

COMMON VISION – COMMON GOALS?

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A common vision for the non-profit sector? Common goals? For such a heterogeneous, diverse—some would say divisive—cantankerous, polyglot, group such as ourselves?

Absurd.

We are all over the place—we are from all over the place—geographically, demographically, politically, economically, whatever. Even on a Sunday morning when some of us have been long conditioned to hear optimistic, authoritative pronouncements from the pulpit of a blue sky, ecumenical nature—it still seems on its face absurd—in fact, contrived. Just another one of those amorphous topics handed out to speakers at association meetings to soothe the membership with the balm of banalities—which at best are soon forgotten—and at worst, were never even heard.

But there is a common hope that underlies a potential common vision and goals for the non-profit sector. It is that wealth can transcend its own parochial interests, and directly be used for the common good. That is a very radical notion—it often necessitates the application of principles that are different from the principles by which the wealth was accumulated. And, as Shakespeare would say, “there’s the rub.” And therein lies the potential common vision and goals for our sector.

For the past few decades, especially, but not exclusively, in the United States, we have sought to make up for past economic dislocation and deficiencies through the promotion of “the market.” The result was not just the use of the market as an important technique for fostering efficiency and productivity and encouraging economic growth. It itself became the vision. It begat what some called a “free market ideology”, or neo-liberalism; others, more critical, labeled it a market fetish. Its belief was, and is, that by removing obstacles to, and enhancing the rewards of, seeking wealth, the free market was to benefit us all. Wealth was urged, nay deputized by society’s new priests, the economists, to pursue its most parochial interests, as a social duty. It seems to be a very convenient belief for the well-off to have.

The goal has been to “marketize” our economy, society, politics and culture; to meet the challenges of the technological, communications and economic

globalization revolutions with policies that encouraged economic growth by deregulation, lowering taxes, shrinking government, privatizing and commodifying.

Yet the consequences of these approaches sometime compound and exacerbate the very problems they seek to solve. These approaches, along with the transformations they encourage, lead to a real redistribution of economic and political power, affecting our culture and values, our communities, the quality of our lives, as well as who receives the benefits, and who bears the risks and costs of this economic growth.

Such approaches give more influence and leverage over public policy to those with large monetary resources, such as large corporations, often overshadowing the needs of other parts of society. Under such policy approaches, pressures of competition encourage these groups and those they influence, (say through campaign contributions or available jobs for revolving door officials), to use that leverage to develop private and public strategies that maximize their share of the benefits, while putting as many of the risks and costs of their activities off on others, whether they be on government, the community, the people or the environment. This exacerbates inequities and insecurities of the less powerful, and contributes to adverse cultural, social, environmental and health-related consequences.

The accountability and countervailing power needed to balance large corporations, their interests and influences, has been severely weakened over the past few decades, to the detriment of many individuals and families. For a number of reasons, unions, political parties, national governments and other organizations have declined in their capabilities to redress this imbalance.

The best remedy for this would be a strategy that would seek to have corporations, “internalize” the risks and costs that they create and from which they benefit. This approach would increase the ability of those who are adversely impacted to mitigate these effects and would create appropriate incentives for any needed institutional and societal reform.

And where are one of the most important potential sources of the values and resources for this approach? The non-profit sector; whose ethical and fiduciary responsibility dictates that wealth is to transcend its parochial interests and seek the common good.

Let me explain. What have been the consequences of all this emphasis on the market and the values needed to support it? The emphasis on self-interest, the focused action on the bottom line that, until recently, led to one of the greatest wealth creation periods of all time. At least on paper and for a while. Until the bubble burst.

The result?

We have had one of the greatest increases in the polarization of wealth and income in our history. In the United States, the top 1% now owns more than 40% of all the financial wealth, and this gap is growing greater, after it had been actually narrowing significantly from W.W.II to the mid-seventies. A majority of our population didn't gain very much at all since the seventies. In the United States, men, on the average, actually lost real income at almost all income levels during this period. Families barely kept up family income by having more members of the family work, and those that worked, worked much longer hours. And their jobs were not safe even when their employers were doing well. They were expendable, so CEOs could increase their paychecks from 42 to 531 times more than they earned on the average in the years since 1980.

