



Better World Economics



*Quaker Peace & Social Witness
Economic Issues Programme*

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Investing in climate change?

At their 2010 Annual General Meetings (AGMs) in April and May, oil companies BP and Shell will face special resolutions at which shareholders will challenge their controversial Alberta tar sands projects. Suzanne Ismail explains why Britain Yearly Meeting will be supporting the BP resolution and how you can get involved.

The tar sands developments in Alberta, Canada are among the planet's most controversial oil projects. Tar sands (or oil sands as they are sometimes known), are naturally occurring deposits of clay, sand and water combined with bitumen, a heavy form of crude oil. In its natural state, tar sand is a grainy, viscous substance with few uses. However, with treatment, it can be turned into fuels such as petrol and diesel. In a world where energy prices have increased sharply in recent years, and where production from traditional oil reserves like the North Sea are declining, it is easy to see why, at first glance, the tar sands look attractive.

However, tar sands developments are associated with a host of environmental and social problems. There are also an increasing number of questions about their financial viability. The shareholder resolutions, co-ordinated by a group of socially responsible investors and organisations including FairPensions and QPSW partner the Ecumenical Council for Corporate Responsibility (ECCR), challenge BP and Shell's decision to invest in tar sands. If passed, they would require both companies to commission a detailed report justifying their involvement.

Critics claim that tar sands are amongst the world's dirtiest fuels, producing on average



three times the greenhouse gasses of conventional oil – largely as a result of the huge amount of energy required to transform them into a useable fuel. It is often said that the greenhouse gasses associated with the tar sands developments mean that it will be impossible for Canada to meet its greenhouse gas targets under the Kyoto protocol. Indeed, in 2006 the Government of Canada officially announced that it was abandoning efforts to meet these.

The Alberta developments have also been associated with deforestation, air and water pollution as well as the creation of huge 'tailings lakes' to store toxic waste. All of this has, according to some indigenous communities, had a significant effect on wildlife, fragmenting or tainting habitats. Some communities also believe that pollution and toxins entering the food chain have been responsible for an abnormally high rate of the

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local population suffering from cancers. One indigenous community has taken the provincial government to court, complaining that the developments constitute a threat to their traditional way of life.

BP and Shell are not the only companies involved in tar sands; however they are certainly the largest and potentially the most significant. Both companies are advising shareholders to vote against the resolutions and given that most investors tend to vote in line with company recommendations, it is extremely unlikely that the resolutions will attract the 75% of the shareholder vote required to become binding. Nevertheless, in previous shareholder resolutions, fewer than 10% of shareholders voting against a company's advice has been enough to send a powerful message to the company's management. It is hoped that this resolution will have a much greater impact.

Reflecting Friends' concerns about sustainability and climate change, Britain Yearly Meeting and the Joseph Rowntree Charitable Trust are amongst the 120 BP and 150 Shell investors who have already indicated their intention to vote for the motion. Others include faith groups, charities, trade unions, local authorities and a number of individuals. This coalition accounts for over 150 million pounds worth of both BP and Shell shares, however it is hoped that even more shareholders will join them. If you or your meeting holds shares in Shell or BP, please consider voting for the resolutions. However you don't have to be a BP or Shell shareholder to take action – look at the 'What can i do?' box to find out other ways you can support it.

What can I do?

Shareholders

If you or your Meeting has investments in BP or Shell, consider supporting the resolutions. You can download an investor briefing at www.fairpensions.org.uk/tarsands/resolutions.

You might also find the Ecumenical Council for Corporate Responsibility guide to 'investing and engaging with companies' helpful. See: www.eccr.org.uk/publications

Ask your pension fund to take action

Your pension fund may be invested in companies which invest in tar sands. As a pension scheme member, you have a right to express your concerns to your fund provider and to ask them to support the resolutions.

You can do this easily and quickly through the FairPensions website: www.fairpensions.org.uk/tarsands/action

E-mail a major shareholder

Even if you don't have shares or a pension you can still make your voice heard by e-mailing one of Shell or BP's largest shareholders. The FairPensions website can help you do this. See: www.fairpensions.org.uk/tarsands/action2

Please let us know about any action you take.

Tar Sands: A view from Canadian Friends

In May 2009, Dana Bush, a Friend from Calgary, represented Canadian Yearly Meeting (CYM) on a churches delegation to the Athabasca Tar Sands. The delegation witnessed the devastation caused by the developments but also the complex issues involved for isolated communities that have come to depend on this economy.

