

“The new horizons of the Economy of Communion”  
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**PANEL 4**  
**LESSONS FROM THE ECONOMY OF COMMUNION FOR**  
**INTERNATIONAL DEVELOPMENT CO-OPERATION**

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The EOC, as a project and style of economic action which has emerged over the past 13 years, has highlighted certain principles which govern economic action when it is imbued with the spirit of communion. One of the big questions that arises from this project is how these principles can be extended and applied to the bigger economic questions and problems that the world is facing today.

Cristina has outlined some of the key problems we are facing today and the growing consensus around the nature of the challenges ahead. Underlying the current impasse in development co-operation is the ‘totalisation’ of the free market ideology. This is seen in the fields of aid, trade and debt cancellation. The EOC can cast light on some of these important areas of macro-economic policy.

*Three important lessons from the EOC*

Three important considerations stand out:

1. Love, understood as deep concern for the other as an ethical subject in their complexity – not just as an economic subject – *matters* in economic life, both in theoretical analysis and in the normative applications. Values such as efficiency can only be reached within the context of a wider set of ethical values, including care for the other, and taking into account the “intangible assets” like social capital. Within the EOC, love of neighbour is a more powerful motivational force within the market than



self-interest. This can be seen in my own research on the EOC, for example, in the way that business people express their own rationale for business. Being agents of social change, building a better world and love are more important than becoming rich. Though, at the same time, ensuring financial security for one's family remains a key factor.

2. When observed within the economic sphere, this love results in *communion* or the free exchange of gifts in the spirit of reciprocity – demonstrating a willingness to let go of the stringent requirements of a “market” logic (implying mutual exchange based on price), and an openness to other types of relationship within the economic sphere which take into account the needs of the other and don't necessarily require a financial return. In other words, “governance” of the economy cannot be based on the market alone, but takes into account the needs of the poor. This can be seen in the EOC most clearly in the willingness to share profits with the poor, who are regarded as brothers and sisters with equal dignity – not as ‘a problem’ in need of solution. Within the project, however, this logic of communion extends far beyond the distributive dimension. It relates to the way customers are dealt with, the pricing structure, coping with crises, managing debtors and so on. Whilst clearly, overall efficiency is essential, the ‘case by case’ approach dominates and is governed by a desire to understand the needs of the other.
3. The achievement of a just world is grounded in an understanding that everyone has a responsibility in bringing about a more equal and efficient use of resources, and that this is based primarily on communion with those in need. The participation of all players is co-essential and the best outcomes are attained through working together. In my own research, there were demonstrations of new relationships between state, business and ‘civil society’ being generated from within the EOC, especially within the Brazilian experience around the Spartaco Industrial Estate.



In addition, the global reach of the EOC, within the context of a multi-ethnic, inter-religious movement demonstrates the possibility that such values are universal, and hence, applicable to the economic system as a whole – not just to one particular grouping.

### *Extending the principles of the EOC*

As mentioned above, the deepest roots of the current economic problems, at an international level, result principally from an inability to conceive of some kind of economic relations that are not based on the narrow rationality (of individualism and instrumentalism) still understood by mainstream economics as central to the functioning of market relations.

If extended onto the international level, the principles deriving from the EOC offers a rationale for intervention within the economic system to ensure that the structures and policies reflect this vision of communion between peoples, as well as individuals. It gives an added dimension to the calls to reform the economic system in a number of directions:

1. **Aid** Official Development Assistance is one most obvious mechanism that offers an effective way of putting into practice the “communion of goods” between peoples. The EOC, however, offers a number of insights into the nature of such assistance which support ongoing debates surrounding the nature of aid
  - Aid, as a mechanism for redistribution, should be increased according to the commitments that governments in the industrialised countries have made as a concrete commitment towards helping those in need in the poorest countries;
  - This aid has to be “untied” i.e. not based on relationships which create dependency between countries. This principle ties in very closely to the idea of “gratuity” within the EOC and proximity;
  - Aid has to support local economic development through appropriate mechanisms which not skew local markets or replace local initiatives, and hence respect the principle



of subsidiarity. The experience of the EOC demonstrates that outside help should encourage local initiatives for entrepreneurship such as micro-credit and incubators for business. Where this has happened, it is highly successful.