Women went into the work force in large numbers, some by choice for the wonderful reason of new opportunities being available, others because economic circumstances forced them. Let me be clear. I am not saying increased participation by women in the workforce is a bad thing. Far from it. They have always participated. We are now beginning to utilize more of the talents which lay neglected, even wasted before. But what this did do, is have a profound social impact on the raising and socialization of children and people's civic participation due to less available time. We, as a society lost the traditional social glue that women provided, and we made no attempts through universal childcare, or other efforts to make up for the important contributions they made for all of us as a society in a more traditional, and perhaps exploited, role.

And many in this time of "great prosperity" were even worse off. Such polarization of wealth and income was reflected around the world, with a whole continent, Africa, worse off than it was twenty, even thirty years ago.

So what?

Aren't we wealthier, with more possibilities for more people?

In answering that question, the first issue that arises is, are we even measuring the right things by concentrating on measurements of economic activity as the market side of us demands? Economic indicators measure defined economic through-put-flow. Thus, the mugged and seriously injured victim in a hospital intensive care ward, who is going through a highly contested—lawyer infested divorce—allegedly adds to our "well-being" because his situation increases our GNP. More than the volunteer who mentors a boy or a girl in a community in need, and who helps develop the full potential of that child and all he or she can do to contribute as an adult; which adds nothing to the GNP. If crime goes up and more people are fearful and buy security alarms and locks, and more prosecutors are hired, and more trials are held, and more people are put into more and bigger newly constructed prisons; all this adds to our GNP. If crime doesn't go up and none of this happens, the GNP is not affected. Which activities really add to our well-being?

The fact is that since the mid-1970s, while economic indicators went up—composite social indicators of our overall social health, which measures

human well-being, went down. For the first time the economic and social indicators were not congruent. And the stark lesson we learn from this is that if it is not measured, it doesn't count. It also raises the basic question of what is the economy for, if it is not to increase the well-being of people? Maybe we should pay attention to measuring overall well-being directly to judge how we are really doing and what policy approaches work, even if market calculus doesn't think it is relevant.

Increasing wealth inequality not only historically translates into decreased opportunities for much of our population, it subverts our democracy, entrenching a myopic plutocracy that looks out for its own interests, and has the power—finance—to enforce it, regardless of its impact on others. We see this everyday in our politics.

For example, the vote to eliminate the estate tax—which only effects the top 1-2% of our population—further decreases the government's ability to finance better opportunity for the vast majority of our population, while at the same time increasing the financial inequality even more. It also decreases substantially incentives for, and the amount of, philanthropy. To its credit, Independent Sector saw these issues and took a stand against repeal—the Council on Foundations did not.

When the distribution of financial resources becomes so skewed, it is reflected in public policy. Although most commentators believe a “fiscal stimulus” package is needed in our current situation—the form of it is important. A lot of stimulus could be created by directing funds to those most in need and thus most likely to spend—through things like unemployment insurance which is targeted to the victims of a recession now exacerbated by attacks on our country. Instead, major proposals in the Senate would have more than half of proposed tax benefits in the next year go to the best-off one percent of all taxpayers, whose average tax cut in 2002 would be \$33,843 each. Only 6% of the proposed 2002 tax cuts would go to the bottom 60% of taxpayers, whose average cut would be \$67. A House version is even more outrageous, giving a majority of the cut to corporations, with tax breaks approaching \$1.4 billion for IBM, more than \$800 million for General Motors, and \$670 million for GE.

This redistribution to the most powerful and politically influential doesn't even make economic sense, because these corporations already have excess capacity so those funds will just be used to pay down debt rather than purchase goods and services through increased investment, with little resulting stimulative effect on the economy. Robert S. McIntyre, Director of Citizens for Tax Justice, has said after analyzing these proposals, “who would have thought that a national emergency would set off a feeding frenzy by corporations and the wealthy? And who could have imagined that so many of our nation's elected officials would eagerly go along with this monstrous demonstration of greed?”