CYM is consulting with Meetings towards a substantive position on tar sands, following a minuting in August 2009 for the Clerks of CYM and Canadian Friends Service Committee (CFSC) to write to the Governments in Canada advocating a suspension of new leases on land for tar sands development and asking for an independent study on the health impacts of tar sands development. CYM will return to the issue in August.

CFSC would welcome information on Friends' action in the EU on this issue – contact Jane Orion Smith at cfsc@cfsc.quaker.ca

For more information visit: <http://cfsc.quaker.ca/pages/resources.html#Papers>

Vote global!

There is little over three months before the UK must face a general election. Whilst domestic considerations are likely to be at the fore, it is vital that development and climate issues remain high on the political agenda. Suzanne Ismail explains why – and how you can help to achieve this.

Whilst the financial crisis and ensuing recession have clearly had a huge cost to the UK economy, these - combined with the food and fuel price rises of 2008 and 9 have also a major impact on the developing world. The shocks have disproportionately affected the poorest and most vulnerable and are clearly hampering progress in meeting the Millennium Development Goals (MDGs) – the UN targets agreed in 2000 for halving global poverty. This progress will be further hampered unless there is swift progress in both mitigating and enabling vulnerable communities to adapt to climate change.

The UK has, in recent years, been seen as a world leader in the fight against global poverty. It has been a key supporter of the MDGs, was among the first of the G8 governments to make commitments to debt relief, untying and increasing aid. It has recognised climate change and conflict as development issues and is starting to address these issues in a joined up manner. Crucially, the UK has encouraged other governments to recognise the importance of these issues and make commitments on them too. These are all positive steps, however if we are to get MDG progress back on track, further work is required and the UK continues to have an important role to play.

At a time where public spending cuts are just around the corner, and where some opinion polls suggest that climate change and development issues are becoming less important to the general public, it is crucial that we show our future political leaders that climate and development should feature highly on their agendas. Many Friends have already started this process as part of last autumn's 'Great Persuasion' campaign where parliamentary candidates were asked what they would do, if elected, to reduce carbon emissions and tackle global poverty. In this pre-election period it is even more important that candidates continue to be asked these sorts of questions. So, when a canvasser

knocks on your door or if you attend a hustings meeting, please make sure you do!

Election resources

There are several helpful resources that Friends can draw on in discussing development and climate change issues with candidates and canvassers. These include:

www.voteqglobal.co.uk

This website, produced by Bond (the UK membership body for organisations working in international development) provides information on a range of climate and development issues as well as about the main parties' policies on them. It contains advice on contacting candidates, questions to ask and a map of hustings meetings.

Contact: Suzanne Ismail on 020 7663 1055

Ask a climate question

QPSW is producing a list of suggested questions for Friends particularly wishing to hold candidates to account on climate change. Friends are encouraged to *Ask the Climate Question* of pollsters, candidates, party workers, canvassers and in surveys, particularly in marginal seats.

Contact: Sunniva Taylor, Sustainability & Peace Programme Manager
sunnivat@quaker.org.uk or 020 7663 1047.

Faith in Politics: Preparing churches for the general election.

This ecumenical resource outlines a number of key areas including international development and environmental issues. For each subject it provides background, raises some key issues and suggests a series of questions for personal reflection or to ask of party candidates.

Available at www.churcheselection.org.uk or from the Quaker Centre at Friends House (020 7663 1030 or quakercentre@quaker.org.uk.)

From trade justice to climate justice?

Caroline Dommen reflects on the WTO's 2009 Ministerial Conference and explains why economic justice work at the Quaker United Nations Office (QUNO) in Geneva is changing.

The World Trade Organization (WTO) held its Seventh Ministerial Conference in Geneva in late 2009, ten years to the day after the WTO's Third Ministerial Conference in Seattle. Host to demonstrations known as 'the battle in Seattle,' the 1999 Ministerial drew international attention and served as a catalyst for expressions of discontent about economic globalization. In contrast, the WTO's 2009 Ministerial passed almost unnoticed. A few days later, another international gathering – the Copenhagen Climate Change Conference – stole the spotlight.

The different levels of interest in the WTO Ministerial and the Climate Change Conference reflect a trend in civil society work on international economic issues: a growing concern for climate change and loss of interest in the WTO. *Better World Economics* readers will recall that the WTO was long a focus of QUNO's work – but in 2009 QUNO's Committee decided to prioritize its global economic work around three areas: food, migration and climate change. So is trade no longer important?

