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Toward A Nonviolent Economics

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[I]f we are to get on the right side of the world revolution, we as a nation must undergo a radical revolution of values. When ... profit and property rights are considered more important than people, ... racism, materialism, and militarism are incapable of being conquered.

—**Rev. Dr. Martin Luther King Jr. Riverside Church, New York City April 4, 1967**

Civil rights leader Martin Luther King Jr., this country's greatest practitioner of philosophic nonviolence, warned against the triple evils of racism, militarism and materialism. Nineteenth-century Quaker radical John Woolman called on Friends to search their possessions to see if they would find therein the seeds of war. Indian independence activist and nonviolent visionary Mohandas Gandhi insisted that a constructive program of social and economic development was a necessary foundation for a movement for political change.

Over and again, the philosophies of nonviolence and economic justice have been linked by social change movements. Yet the connection is often overlooked or poorly understood, particularly in those developed countries where many (including peace activists) seem to benefit from the prevailing economic relationships.

The Principles ...

What are the economic questions raised by the commitment to philosophic nonviolence? How can we interject the transformative force of nonviolence into the circumstances of economic conflict and injustice?

Recognition: Who are the stakeholders in the relationship? Who has a role in the activity? What longterm and short-term interests are at stake? Rather than looking only at the web of shareholders-managers-workers-customers, a nonviolent economics requires a comprehensive analysis of relationships among all those involved in any economic activity.

Respect: Once identified, stakeholders must be treated with respect. They must be included in the decision-making process, a process that requires humility on all sides.

Right Relationships: With all parties present and their compatible and competing interests identified, the challenge is to establish an equitable relationship, understanding that each party bears responsibility in any economic endeavor and each deserves commensurate opportunity.

By implication, these principles speak to the question of scale and community. In a system of global production and distribution, participation by all stakeholders is an absurd

impossibility. Not surprisingly, Gandhi maintained that the village should be the basic economic unit. Even today, village-based economies have shown themselves to be the most effective and equitable system for India. If those practices seem to have little to offer a complex, post-industrial society, that may be because in our society community is the most overlooked and underestimated stakeholder in economic activity. In fact, community economic development has relevance far beyond India.

Economic activity is often described as a balance between the individual and the state. The political discourse of the last century was a polarized debate about the relationship between the individual and the state. Private and public sectors were usually presented as if they were mutually exclusive and inherently antagonistic.

But this individual-state split was never an accurate representation of reality. In the real world, relationships are more complex. Individuals are unique, energetic, creative actors. Their initiatives should be encouraged, recognized and rewarded. But individuals do not exist or act alone. In economic activities (as in the social or spiritual realm), we are individuals in communities. Through their constituent institutions, our communities are economic actors. Nonviolent economics seeks to understand the economic interest of the community as a whole and establish a fair balance between individual and community interests. It does not succumb to the simplistic and over-heated rhetoric of public versus private.

... And Practice

These principles can be applied across the entire spectrum of our economic lives, but there are widely divergent opinions on their practical implications. (We have intentionally excluded any discussion of consumer debt, the most pressing economic problem for most U.S. households. We want to raise more basic questions about the structure of our economy, including whether interest income—the foundation of consumer debt—is ethical.)

Work and Wages: How do we value human beings, their skills and labor? In public policy, this issue takes the form of proposals for living wages, collective bargaining, and progressive taxes. Gandhi and others have gone further, agreeing with 19th-century thinker John Ruskin, who argued that all necessary or useful labor was of equal value. But even if we believe that compensation should be affected by seniority, family obligations or other personal circumstances (or even that market standards should determine salary), if we accept the premise that the community is a stakeholder in our economy, we cannot help but question today's pervasive patterns of individual enrichment.

Commerce and Consumption: How much do we need, what do we buy, how is our identity linked to our patterns of consumption? These questions are at the forefront of new movements against the marketing of products made in sweatshops.

Few of us could describe the economic relationships that created the shirt on our back or the environmental, social, and political consequences of its production and distribution. How might our spending patterns change if we could see everyone involved in our

acquisition of that shirt and the impact that production has on their community and individual life? With only five percent of the world's population, the United States consumes 25 percent of the world's resources, dominating other nations economically, politically and militarily and destroying the environment to maintain that standard. Is a just global order imaginable while consumption patterns are so inequitable? Is an economic order based on unlimited growth environmentally sustainable?

Cooperatives, both consumer and production, offer an alternative to the dominant pattern of production and distribution and encourage us to understand the relationships that create the products we use. Participating in the production or distribution of those products keeps us closer to other individuals and communities involved in economic activity. Cooperatives also create important social networks in the communities they serve.