These are bottom line, market values gone amuck. This is the self-interest of wealth at its most aggressive—and most subversive of our democratic values.

But such narrow, “market” thinking has also affected us in the environmental area. Often corporate and other interests are reflected in government policy—rather than environmental needs. In the last year alone, we have seen concessions made to the mining industry, the oil and coal industries opposing the reduction of carbon dioxide emissions, and energy producers refusing to support the Kyoto protocol to reduce greenhouse gasses. All to our environmental and health detriment, risking our futures for their immediate increased profit.

Globalization, as reflected in the governance of certain international institutions, has further weakened the ability of governments and their citizens to create and uphold environmental protections even if they wanted and democratically voted to do so. The World Trade Organization, for example, legally requires member nations to be as “least trade restrictive” as possible, so that environmental, safety, and health concerns are often subordinated to trade and commercial interests through its juris prudence. Remember, of the world’s 100 largest economies, 51 are transnational corporations, and only 49 are nations; both money and power are shifting from citizen to corporate control. As a result, corporate and other institutional interests, sometimes try to prevent individuals and governments alike from protecting the environment, health, and safety, when it is in their narrow interests.

Without sufficient countervailing forces, such influences on public policy and decision-makers can lead to the undermining of environmental protections. The issue is not about “evil doers” but about a system that often encourages and allows narrow private gain at environmental expense. There is no real balancing of these narrow private interests with public concerns about detrimental impacts. Unfortunately, the illustrations of this abound:

- Rather than paying for the technology to decrease smokestack emissions, an industry may “externalize” these costs, by having the public “pay” for them through increased air pollution, resulting in high asthma rates and other respiratory problems.
- The federal government subsidizes environmental degradation by allowing ranchers to graze cattle on public land at below fair-market value (thereby encouraging overgrazing); and by granting companies mineral rights at below fair-market value (thereby encouraging water and air pollution).
- Companies sometimes chose their locations based on which state will provide them with the greatest tax breaks, subsidies and regulatory relief. This “race to the bottom” can result in heightened adverse environmental, social and economic impacts, particularly for communities living near waste-producing or toxic industries.
- The largest market for antibiotic use in this country is for growth promotion of livestock, a use that is unregulated (unlike antibiotic use for humans). Pharmaceutical companies have taken advantage of this “loophole”, for their own increased profit, by encouraging greater use in livestock, despite

scientific evidence that this overuse is causing antibiotic resistance among humans.

Unfortunately, there are also all too many examples of how market values of narrow, focused self-interest are adding to the polarization of wealth and income and power to the detriment of the general welfare.

- With increasing mobility of capital around the world as the result of intensive pressure from the U.S. And international financial institutions like the IMF—policies mainly pushed by transnational corporations—we have an increasing world-wide polarization of wealth and income between and within countries. This is partly because the effective rate of taxation on a mobile factor of production is zero—so as capital is allowed to be more mobile, the ability to tax it is less since it will leave or never come in if taxed higher than some place else. And empirically taxes on capital have gone way down over the past years, meaning the holders of capital have more money. This results in a net redistribution upward to the more wealthy. It also results in counterproductive competition for tax and regulatory relief, or even subsidies all that undermine public finance and the ability of government to deal with the social consequences of this so-called “race to the bottom.”
- Much of modern culture has, on a grand scale, become more marketing than intrinsic human expression. It is directed more at emphasizing and playing on human traits that lead to more consumption, thus defining human identity and expression by what is consumed or owned, rather than by a real exploration of who we are. Corporate funded art sometimes follows corporate agendas, which are not necessarily artistic or cultural ones.
- Advertising creates unneeded, wasteful or deleterious, artificial wants, cynically playing upon and exaggerating certain human propensities. This is especially troublesome when directed at children at early ages. It is so interesting to see objections to such marketing approaches to children from all points on the political spectrum, because we as parents can readily see its effects on our children. This is especially true when products to be sold are embedded in their stories or TV shows, or even school or textbooks, so the effect is not some important trait or lesson learned that builds knowledge or character—but to make them a bigger consumer, regardless of its affects on their health (such as junk food) or the environment.
- One last example, out of the many that could unfortunately be chosen. This is the application of market principles and calculus to information and scientific inquiry. Theories of intellectual property assert that if we give someone a property right in idea, invention or whatever, they will invest more in it because their ownership allows them to reap the financial rewards from its use, and that this will encourage others to develop more potentially useful ideas and inventions. Maybe so. But if we make information property, as is being done with privatizing public databases, scientific reports, medical information, and the like; which means making it a commodity to be

