

A New Economy, a Spiritual Awakening, and a Prophetic Mission

Interfaith New Economy Planning Group Meeting

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We are here because we recognize our nation and our species are in deep crisis not only economically, but also socially, environmentally and politically. We are committed to being part of the solution. I hope this may turn out to be a landmark event that we'll all look back on as a critical turning point for this region and perhaps beyond.

I'm very conscious from my experience of the difference a small group can make.

I was part of a group scarcely larger than this that got together back in 1994 and began a conversation about the deeper dynamics of economic globalization and its impact on the world. It was a group from all over the world, but people like you who are in positions of influence and thinking deeply about the issues of the time. As we went back out into the world with a shared analysis and vision we were able to ignite a public conversation that exposed the lies of the corporate propaganda machine and mobilized a global resistance that included the historic WTO protest here in Seattle in 1999.

This is a critical moment with the need for a similar breakthrough in thinking and a new public conversation.

Defining Issues

In quick overview:

- Climate disruption is accelerating.
- International institutions are announcing food shortages that might well be permanent.
- With massive government and Federal Reserve subsidies, Wall Street and its phantom wealth casino are doing very well and making more money than ever for the world's already richest people to further widen the gap between rich and poor.
- Globally billions of people struggle for survival and here in the U.S. millions face job loss, foreclosure, and bankruptcy.
- Our nation's most prominent instrument for dealing with the related social failure is the prison system.
- Our economic and political institutions show no sign of capacity to address the defining problems of our time.

The consequences of system breakdown are being felt by people of every faith and congregation. They are being felt by clergy and churches, synagogues, and mosques that face bankruptcy and foreclosure. All of this is creating destructive psychological stress throughout society. And, many of our mainline churches are losing membership, suggesting that people no longer find them relevant to their lives.

This is the context of the challenge we are here to address. There is an imperative for local, national, and global scale action, but the leadership will not come from Washington DC and it certainly isn't going to come from the institutions of Wall Street. If it is going to come, it must come from people like us, and particularly the institutions of the faith community. That is why I'm so excited about the fact that you have chosen to join this conversation.

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The Need for Moral Leadership

How many of you heard President Obama's State of the Union address a couple nights ago? Did you notice the constantly repeated theme of global competition and the call to prepare ourselves and our children to compete with China and India for jobs and global

power? He was speaking within the established, but morally corrupt, market-fundamentalist frame that shapes the public understanding of the economy and bears major responsibility for the crises we are experiencing.

Are we to abandon hope for the possibility that we might create economies that provide a prosperous, secure, and meaningful life for everyone irrespective of nationality, race or religion? That is the proper challenge. Surely more than President Obama realized, his State of the Union address revealed how badly we have lost our way as a nation and how far our national economic and political institutions are from providing needed leadership.

Competition, greed, and the pursuit of ever more profligate consumption will not resolve the unfolding crisis. Cooperation, material sufficiency, and spiritual abundance are our only hope for a livable future—as the spiritual teachers of all the world’s great religions have continuously reminded us down through the ages. We all know it in our heart of hearts, but economists, media, and politicians continuously play to emotions of fear and greed and call us to compete and consume as our defining national cause.

Humanity stands at a moral choice point. The underlying issues are moral issues. Our collective future depends on a spiritual awakening that transcends our individual faith traditions. I believe that awakening is happening, but at a far slower pace than our times require, because it has no identifiable institutional support and it faces determined opposition from the forces of fear and greed. This is a moment for the institutions of our various faith traditions to discover their common spiritual roots and mobilize to embrace, deepen, and accelerate the awakening and the actions that must flow from it.

We Did It Before

How many of you remember the 1999 WTO protest here in Seattle? I assume that most of you were engaged in some way, including the preparatory buildup in the faith community in the Seattle area that made a significant contribution to the success of that historic demonstration.

That protest action disrupted the negotiations of the WTO and inspired subsequent protests all around the world that ultimately thwarted the effort of the WTO to use multilateral trade agreements to place corporate power beyond public accountability. It was a truly historic victory for democracy and this faith community had a defining role.

We now have a new challenge to instigate something much larger and deeper. Our economic institutions are the link between a national moral crisis and virtually every

failing system that threatens the future of humanity. My charge for today is to share with you how I understand that link.

Tell Me Your Image of God

How many of you remember the Conference on Global Economic Justice sponsored by the Seattle and Washington State church councils just about a month before that Seattle WTO meeting? You may recall that Marcus Borg and I were speakers at that conference. It was a pivotal moment for me personally because it was there that I was first exposed to Marcus Borg's defining message: "Tell me your image of God and I will tell you your politics."