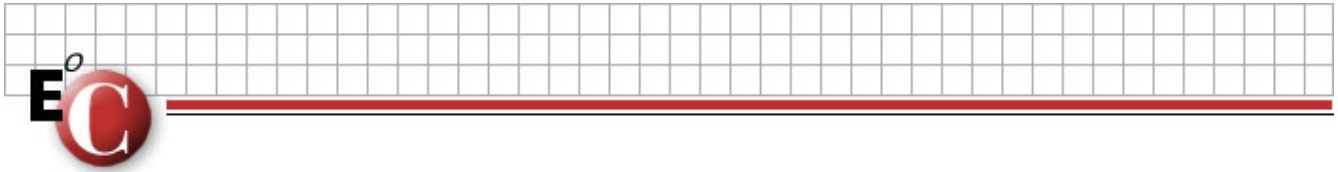
2. **Debt Cancellation** The second issue which is a millstone around the necks of the poorest countries is external debt. Debt repayments for most sub-Saharan countries outstrip the amount they are able to invest in public services. This is in great part due to the underlying belief that economic contracts must be respected, otherwise a 'moral hazard' will be created which will unbalance the whole financial system. Certain concessions on debt were won through the global Jubilee 2000 campaign, but these have not been enough and most countries pay more in debt servicing now, than before 2000. The experience of EOC can offer a few pointers in the direction of further debt cancellation:
  - If love for the person is at the centre of the economy, as in the EOC, then economic transactions must take into account the specific circumstances surrounding each interaction. This does not mean that every normal transaction should be suspended, but that under certain circumstances, normal rules should be suspended or changed to meet a greater good. This means in the case of debt repayments from the poorest countries, the needs of the people in those countries should be the primary concern in assessing the level of debt repayments.
3. **Trade Reform** Another key area where macro-reform is essential, and the EOC can offer some insight is in international trade rules. Trade rules are heavily skewed to favour the rich nations and the negotiation processes leave no room for any consideration of the impact of the rules on the poorest countries or people. It is really the "survival of the fittest" – especially in terms of which countries can afford the best lawyers to support their trade negotiators! The principles underpinning the EOC offer a new insight into a number of aspects of trade reform:



- Firstly, the principle of 'communion' proposes a new kind of trade negotiation, where rules are made in a genuine partnership between the rich countries and the poor countries. At the moment, negotiations happen in a very untransparent manner from which many countries are excluded. Communion, as a principle, encourages open dialogue that takes into account the genuine needs of each side.
- The EOC also means taking into account the special circumstances that each country may be facing, on the basis of the essential human development needs they are experiencing and their reliance on a small number of commodities. The poorest countries should be allowed to suspend the normal market liberalisation process in order to ensure that the livelihood of their population is protected (through special safeguards and through special products).

In terms of addressing the root of the problem in the imbalances in the international financial institutions and international financial architecture, the EOC stresses the need for a new form of global governance in which all countries work together for the global common good – and not just their own needs. At the moment, the poorest countries are excluded from the negotiations at the IFIs that have such a dramatic impact over them. Communion is thus impossible as there is no dialogue. Reform of these institutions to take into account the needs and voices of the poorest countries is essential.

Perhaps more importantly, through underlying the need for basing economic governance on the individual circumstances of need, the EOC also emphasises the need for an ongoing political forum in which such governance issues can be addressed in a spirit of building a better world. Politics has been described as the 'love of loves', and as such, it includes the governance of the economy. The obvious forum that exists for such negotiations is the UN, especially the economic and social council (ECOSOC). This has to be imbued with a new spirit – in which there is a constant tendency to balance the needs of the poor with the economic value of efficiency.



### *Recognition of mutual responsibility*

The EOC also offers important insights into the responsibilities and roles of different players involved in ensuring that there is a fairer global economy. Whereas in the past the government was burdened with this primary responsibility, recent emphasis on the market has shifted this burden to the private sector – giving a primary role to business, and where that fails, other non-governmental organisations, including the Church, have begun to take on a more central role. It has also led to confusion on the relative roles of different players: governments acting like NGOs, NGOs like governments, businesses like governments and also like NGOs. Nobody quite knows what role each is meant to play!

The experience of the EOC offers a valuable insight into the complementarity between the role of the government, NGOs and business working together. This is a radical approach in which the different roles of various players is clarified. Through recognising the mutual responsibility to ensure that the economy grows in a way that ensures the full participation of the poor, and through building on dialogue, the respective roles become much clearer.

### *Conclusion*

In conclusion, whilst small in its size, the EOC is global in reach and rich in its experience. The experience of communion lived within the EOC – in terms of responding to the needs of the poor based on a renewed economic system – can act as a catalyst for changes which are seen as essential today at the macro-level. Putting 'love' back into the economy has far reaching implications for the global economy. Far from being a weak option, or inefficient, it has the power to redefine what we mean by efficiency and build a stronger economy which includes everyone.