Quaker work on economic issues seeks to address injustice and to promote a more equitable and sustainable economic system. Ten years ago, the WTO drew attention as a new and powerful international body with a defining role in international economic governance. Its influence extended beyond strictly-defined trade issues, affecting other areas including employment, environment and health. Developing countries were excluded from meaningful participation in decision-making. The WTO thus became a focal point for civil society work seeking to address economic injustice. It made sense for Quaker work to look closely at the WTO as a priority locus for remedying inequities in the economy.

This work yielded tangible results: developing countries now are more able to make their voices heard in international economic decision-making. Civil society is much more aware of trade policy issues and negotiations



Photo: Ronne Hall www.flickr.com

Should the World Trade Organisation start addressing climate change?

so decisions can no longer be made in such an unaccountable way. Also, trade officials can no longer get away with claims that concerns such as health and the environment should not be on the trade agenda. Yet these results have had a flip side, a prime one being that economically powerful countries are turning to regional or bilateral trade agreements with developing countries, where they are more likely to get results that suit their interests. This complicates civil society work: instead of being located in one place (previously the WTO in Geneva); trade policy is being negotiated all over the globe in many sets of processes, making it harder for civil society groups to follow and mobilize around.

Meanwhile, WTO Members have been struggling to finish the so-called Doha Round of trade negotiations. WTO Members had declared that they would conclude the Round by the end of 2005, a deadline that was pushed back and then missed in 2006, and again in 2007, 2008 and 2009! The 2009 Ministerial was not intended to be a negotiating session, and its main result was to reaffirm the need to conclude the Doha Round in 2010.

The line within WTO circles is 'once we get the Doha Round out of the way we can start addressing issues like climate change.' This was evident in two work sessions during the Ministerial, which provided an opportunity for discussion about broader issues facing the WTO, and in the course of which a large number of Members mentioned climate change. Some saw the need for the WTO to

move on to issues like this as an additional reason for wanting to conclude the Round quickly. Yet the fact remains that the draft Doha Round agreements are bad for developing countries. From a trade justice perspective, no deal is better than a deal. And as WTO Members are doing well in not reaching a deal without civil society input, it is understandable that those concerned with equity and sustainability in the global economy are putting their energy elsewhere.

At the same time as the momentum of the WTO talks has slowed, the topics are being dealt with in increasing levels of technicality. The WTO secretariat is doing its best to make the WTO seem like a relevant organization despite the negotiating stalemate, and the fact that its work is peripheral to the today's main economic concerns (i.e. the fragility of recovery from the financial crisis, employment, financial regulation or climate change). This makes it hard to inject a sense of vision or optimism into the organization, and is a natural disincentive to broad civil society mobilization on WTO issues.

This, compounded with the fact that the urgency of preventing climate change is in the news daily and that more funding is available for work on climate change than other areas, has led many groups to turn their attention there. Some are maintaining their trade focus but many are centred on other issues.

The Copenhagen meeting forced us to confront the fact that our civilisation is destroying the life systems on which we depend. 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. In this sense, the climate change agenda raises some of the issues that the trade justice movement held dear, and provides a new focus and momentum for mobilization.

This does not mean that QUNO will abandon its concern for trade. Rather, we will address it through the lens of a particular issue (food,

migration or climate change). The economic justice and environmental sustainability dimensions will be in the front of our minds as QUNO's economics work moves forwards.

Find out more:

See www.quno.org or contact Caroline Dommen on +41 22 748 4810 or cdommen@quno.ch

The article originally appeared in the January 2010 edition of the 'Geneva Reporter'

New QPSW work on Sustainability and Peace

I am very pleased to be writing as the programme manager of QPSW's Sustainability and Peace Programme. This is a new programme, with the aim of strengthening the ability of Quakers in Britain to live as a sustainable community, and supporting Friends to speak out confidently in the world on sustainability issues. It will consider the underlying causes of climate change and environmental degradation by exploring our own behaviour and our economic system, as well as links between peace, conflict and sustainability.

We plan to provide practical support to Friends wishing to live sustainably, as well as resources and events to help Friends explore these issues. In the lead up to the general election we are encouraging Friends to 'Ask the Climate Question' to pollsters, candidates, party workers, canvassers and in surveys. For more details please contact me using the details below.

Some of you may recognise my name! I previously worked for QPSW's Economic Issues Programme (EIP), and edited this newsletter. I hope to continue to work closely with the EIP in developing this work.

To be kept updated on our sustainability work please contact me with your name, Meeting and contact details.

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Equality, prosperity and growth – where do we stand?

Alison Prout reports on ‘a conversation between Kate Pickett and Tim Jackson’ held at Friends House on 4th March 2010.