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Patriarch or Spirit? Out there or everywhere?

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This realization calls us to discover our human place of service in that creative unfolding and to create a world that nurtures the highest expression of the spirit in its distinctive human form.

Once we recognize ourselves as expressions of the divine, we can see that the divine isn't a parent figure out there to whom we can appeal to save us from ourselves. The spirit that is manifest in all being acts through us, not for us. We appeal in vain for it to save us. Our hope lies in learning to live in harmonious service to

the larger web of life on which our own lives depend. In so doing we find our human place of service to Creation and thereby secure our species salvation.

I would give you odds that it is some version of this spirit image story that animates the work of each of you here today.

Yet we cannot be sure because we so rarely discuss our deepest beliefs in these terms and the language we use in discussing the divine mostly evokes the patriarch image that is an important source of spiritual alienation.

Money or Life

I find enormous insight in a classic scriptural verse. Christian or non-Christian, I assume you are all familiar with it.

“No one can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other. Ye cannot serve God and mammon.” Matthew 6:24

This verse translates for me to a choice between the pursuit of money and service to the spirit of life. This happens to be a Christian verse, but I believe it is a universal truth common to all the great faith traditions.

This foundational moral teaching that we must put life before money goes to the heart of explaining the failure of our economy and our society. We have given over our lives, our values, and our politics to a system of economic institutions that put service to money ahead of service to life.

These perverse institutions are both manifestation and cause of the moral corruption of society and their success is a measure of the failure of our religious institutions to fulfill their prophetic mission.

Professing Moral Truth

Our religious institutions and teachers have allowed academic economist to become the primary arbiters of societal values and have stood idly by as economists and the institutions they serve have corrupted the moral culture of the society.

The economics of market fundamentalism is an immoral and counter-factual ideology based on the premise that money is the standard by which we properly value life and assess the performance of our economy, government, education, and even our religious

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institutions. How many of our churches measure their success by the size of their financial collections? And how many of them bend their message to appeal to those who have the means to make generous donations? This is just one manifestation of the larger issue.

It is extraordinary how this morally and factually flawed economic ideology has turned universal ethical principles on their head, creating a public culture that would have us believe that greed is a virtue and sharing is a sin.

Yet the contrary truth is obvious on a moment's reflection and the perverse values responsible for the crisis are fundamentally at odds with what virtually all psychologically healthy adults know in their hearts.

The prophetic mission of our faith institutions, now as it has always been, is to affirm the moral truth and keep it at the fore of societal consciousness.

What's the Economy For?

Take the practical matter that we measure the performance of the economy by growth in gross domestic product (GDP) and have made growing GDP the defining purpose of our society. GDP largely measures two things. One is the rate at which we are expropriating useful resources and turning them to toxic garbage to make money for the

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very rich. The other is the rate at which we are monetizing human relationships and thereby undermining the caring relationships of family and community by replacing caring relationships with financial transactions.

I became conscious of the tragic implications in my work abroad. The IMF and World Bank celebrate development success based on statistics demonstrating that incomes for many millions of people have risen to one to two dollars a day as a result of "development."

One day it hit me that many of these people were previously living happier and more fulfilling

lives as subsistence farmers with no need for money. Development stripped away their means of subsistence, left them dependent on money, and forced them into slums,

sweatshops, and lives as landless agricultural workers separated from their homes and families to earn that dollar.

Because they now have a pittance monetary income we are supposed to celebrate our success in lifting them out of “poverty.” Such is the distorted logic of the economic theories that shape our understanding of progress.

By focusing on growing GDP, we actively celebrate as a society the destruction of God’s creation—as our faith institutions watch passively from the side lines.

The Financial Crisis Inquiry Commission found Wall Street excesses and regulatory failure caused the financial crash. At a deeper level we might say that the crash was a product of the failure of our religious institutions to provide society with a positive moral compass.

Are you ready to out the moral corruption of a failed economic ideology? Are you prepared to go head-to-head, toe-to-toe with the academic economists and tell them “You have got it wrong and your flawed theories are driving economic disaster?” Are you ready to assume a leadership role in transforming the public’s understanding of our economic institutions?

The Phantom Wealth Illusion

We are a nation captive to a grand illusion

The design of our economic institutions is based on an illusion that money is wealth and that by making money we create wealth. That’s why we celebrate Wall Street. Unquestionably, Wall Street makes lots of money. We are thus to believe it is making us all richer.

