



Better World Economics



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The MDGs: Getting them back on track?

The UN Millennium Development Goal (MDG) Review Summit to be held in New York on 20–22 September must lead to renewed action.

The MDGs were agreed at the United Nations ten years ago. A set of eight goals aiming to reduce global poverty by 2015, they were heralded as a historic initiative whose quantitative, time bound nature would galvanise the international community into taking action. The forthcoming summit will take stock of the progress made so far and aims to agree a plan to accelerate this over the next five years.

The MDGs have clearly had an impact. Recent reports indicate that we are on track to halve the number of people living below the international poverty line. Children attending primary school in low and middle income countries has risen from 70% to well over 80%. Over 95% of countries are seeing reduced child mortality rates. However, progress varies considerably and a number of the targets are, at the current rate, likely to be missed.

The UN has highlighted weaknesses with respect to gender equality. Women and girls are some of the world's most vulnerable people, yet progress on female education, health and political representation has been disappointing. External factors have also brought challenges. The continuing economic downturn and the food and fuel crises of 2008–9 have, in some areas, halted previously reasonable progress on goals such as reducing hunger. The recession has



UN Secretary General, Ban Ki-moon receives a letter urging greater action on the MDGs

UN Photo/Evan Schneider

also seen an increased reliance on unstable, vulnerable forms of employment, lower wages and poorer working conditions. Climate change and conflict are other huge issues. Without urgent action to address both of these, development progress will be further undermined.

These are just some of the issues that the Review Summit will no-doubt cover. Despite all of these challenges, the UN Secretary General believes that the goals are still achievable – providing of course that the international community has the political will. The next few months will be a major test of the extent to which that will is there.

Putting an armed violence lens on the MDGs

Staff from the Quaker United Nations Office (QUNO) in Geneva report

The MDG Review Summit has prompted an enormous amount of activity by groups and governments around the world. Mostly missing from this, however, has been attention to armed violence – a key factor that is undermining MDG progress. Some 740,000 men, women and children are thought to die each year from the effects of armed violence. But the impact extends much further than that.

In a 2009 report, the UN Secretary General stated that “Armed violence not only destroys lives, it also damages infrastructure and property, limits the delivery of public services, undermines investment in human, social and economic capital, and contributes to unproductive expenditures on security services. Armed violence undermines development and constitutes an impediment to the achievement of the Millennium Development Goals.”

Each of the MDGs is affected by the pervasive reality of armed violence. For example, poverty reduction (MDG1) is undermined as victims are often households’ primary income generator and because violence disrupts production and distribution of food. Armed violence affects child mortality (MDG4). Under-fives are often the first to die when armed violence reduces availability of necessities like food, shelter, clean water and healthcare. Violence against women is associated with an increased risk of unintended pregnancy and armed violence disrupts access to skilled birth attendants. This hinders MDG5 – improving maternal health.

But this relationship also works both ways. Not only can strategies to reduce armed violence support progress on the MDGs, but poverty reduction can also work to reduce the impact of armed violence on individuals and communities. For example, good street lighting can inhibit crime, thus making shoppers feel safer and economic investment more likely.

That there is little recognition of this critical “cross-cutting” issue as part of the preparations for September’s summit is, on reflection, rather astonishing. Despite this, recent years have seen a growing understanding of these relationships. QUNO has been working on this for the last three years. It serves as the focal point for civil society engagement with what is called the Geneva Declaration on Armed Violence and Development, a diplomatic initiative by 108 states to take steps “to reduce the global burden of armed violence by 2015.”

(See www.genevadeclaration.org). This has drawn QUNO into engagement with the MDG Review Summit process as we seek, with a number of other organisations and key states, to see that an armed violence lens gets some attention at the Review Summit itself. There are some signs in these final weeks that these efforts may yet produce some language on armed violence in the Summit Outcome Document currently being drafted.

As part of our ongoing work QUNO is also calling upon organisations working in areas such as development, health and education to examine how they could incorporate this critical dimension. A website www.violenceanddevelopment.org has been set up as a tool in this regard. This work is building strong foundations to ensure that international, national, and non-governmental actors alike pay more attention to the links between armed violence and development in their work in the period between now and 2015.

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17–19 September: Stand Up and Take Action

The Review Summit is the last chance for governments to present a timetabled plan to achieve the MDGs. On 17–19 September millions of people across the world will be literally standing together to convince their leaders of the need for action.