marketed, we may be doing a very dangerous thing. Only those who can afford it will have access.

- That is why in a democracy, Ben Franklin thought public libraries were so important—information access was, as the economists would say, a public good, and shouldn't be commodified. Why is this so important? Corporations can literally buy control over our history and culture by buying all the rights to key photo libraries and other such collections.
- Also, because so many concepts, configurations, disease structures, and the like are being appropriated, sometimes unknowingly from sick patients, and patented, that the knowledge “commons” so necessary to the free access, dialogue, testing, and exchange needed for science, is being balkanized by property fiefdoms—actually discouraging research and exchange because of “proprietary property”, and secrecy to protect financial returns—all which subverts science. Promising research is actually stifled because there are too many transaction costs to unite all the property rights owners. This is a tragic subversion of our future.

As much as I would like to go on with more examples, like making water in lakes a commodity so that under international economic treaties it must be available for sale, thereby stopping a country from protecting natural resources, I must stop. But you get the point.

But some may complain, aren't you just corporate bashing? Aren't you just using the tired old rhetoric of class warfare?

No. It is about a narrow ideology of self-interest, of market calculus intruding into every corner of our lives and institutions, that has created a tremendous imbalance of values and power. And our lives are the worst for it. What we are grappling with is the subversion of “non-reciprocal, organic relationships, values and institutions, by the intrusions of market calculus, which is reciprocal and self-interested.”

The trouble is, it is those organic values and institutions that make life worthwhile: love, compassion, self-sacrifice, honesty, integrity, or—art, religion, and culture. It is the giving that is the reward to us as humans, not the receiving. It is what our religious institutions teach: taking care of the widow and the stranger; the giving of alms; the protection of the most marginalized and the least among us. It is using our resources and efforts to aid our fellow human beings because they are humans, and not because they exchange something material with us, or that they get to claim resources because they will use them “most productively” in a material way. It is charity, or if you find more meaning in humanistic or secular political terms, it is the old left slogan of from each according to his ability, to each according to his need. Or it is, we are all equal in the eyes of god, and each person has a sacred soul. Whatever it is, it is not the market and it is not acting self-interestedly. And it leads to the kind of societal trust and cohesion that makes democracy possible, and ironies of ironies, it

enables a society to have the necessary prerequisites of trust for a market economy.

I have the honor of being a New Yorker. On September 11th and thereafter, I saw these values lived in the heart of the market economy in lower Manhattan. Firemen, police, emergency workers and others knowingly sacrificed themselves in the hundreds in order to save thousands. They charged into the most horrific circumstances with absolutely incredible bravery. 90% of these workers were in unions—yet they did not use the power they had to refuse to go into those buildings because it was dangerous; they went in to save all kinds of people, all religions, races, nationalities, ethnicities, social classes—they made no distinction other than their need to be helped. Many of the people they sacrificed themselves for earned ten times or more than their salaries, yet they didn't stop and refuse to go in because they were not paid enough. They went in because that was who they were—not because of what they did or did not own. Others, average people, rushed from safety to harm's way to help in anyway they could. They did not have to; and no one would have blamed them if they did not go ... yet they did. They stepped forward that day to save others, and tens of thousands are alive because they did.