This evening event was a follow up to the QPSW/Woodbrooke ‘Zero growth economy’ series in 2009 (see *BWE 15*) and was similarly well attended. Over 200 people, Friends and others enjoyed presentations and a question and answer session.

I left the event feeling illuminated. The great gift of both presenters was to impart accessible and compelling evidence. I read and thoroughly enjoyed both Kate Pickett and Richard Wilkinson’s *Spirit Level* and Tim Jackson’s *Prosperity Without Growth* when they were published (if you haven’t read them I recommend that you do). Listening to them both speak made me appreciate once again why both these books have caused such a stir.

The design of the event and the make-up of the audience ensured that neither Kate nor Tim’s messages about the failures of our current economic and social structures had to be ‘sold’. The bulk of these were probably assumptions for much of the audience. However, the event gave depth and understanding to many of those assumptions. I for one greatly appreciated the process of being led through both authors’ research to explain their positions. Both gave a summary of the key arguments found within their books. However they also went beyond this more familiar ground to connect and resonate on the issue of inequality and our unsustainable approaches to growth.

The standout message to me from Kate was that inequality within society fuels competitive consumption. In more unequal societies, status, enhanced by material consumption, becomes more important. It will not be possible to address our excessive consumption, and therefore expectations of perpetual economic growth, without also addressing levels of inequality. Kate also spoke of the importance of equality in the way in which approach our increasingly resource scarce future.

Tim made a persuasive case for de-coupling our society’s deep association between growth and prosperity. Tim explained how we can flourish within our ecological limits. Listening to

Tim talk through the dilemma of growth, (the fact that whilst limitless economic growth is unsustainable yet de-growth, as we have lightly experienced in the UK in recent times is deeply unstable) has made me much more aware of the constraints that most politicians feel in relation to genuinely re-thinking the purpose and structure of our economy.

The audience were urged to use the opportunity of the forthcoming General Election to raise these issues. One suggestion was to ask parliamentary candidates whether they were willing to commit to reducing inequality by taking the ‘Equality Pledge’ details of which, along with many excellent resources, can be found on The Equality Trust website www.equalitytrust.org.uk.

Unsurprisingly the demand for questions and discussion was greater than time allowed. Participants were encouraged by Susan Seymour, the clerk for the evening, to continue the discussion on the Quakernomics blog www.quaker.org.uk/quakernomics.

The presentation slides and an audio recording are available at www.quaker.org.uk/prosperity

Have your say – on the Quakernomics Blog!

What do you think about the argument for restricting economic growth?

Do you have a view on any of the other issues featured in this newsletter?

Find out what other Friends are saying, share your thinking or comment on the articles on the Quakernomics blog:
www.quaker.org.uk/quakernomics

This simple to use facility is a resource for Friends and others to discuss and debate our economic system and the relationships between economics, our lives, and the planet

Quakernomics also contains notices of events and campaigns that may be of interest to Friends.

Introducing the Robin Hood Tax

Quaker Peace & Social Witness is one of over 100 organisations backing a new campaign in support of the introduction of a 'Robin Hood Tax' (RHT). If implemented, this could raise billions of pounds to protect public services in the UK, to combat global poverty and to respond to climate change.

The proposed tax, which is, more technically, referred to as a Financial Transaction Levy (FTL), would take the form of a 0.05% -or a 50p in every £1000 levy, applied internationally on a range of financial transactions such as the buying and selling of currencies, bonds and derivatives. The money raised would be divided with 50% being available for government use in the country of collection and 50% divided equally between climate change adaptation in developing and achieving the Millennium Development Goals (MDGs). Supporters claim that it could raise as much as \$400 billion per year.

The idea for a levy of this sort is not new. The 'Tobin Tax' – a small tax on all foreign exchange transactions as a way of regulating speculative financial activity – was proposed in 1972. However at a time when the neo-liberal school of economic thought was in the ascendance, the proposal was largely dismissed. Although there are some parallels between the Tobin Tax and the RHT- their motivations are different, with the RHT being seen as an innovative way to raise money rather than having any regulatory role.

Financial markets are now computerised and, thanks to efforts to stop money laundering and terrorist financing, heavily scrutinised. This would make the collection of revenue from a FTL automated, simple and inexpensive. Furthermore, in a context where many governments are facing budget deficits, and where heavy injections of additional finance will be needed to help meet the MDGs and to help developing countries respond to climate change, there is a growing sense that this may be an idea whose 'time has come'.