Add your voice by organising or attending a ‘Stand Up Against Poverty’ event during this period. The event could be as simple as reading the ‘Stand Up pledge’ after meeting and asking Friends to stand in support of it. Alternatively you could work with other groups to organise a public event or a march around your town. NGO network Bond will present details of all UK events at the Liberal Democrat Conference, shortly before Nick Clegg, Britain’s representative, leaves for the Summit.

For more information, ideas and a ‘Stand Up’ toolkit, contact Suzanne Ismail. (see back page.) More resources are available at www.standagainstopoverty.org

If anyone from your meeting will be attending the Liberal Democrat conference, please email Tim Gee at Bond: tgee@bond.org.uk

Shareholders challenge BP and Shell on tar sands

At their Annual General Meetings in April and May, oil companies BP and Shell faced shareholder resolutions on their controversial Alberta Tar Sands projects.

At the BP AGM on 15th April, 15% of shareholders, representing about £10 billion of the company's stock, ignored the company's recommendations and either voted for the resolution or abstained from the vote. Just over a month later, on 18th May, 11% of Shell Shareholders did the same.

As well as being far more carbon intensive than conventional oil projects, tar sands developments have been associated with deforestation and pollution and have also been criticised by some First Nations communities. (See BWE16) The resolutions asked the companies to publish details of the environmental, social and financial risks associated with their tar sands developments.

Whilst the resolutions received far less than the 75% of the vote that would have resulted in them being binding, they have had a considerable impact. In a culture where shareholders very rarely vote against company recommendations, the organisers of social and environmental shareholder resolutions rarely expect them to pass. More frequently, the aim is to raise the profile of an issue and encourage greater transparency and shareholder dialogue on it. Against this measure, the resolutions have certainly been a success.

In the build up to the AGMs about 6,000 people contacted their pension fund asking them to support the resolutions. Partly as a result of this, tar sands became a hot topic in the City. Both Shell and BP released new information and organised meetings and investor briefings designed to reassure investors that the tar sands projects were sound financially and from a social and environmental perspective. This increased engagement was welcomed by many investment managers. However, some including Rathbone Greenbank, which manages Britain Yearly Meeting's investment portfolio, and which was involved in drafting and building support for the resolutions, also felt that the companies needed to do more to reassure investors that their strategies are sound.

Many investors, including some of those who voted against the resolutions, have committed to continue dialogue with companies on tar sands. According to QPSW partner the Ecumenical



Tailings (waste) from a tar sands development

Photo David Dodge, Canadian Parks and Wilderness Society
© the Pembina Institute Pembina www.OilSandsWatch.org

Council for Corporate Responsibility (ECCR), also involved in drafting and promoting the resolutions, several issues are likely to be discussed. These include oil companies' over-optimism about the prospects for carbon capture and storage, rising production costs, the energy and water intensive nature of production and projections of future energy demand which do not allow for government intervention to combat climate change and could result in a global average temperature increase of as much as 6°C.

That so many institutional investors are asking these types of questions at the same time is not to be underestimated. It shows that the City is increasingly looking at non-financial aspects of investments and that co-ordinated shareholder action does have an important role to play in holding companies to account. The onus has clearly been put on BP and Shell to be more transparent about their projects – an important step if we are to start effectively measuring their social and environmental performance.

Britain Yearly Meeting supported the BP resolution. For more information about the resolutions and the investors supporting them see www.countingthecost.org.uk

What's your view?

Comment on any of the articles in this edition or join other conversations and debates at www.quaker.org.uk/quakernomics

Food, intellectual property and UPOV

International rules designed to promote new varieties of plants may actually undermine food security. Caroline Dommen, Global Economic Issues Representative at the Quaker United Nations Office in Geneva explains.

The International Union for the Protection of New Varieties of Plants (UPOV) is an intergovernmental organisation in Geneva, set up to protect new varieties of plants with an intellectual property right known as 'plant variety protection.' Its mission is 'to provide and promote an effective system of plant variety protection, with the aim of encouraging the development of new varieties of plants, for the benefit of society.'

Controversy about intellectual property

In other words, UPOV claims that its intellectual property (IP) system provides an essential incentive for breeders to develop and market new varieties of seeds. UPOV says that countries adopting its system have enjoyed greater availability of varieties with new desirable traits such as disease resistance or adaptability to new climatic conditions. This has increased income for breeders, and in turn encourages further investment in plant breeding.