From those horrible infernos, people jumped to escape the fire on September 11th—many made terrible choices on how they would die. Several held hands in a last act of human solidarity and comfort as they escaped this life and soared to the ground rescuers, risking their own lives, searched the rubble—no one and no force could stop them even when their strong bodies, wearied by this heartbreaking labor, were exhausted. They kept on.

Heroism was a common trait. And it continued during the following days—all kinds of people volunteered to feed, massage, play music to the rescue workers defying dangers, the stench of burned plastic, mixed with the sickening sweet smell of burned flesh of thousands on a common funeral pyre of twisted metal, seven stories high—rubble covering sixteen acres of what used to be one of the world's most important fulcrums of financial power.

When they found the remains of a comrade, a fellow fireman, policeman or emergency worker, the cacophony of frenzied search stopped, everyone stood straight and still in silence, as the body was gently and tenderly put on a stretcher, and slowly marched out to a waiting van with a motorcycle escort. There were a hundred such escorts. These eloquent actions seemed to recapture individual human dignity from the chaos and unbelievable tragedy that surrounded them. And it silently communicated love, honor, compassion, fidelity to each of those who were lost—no matter how high their number—each was an individual embedded in a life—and mattered.

There were hundreds of cell phone calls goodbye on that day. Hundreds. To listen to them or hear people talk about them breaks your heart. Those last words. They too reflected who we truly are, what is really important. Our humanness. They expressed values that had nothing to do with the material—they gave hopes for the future, a sense of unfathomable loss,

incredible love, expressed in amazingly controlled voices so that every word would count—dignity, with incredible deep human feeling. These were the words that had to be forever—they were so articulate in their utter simplicity and clarity of feeling—so very brave in their passionate concern for the effect on the living who were being left behind. The warmth and gentleness of their words amidst the surrounding horror defines the true substance of human nobility.

Yet from this horror—and continuing attack—the human spirit rose as a phoenix, literally from the ashes, and the examples of meeting the very worst, with their very best, enriched us all. Who amidst this sadness is not immensely proud of them? For weeks afterwards, as smoke still billowed from the ruins, as it still seeps to this day, the city moved on, determined, united. People worked. They reconnected to what was important—and they went on.

For weeks, as the city moved as it does, I would hear sirens, as I do till this day. But for weeks I heard no traffic honking or horns. People, even for a little while, were profoundly different and treated others with forbearance, patience, even compassion. They left flowers in make-shift shrines all over the city where pictures of the missing and the dead were posted. People, all kinds of people—investment bankers and lawyers, dressed impeccably in expensive suits, workers in overalls and uniforms, people in turbans, or shawls, or in running clothes; kids, the homeless, all would stop—on busy corners, in Grand Central Station, the subway, in front of fire stations, and give deeply personal moments to gaze intently at pictures of the lost; to bow their heads; to pray; to remember; to give tribute with the valuable gift of silent attention, and perhaps a flower—or a lighted candle—or a child's eloquent crayon drawing.

This in New York City.

Out of this sadness comes the example of what we can be and what we can do. It is this that informs what the common vision and goals of our sector are. For among the myriad of approaches, activities, and beliefs here, through art, museums, music, advocacy, social causes, whatever—we are seeking, exploring who we are—not what we buy. What we think, not what we own, and how we should act toward one another. And we look at our fellow human beings and their worth, not through the lens of their economic productivity, or accumulation of resources, or what they can give us, but at their needs, their abilities, their potential. We advance values that do not demand reciprocity and exchange. When we do these things, we begin to redress the imbalance between the incentives for the focused self-interest of our economy and economic institutions; and the self-sacrifice, altruism and compassion of our human essence. And that is what I believe is the common vision and goals of all of us here. And now, more than ever, in each of our actions, within each of our organizations, with our resources we should, we must, pursue them. For they are the only real basis on which we can struggle for a better future.