Yet in truth money is nothing but a number, most of which exists only as accounting entries on computer hard drives. It has no meaning or value outside the human mind. Yet we who live in modern societies worship it as the ultimate totem of modernization and progress.

Most of what Wall Street does simply pumps up those accounting entries—inflating the artificial values of financial assets that the few then treat as securing their entitlement to the real wealth of the rest of us.

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Treating the creation of money as the sacred purpose of society is an act of insanity and moral perversion that leads to gross injustice and the suicidal destruction of Earth's biosphere. The practice of treating a lack of money as the defining resource constraint keeping us from meeting the needs of those for whom our current economy offers no opportunity is similarly flawed.

We so often hear "We cannot provide essential services to the poor because we don't have enough money." And yet we have unemployed people and other idle resources sitting all

around waiting to be put to productive use.

There are many real constraints, skills and energy among them. As a society, however, money should never be the defining constraint. Just make the accounting entry and get on with putting people to work growing food, caring for the elderly, or doing whatever else needs doing.

If you have been following the release of records from the Federal Reserve, you know that since the financial crash the Fed has created something on the order of \$13 trillion dollars with simple accounting entries to save the Wall Street banks and pump up their asset statements. Meanwhile the rest of the society goes unemployed and faces foreclosure for a lack of money.

We need a New Economy based on foundational faith values—and we need to rethink the entire discipline of economics accordingly.

It is time to fulfill the charge of spiritual teachers through the ages to create societies devoted to mutual love and caring in the service of life. These are the societies of which most humans have dreamed for millennia. A New Economy is foundational.

Agenda for a New Economy

The corporate driven global economy is designed to facilitate global pillage by transnational corporations devoted to converting the exquisitely differentiated real wealth of nature and society into numbers on inflated financial asset statements to increase elite power. The closest equivalent to the global corporation in nature is a

cancer that seeks its own unlimited, undifferentiated growth without concern for the consequences to the body on which its survival depends.

We must create an economic system that mimics the cooperative, frugal, and creatively adaptive structure and dynamic of Earth's biosphere, which is locally rooted and resource self-reliant everywhere. In system terms, the planetary system of local living economies is nearly the mirror image opposite of the economy we have. Properly designed, the institutions of the new economy will self-organize toward financial stability, ecological balance, shared prosperity, and living democracy.

Achieving these conditions requires a transformation of the economic system's:

- Defining value from money to life,
- Locus of power from global financial markets to local communities,
- Favored dynamic from competition to cooperation,
- Defining ethic from externalizing costs to embracing responsibility, and
- Primary purpose from growing the financial fortunes of the few to enhancing the health and well-being of everyone

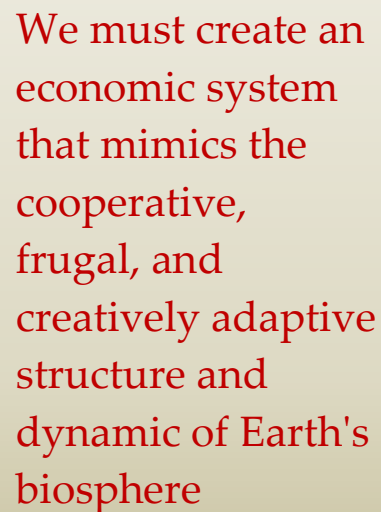
There are seven primary institutional sources of the current economic dysfunction. They are foundational, because it is not sufficient to advance an awakening of positive values in individuals. The positive values must translate into a profound institutional restructuring, a piece of the work that is often overlooked.

We can change the dominant institutions of society only through collective action. Our faith institutions provide a primary mechanism for defining and mobilizing that action.

Structural Sources of Dysfunction

Here are seven institutional sources of dysfunction.

1. The use of financial indicators like GDP and stock market indices to assess the performance of the economy. We currently see just how invalid these financial measures are. The economy is growing, but jobs aren't. The Dow Jones is climbing, but



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wages are stagnant and foreclosures continue. Neither GDP nor stock prices is a valid measure of economic performance.

2. Wall Street control of the creation and allocation of money. As we monetize more and more of our relationships, most people never notice that this gives more and more power and control to people who control the creation and allocation of money.

3. Fiscal policies that support extreme and growing inequality in the distribution of income and ownership. Aren't we glad that the politicians restored tax breaks for the very rich so they could continue to inflate their claims against the real wealth of the rest of us?

4. Absentee ownership is a defining feature of the publicly traded, limited liability corporation. Publicly traded shares separate the power of ownership from the social and environmental consequences of its use.