Others, including some within the seed industry, dispute the benefits, claiming that stricter IP protection is not encouraging – and may even hinder – innovation. UPOV itself recognises that where there is a limited commercial market, IP systems will not necessarily encourage development of new varieties.

As with medicines, a crucial issue is whether the financial rewards promised by IP protection can stimulate research and innovation in crops suited to the needs of developing countries and poor people. Kenya is often cited as a UPOV success story, partly due to the cut flower industry that bloomed after the country joined. According to the UPOV Secretariat this generates income for two million families. However, many of the varieties introduced under UPOV are horticultural and ornamental crops produced by foreigners or for export.

Meanwhile, some of those sceptical of the need for strong IP protections recall that farmers have been developing new plant varieties for millennia – well before the advent of IP regimes!

Commercial and informal seed systems

Broadly speaking there are two ways that farmers currently access seeds: through informal, traditional systems where seeds are

saved from year to year, exchanged and improved on locally, and the commercial system where industrially-bred seeds certified by public authorities are sold or provided through subsidised schemes.

The majority of the world's farmers still depend on informal systems, but the commercial system is becoming more prevalent. A key reason is that the protection of IP rights is strengthening commercial seed systems and contributing to corporate concentration. This gives private companies the power to shape what seeds are available and on what conditions. In the last twelve years, the percentage of seeds owned by the top ten private companies has grown from under 30%, to close to 70% today. Crucially, this is also linked to the fact that public investment in agriculture is dwindling the world over, with research and development increasingly left to the private sector. In this sense, stricter IP protections for plants and seeds is not the making of bodies like UPOV, but rather of funding priorities in agriculture, and the global trend towards privatisation and corporatisation.

Commercial seeds can have advantages like higher yields or pest resistance. However, they also have drawbacks. They can be costly. They frequently require chemical inputs, thus increasing production costs and making it harder for farmers that buy such seeds to eke out a living. Being produced on a large scale, commercial seeds are often not suited to local conditions – whereas

What you can do:

Go organic! Buy locally-produced organic foods whenever possible, and if you garden, do so organically.

Join a local group! A range of groups practise and support organic farming, and maintain traditional, heritage seeds. See for instance Garden Organic Local www.gardenorganic.org.uk/local

Adopt a Veg! Or give a rare or endangered species of vegetable, to save it from extinction. www.gardenorganic.org.uk/support_us



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Many small-scale farmers in developing countries struggle to afford commercially produced seeds

farming, by its very nature, is site-specific. Moreover, commercial seed systems are contributing to reduced diversity of seeds available. Private companies need to make profits, so they tend to only focus on a handful of potentially lucrative seed varieties, to the detriment of diversity, and with little concern for the needs of the world's poorest farmers.

While there is space for the commercial seed system to exist alongside traditional seed systems, we must ensure that the latter isn't 'crowded out'. This is important not only for small-scale farmers' livelihoods but also because for all of us, future survival will increasingly depend on maintaining biological and genetic diversity.

UPOV is only one piece in a larger puzzle of global trends towards stricter IP protection, but it is one place where discussion about ensuring a balanced co-existence between traditional and commercial systems could take place.

Current debate relating to international IP policy on seeds tends to be very polarised – between proponents of stricter IP protection and those who favour more farmer-friendly, biodynamic, diverse systems. QUNO has recently started work that aims to facilitate a more informed debate in this highly complex area. Our work is motivated by a concern for equity (for balance between small-scale farmers and those who keep traditional knowledge alive and the economically powerful), a concern for sustainable agricultural and social systems (recognising the importance of seed exchange and development for many communities, and the importance of maintaining diversity) and a concern for a lower-carbon food

production system (including, where possible, local production and reducing chemical inputs into food production).

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UK Agricultural Biodiversity Coalition, www.ukabc.org

Campaigns update: Debt and 'dodgy deals'

QPSW partner the Jubilee Debt Campaign is directing its attention to the Export Credit Guarantee Department (ECGD), a government department supporting British business operating abroad. Some ECGD activities have been linked to corruption, environmental destruction and human rights abuse. Furthermore, when things go wrong, ECGD activities can undermine poverty reduction efforts by adding to developing country debt.

