BEYOND THE GREEK FINANCIAL CRISIS

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Why should we stick to global monetary, financial, economic and commercial systems that do not work for the greater part of nations and the majority of people worldwide? Cannot we develop a global governance system that is able to remove the booms and busts in the global economy, regions and nations and use the trillions of dollars needed to deal with these financial crises for better purposes? We missed a grand opportunity for transformational change in the fall 08 global financial collapse. Are we again not taking the opportunity in the case of the Greek and Eurozone crisis to engage in a fundamental, transformational debate and dialogue on the global health of people and planet?

Though I generally agree with columnist Krugman’s views dealing with short- to medium-term social, political and monetary issues, his long-term vision of where our global system is to go is much more limited. I agree with Krugman and others that Greek people should vote no. However, we should go much further than advocating Keynesianism and abandoning austerity. We should go for global system transformation. Thus, what is needed in Greece, Europe, Asia, America and other regions is a fundamental debate about the features of new monetary, financial, economic and commercial systems that would stop enriching the few, impoverishing the many and imperiling people, species and planet. The rest of 2015 is as good time as ever to seriously start this global restructuring debate and dialogue, given the upcoming UN Conferences on development and climate change, respectively in New York (September) and Paris(December). The time has passed to only deal with technical matters and details and time has come to focus on basics, principles, long-term visions and the moral framing of the major issues.

Most important in that global debate and dialogue on a new global governance system is the emphasis on the need of a moral frame of an integrated social and ecological values system as found, for example, in the Earth Charter and the recent Vatican’s encyclical “On care for our home” and on concepts such as contextual sustainability and a beloved Earth Community. This value emphasis is used in Verhagen 2012 “The Tierra Solution: Resolving the climate crisis through monetary transformation” (www.timun.net) and also in my comment in Krugman’s Greece on the Brink column of June 29 that was supported by 70 readers and chosen as one of the 21 Times picks among the column’s 825 comments.

In this global values framing debate and dialogue, which could be structured in the same way Maurice Strong, Mikhail Gorbachov and Dutch prime minister Ruud Lobbers did during the five year process of developing the Earth Charter, three issues are important to discern:

1. Discernment of the differences between morality and practicality: the greater the social impact of a practical question, the more moral the question becomes. Policy choices are moral choices as is cogently argued over several decades by cognitive linguist George Lakoff.

2. Discernment of the fundamental difference between anthropocentric and biocentric worldviews: Pope Francis’ June 18 Encyclical “On care of our home” is biocentrically oriented with its moral framing of global governance where humanity is a family with Earth as our home.

3. Discernment of the fundamental difference between the dominion and the membership paradigm of the human-Earth relation: considering Earth as a home of humans and all their fellow creatures leads to global governance systems that go far beyond the institutions created and maintained by the vicissitudes of market fundamentalism.

Having pointed to the paramount need of inclusion of the moral dimension in any new global governance system, I would like to suggest for the reader’s consideration the transformational monetary approach of the Tierra Fee & Dividend (TFD) monetary system.

Though Diana Choyleva, chief economist at Lombard Street Research believes that “Monetary policy can only be a palliative….It cannot be a cure” I believe that a transformational monetary approach like the one proposed for the TFD system is more than a palliative. It is able to function as the glue of monetary, financial, economic and commercial systems of a transformational global governance system. It is predicated on an explicit moral principle of transformational monetary justice, on a carbon monetary standard of a specific tonnage of CO2e per person and a balance of payments system that accounts for both financial and ecological (climate) debts and credits. Thus, it presents a point of departure or blueprint for this century’s two major challenges of combatting the looming climate catastrophe and advancing low-carbon, climate resilient development.

Paul Krugman and others are correct by pointing to the lack of fiscal, banking and political unification that is necessary for a strong European monetary union. However, that does not mean that letting the Euro disappear is an acceptable course of action. As a matter of fact, far more monetary unification is needed worldwide that would ultimately lead to an international monetary union, a blueprint of which would be the ultimate goal of the proposed TFD system.

Angela Merkel is right amid the social turbulence of a possible Grexit to emphasize that she will do everything to keep the European monetary union alive. Perhaps, these ongoing financial crises in Europe and elsewhere and the inefficiency of the many financial stability measures and mechanisms may push people, businesses and governments to dig deeper for new global governance institutions that are based on the moral frame of empathy, solidarity and global justice on a planet that is our home.

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