There has been some political interest in FTLs with Gordon Brown, Angela Merkel and Nicholas Sarkozy all having publically referred to them in the last few months. The International Monetary Fund is also carrying out a study on how an FTL might work. However, to be most effective any levy would have to be implemented globally and there does not yet appear to be the international political will to do this. The coalition behind the RHT wants to change this – and in the first instance is trying to persuade the UK government to push for greater international support at April's G20 meeting.

Find out more:

For more information, and to signal your personal support for the campaign see:

FRIENDS IN ACTION · FRIENDS IN ACTION

www.robinhoodtax.org.uk

Much ado about dates

Last year, Greg Wilkinson was arrested for shoplifting following his 'citizens' seizures' of dates imported from Israeli settlements. Here he explains why he got involved and how he continues to campaign against settlement goods. Although not a Quaker, Greg previously served on the UK Quaker group that served as pilot for the current Ecumenical Accompaniment Programme in Palestine & Israel.

When the Israeli assault on Gaza began, I didn't know what to do. The Israeli embassy, and our own dissembling government, were too far away from Swansea, and I'd become bit disenchanted with marches in London. Then, early last January, I got a Palestinian appeal for 'Boycott, Disinvestment and Sanctions,' forwarded by an Israeli friend.

On a weekly Tesco shopping trip, I spotted a rack of 'West Bank' dates. From the Jordan valley, I guessed, and, given the obstacles to Palestinian trade, from Israeli settlements. I slipped a few packs into my baggage, took them out past the till and wrote to Tesco's head office. I said what I'd done and why, offering to refund the price if they could show the fruit were NOT from illegal settlements. In the course of a long e-mail exchange, I repeated my 'citizen's seizures' and Tesco avoided both the settlement issue and any move to prosecute.

To break the stalemate, a group of local activists combined in a more public event. With a decoy rally in the carpark, we walked two trolley-loads of 'West Bank' dates and herbs out through the main entrance. (*Youtube 'Tesco arrests'*).

D. Murphy, the woman with the other trolley, was charged with theft but I was not 'for lack of evidence'. What more could they want? I'd marked my load of dates with red paint, so I was literally red-handed. (D used Tesco value ketchup on hers). At least, we thought, the case would now be tried, and the nonsense of government policy exposed: 'settlements illegal, obstacle to peace, trade with them OK.'

The Swansea judge must have been unwilling to preside over political theatre, a play of natural, national and international law (Justice in short). He dismissed the case.

Instead, we got a sideshow. Several of us were arrested, had houses searched, computers and papers removed 'on suspicion of conspiracy to racially aggravated criminal damage.' Nothing to do with dates or Tesco or Swansea however. Some bodies unknown – to us as well as the police - had painted green peppers red at Sainburys, Bridgend. Not far down the coast, but we'd never been near the place. The racial aggravation turned out to be a slogan 'Boycott Israeli Goods'. That case too was dropped, and we got a police apology.

Now, on advice from a 'Lawyer for Palestinian Human Rights', we're working on another tack. Instead of courting prosecution why not

Articles in the Friends in Action section reflect the work of individuals or groups. Views expressed do not necessarily reflect those of Britain Yearly Meeting or QPSW. If you would like to contribute to this section please contact the editor.

prosecute? With a legal advice from Matrix counsel, we're pressing Swansea Trading Standards to act on our behalf. Our argument: Tesco's - and other stores – are importing and selling goods from an illegal source, 'West Bank' labels are misleading, and the imports benefit from EU-Israel duty exemptions that do not apply to goods produced outside Israel.

D.Murphy, of the value ketchup, recently returned from the seige-breaking Viva Palestina trek to Gaza. Last month, at a meeting to hear that story, 100 people signed a call for action by Trading Standards. This was delivered, with samples of liberated dates, to Swansea Guildhall, in a presentation to coincide with the city's 'Fair Trade Fortnight'. The Trading Standards officer who met us said he'd investigate, but confine himself to compliance with UK regulations. We said that what mattered was not regulations, even international law, but the rights that laws exist to defend. Behind those dates and dealings, land is still being stolen, lives and liberties in Palestine curtailed. As routes are opened up to settlement trade, they are closed to Palestinians. Palestinians who protest, even non-violently, face raids, detention, even death.

Tesco has now updated its 'West Bank' labels, in line with recent advice from the government. The new labels indicate that the dates are from Israeli settlements, but not that the settlements are illegal.

Find out More:

For more information on settlement goods see: www.quaker.org.uk/settlementproduce

For legal advice about the labelling of Israeli and West Bank goods, see: http://www.lphr.org.uk/publications/advice/Labelling_Advice_Beal.pdf

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