The ECGD provides UK firms operating in high-risk areas abroad with insurance or guarantees to protect against non-payment or other losses. Many countries have similar agencies which step in where conventional lenders and insurers are unwilling. Their actions are often pivotal in making deals happen and therefore have a potentially useful role to play in facilitating trade. Last year for example, ECGD activities enabled among other things, 166 civil-aircraft deliveries, the televising of English Premier League football matches across the Middle East and the provision of portable road systems to the Turkish Ministry of Defence.

Many ECGD deals have proven to be controversial and the department has been particularly criticised for its support to the defence industry. This has included underwriting trade between BAE systems and the Saudi Arabian government and a deal which, amid allegations of massive corruption, saw 100 Scorpion tanks delivered to the Indonesian government under the Suharto regime. Other projects such as oil platforms built off the coast of Brazil and the controversial BP backed Baku-Ceyhan-Tblisi oil pipeline between the Caspian and Mediterranean seas have been criticised on social and environmental grounds.

If ECGD backed deals fail, the UK company concerned can recover its costs from the ECGD which, in turn, may try to recoup the money from the government of the recipient country. At the end of March 2010, low and middle income countries owed in excess of £2,000 million to ECGD. These included the Democratic Republic of Congo (£90.36 million), Indonesia (£513.46 million) and Sudan (£653.44 million), debts which JDC says may be unjust and that some governments have to finance over and above desperately needed health, education and social development spending.

In its Coalition Agreement signed earlier this year, the UK government stated that the ECGD should change so that it does not support "investment in dirty fossil fuel energy production". Whilst a start, JDC believes that



reform needs to go much deeper – including a review of outstanding ECGD debts, cancellation of those found to be unjust and much stronger social and environmental standards to ensure that ECGD projects have a positive social and environmental impact.

What you can do:

Send a post card or e-mail to Business Secretary, Vince Cable asking for reform of the ECGD. Encourage F/friends, relatives and colleagues to do so too. Two cards have been included with hard copies of this newsletter. You can e-mail through <http://www.jubileedebtcampaign.org.uk> Additional cards available from Suzanne Ismail (contact details on the back page)

If you live in the constituencies of Birmingham Erdington, Bradford East, Castle Point, Leeds West, Liverpool Wavertree, Loughborough, Newcastle upon Tyne Central, Northampton South, Stratford upon Avon, Stourbridge or West Bromwich, JDC needs your help! MPs from these constituencies sit on the new government select committee on business, innovation and skills which will shortly be examining the role of the ECGD.

Contact: info@jubileedebtcampaign.org.uk

Land for People and Communities

Martin Large (Nailsworth LM) describes how Community Land Trusts are bringing social, cultural, economic and other benefits across the UK.

Securing affordable and open access to land is a live issue here in Stroud. Our local Community Land Trust (CLT), Gloucestershire Land for People has just announced a partnership with Kevin McLeod, presenter of *Grand Designs* of TV fame and who works for Hab Oakus Housing Association. This will develop the Cashes Green Hospital site into 79 homes, allotments and community facilities. And in the space of two weeks in July 2010, triggered by the auction of a wood near the town, Stroud Woodlands Co-op has started from scratch. Through 50 or so members' investment, this will buy a three acre wood for conservation, forestry, picnics, fuel, crafts, education and amenity.

The values underpinning these examples arise from a long tradition that understands land as a common resource. Gerard Winstanley wrote in 1649 after the Diggers were evicted from St George's Hill, Surrey, that 'The earth shall become a common treasury to all, as it was first made and given to the sons of men.' He was saying, like Ruskin, Gandhi, Ebenezer Howard and many Quakers, that because land is a shared resource, it should be a commons to be stewarded equitably by society rather than as a commodity to be bought and sold on the market. Treating land as a commodity results in debt, poverty, social exclusion and inequality. It was one key inflator that pumped up the casino financial system which crashed in 2007–9.

But what can we do in our, towns and villages? In 1997 there were over 90 empty town centre properties in Stroud. Many were owned by absentee property companies and kept empty by tax breaks and high rents. In 1999, a group of forty of us, needing to find a home for a drama school, secured an old church as a theatre - The SPACE - for the community. Through facilitation, visioning, raising loans and gifts; we created Stroud Common Wealth, a non-profit company to own The SPACE and other assets. We got our MP on board and persuaded the Council to sell the church to us instead of a furniture store. Later, at the invitation of the county economic development agency we developed a social enterprise centre which has helped many successful businesses get up and running.

