank's lending criteria tended to be so soft that they did not generally result in the capital expansion that would permit less developed countries to pay back those loans. Hence, over time, increased levels of debt only exacerbated the poverty they were meant to alleviate.

Similarly, Cobb interprets the IMF-initiated structural adjustment plans (SAPs) that swept across the world in the '80s and early '90s as yet another chapter in the Bretton Woods institutions' efforts to further a generally unhealthy global economism. These plans promoted "a definite economic agenda, that of neoliberalism, with strong political implications." They typically emphasized such measures as reducing the size of public sector employment, tightening money supplies to control inflation, and reducing trade barriers to stimulate cross-border competition. Through such measures they tried to create the macroeconomic conditions deemed essential to economic growth in a liberalized, market-based global economy. The goal of SAPs, then, is not to reduce poverty in less developed countries (instead, poverty typically has increased), but "to maintain the global system of trade and finance as the orderly basis for economic growth everywhere."

At the same time, gradual but morally significant modifications began to find their way into the mission and funding priorities of the World Bank. More attention was given to the poor and their needs and to environmental protection. Much of this

change resulted from the pressure applied to the World Bank by various nongovernmental organizations (NGOs) during the past 20 years. NGOs became "convinced that large-scale, top-down development concentrates wealth in fewer hands, transfers power to TNC's [transnational corporations], destroys traditional communities rather than developing them, disempowers the poor, and degrades the environment."

NGOs operate with at a more broadly conceived idea of human well-being. "The health of human and natural communities is more important to such well-being than the amount of average consumption of goods and services by individuals. The people to be helped are especially the poor, and they are helped best by empowering them to help themselves. Although governments are often corrupt, there is a better chance of popular concerns being expressed through them than through TNC's; so power should not be transferred to the latter."

Cobb, then, presents us with two starkly different conceptual models of economic development for the poor, one primarily economic, one primarily earthist. The choice, as he presents it, is obvious. If economism implies that economic life ought to be arranged so that the poor get poorer and the natural environment continues to be degraded, and if earthism affirms that we should try to organize economic life so that global poverty is ameliorated and the health of the natural environment is protected and sustained for future generations, then we all ought to become earthists and so ought the World Bank.

Concern for the poor and for the earth indeed must be fundamental both to Christian faith and to the ordering of economic institutions as we move into 21st century. Yet this concern need not lead one to accept all of Cobb's particular prescriptions for either the World Bank or for global economic life.

Cobb's own description of the bank's substantial modifications and transformations in recent years (e.g., a shift to poverty-focused projects, to grass-roots public participation in its projects, and to environmental considerations) sometimes makes his discussion of paradigm shifts seem excessively abstract and contrived. His evenhanded and clear presentation of evidence allows readers to form conclusions that counter his. Perhaps the World Bank has changed so much that it no longer deserves the economist label. Indeed, Cobb applauds the bank's current president, James Wolfensohn, for espousing the kinds of values and pushing the bank to embody the kinds of funding priorities that could demonstrate "an earthist paradigm for development."

Cobb and others have not offered sufficient and compelling evidence that a more decentralized, localized, self-sufficient world economy would lead to less poverty and environmental destruction. Indeed, growing evidence suggests that a more globally integrated, market-based economic order, coupled with well-functioning democratic governments that effectively regulate the social and ecological impact of private behavior, can create a social order that will more effectively alleviate poverty and protect the environment. Some would argue that current trends toward "sustainable development" are becoming so prominent and pervasive within both government and corporate practices as to suggest that the global market economy, at least in democratic, industrialized countries, itself could be in the midst of a pervasive paradigm shift.

For instance, as technological innovations become more able to create economic benefits while minimizing, if not eliminating, environmental harm, the integrated web of global economic relationships may help to hasten the process of global "greening." Some large industrializing nations such as China might, through the adoption of environment-friendly technologies, be able at least partially to avoid the environmental degradation that accompanied Western industrial development.

Some of us will continue to risk being labeled "economistic" in our hopes for an effectively regulated, ecologically sustainable, global market economy. At the same time, all of us can be enriched and inspired by central aspects of Cobb's "earthist" theology and ethics, most notably his central claim that "the Earth is a far more inclusive and suitable object of devotion than Christianity, a nation, or economic growth." Cobb's concluding doxology is that "Jesus points us to the God who is the God of all creatures and who is served through the service of all creatures. For practical purposes this directs us to the Earth with all its inhabitants, especially the human ones, as the locus of our Christian service."