THE EARTHIST CHALLENGE TO ECONOMISM

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The Earthist Challenge to Economism

A Theological Critique of the World Bank

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Contents

<i>Preface</i>	vi
<i>List of Abbreviations</i>	ix
Introduction	1
1 Christianity, Nationalism, and Economism	10
2 Economism and the Challenge of Earthism	28
3 The Marketization of Society	44
4 The Bretton Woods Institutions	61
5 The McNamara Years	75
6 Structural Adjustment	90
7 A Coherent Opposition	108
8 The Development Paradigm of the World Bank	128
9 Can the Bank Change?	146
10 The Theology of Earthism	168
<i>Index</i>	185

Preface

For some years I have been moving from the critique of economic theory worked out with Herman Daly in *For the Common Good* to an effort to understand, as a Christian theologian, the major social changes and global events of recent years. I know that my knowledge of the details is woefully limited and that this can lead me into error. But I believe that theologians should not be intimidated by these inevitable limitations from addressing the issues that are of greatest importance to the future of humanity. Certainly we should do so humbly, and where I show my ignorance, I ask for help and correction. I hope the errors and omissions in detail do not invalidate the generalizations and perspectives that are the distinctive contribution of the theologian.

Some of my efforts to interpret recent world history were published in 1994 in *Sustaining the Common Good* (Pilgrim Press). Indeed, the schematism of Christianity, nationalism, economism, and Earthism that structures the present book appears briefly in one of its chapters. Except for 'nationalism' these terms are mine in the sense that when I first used them in the mid-eighties I was not aware of having heard or read them. The others are, of course, intended to parallel 'nationalism,' which I take to have been the publicly dominant religion of the modern period.

Later I discovered that 'economism' had been used by Joel J. Kassiola in 1990 in *The Death of Industrial Civilization* (SUNY Press). So far as he knows, he coined it, although neither of us would be surprised to discover earlier uses of this term. Our meanings are quite similar. In more recent years I have seen the noun, as well as the adjective 'economistic,' quite often. I hope more people will find this language useful in describing the religion of our time. The other terms may also have been used by others. Certainly in French 'Christianisme' is common, although not with just the meaning I have given it.

During my study I became increasingly aware of the important role of the Bretton Woods institutions – the International Monetary Fund and the World Bank – and felt impelled to understand them better. In studying them I was motivated at

first by distress over what seemed to me their destructive actions, and I was tempted to attribute maliciousness or ignorance to their leaders. Because so many of their actions devastated the natural world and supported the interests of the rich and powerful against the poor and weak, I suspected them of callous indifference to nature and hypocrisy in their profession of concern for the poor. I suspected that they intended the results that, from my perspective, their policies in fact engendered.

But I gradually came to appreciate the depth of idealism, commitment, and intelligence they embodied. I realized that my disagreements were fundamentally religious or ideological, that it was the difference in fundamental perception or basic faith that led to my disapproval of some of their actions. I came to see the World Bank as the finest institutional expression of the economic faith, remarkably effective in implementing its teachings, but also remarkably open to Earthist critiques. I began to wonder whether a conversion might be possible, so that the genuine intention to serve the poor and protect the environment could be channelled into environmentally responsible empowerment of the poor.

Aware that my account of the International Monetary Fund and the World Bank was based on limited and one-sided accounts, I shared earlier drafts of this manuscript with persons in better position to know. I am grateful for the critical support of Herman Daly and Robert Goodland. I also sent a copy to Lynn Sherburn-Benz. She sent me quantities of Bank publications and shared the draft with others at the Bank, who also gave me valuable criticisms.

Even more important, she arranged an invitation for me to spend a week at the Bank in August 1997, specifically in the Environment Department. I owe a great deal to Tim Cullen who issued the invitation and to Andrew Steer who was my host. Steer arranged for me to visit a dozen persons in the Bank and the International Finance Corporation, including Cullen and Steer, who were in position to answer many of my questions and to provide me with additional material. All were generous with their time and gracious in their attitude. My appreciation for the spirit of those who work at the Bank and my hope for its future leadership were enhanced by the visit. I have revised the manuscript considerably in light of what I learned.

One thing I learned is how ignorant I am, how much more there is to learn! In my revision I have tried to make clearer the very specific and limited task I am undertaking in the discussion of the Bank, that is, to trace the history of its self-understanding. Much of great interest about its history and current developments falls outside that purpose.

The book as a whole is a quite new undertaking. However, some of the material in Chapters 1, 2, and 10 was given at a 'Conference on New Paradigms for Old Earth: Speaking Across Cultures in a Global Ecosystem', held May 4–7, 1995, in Missoula, Montana. It was the third conference in a series, 'In the Thoreau Tradition.' The conference as a whole was an unusually rich experience, and I would particularly like to thank Annick Smith for organizing it and for including me.

A number of other people helped me at different points. They include David Griffin, Fred Register, and Benton Rhoades. I need hardly ask that I alone am held responsible for remaining errors in fact and judgment.

List of Abbreviations

BWI	Bretton Woods institutions
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GNP	Gross National Product
IBRD	International Bank for Research and Development
ICSID	International Center for Settlement of Investment Disputes
IDA	International Development Agency
IFC	International Finance Corporation
IMF	International Monetary Fund
ISF	International Stabilization Fund
MAI	Multilateral Agreement on Investments
MIGA	Multilateral Investment Guarantee Agency
NAFTA	North American Free Trade Agreement
NGO(s)	Nongovernmental organization(s)
OECD	Organization for Economic Cooperation and Development
OED	Operations Evaluation Department
OPEC	Organization of Petroleum Exporting Countries
SAP(s)	Structural adjustment program(s)
TNC(s)	Transnational corporation(s)
UN	United Nations
WCC	World Council of Churches
WDR	World Development Report
WTO	World Trade Organization