Income and Investment: How much is enough? What is really mine? After we've considered how much we think we should earn and how much we should spend or save, we need to decide what to do with our savings until we require them. Investments also represent personal relationships. We are faced with a decision: Is it ethical under any circumstances to make money from money? If so, what are those circumstances? Anyone who answers that question affirmatively is faced with another series of questions: Do we say, "Here is a thousand dollars. When I need it, return it with interest."? Or, "With this thousand dollars, I will purchase a stake in your enterprise, entitling me to a role in decision-making and a proportionate share of all that you will produce."? These are profoundly different human relationships.

The field of socially responsible investment offers some opportunities to apply the values of nonviolent economics to the management of savings. But this field raises its own set of questions: Which social concerns are most important? Should we retain shares in companies whose policies we abhor and press for change in those policies? Should we divest from objectionable companies and look for others with less objectionable (or even commendable) products and practices? Should we forego conventional securities and invest in community development funds to support grassroots initiatives? In all of these circumstances, anyone who has decided that making money from investment can be an ethical practice must consider the impact of those investments on all stakeholders.

"Real" Property: For many people in the United States, real estate is their most valuable asset. The common tendency is to think of property as public or private, as a construct of law or a calculation of the marketplace. But property also exists in a web of relationships among parties with competing and complementary interests. In fact, property is one of the few resources that spans generations—a family farm passes from parent to child, giving unborn generations a stake in farmland that is healthy and productive. By identifying all interested parties, it is possible to use legal and financial tools to create equitable ownership models.

Real property relationships can also be structured to balance individual and community interests. Community land trusts are a good example. Inspired in part by Native American understandings of stewardship of the land, these trusts are neither public nor private in

conventional terms, but combine the best elements of both. Land is held in trust through democratic, community-based organizations and made available to individuals and groups by means of lifetime, inheritable or long-term leases; lessees may own the buildings or improvements they make, but the land trust reserves the right to purchase these improvements for the adjusted value of their original cost. In this way, individuals receive the essential benefits of private ownership (security, equity, and a legacy for their descendants) while the community is protected from the potential abuses of ownership (monopolization, absentee control, and speculation). A fair balance is struck in an economic relationship that is important to many.

Making It Real

Those models and tools for constructing a nonviolent economy beg the question, how do we encourage the development of new models of nonviolent economics? How do we persuade, organize and mobilize more people to support nonviolent economic initiatives?

Gandhi characterized three dimensions of social change: 1) personal development, 2) constructive work to create the new society and 3) the political practice of nonviolent action to resist direct and structural violence.

Personal Development: Beginning with ourselves, taking personal responsibility for the way we live our lives, we can recognize the fundamental importance of economic relationships in the creation of a nonviolent society. We can learn the language of economics and share it (without abstraction and rhetoric). We can address people in terms they understand, recognizing where they start, often starting with an acknowledgment of the legitimate personal or private interests in property or economic activity, then introducing the public interest as a parallel and a legitimate counterpart. We can offer practical alternatives that challenge the stereotypical oppositions of compassion and competence, social concern and fiscal responsibility that are so often used to dismiss or deflect our economic critiques.

Constructive Program: Gandhi believed that the heart of a campaign was the creation of positive alternative institutions—"building a new society within the shell of the old." Too often, North Americans and Europeans emphasize the political action element of the Gandhian tradition and overlook the constructive program. In other parts of the world, the emphasis is different.

Constructive programs have three fundamental benefits: 1) providing critical, immediate assistance to those in greatest need; 2) building constituencies for social change; and 3) giving us skills to take advantage of political victories we might ultimately gain.

There are many ways to participate in constructive program work: Get involved in community economic development, or work as an educator, organizer, practitioner or investor. Community development appeals to people across conventional political and cultural divides. Promoting a constructive program can be an opportunity to give people new experiences and acquaintances that will change their perceptions.

Political Action: With personal commitment and the constructive program as the foundation, we can mount a strategic political campaign of protest or public pressure, challenging the beneficiaries of unjust relationships and pressing for structural and policy changes. Gene Sharp lists 198 methods of nonviolent action in his book *The Politics of Nonviolent Action*, including protest and persuasion, noncooperation and nonviolent intervention. Nearly a quarter of these tactics involve forms of economic noncooperation such as boycotts and strikes. Nonviolent action is a means of encouraging opponents to engage in dialogue.

Feminist writer and pacifist activist Barbara Deming wrote, "Nonviolence is an exploration, one that has just begun." Perhaps nowhere is that more true than in the field of nonviolent economics. Earlier activists learned that the survival of our species and our planet depends upon our application of nonviolence to war, environmental degradation and interpersonal conflict; today we would be wise to apply those principles to the realm of economic activity with the same vigor and determination. Once again, our survival may depend upon it.

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