5. The corporate charter is a license to create global-scale legally protected concentrations of economic power under unified management dedicated to advancing narrow and exclusive private interests beyond public accountability. Such institutions are both anti-market and anti-democracy.

6. Fragmented and dependent local economies leave people captive to the financial interests of distant institutions and persons with no concern for their well-being, and

7. Global rules put forward by institutions like the WTO created by elite interests to circumvent the institutions of democracy support all of these dysfunctions.

Corrective Action

We need to flip each of these seven sources of dysfunction around and translate them into seven positive structural changes:

1. Replace financial indicators like GDP with indicators of human- and natural-systems health as the basis for evaluating economic performance. You may have heard the discussions around Seattle of the Bhutan Happiness Indicator, which is a splendid positive example.

2. Decentralize and democratize the money system so that it redirects the flow of money away from Wall Street speculators to productive Main Street businesses. Most of us in this room grew up at a time when we had a system of community banks, mutual savings and loans, and credit unions that were locally rooted and served local needs. But that system has been largely dismantled and transformed into too-big-to-fail Wall Street

mega-banks dependent on government subsidies and protections that function as huge vacuum cleaners sucking the wealth out of communities. There is nothing esoteric about the banking system we must create. It looks rather much like the system we had not so long ago.

3. Implement tax, fiscal, and work place policies that distribute income and ownership equitably. That is not only essential to real markets; it is an essential foundation of democracy. Equitable societies are healthier, happier, more democratic, and avoid the excesses of extravagance and desperation.

4. Favor locally rooted ownership by real people who have a direct stake in the social and environmental consequences of the firm’s management decisions—people who are looking not for maximum financial return, but for a living return that includes a healthy community and a healthy natural environment. This means favoring cooperative, worker, and community owned enterprises and discouraging the absentee ownership model of publicly traded companies. It means recognizing that the primary purpose of business is to serve community needs.



This presents our faith institutions with an epic challenge to rediscover and renew their prophetic mission and vision.

5. We need to create real markets and real democracy by freeing up both the market and our political system from domination by corporate monopolies that are both anti-democratic and anti-market. It is amazing how this gets flipped around so we forget that a real market economy looks a good deal more like a farmer’s market than an economy centrally planned and managed by Goldman Sachs, Wal-Mart and Monsanto to maximize the financial gains of absentee owners. We must break up concentrations of corporate power and bar corporations from competing with living human

beings for political power.

6. Pursue local economic development programs that build diversified, self-reliant, energy efficient, democratically self-organizing local economies comprised of living-enterprises devoted to serving local needs by functioning as subsystems of their regional ecosystems. Our community based faith institutions can lend moral endorsement and organizational support.

7. Restructure global rules and institutions to support all of the above.

I trust you recognize the epic nature of the challenge before us and its relevance to the prophetic mission and vision of our faith institutions. We have come to a moment in the human experience at which this transformation is both possible and imperative. We also have, for the first time, the understanding and communication technologies to make intelligent collective decisions as a species to achieve the systemic changes essential to our future.

The following are three elements of a system transformation strategy. Faith institutions have critical roles in relation to each.

1. *Change the framing stories of the dominant culture* to spread awareness of the society of love and caring that it is ours to create. Faith leaders can use sermons and religious education programs to expose the lies that limit our ability to envision societies based on love and cooperation and cultivate a shared cultural vision of human possibility in service to Creation's continued creative unfolding.
2. *Grow the new reality into being*. Faith leaders can encourage their congregations to participate in living the possible world into being in whatever ways are consistent with their means and passions. These include supporting local businesses and helping to weave relationships among enterprises to rebuild our local food, money, building, and energy systems.
3. *Change the rules of public policy to support the moral economy over the immoral economy*. Faith leaders can frame and promote a moral politics that advances rules and policies supportive of the life-serving economies on which our collective future depends.

Now is the hour. We have the power. We are the one's we've been waiting for. Thank you.

[David Korten](#) is co-founder and board chair of [YES! Magazine](#), co-chair of the [New Economy Working Group](#), president of the [People-Centered Development Forum](#), and a founding board member of the [Business Alliance for Local Living Economies](#) (BALLE). His books include [Agenda for a New Economy: From Phantom Wealth to Real Wealth](#), [The Great Turning: From Empire to Earth Community](#), and the international best seller [When Corporations Rule the World](#). This event was organized by the [Rauschenbusch Center](#), a task force of the [Church Council of Greater Seattle](#), to initiate a Seattle interfaith conversation about the role of faith institutions in addressing the economic dimension of the unfolding economic, social, environmental, and political crisis.