But as property prices rocketed, the thorny question arose of how to secure land and

property as community assets. A scholarship enabled me to research the dynamic CLT movement in America. This had successfully reinvented the land trusteeship ideas of Ruskin and others by separating the land value, which is stewarded as a commons by the CLT, from the house value, which is regarded as a commodity. Strikingly, in the recent crisis, practically no CLT homes were repossessed in the United States.

However, any kind of land reform in Britain is a huge challenge. I recalled Churchill's 1910 election manifesto, *The People's Land* which stated, 'In this country we have long enjoyed the blessings of Free Trade and of untaxed bread and meat, but against these inestimable benefits we have the evils of an unreformed and vicious land system.' Honouring this, when Stroud Common Wealth started a CLT to hold its assets, we called it Gloucestershire Land for People. Partly through our advocacy, the CLT is now defined in UK law as a corporate body "established for the express purpose of furthering the social, economic and environmental interests of a local community by acquiring and managing land and other assets in order...to provide a benefit to the local community [and] to ensure that the assets are not sold or developed except in a manner which the trust's members think benefits the community".

Pioneer CLTs are spreading the concept by meeting needs such as for affordable housing, workspaces, food growing, and energy schemes. The accompanying value shift, seeing land not as a commodity, but as a shared commons, may explain how Stroud Woodland Co-op raised the wood purchase money in only five days. There is emerging support for the right to decent, affordable, homes in inclusive neighbourhoods, and a growing recognition of how partnerships between housing associations, government and civil society bodies such as CLTs can work towards this. And, starting with a small project in one's community, common wealth can be created for present and future generations.

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For more information:

Common Wealth, (2010) Large, M - Chapter 10
www.communitylandtrust.org.uk

www.stroudcomonwealth.org.uk

Is your money working for a better world?

Tony Weekes (South Belfast Meeting) discusses EcoQuaker Ireland's exploration of ecologically sustainable investment. Tony is a research associate of the Quaker Institute for the Future and an active contributor to the Quakernomics blog.

This was the title of a Special Interest Group session which took place during Ireland Yearly Meeting in April. The theme and emphasis were taken from Quaker Faith and Practice 20.57 which asks us to " ...determine our choices as individuals and as a Society ... [concerning] the way in which savings are invested [and] ... to refuse to deal in products or services which are hurtful to individuals or to society as a whole". The theme was further informed by Peter Clery's letter in *The Friend* (1 August 2008) reminding us that "*The essentials for human life are water, food, housing, clothing and energy ...*" and that we should seek to ensure that our saving and investment decisions are " ... put to positive good use ..."

Just over a month after Peter Clery's letter, the conventional banking system collapsed, adding a third crisis – the 'credit crunch' - to the other two: climate change and peak oil! In a post to the *triple crisis* 'blog' (www.triplecrisis.com, 8th March 2010), Gerhard Schick, quoting from a United Nations Development Programme report *Climate Change at UNDP – Scaling up to meet the challenge* notes that " ... limiting global warming to less than 2° Celsius above the pre-industrial era is estimated to require about \$250

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.

billion a year" and that " ... we need to focus on the role of private finance in climate change. It is urgent that more private capital be channelled into financing sustainable technologies ... in order to fight against climate change."

This is a daunting challenge. While residents of Northern Ireland have access to a number of (sterling based) ecologically sensitive financial services, there are far fewer available in the Irish Republic. On top of this, there is considerable dismay – to put it mildly – about the conduct of the financial services sector, and this dismay is creating cynicism and a feeling of disempowerment. But this provides an opportunity to explain that honest (and ecologically sensitive) financial services are both necessary and do exist.

We have made some progress towards organising a public meeting which will take place in Dublin on Wednesday 10 November (during National Ethical Investment week). A representative from the Ecumenical Council for Corporate Responsibility has agreed to set the scene for us, and representatives from Triodos Bank, the Ecology Building Society and Oikocredit will show us, by examples, how the right use of money can make a difference. We are determined to make this an ecumenical event, and the Eco congregations Ireland movement and the development aid agencies will help with this.

A step beyond this will be a guide – printed and web based – explaining the issues and offering suggestions for personal follow-up and action.

To keep in touch, or offer suggestions or other help, please e-mail ecoq@qn.apc.org

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